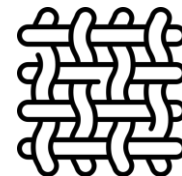


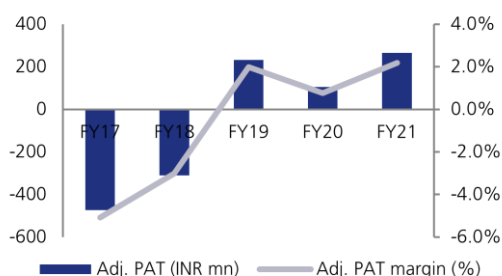
Gokaldas Exports

Textile sector



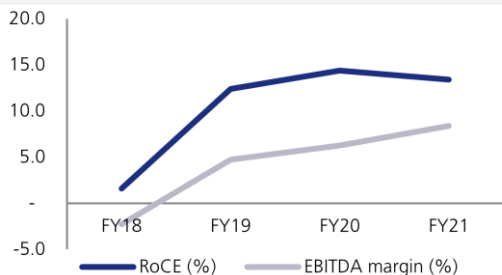
A TURNAROUND STORY!

Mgmt. change driven turnaround



Source: Company, JM Financial

Improving margin and return ratios



Source: Company, JM Financial

Key Financials

INR mn	FY18	FY19	FY20	FY21
Net sales	10,313	11,745	13,709	12,107
EBITDA	-233	555	858	1,015
Rep. PAT	-310	256	304	365
Adj. PAT	-310	233	105	265
Adj. Net D/E (x)	2.4	1.0	0.9	0.6
RoCE (%)	1.6	12.4	14.4	13.4

HIGHLIGHTS (NOT RATED)

We interacted with the management of Gokaldas Exports Limited (GEL), one of the leading apparel manufacturers and exporters in India with an annual capacity of 30mn pieces (~200 lines). Its extensive range of apparels include outer-wear, active-wear, fashion-wear and cater to the needs of leading international retailers such as 'GAP' and 'H&M'. The company operates predominantly in Karnataka with a few facilities in the neighbouring, Andhra Pradesh and Tamil Nadu.

Change in management, post the exit by Blackstone in FY18 brought about a sea change in business execution. Under the new leadership of Sivaramakrishnan Ganapathi (MD; last role COO Idea Cellular), GEL increased its wallet share with existing clients as well as added new clients while improving process efficiencies alongside. Several such key initiatives translated into robust revenue growth of 15% CAGR over FY18-FY20, eventually turning the company profitable by 4QFY18. GEL has witnessed a massive turnaround since management change with net debt declining from INR3.1bn in FY18 to INR1.7bn in FY21. Improving margins along with higher utilisation has led to double digit return ratios.

GEL is now embarking on the next leg of growth with a targeted capex of INR1.2bn over FY22/FY23. The growth capex has potential to generate revenue of INR4.0 – 4.5bn enabling the company to sustain its strong double digit revenue growth going forward, while increasing scale / focus on cost optimization is likely to further improve margins – eventually aligning itself to industry best margins of ~11-12%, thereby shifting gears in earning trajectory materially.

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JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters S&P Capital IQ, FactSet and Visible Alpha
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.
You can also access our portal www.jmflresearch.com

SUMMARY

Management change driven turnaround: In 2017, Blackstone exited and sold their 39.9% stake to Clear Wealth Consultancy Services LLP, owned by Mathew Cyriac - former Co head Private Equity, Blackstone. Mr Siva Ganpathi ex-Aditya Birla group, was appointed as the MD of the company. Previous approach of conceptualising the entity as separate SBUs with independent manufacturing and customer base was done away with after a decade of losses. Data driven approach curbing inefficiencies / wastages and increased customer focus led to a complete turnaround in business, making the company profitable by 4QFY18.

Leveraging long standing customer relation to gain wallet share: GEL has been servicing global retailers since its inception in 1978. The company currently services customers across ~50 countries with an impressive clientele of leading international brands such as 'GAP', 'H&M', 'Adidas' etc. Over the years, the company has made a cautious effort to reduce the dependence of Spring Summer season and diversified towards value added products by increasing the contribution of outerwear. Company's major customer base are large apparel players from key markets of the USA (~64% of revenues), Europe (~13% of revenues), and Asia (~22% of revenues). Its long-standing relationship with its major customers (~40% relations 10+ years) has been one of the most significant factors contributing to its growth. The company enjoys the good-will of its clientele due to its ability to offer in-house designs and samples, timely response, and the capacity to cater to various order sizes.

Cost focus / data driven approach to weed out inefficiencies – boost margins: GEL's cost focus approach centred around a) data driven approach for each factory measuring inefficiency / wastage and eventually weeding them out b) innovative initiatives such as 'Attendance Bonus' / 'Hello Sakhi' to provide an environment conducive to a better work life c) Single ERP system introduction to stream raw material procurement d) emphasis on material-on-time performance. This enabled the company to deliver a margin of 8.4% in FY21 vs losses in FY18, with room for more.

Financials on solid footing; growth capex augurs well for earning trajectory; EU opportunity could be a structural positive: Over the last few years, company exhibited improving performance with healthy revenue growth through addition of scalable marquee clients (13% revenue contribution from customers added in the last four years). Further, richer product mix allowed it to report increase in realisation per piece. During FY18-20, revenue grew at a CAGR of 15.3%. In FY21, GEL reported a decline in revenue by 12% YoY to INR12.1bn on account of business impact due to Covid-19 led disruptions but effective cost management led to healthy operating margins. GEL has witnessed a massive turnaround since management change with net debt declining from INR3.1bn in FY18 to INR1.7bn in FY21. Improving margins along with higher utilisation has led to double digit return ratios. GEL is now embarking on the next leg of growth with a targeted capex of INR1.2bn over FY22/FY23. The growth capex has potential to generate revenue of INR4.0 – 4.5bn enabling the company to sustain its strong double digit revenue growth going forward, while increasing scale / focus on cost optimization will further improve margins – eventually aligning itself to industry best margins of ~11 - 12%, thereby shifting gears in earnings trajectory. Further, opening up of the EU markets for Indian exporters either by the way of Pakistan's GSP status getting revoked or by India eventually signing a FTA with EU will be a structural positive for the space, providing years of revenue opportunity. China's export share decline due to cost and trade restrictions will eventually help India garner higher market share.

