Scaling New Heights

Indo Count Industries Ltd.

Q2FY15 STANDALONE RESULTS

REVENUE AT ₹ 479 CRS, GROWTH OF 12%

EBITDA OF ₹ 80 CRS, GROWTH 64%

PRESS RELEASE: 12TH NOVEMBER 2014, MUMBAI

Indo Count Industries Ltd, one of the India's leading Integrated Textile Manufacturing Companies in India, has declared Unaudited Standalone Results for the quarter ended September 30th, 2014.

Standalone Financials at a glance:

₹ Crores	Q2FY15	Q2FY14	Y-o-Y Growth	H1FY15	H1FY14	Y-o-Y Growth	FY14
Total Revenue	478.83	428.86	11.65%	794.91	714.36	11.28%	1440.49
EBIDTA	79.87	48.60	64.34%	131.83	83.33	58.20%	179.86
EBIDTA Margin	16.68%	11.33%	-	16.59%	11.66%	-	12.49%
Profit after Tax	42.50	25.38	67.45%	67.40	39.20	71.94%	104.93
Cash Profit	49.74	32.07	55.10%	80.56	51.32	56.98%	108.45
PAT Margin	8.88%	5.92%	-	8.48%	5.49%	-	7.28%
EPS (₹)	11.62	7.15	62.52%	18.43	11.03	67.09%	29.54
Long Term Debt/Equity (x)	0.55	1.50	-	0.55	1.50	-	0.79

- ✓ Revenue for the quarter stood at ₹ 478.83crs as against ₹ 428.86crs during the same period previous year, registering a growth of 11.65%
- ✓ EBIDTA for the period is ₹ 79.87crs as against ₹ 48.60crs during the same period previous year, registered an increase of 64.34%. The EBITDA margin has improved to 16.68% from 11.33% in Q2FY14. The improvement in EBITDA margin is due to the increasing share of Textile business.
- ✓ The Profit After Tax for the quarter is ₹ 42.50crs registering a growth of 67.45%.
- ✓ The Long Term Debt to Equity reduced to 0.55x in H1FY15 compared to 1.50x in H1FY14.

TEXTILE DIVISION PERFORMANCE:

Textile Division has recorded Revenue of ₹ 451.11crs during the quarter, registering a growth of 18.5% over the same period previous year. EBIT of Textile Division for Q2FY15 was ₹ 75.79crs as against ₹ 42.21crs in Q2FY14. EBIT margin has improved from 11.1% in Q2FY14 to 16.8 % in the current quarter helped by mainly due to higher realization and better product mix.

UPDATE ON CAPACITY EXPANSION

The Company is expanding its manufacturing capacity by over 50% to 68 million meters per annum from 45 million meters per annum. The production is expected to commence from the next quarter and stabilize by the end of the financial year.

UPDATE ON CDR PROCESS

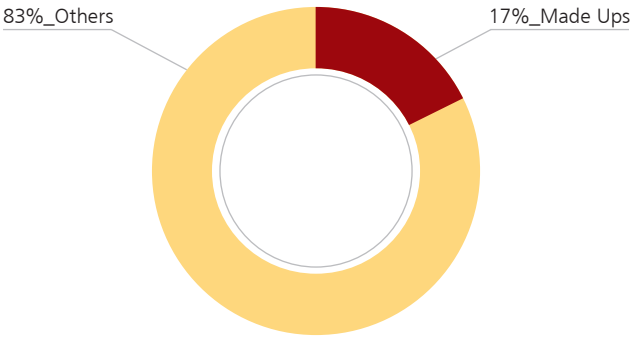
The Company and lenders have started the process of exit from CDR. The Company expects the process to be completed by the end of Q3FY15.

ABOUT THE INDUSTRY:

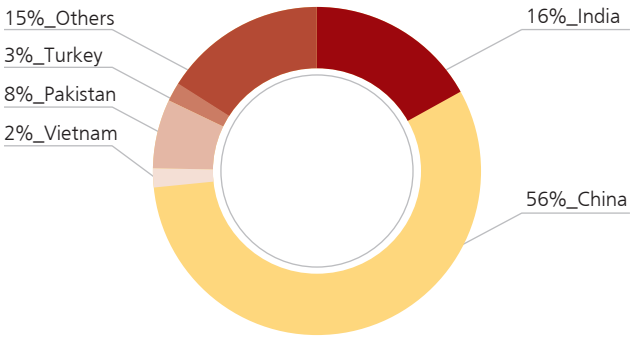
The future outlook for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth. India's exports to its largest single market, US has reported strong growth based on statistics reported by US Department of Commerce's Office of Textiles and Apparel (OTEXA)

The total imports in US for the year ending September 2014 is $107bn, of which Made Ups constituted 17% of the total i.e. $18bn. China, India, Pakistan, Turkey and Vietnam are amongst the top 5 players exporting Made Ups to US aggregating 85% of the total exports.

