

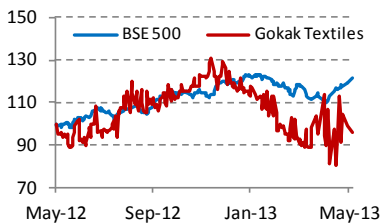
Gokak Textiles Ltd.

Market data

| | |
|----------------|---------------|
| Current price* | Rs 43.0 (BSE) |
| Market cap * | Rs 279.5 m |
| Face value | Rs 10 |
| BSE Code | 532957 |
| No. of shares | 6.5 m |
| Free float | 17.8% |
| 52 week H/L* | Rs 61.0/34.4 |

*as on 15th May 13

Rs 100 invested is now worth



Shareholding (Mar-2013)

| Category | (%) |
|-----------|-------|
| Promoters | 73.6 |
| DII's | 5.6 |
| FII's | 3.1 |
| Others | 17.8 |
| Total | 100.0 |

Report prepared by

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Quarter results overview

Result performance review

- Gokak Textiles announced its results for the quarter ended March 2013. The company's sales increased by 6% on a QoQ (quarter on quarter) basis and by 9% on a YoY basis (year on year).
- Its operating expenditure increased by 11% YoY, which was higher than the increase in the sales. As a result, gross profit margin declined to 7.5%, as compared to 9.6% during the corresponding quarter of previous year.
- Depreciation and interest charges were lower by 24% YoY and 2% YoY respectively. However, tax expenses increased 150% YoY.
- At the bottom line, the company's net loss increased to Rs 41 m for the quarter as compared to loss of Rs 2 m during the corresponding quarter of previous year.

Quarter result comparison snapshot

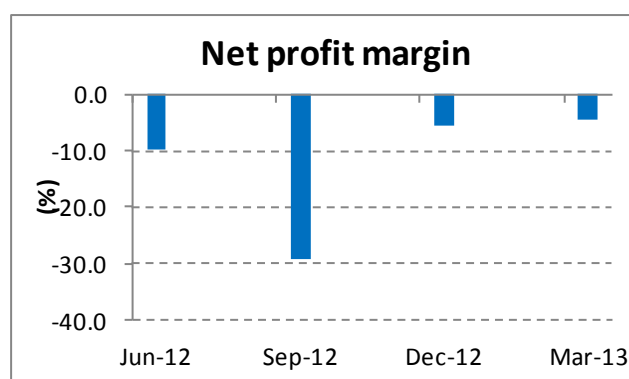
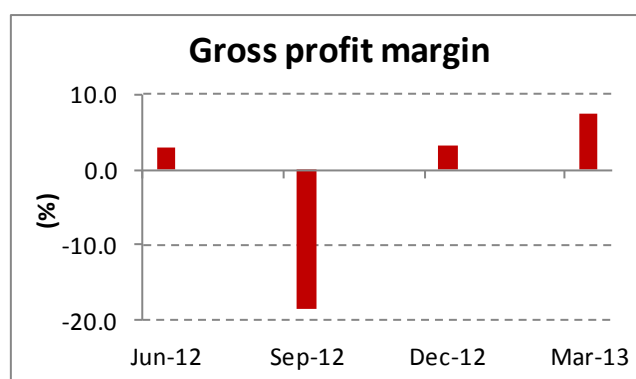
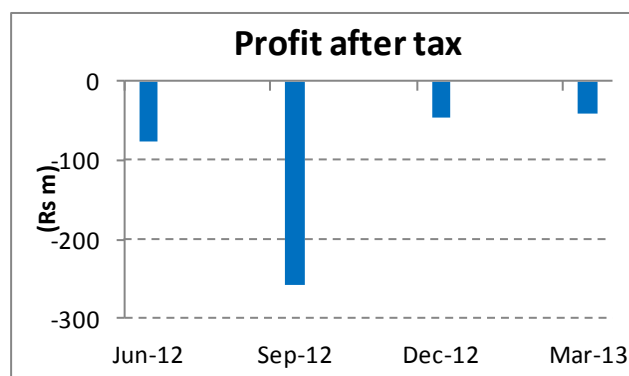
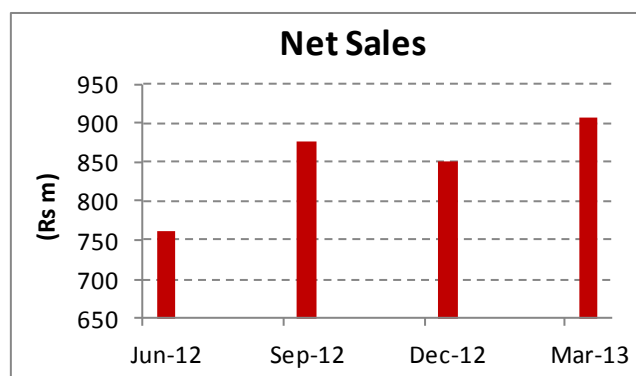
| Rs m | Mar-12 | Dec-12 | Mar-13 | QoQ ch | YoY Ch |
|---------------------|--------|--------|--------|--------|--------|
| Net Sales | 833.0 | 852.0 | 906.0 | 6.3% | 8.8% |
| Other income | 12.0 | 0.0 | 0.0 | | |
| Turnover | 845.0 | 852.0 | 906.0 | 6.3% | 7.2% |
| Expenses | 752.0 | 826.0 | 838.0 | 1.5% | 11.4% |
| Gross profit | 80.0 | 26.0 | 68.0 | | |
| Depreciation | 34.0 | 26.0 | 26.0 | 0.0% | -23.5% |
| Interest | 60.0 | 46.0 | 59.0 | 28.3% | -1.7% |
| Profit before tax | -2.0 | -46.0 | -17.0 | NA | NA |
| Tax | 0.0 | 0.0 | 24.0 | NA | NA |
| Profit after tax | -2.0 | -46.0 | -41.0 | NA | NA |
| Gross profit margin | 9.6% | 3.1% | 7.5% | | |
| Effective tax rate | 0.0% | 0.7% | NA | | |
| Net profit margin | -0.2% | -5.4% | -4.5% | | |
| Diluted EPS | -0.3 | -7.0 | -6.3 | | |

Note: Quarter results exclude extraordinary / exceptional items | Wherever the results are consolidated we have taken consolidated numbers else standalone. NA = Not applicable

Current valuation

The company's stock trades at Rs 43 per share. Its trailing twelve months earning is negative, hence its PE ratio is not meaningful.

Quarterly financial trend charts



Important Message from Equitymaster:

- This report has been prepared exclusively for the BSE Investor Protection initiative.
- The data for this report has been sourced primarily from the company's Annual Report and other publicly available information.
- Equitymaster did not meet the management of this company in person.
- Equitymaster insists that it makes no recommendation by way of presenting this report.
- The only purpose of this report is to make available publicly information on the company to readers in a format that is easy to understand

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