Table of content

Contents

A. Company Profile – Gokaldas Exports Limited

B. Management change driven turnaround

C. Leveraging long standing customer relation to gain wallet share

D. Focus on growth and richer product mix

F. Financials on solid footing; growth capex augurs well for earning trajectory

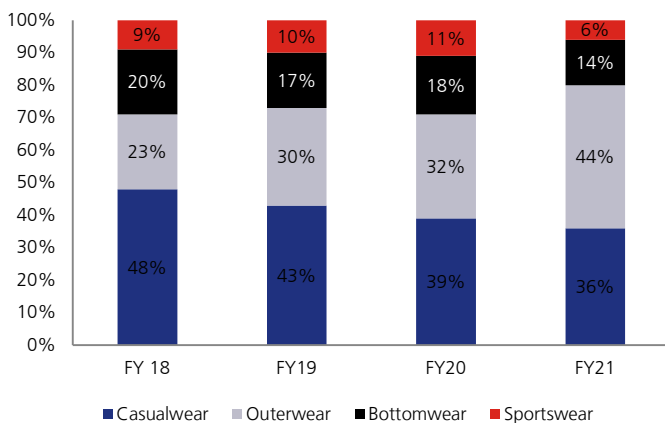
H. Outlook positive for textile and apparel industry

I. Financial performance

A) Company Profile – Gokaldas Exports Limited

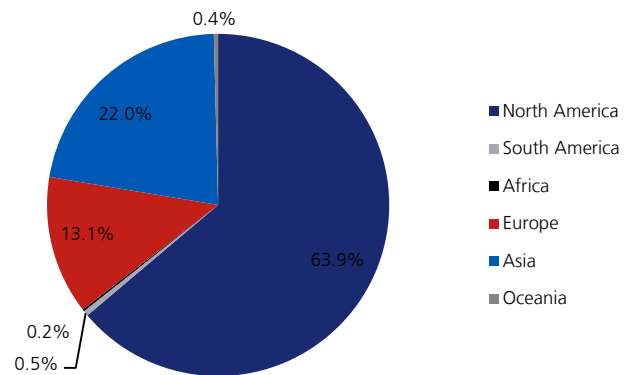
- Brief Background:** Initially promoted as a partnership firm by late Mr. Jhamandas H. Hinduja in 1978 and incorporated in 2004 as a public limited company, Gokaldas Exports Ltd (GEL) is one of the largest apparel exporters from India. The Company caters mainly to renowned brands in the markets of US and Europe such as GAP, Nike, Levis, H&M etc. GEL’s product profile mainly comprises woven garments, and its main products include bottom wear, outer wear (includes sportswear and winter wear), active wear and casual wear. GEL operates from over 21 manufacturing facilities, largely in and around Bangalore (Karnataka, AP and Tamilnadu). It generates significant portion of its revenues from the US and European markets.
- Manufacturing plants:** GEL has annual capacity of 30mn pieces which are manufactured in 21 units. The company operates predominantly in Karnataka with a few operation facilities in the neighbouring Andhra Pradesh and Tamil Nadu.
- Revenue mix:** GEL is mainly engaged into the manufacturing of Outerwear, Casualwear, Bottom wear and Sportswear. Over the last few years, revenue from Outerwear segment has improved to 44% in FY21 vs 23% in FY18. A continuous growth in outerwear segment is positive sign as it balances seasonality of the business and fetches better margin. Region wise, company mainly generates revenue from USA (~64% of revenues), Europe (~13% of revenues), and Asia (~22% of revenues).

Exhibit 1. Product category sales



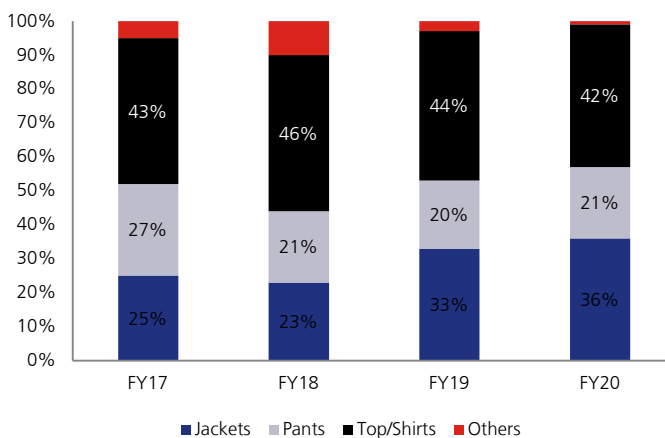
Source: Company, JM Financial

Exhibit 2. Geographical revenue mix – FY21



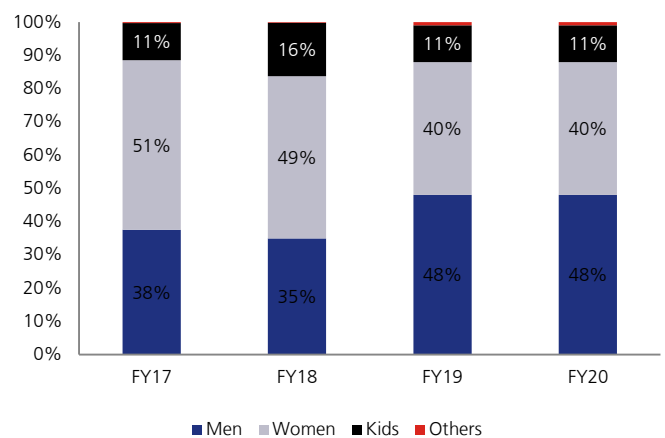
Source: Company, JM Financial

Exhibit 3. Product mix



Source: Company, JM Financial

Exhibit 4. End-user mix



Source: Company, JM Financial

- **Key clientele:** GEL has been servicing 64 customers across 50 countries. Company's major customer base includes large apparel players from the key markets of the USA, Europe, and Asia. Top 3 customers accounted for over 58% of revenue in FY21 vs 42% in FY18. The key marquee customer includes 'GAP', 'H&M', 'Adidas', 'Columbia' etc.