Total Imports - $106 bn



Made Ups Imports - $18 bn

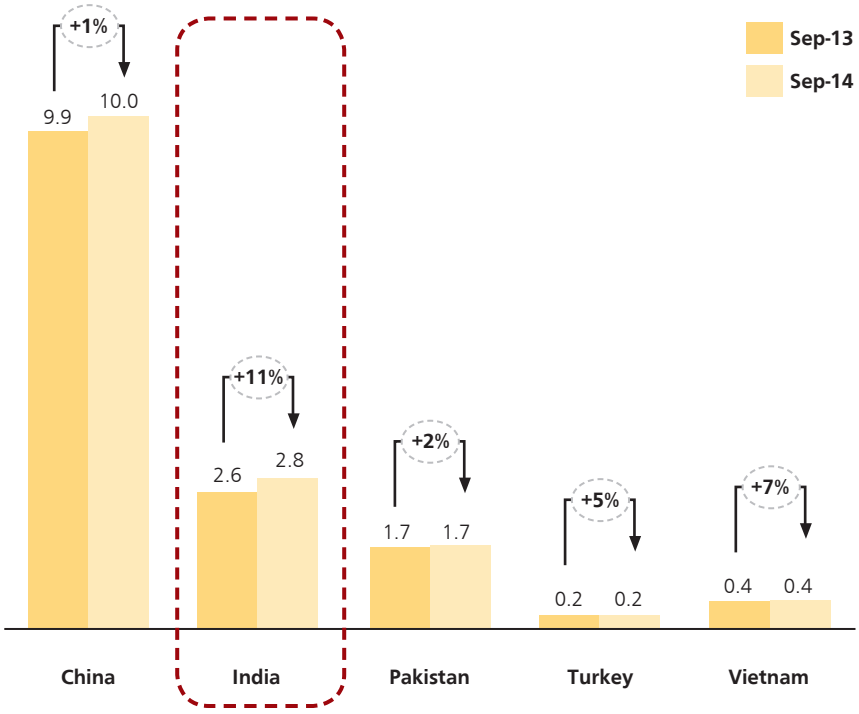


The Centre's 'Make in India' campaign is expected to push India's exports of Textile and Apparel into US market which is largest single market. Along with surge in US Textile and apparel market, increased in raw material supplies also helped India. Macro conditions are also in favour of India like - demand in America is picking up as the economy is recovering and there has been an increase in consumer spending. Moreover challenges in competing countries like, decline in Chinese exports to US, currency appreciation in Indonesia, labour unrest in Asian competitor Cambodia and safety concerns after a major factory fire in Bangladesh last year turned out to be advantage for India.

Based on US Department of Commerce's Office of Textiles and Apparel (OTEXA) data, the imports of Made Ups into US grew by 3% in the year ended September 2014. India exports $2.8 bn worth of Made Ups to US and is showing a record growth of 11%.

World ($ bn)

Top 5 Made Ups Exporting Countries to US account for 85% of the Market ($ bn)



Source : http://otexa.trade.gov/MstcTRY.htm

2/3rd of Indo Count's Revenue is contributed by US market.

COMMENTING ON THE RESULT, MR. ANIL KUMAR JAIN, CHAIRMAN, INDO COUNT INDUSTRIES LIMITED SAID

"It gives me a great pleasure to share with you that our Company continued its growth story for the first half of financial year 2015. Home Textile segment performance was outstanding for the quarter on the back of better macro conditions across globe. We are witnessing improvement in the demand of Home Textile Products across geographies especially US due to increase in consumer spending. The demand revival in US Retail market has let to improvement in our realization and bettering of our product mix. We witness early signs of recovery in European market as well. To penetrate deeper into these markets, we have set up a subsidiary in UK. We have also formed Joint Ventures (JV) in Australia to expand into Australia and New Zealand markets as well.

We are well prepared to capitalize on Global opportunity in Textile.

We strongly believe that Better Days are ahead ..... Count on Us."

MEDIA UPDATE:

As per ET 500 list for the financial year 2014, Out of 25 companies in the Textile sector, Indo Count:

- ✓ Stood First in terms of Return on Capital Employed (ROCE)
- ✓ Stood second in terms of of Asset Turnover Ratio
- ✓ Ranked 9th on Profit After Tax (PAT) basis
- ✓ Was positioned 14th on Market Cap basis

ABOUT INDO COUNT INDUSTRIES LIMITED

Indo Count is one of the leading Integrated Home Textile companies in India with a huge variety of quality products and prestigious international name as its customers. It is vertically integrated from spinning to finished made ups. It has a long-term business relationship with large global retailers. ICIL has developed as among the top 3 suppliers of Bed Linen from India and the 4th largest supplier of bed sheets to the USA.

