

INDO COUNT INDUSTRIES

A VISION FOR FUTURE GROWTH

By **KK Lalpuria, CEO,**
Indo Count Industries Ltd.

As the CEO of Indo Count Industries Ltd, I am proud to share our exciting plans for future growth. Over the years, our prudent capital allocation strategy has been a crucial pillar of our success. It has enabled us to make strategic investments, positioning Indo Count as the largest global bed linen player.

With an investment of over ₹1,000 crores, we have embarked on a journey to achieve two-fold revenue growth in the future. Moreover, despite significant capital expenditure, we've managed to maintain strong free cash generation, leading to a reduction in our net debt from ₹900 crores in FY22 to ₹589 crores in FY23. Our expansion strategy includes multiple initiatives designed to de-risk our business and increase our market reach. One such vital step is our acquisition of GHCL's home textile business. This strategic move not only provides us with a complementary product base but also brings in excellent talent and strong customer relationships. This combination is poised to drive our market reach and growth prospects to the next level.



With this acquisition, we gain access to the Australian market, which is a substantial home textile market, equivalent in size to the UK. This becomes even more significant as India recently signed a Free Trade Agreement with Australia.

This expansion helps diversify Indo Count's global presence, ensuring we are well-positioned for long-term success. Furthermore, we've amalgamated our subsidiary, PSML, with the company to seamlessly integrate business operations. This strategic move brings valuable assets like land and buildings into our fold. We are utilizing these assets to add approximately 68,000 spindles for spinning special yarns, contributing to our overall margin enhancement.



In line with our vision, we have a detailed blueprint for increasing the contribution of value-added segments to our topline. We are focusing on promoting fashion, utility, and institutional bedding products that are gaining traction in the market. To support this, we have invested in a state-of-the-art Top of the Bed (TOB) unit, which is now operational. Additionally, we are strengthening our back-end operations to deliver value-added goods to both export and domestic markets. We are optimistic that these efforts will allow us to scale the share of value-added products to 30% of our revenue in the future. Our domestic business is also gaining traction with the successful launch of our brands, Boutique Living and Layers. These brands have made a strong presence in the Indian bed linen space, and we anticipate good numbers in the near term.

Despite numerous external challenges, we had a successful close to FY23, maintaining our performance. The industry faced headwinds such as demand slowdown in international markets due to high inflation, supply chain disruptions, and record-high commodity costs. Inflation was a major challenge as consumers shifted their spending to essential products, delaying discretionary purchases. We are proud that Indo Count successfully navigated these challenges by focusing on expanding value-added segments and brand-building initiatives.



In the past two years, we have completed multiple capacity and capability-enhancing projects. We've modernized our Gokul Shirgaon spinning capacity with compact spinning technology, and have added 68,000 spindles at our Hatkanangale (PSML) facility which have become fully operational from Q2, FY2023-24. Additionally, we've increased home textile capacity at our Kolhapur facility and invested in sewing facilities and TOB capacity.

These developments allow us to serve our customers better and increase the value-added quotient in our business. The seamless commissioning and integration of these facilities will help us become more competitive and efficient as demand continues to grow. India's economic progress is promising, and we believe the growing disposable income and aspirations of the middle class will lead to increased demand for branded home textile products, offering significant opportunities for local brands.

Indo Count Industries, with more than three decades of experience, is a leading manufacturer and exporter of bed sheets, bed linen, and quilts from India. Our dedication to providing ultimate comfort to consumers is reflected in the high-quality, luxurious bedding solutions produced in our state-of-the-art manufacturing plants. Our product range includes bed sheets, bed linen, quilts, premium sheet sets, fashion bedding, utility bedding, and institutional bedding, all certified to meet prestigious international quality standards.

We maintain an omnichannel presence for our branded portfolio and have recently completed two licensed brand tie-ups with Jasper Conran and Gaiam. We are committed to diversifying our geographical mix by expanding our presence in the EU, UK, and Australia. Our recent acquisition of GHCL's home textile division positions us to tap into a new customer base and further strengthen our market presence. We are dedicated to evaluating our impact using a holistic ESG lens, emphasizing sustainability and corporate responsibility. We are focusing on minimizing our environmental footprint by implementing measures such as a biogas plant for internal energy consumption and various energy conservation initiatives. Water management is another critical area where we are making strides to address the global water crisis. Our commitment to ESG principles goes hand in hand with our vision to be more responsible, compassionate, maintain high standards of integrity, be resilient, and continue innovating to inspire quality products.

As the CEO of Indo Count Industries Ltd, I am confident that our strategic initiatives will not only lead us to a brighter future but also contribute to our vision of becoming a sectoral benchmark in value creation and corporate citizenship. We look forward to the opportunities and challenges that lie ahead, and we are committed to creating a sustainable and prosperous future for Indo Count and our stakeholders.