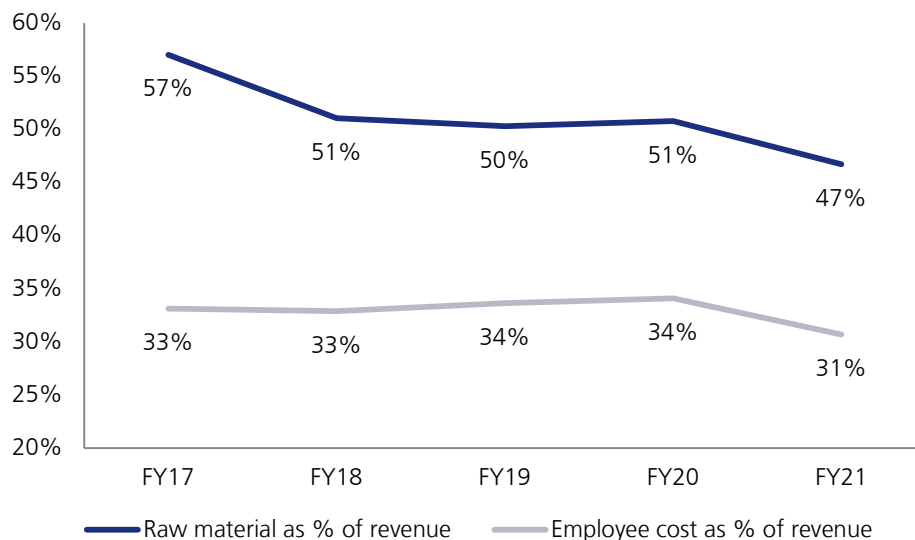
Exhibit 5. Marquee clients



Source: Company

- **Raw material and employee cost:** The raw material supplies come from domestic as well as overseas markets. All imports are carried through Chennai / Mumbai port, where the company uses road transportation for bringing the material in-house. The raw material cost as % of revenue accounted for 47% of revenues while employee cost accounted for 31% of revenues in FY21. Raw material prices are largely pass-through to the customers. Over the past few years, the company has undertaken many cost-efficient measures in the operation to manage employee costs.

Exhibit 6. Movement of raw material and employee cost as % of revenue



Source: Company, JM Financial

B) Management change driven turnaround

- **Change in management lead to turnaround in financial operations:** Clear Wealth Consultancy Services LLP, led by Mr. Mathew Cyriac (erstwhile business co-head of Blackstone India), acquired 39.97% stake in the company from Blackstone FP Capital Partners for INR586mn on 10th July 2017. The change in management (Mr. S. Ganapathi appointed as MD) brought a turnaround in business execution. The new management has taken several initiatives which translated into revenue growth of 15% CAGR over FY18 - FY20, margin improvement to 8.4% in FY21 vs losses in FY18. The company has turned into profit making since Q4FY18. With the change in management, GEL has improved process efficiencies, increased wallet share with existing clients as well as added new clients to the basket. Further, steps taken by the management allowed to improve balance sheet strength during FY18-21 with adjusted net debt to Equity improved from 2.0x in FY18 to 0.7x in FY21 while working capital cycle improved from 105 days in FY18 to 96 days in FY21.
- **Blackstone era – witnessed significant losses:** During Blackstone era, GEL turnover was significantly impacted and it has suffered losses led by inefficiencies in operating the business. 1) Business was divided into 6 SBUs and each SBU's were made responsible from procuring material to manufacturing. 2) The factories were focussing on the customer wise and not product wise which impacted the business as not all factories had the expertise to produce all kinds of garments and if a production was running at a peak capacity, no further order could be taken from another customer, leading to financial losses 3) Factory wise P&L was prepared and loss making units were subsequently sold or shut down. The company did not put an effort in improving the operational efficiencies and thereby generate profits. 4) GEL had the ability to produce variety of products, but due to lack of synergy company had to shut down many of its units 5) Garment is a low margin business, and thus, any increasing inefficiencies, rising input cost and higher wastage results in losses for the business.
- **New management led by S. Ganapathi has turnaround the business:** The change in management brought turnaround towards business execution. The new management has taken a several initiatives which translated into revenue growth of 15% CAGR over FY18 - FY20. The company has turned into profit making since Q4FY18. Few initiatives were: 1) Data driven analysis of each factory was done to address the low efficiency and high wastages. 2) Employee attrition and absenteeism was addressed by paying 'Attendance bonus' leading to better attendance and productivity. 3) Introduced programs like 'Hello Sakhi to improve working atmosphere. Under this program, the experienced employees mentor the new employees for the first six months. 4) Single ERP system was introduced to streamline the requisition of raw materials and procurement to reduce the mismatches. 5) The improvement of material on time performance was given emphasis to improve the sewing efficiency and reduce the wastage, resulting into better efficiency.