The Company had registered a consolidated revenue of ₹ 1,498 Crs with a net profit of ₹ 110 Crs in FY14.

SAFE HARBOR STATEMENT

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

FOR MORE INFORMATION, PLEASE CONTACT:

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Part - I : Statement of standalone unaudited financial results for the period ended 30th September, 2014

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from operations**						
	(a) Net Sales (including export incentives) (Net of excise duty)	454.56	303.37	420.73	757.93	701.05	1,410.33
	(b) Other operating income	24.27	12.71	8.14	36.98	13.31	30.16
	Total Income from operations (net) (a+b)	**478.83**	**316.08**	**428.87**	**794.91**	**714.36**	**1,440.49**
2	**Expenditure**						
	(a) Cost of materials sold	261.09	220.32	246.41	481.41	451.41	896.73
	(b) Purchases of stock-in-trade	-	0.38	3.87	0.38	6.85	8.79
	(c) Changes in inventories of finished goods, work in progress and stock-in-trade	26.72	(41.05)	24.96	(14.33)	0.92	(16.46)
	(d) Employee benefits expense	17.95	15.91	16.19	33.87	28.75	58.33
	(e) Depreciation	3.66	3.57	4.65	7.23	9.29	18.83
	(f) Other expenditure	78.62	54.72	74.14	133.34	113.87	255.38
	(g) Power and Fuel	14.58	13.83	14.69	28.41	29.23	57.86
	Total expenses (a+b+c+d+e+f+g)	**402.62**	**267.68**	**384.90**	**670.31**	**640.32**	**1,279.46**
3	**Earnings before interest, depreciation, tax and amortisation (EBIDTA)**	**79.87**	**51.97**	**48.62**	**131.83**	**83.33**	**179.86**
4	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**76.21**	**48.40**	**43.96**	**124.60**	**74.04**	**161.03**
5	Other income	-	-	-	-	-	-
6	**Profit / (Loss) from ordinary activities before finance costs and exceptional items**	**76.21**	**48.40**	**43.96**	**124.60**	**74.04**	**161.03**
7	Finance costs	17.91	13.90	9.69	31.80	21.48	48.97
8	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items**	**58.30**	**34.50**	**34.27**	**92.80**	**52.56**	**112.06**
9	Exceptional items	-	-	-	-	-	-
10	**Profit / (Loss) from ordinary activities before tax**	**58.30**	**34.50**	**34.27**	**92.80**	**52.56**	**112.06**
11	**Tax expenses :**						
	Current Income Tax	12.22	7.25	6.85	19.47	10.53	22.44
	Deferred Tax	16.30	9.59	8.89	25.90	13.36	7.13
	MAT Credit Entitlement	(12.22)	(7.25)	(6.85)	(19.47)	(10.53)	(22.44)
	MAT Credit Entitlement of earlier years	(0.50)	-	-	(0.50)	-	-
12	**Net Profit / (Loss) from ordinary activities after tax**	**42.50**	**24.91**	**25.38**	**67.40**	**39.20**	**104.93**
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	**Net profit / (Loss) for the period**	**42.50**	**24.91**	**25.38**	**67.40**	**39.20**	**104.93**
15	**Cash Profit**	**49.74**	**30.82**	**32.07**	**80.56**	**51.32**	**108.45**
16	Paid up equity share capital (Face Value of ₹ 10/- each)	36.58	36.58	35.48	36.58	35.48	35.48
17	Reserves excluding revaluation reserve at the last balance sheet date						130.63
18	Earnings per Share (₹):-						
	a) Basic and diluted EPS before extra ordinary items for the period, for the year to date and for the previous year (not annualised) ₹	11.62	6.81	7.15	18.43	11.03	29.54
	b) Basic and diluted EPS after extra ordinary items for the period, for the year to date and for the previous year (not annualised) ₹	11.62	6.81	7.15	18.43	11.03	29.54

Part - II : Select Information for the period ended 30th September, 2014

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding						
	- No of shares	16,282,094	16,282,094	16,294,559	16,282,094	16,294,559	16,282,094
	- Percentage of shareholding	44.51%	44.51%	45.92%	44.51%	45.92%	45.89%
2	Promoters and Promoters group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	7,232,995	6,295,495	6,295,495	7,232,995	6,295,495	6,295,495
	- % of shares (as % of the total number of Shareholding of Promoter and Promoter group)	35.63%	31.01%	32.81%	35.63%	32.81%	32.79%
	- % of shares (as % of the total Share Capital of the Company)	19.77%	17.21%	17.74%	19.77%	17.74%	17.74%
	b) Non encumbered						
	- Number of shares	13,066,545	14,004,045	12,891,580	13,066,545	12,891,580	12,904,045
	- % of shares (as % of the total number of Shareholding of Promoter and Promoter group)	64.37%	68.99%	67.19%	64.37%	67.19%	67.21%
	- % of shares (as % of the total Share Capital of the Company)	35.72%	38.28%	36.33%	35.72%	36.33%	36.37%

