

K. K. Lalpuria,
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Question: Could you give us an overview of the company?

Answer: Indo Count is an Integrated Home Textile company with quality products and prestigious International customers. We serve key global retailers such as Walmart, Target, Bed, Bath & Beyond, Macy's, JC Penney, John Lewis, Debenhams, to name a few. Due to our integrated manufacturing, continuous product development and innovations and overall competitiveness in serving, we have been able to develop and secure a long-term business relationship with these retailers. Our consistent performance in delivering end-to-end solution has earned us a formidable position in their buying strategy. We have been able to develop ourselves as among the Top 3 suppliers of Bed Linen from India. In recent years, the India advantage as a global supplier of Home Textiles has also helped us to achieve this position.

The Company has revenue of Rs. 1500 Crore with an EBITDA of Rs. 190 Crore and a PAT of Rs. 110 Crore, EPS of Rs. 30.96, these are some of the indicators of our performance. We have a Debt: Equity ratio of 0.78. Our core competence is Innovation and Product Development. Our constant emphasis on Research & Development brings in new products to retailers, thereby helping them achieve increased market share in their respective markets. Our philosophy has been to help the retailers succeed with both quality products and margins.

In this made-to-order business, apart from delivering quality, we have to deliver valued services. Due to this strategy, we have been recognized among the Top 15 largest Home Textile suppliers in the USA by HTT magazine.

Question: Company has managed to post a good set of numbers. Can you share your success mantra with us?

Answer: Our focused approach in the Home Textile Bed Linen area, integrated manufacturing, efficient utilization of resources, delivering desired quality within tight timelines at competitive price, quick adaptation to changing customer needed are some of the key attributes to our successful numbers. This has been possible due to our valued human resources who are dedicated and committed to take up new challenges and deliver on



them. Our people's teamwork has been able to successfully curtail the volatility of the fluctuations on raw material costs, foreign exchange, customers' demand and other operational costs.

As our customers are consolidating, we, as a company, in this world of competition, have been able to create the necessary credibility and reliability to increase and sustain our business growth.

Question: Your Short term borrowings have increased from Rs.228 Crore to Rs. 268 Crore any specific reason for that?

Answer: The short term borrowings have increased due to growth in business. The borrowings increased by only 17% as against 24% growth in revenue, which reflects on efficient working capital management by the Company.

Question: How much is the installed capacity?

Answer: Today we have an installed capacity of 50 million meters per annum and by Q 3 this year it will go up to 68 million meters per annum. The Company is targeting to almost double its capacities to 112 million meters per annum by the end of 2016.

Question: What are your growth drivers?

Answer: Growing with our customers and meeting their demand and supply with the right quality on time and staying competitive are some key growth drivers. Developing new markets like EEC, UK, Australia, Japan, Russia and Middle East will add on to our further growth.

We, as a company, have started handling and serving the dot.com businesses of our major customers through our US 3PL warehouse in Charlotte. This will help us in understanding the Ecommerce business and thereafter we would venture on our own.

Question: What do you expect from the new government?

Answer: We are quite hopeful that the new government will provide a big valued support to our textile industry. Quick decisions, providing better utilities like power, gas, energy, better



labour policies, necessary fiscal support for a level playing field with competing countries, making available finances at global interest rates, working out FTA with countries which have higher import duty tariffs, bringing down transactional and other operational costs so that we can achieve further higher growth in our Textile industry. A stable long term policy will help industry to promote 'Brand India' and develop our country's market share in the global textile arena.

Question: What are your capex plans?

Answer: Our capex plans are Rs.70 Crore for the year. We are approaching Maharashtra government to accord us with a Mega Project status which will require us an investment of Rs. 350 Crore over a period of next two to three years and all these investment will happen in Maharashtra as the State Textile Policy is beneficial.

Question: What about your plans to exit from CDR?

Answer: Looking into performance of the company. We are working towards exit from CDR shortly. We will be appointing a banker to work out the quantum of Right of Recompense to be paid by the Company. Once the quantum is decided, decision will be arrived at in consultation with the Lenders. The Company is confident of exiting CDR by the 3rd Quarter this financial year.

Question: What is the status of your order book?

Answer: We have order book for the next 6-9 months and is expected to go to about 12 months. Our forward cover is average is about Rs.60+ which is very beneficial given the current rate of US dollar. We have been consciously covering the forward cover and expect the Rupee to be in the range of Rs.58-62 per US dollar during the current year.

Cautionary Statement

Statements in this document/ discussion relating to future status, events, or circumstances, including but not limited to statements describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. 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.