Exhibit 7. Key management personnel

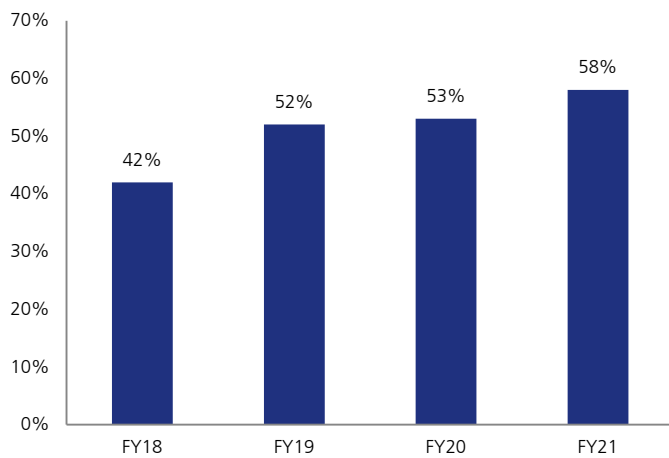
Name	Designation	Introduction
Sivaramakrishnan Ganapathi	Managing Director	After his a long career spanning of 27 years leading several high growth businesses in diverse industries across several countries in Asia, North America and Europe, He joined Gokaldas Exports Ltd. as MD and CEO in Oct'17. Prior to this, He worked with the Aditya Birla Group for 21 years. He was the COO of Idea Cellular, responsible for their business based in Delhi. He has also worked with DSP Merrill Lynch, ICICI, and Uhde India, before joining the Aditya Birla Group. He is a PG Diploma in management from IIM, Bangalore and a B.Tech from NIT.
Mathew Cyriac	Non Executive Director	He holds a Bachelor Degree in Engineering and an MBA from the IIM, Bangalore. He served as the MD in the Corporate Private Equity Group of Blackstone India based in Mumbai for nearly a decade. He has rich experience in the Investment Banking Division of Bank of America in India and in the Engineering Division of Tata Motors. He also served as Head Corporate Development Strategy of iGate Global Solutions Limited.
Richard B Saldanha	Chairman & Non-Executive Independent Director	He is a graduate Mechanical Engineer, served Hindustan Lever & Unilever plc for 30 years. He was subsequently 6 years with The Blackstone Group in India as Vice Executive Director and later Vice Chairman, responsible for Operational Excellence in a range of Portfolio Companies. He is currently Chairman of Trans Maldivian Airways and Gokaldas Exports, and is on the Boards of a few of the Blackstone Portfolio Cos. He is also on the Board of Bennett, Coleman & Co Ltd and a few of The Times Group Subsidiaries including Radio and Television.
A Sathyamurthy	Chief Financial Officer	He comes with domain experience in manufacturing, FMCG, retail and food processing industries. He has worked with large organizations like Rajshree Sugars, EID Parry, Perfetti Vanmelle and Aditya Birla Retail. He earned an MBA in Finance from Symbiosis University and is a fellow member of Cost and Management Accountants of India.
Poorna Seenivasan S	President	He has industry experience working with Sanghi Spinners, GTN Textiles, Shahi Exports, and Scott Garments in various capacities, in a career spanning over 24 years. He earned an MBA from Madurai Kamaraj University and a Diploma in Textile Technology.
Prabhat Kumar Singh	Executive Director	He has four decades of experience in the garment sector. His vast experience includes negotiating and mobilising finances, arranging joint ventures, setting up new plants and formulating recommendations to the Government on import-export policy. He has held several leadership positions in the textiles industry as well as industry bodies like AEPC. He earned his MBA from XLRI, Jamshedpur and graduated from Banaras Hindu University.
Tushar Kanti Panigrahi	Vice President – Finance	He has served in various capacities with large organizations like Hindustan Aeronautics Ltd, ING Vysya Bank, IFS Solutions and Reliance Communications. Prior to joining Gokaldas, he was working as Group Finance Head for Khimji Ramdas Group in Muscat, Oman. He is a Chartered Management Accountant and a Cost and Management Accountant
Dominic George	Vice President – HR	He has over 24 years of experience in HR, having worked with companies like GMR Infrastructure Ltd, Dell International Services and Hindustan Aeronautics Ltd. Prior to joining Gokaldas he was the Director HR for TNT India. He earned a Postgraduate degree in Social Work.

Source: Company

C) Leveraging long standing customer relation to gain wallet share:

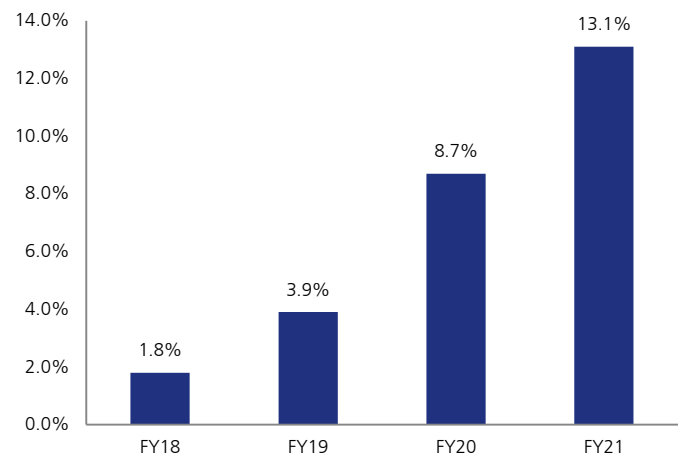
- Over 86% revenue generated from 5+ year old customers:** GEL has been servicing 64 customers across 50 countries. Company's major customer base are large apparel players from the key markets of the USA (~64% of revenues), Europe (~13% of revenues), and Asia (~22% of revenues). GEL has generated over 38% and 48% of revenue from 10+ years and 5 - 10 year old clients in FY21. Top 3 customers accounted for over 58% of revenue in FY21 vs 42% in FY18. Further, GEL has been increasing contribution from customers added in last 4 years, which now accounts for 13%+ revenue vs 1.8% in FY18. Its long-standing relationship with the major customers has been one of the most significant factors contributing to its growth. The key marquee customer includes 'GAP', 'H&M', 'Adidas', 'Columbia' etc. GEL believes that it enjoys the good-will of its clientele due to its ability to offer in-house designs and samples, timely response, and the capacity to cater to various order sizes.