	Particulars	Quarter Ended 30-09-2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	13
	Resolved during the quarter	13
	Remaining unresolved at the end of the quarter	NIL

Segment Reporting

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
	a) Textiles	430.74	278.18	379.48	708.92	629.13	1,280.03
	b) Consumer Durable Goods/Electronics	23.82	25.19	41.25	49.01	71.92	130.30
	Total	**454.56**	**303.37**	**420.73**	**757.93**	**701.05**	**1,410.33**
2	**Segment Results**						
	(Profit before interest, tax & exceptional items)						
	a) Textiles	75.80	47.74	42.82	123.38	71.02	154.71
	b) Consumer Durable Goods/Electronics	0.41	0.66	1.14	1.22	3.02	6.32
	Total	**76.21**	**48.40**	**43.96**	**124.60**	**74.04**	**161.03**
	Less : Interest	17.91	13.90	9.69	31.80	21.48	48.97
	Less : Exceptional Items	-	-	-			-
	Total Profit Before Tax	**58.30**	**34.50**	**34.27**	**92.80**	**52.56**	**112.06**
3	**Capital employed (assets - liabilities)**						
	a) Textiles	292.03	258.93	185.63	292.03	185.63	258.93
	b) Consumer Durable Goods/Electronics	37.31	36.90	34.95	37.31	34.95	36.90
	Total	**329.34**	**295.83**	**220.58**	**329.34**	**220.58**	**295.83**

Statement of Assets & Liabilities

(₹ in crore)

	Particulars	As at 30-09-2014	As at 31-03-2014
		Unaudited	Unaudited
A	**EQUITY AND LIABILITY**		
	1 Shareholders' funds		
	(a) Share Capital	39.08	37.98
	(b) Reserves and Surplus	291.95	232.04
	Sub-total - Shareholders' funds	**331.03**	**270.02**
	2 Share Application Money pending Allotment	**-**	**1.10**
	3 Warrant Application Money Pending Allotment - (Optionally fully convertible warrants)	**1.25**	**1.25**
	4 Non-current liabilities		
	(a) Long-term borrowings	92.31	97.23
	(b) Deferred Tax Liabilities (Net)	15.68	-
	(c) Other long term liailities	0.05	0.01
	Sub-total - Non-current liabilities	**108.04**	**97.24**
	5 Current liabilities		
	(a) Short-term borrowings	197.09	268.63
	(b) Trade payables	157.36	189.19
	(c) Other current liabilities	150.52	86.73
	(d) Short-term provisions	46.11	26.76
	Sub-total - Current liabilities	**551.08**	**571.30**
	TOTAL EQUITY AND LIABILITIES	**991.40**	**940.92**
B	**ASSETS**		
	1 Non - current assets		
	(a) Fixed assets	343.95	317.88
	(b) Non-current investments	18.80	18.80
	(c) Deferred tax assets (net)	-	9.79
	(d) Long-term loans and advances	4.79	4.69
	Sub-total - Non-current assets	**367.54**	**351.16**
	2 Current assets		
	(a) Inventories	269.69	257.12
	(b) Trade receivables	148.84	166.92
	(c) Cash and cash equivalents	22.16	11.80
	(d) Short-term loans and advances	87.41	75.23
	(e) Other current assets	95.77	78.69
	Sub-total - Current assets	**623.86**	**589.76**
	TOTAL ASSETS	**991.40**	**940.92**

NOTES:

1) The Statutory Auditors of the Company have carried out the "Limited Review" of the above financial results. The said Financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors on 12.11.2014.

2) Effective 1st April, 2014, the company has revised its estimated useful life of fixed assets, wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charged for the period ended 30th September, 2014 is lower by ₹ 2,15,87,716 and the effect relating to the period prior to 1st April, 2014 is ₹ 88,51,641 (net of deferred tax asset of ₹ 42,51,967) which has been adjusted against opening balance of retained earnings, where the remaining useful life of the asset in nil..

3) The Company has changed the method of valuation of raw materials of Spinning division from FIFO (first in first out) basis to weighted average method.The difference in value due to change in method is not significant.

4) Previous period / year's figures have been regrouped/rearranged wherever necessary.

For INDO COUNT INDUSTRIES LIMITED

Place : Mumbai
Date : 12th November 2014

Anil Kumar Jain
Chairman & Managing Director