Exhibit 8. Increasing wallet share of top 3 customers



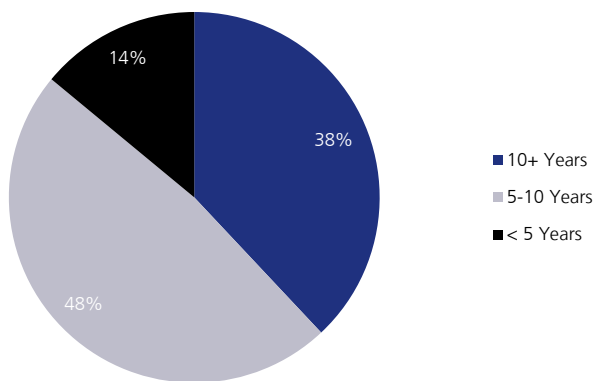
Source: Company, JM Financial

Exhibit 9. Rising contribution from customers added in last 4 years



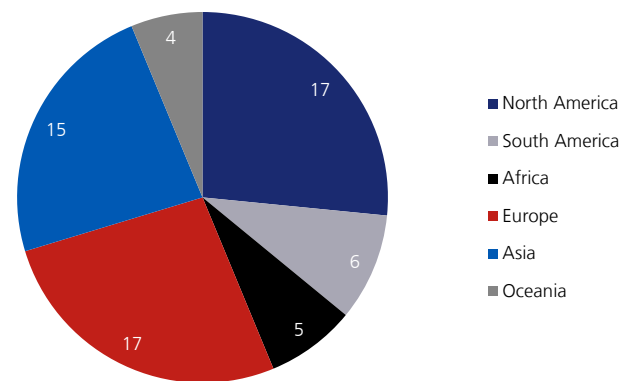
Source: Company, JM Financial

Exhibit 10. Long standing relation with customers (% of revenue)



Source: Company, JM Financial

Exhibit 11. Region-wise number of customers

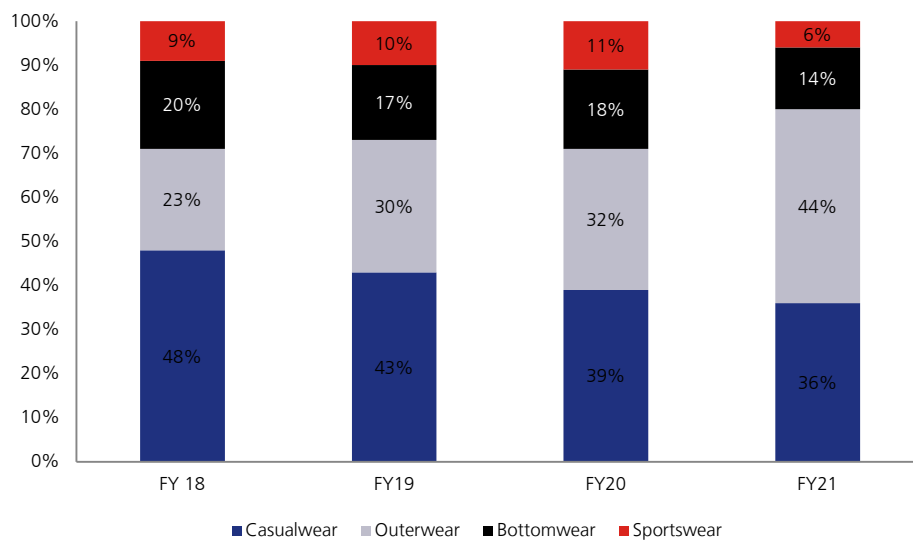


Source: Company, JM Financial

D) Focus on growth and richer product mix:

- Planned capex of INR1.2bn to drive growth:** As per the management, GEL is planning a capex of INR1.2bn over FY22 and FY23. The capex would be funded through INR500mn debt and balance through internal accruals. Out of total capex - INR300mn will be used for modernization. This capex has the potential to generate revenue of INR4.0 – 4.5bn. Further, GEL has been increasing scale and focussing on cost optimization to improve margins.
- Improving product mix:** The company has been focussing on improving revenue mix by reducing over-dependence on spring summer season as outerwear now contributes 44% of revenue vs. 23% in FY18. A continuous growth in outerwear segment is positive sign, as it balances the seasonality of the business and delivers better margin.

Exhibit 12. Increasing share of outerwear in revenue mix

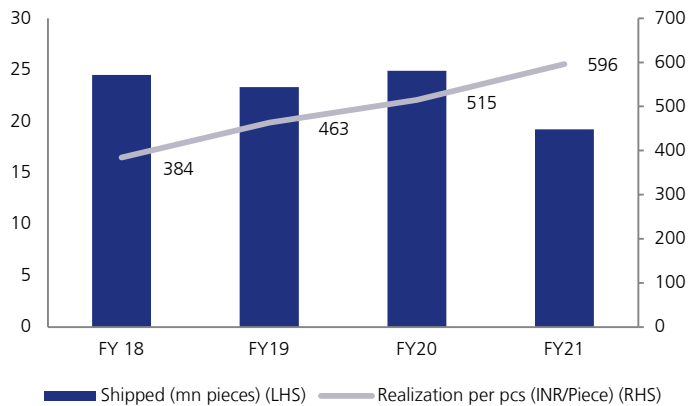


Source: Company, JM Financial

E) Financials on solid footing; growth capex augurs well for earning trajectory

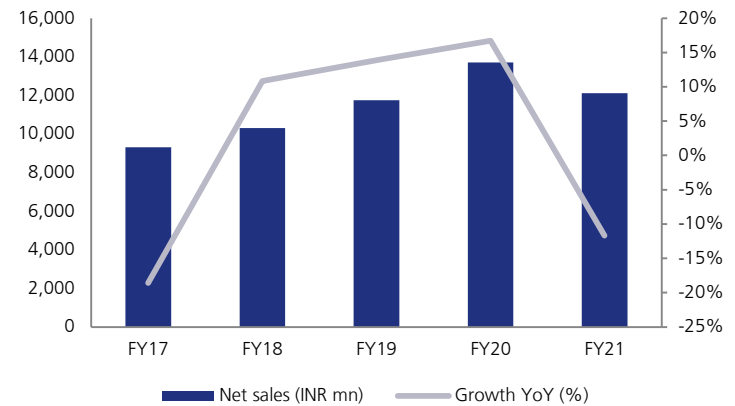
- Improving contribution from new clients along with increase in realisation aids revenue:** Over the last few years, company exhibited improving performance with healthy revenue growth through addition of scalable marquee clients (13% revenue contribution from customers added in the last four years). Further, richer product mix allowed it to report increase in realisation per piece. During FY18-20, revenue grew at a CAGR of 15.3%. In FY21, GEL reported a decline in revenue by 11.7% YoY to INR12.1bn on account of business impact due to Covid-19 led disruptions like border seal, lockdown in US, unavailability of labours and decline in exports.
- Continuous improvement in operating performance:** GEL has streamlined its operation to become more efficient, reduced unproductive costs and ensured better utilization of available capacity. This resulted in positive EBITDA with improving EBITDA margins. Further the company turned profitable since FY19.
- Improving balance sheet and return ratio's:** Balance sheet has improved since FY19. Adjusted net debt reduced from INR3.1bn in FY18 to INR1.7bn in FY21. Improving margins along with higher utilisation has led to improving return ratios. Further, working capital cycle has improved during FY18-20. However, working capital has gone up marginally in FY21 on account of year end post shipment bills of INR720mn were discounted but not adjusted which resulted into higher receivables.

Exhibit 13. Improving realisation



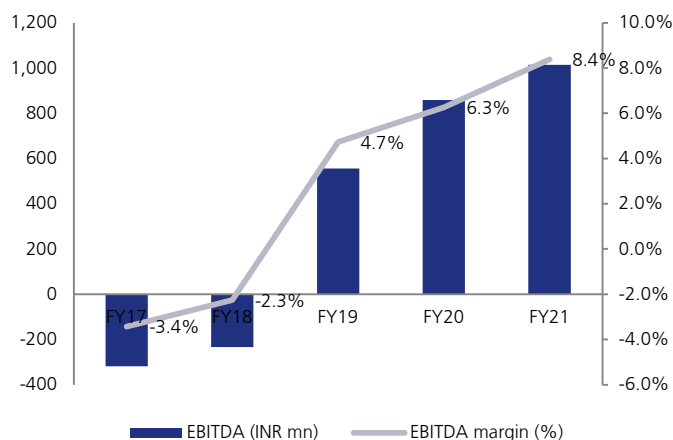
Source: Company, JM Financial

Exhibit 14. Revenue aided by client addition and higher realisation



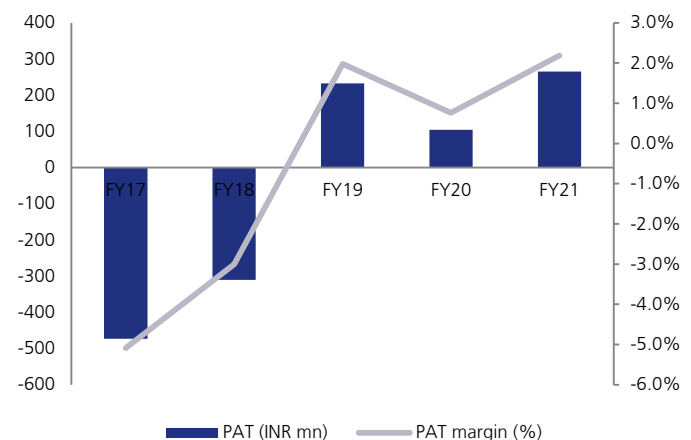
Source: Company, JM Financial

Exhibit 15. Improving EBITDA and EBITDA margin



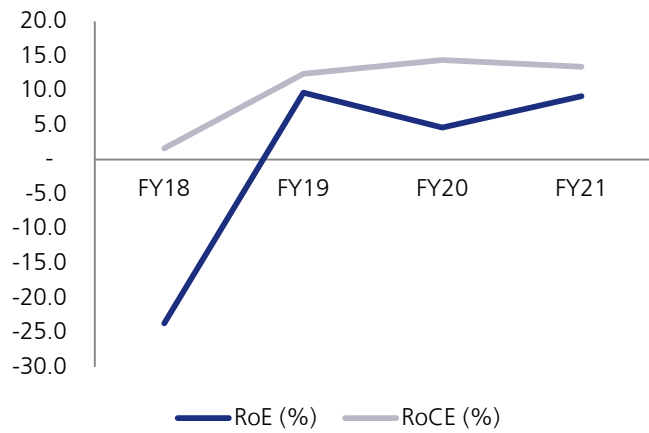
Source: Company, JM Financial

Exhibit 16. Turned profitable since FY19



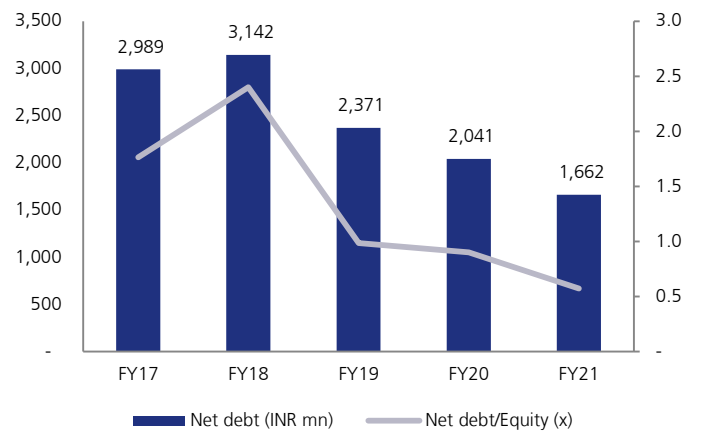
Source: Company, JM Financial

Exhibit 17. Improving return ratio's



Source: Company, JM Financial

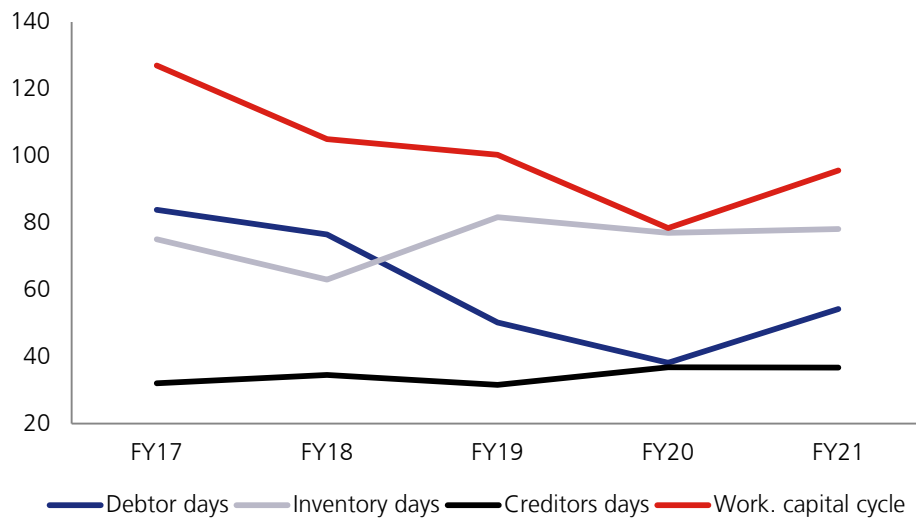
Exhibit 18. Net debt reduction



Source: Company, JM Financial; Note: Net debt adjusted

Exhibit 19. Improving working capital cycle

(No. of days)

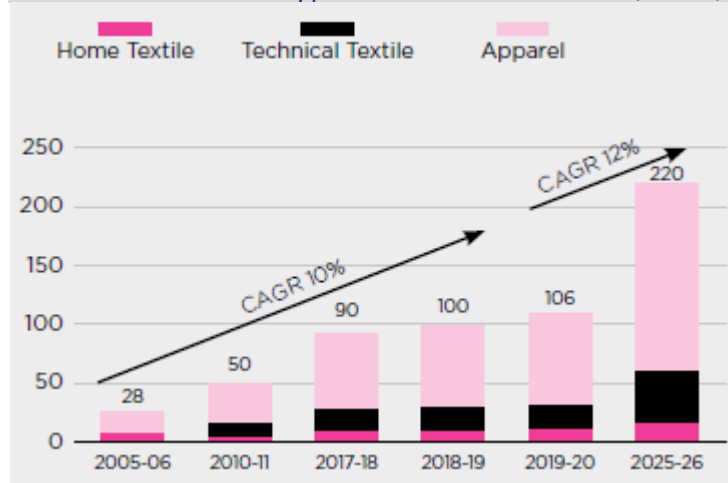


Source: Company, JM Financial

F) Outlook positive for textile and apparel industry:

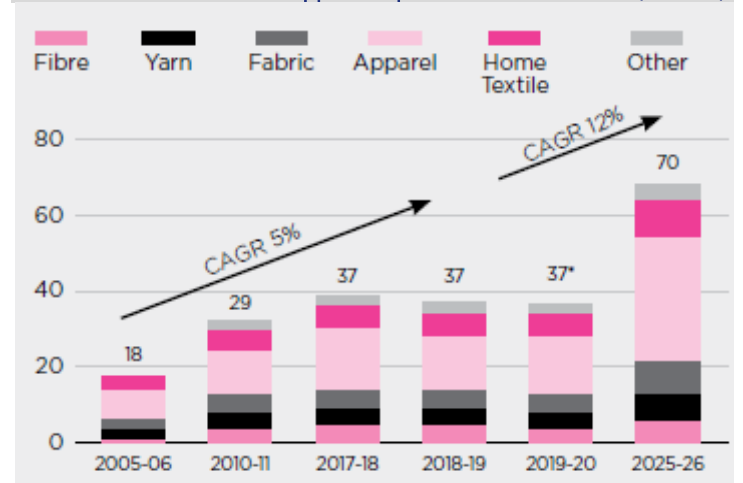
- India is the 5th largest textiles and apparel exporter globally:** According to annual report of the company, India's domestic textile and apparel market is worth over USD100bn as of FY19 and is expected to grow at a CAGR of 12% to reach to a size of USD223bn by 2025-26. Further, India is the 5th largest textiles and apparel exporter globally, with its export worth USD40.4bn in FY19. India's textiles and apparel exports are expected to reach USD70bn by 2025-26, growing at a CAGR of 12%. The exports have grown at 5% CAGR since the 2005-06.
- India advantage for sector growth:** 1) Raw material availability: India is the largest producer of jute and cotton. Due to the abundance of raw materials, cost of manufacturing is lower; 2) Lower labour cost: labour cost remains one of the lowest among many other competing countries, which provides edge; 3) Change in consumer preferences: With change in buying habits and awareness generation through social media, consumers are now shifting from need based clothing to aspiration-based clothing; 4) Government support: Indian government has come up with a number of export promotion policies for the textile sector. Further, In Aug'18, the Government of India increased the basic customs duty to 20% from 10% on 501 textile products, to boost the 'Make in India' project and support local production.
- National textile policy to aid growth:** The government to introduce the National Textile Policy and will invest INR100bn in the sector over next 5 years. The textile industry will get a fillip, which could potentially help exporters. Further, opening up of the EU markets for Indian exporters either by way of Pakistan's GSP status getting revoked or by India eventually signing a FTA with EU will be a structural positive for the space, providing years of revenue opportunity. China's export share decline due to cost and trade restrictions will eventually help India garner higher market share.

Exhibit 20. Indian textile & apparel market size (USD bn)



Source: Company, JM Financial

Exhibit 21. Indian textile & apparel exports (USD bn)



Source: Company, JM Financial

Exhibit 22. Comparative factors of production

Countries	Labour wages	Power Cost	Water cost	Lending Rate	Average production Efficiency
	USD/Month	USD/Kwh	Usc/m3	Per cent (%)	Per cent (%)
China	550 - 600	0.15 - 0.16	55 - 60	6.0% - 7.0%	65% - 70%
India	160 - 180	0.10 - 0.12	16 - 20	11% - 12%	50% - 55%
Bangladesh	110 - 120	0.09 - 0.12	20 - 22	12% - 14%	45% - 55%
Vietnam	190 - 200	0.08 - 0.10	50 - 80	7.0% - 8.0%	65% - 70%
Ethiopia	80 - 90	0.03 - 0.04	30 - 40	8.5% - 9.0%	30% - 35%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY17A	FY18A	FY19A	FY20A	FY21A	
Net Sales	9,305	10,313	11,745	13,709	12,107	
Sales Growth	-18.6%	10.8%	13.9%	16.7%	-11.7%	
Other Operating Income	0	0	0	0	0	
Total Revenue	9,305	10,313	11,745	13,709	12,107	
Cost of Goods Sold/Op. Exp	5,309	5,364	5,233	6,920	6,050	
Personnel Cost	3,082	3,390	3,950	4,674	3,716	
Other Expenses	1,233	1,792	2,008	1,258	1,326	
EBITDA	-319	-233	555	858	1,015	
EBITDA Margin	-3.4%	-2.3%	4.7%	6.3%	8.4%	
EBITDA Growth	0.0%	0.0%	0.0%	54.5%	18.3%	
Depn. & Amort.	183	165	192	548	526	
EBIT	-502	-398	363	310	489	
Other Income	414	471	194	163	122	
Finance Cost	364	375	329	368	345	
PBT before Excep. & Forex	-452	-301	228	105	266	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	-452	-301	228	105	266	
Taxes	21	9	-5	0	1	
Extraordinary Inc./Loss(-)	1	0	23	199	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	-472	-310	256	304	265	
Adjusted Net Profit	-473	-310	233	105	265	
Net Margin	-5.1%	-3.0%	2.0%	0.8%	2.2%	
Diluted EPS (INR)	-13.6	-8.9	5.4	2.4	6.2	
Diluted EPS Growth	0.0%	0.0%	0.0%	-55.1%	153.0%	
Total Dividend + Tax	0	0	0	0	0	
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY17A	FY18A	FY19A	FY20A	FY21A	
Profit before Tax	-452	-301	313	104	266	
Depn. & Amort.	183	165	192	548	526	
Net Interest Exp. / Inc. (-)	-361	-376	-345	-286	-286	
Inc (-) / Dec in WCap.	112	131	-292	54	12	
Others	289	271	337	284	409	
Taxes Paid	-15	-14	-39	-4	-26	
Operating Cash Flow	-243	-124	166	700	901	
Capex	-124	-131	-244	-378	-362	
Free Cash Flow	-367	-255	267	608	539	
Inc (-) / Dec in Investments	252	-104	224	-405	-78	
Others	129	99	21	397	118	
Investing Cash Flow	257	-136	1	-386	-322	
Inc / Dec (-) in Capital	5	0	683	0	0	
Dividend + Tax thereon	0	0	0	0	0	
Inc / Dec (-) in Loans	-189	-23	-907	23	-276	
Others	367	-3	-5	-326	-273	
Financing Cash Flow	183	-26	-229	-303	-549	
Inc / Dec (-) in Cash	197	-286	-62	11	30	
Opening Cash Balance	263	460	174	112	123	
Closing Cash Balance	460	174	112	123	153	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY17A	FY18A	FY19A	FY20A	FY21A	
Shareholders' Fund	1,694	1,309	2,404	2,266	2,901	
Share Capital	175	175	214	214	214	
Reserves & Surplus	1,520	1,134	2,190	2,052	2,686	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	4,788	4,762	3,848	4,462	4,521	
Def. Tax Liab. / Assets (-)	0	0	0	-7	-68	
Total - Equity & Liab.	6,482	6,071	6,252	6,720	7,353	
Net Fixed Assets	984	957	1,088	1,732	2,374	
Gross Fixed Assets	1,158	1,303	1,591	2,784	3,960	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	183	347	517	1,060	1,586	
Capital WIP	9	1	15	8	0	
Investments	0	0	0	355	368	
Current Assets	7,024	6,854	7,005	7,152	7,089	
Inventories	1,915	1,780	2,627	2,892	2,592	
Sundry Debtors	2,139	2,162	1,617	1,435	1,798	
Cash & Bank Balances	460	174	112	123	153	
Loans & Advances	2,510	2,738	2,649	2,702	2,546	
Other Current Assets	0	0	0	0	0	
Current Liab. & Prov.	1,526	1,740	1,841	2,519	2,478	
Current Liabilities	847	999	968	1,296	1,117	
Provisions & Others	679	742	873	1,223	1,361	
Net Current Assets	5,498	5,114	5,164	4,633	4,612	
Total - Assets	6,482	6,071	6,252	6,720	7,353	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY17A	FY18A	FY19A	FY20A	FY21A	
Net Margin	-5.1%	-3.0%	2.0%	0.8%	2.2%	
Asset Turnover (x)	1.5	1.6	1.9	2.1	1.7	
Leverage Factor (x)	3.1	4.2	3.3	2.8	2.7	
RoE	NA	NA	12.5%	4.5%	10.3%	

Key Ratios						
Y/E March	FY17A	FY18A	FY19A	FY20A	FY21A	
BV/Share (INR)	48.5	37.4	56.1	52.9	67.6	
ROIC	-1.4%	1.6%	12.4%	14.4%	13.4%	
ROE	NA	NA	12.5%	4.5%	10.3%	
Adj. Net Debt/Equity (x)	1.8	2.0	1.5	0.9	0.7	
P/E (x)	NA	NA	38.3	85.2	33.7	
P/B (x)	4.3	5.6	3.7	3.9	3.1	
EV/EBITDA (x)	NA	NA	22.8	15.1	12.8	
EV/Sales (x)	1.4	1.3	1.1	0.9	1.1	
Debtor days	84	77	50	38	54	
Inventory days	75	63	82	77	78	
Creditor days	32	35	32	37	37	

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for large-cap* stocks and REITs and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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