

10 May 2016

CMP: Rs. 49

Industry: Textiles

BSE group: XD

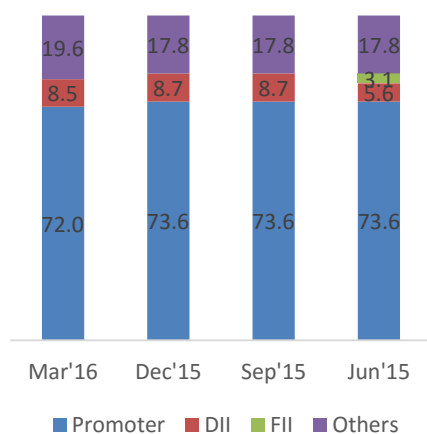
Promoters

Shapoorji Pallonji Group

Key Data

BSE	532957
ISIN	INE642I01014
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	318.5
Current P/E	-
Current P/BV	-1.5
52 week low-high	44.7-73.0
30 days avg daily trading volume	0.5
Net worth (Rs mn)	-211.6

Shareholding Pattern (%)



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Company business

Gokak Textiles Limited was incorporated in 2007 following a scheme of demerger of textile arm of Forbes Gokak Limited (FGL). The company has manufacturing units at Gokak Falls (Karnataka), Belgaum (Karnataka) and Ludhiana (Punjab). The company is engaged in producing cotton yarn (grey and dyed) and other value-added yarns such as bamboo/multimodal yarns, mélange yarns, compact yarns and organic yarns and some readymade items such as cotton canvas and terry towels. The company is also into manufacturing of readymade knitted garments including combed polo and T-shirts for export markets and cotton sweaters for domestic and export markets

The accumulated losses made by the company at end of the financial year 2014-15 led to an erosion of more than 50 percent of networth during the immediately preceding four financial years, following which the board has approved approaching to BIFR.

Recent development

Consequent to the accumulated losses made by the company leading to erosion in the net worth, the promoters sought shareholders' approval in Feb'16 for subscribing to non-cumulative, non-convertible, redeemable preference shares upto Rs. 200 mn in Feb'16. The resolution was passed by shareholders.

Financials

Particulars (Rs in mn)	Oct '15 to Dec '15	Oct '14 to Dec '14	% Change ¹	Jul '15 to Sep '15	% Change ²
Total income	621.8	854.8	-27.3	781.9	-20.5
Total operating expenditure	655.6	956.1	-31.4	800.1	-18.1
EBIDTA	-33.8	-101.3	-66.6	-18.2	86.2
EBIDTA margin	Neg.	Neg.		Neg.	
PBT	-105.4	-184.0	-42.7	-89.7	17.5
PAT	-100.4	-176.6	-43.1	-84.1	19.4
PAT margin	Neg.	Neg.		Neg.	
EPS	-15.5	-27.2	-43.1	-12.9	19.4

¹ compared to corresponding quarter in the previous year

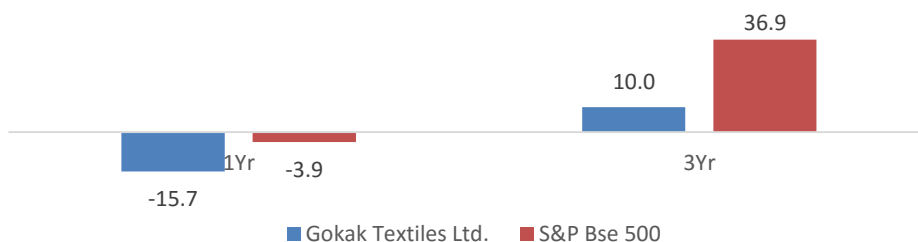
Source: ACE Equity, Company

² sequential comparisons

Financial Performance

High raw material and interest costs continued to weigh heavily on the company's performance translating into losses at both the operating and net level. Continuous losses have translated into erosion of the networth of the company.

Share Price Performance



Financials

P&L (Rs. mn)	FY13	FY14	FY15
Total income	3,660.5	3,501.4	3,365.4
EBITDA	320.2	144.6	(35.6)
EBITDA margin (%)	8.7	4.1	-1.1
Depreciation	205.0	117.8	119.6
EBIT	202.4	25.0	(121.9)
Interest	409.9	320.7	338.9
PBT	(781.7)	(118.4)	(313.9)
Tax	(6.6)	16.0	(22.8)
PAT	(775.1)	(134.3)	(291.2)
PAT margin (%)	-21.2	-3.8	-8.7
Dividend	-	-	-
Dividend payout (%)	-	-	-
Cash flow (Rs.mn)	FY13	FY14	FY15
PBT	(781.7)	(118.4)	(313.9)
CF from operations	351.4	202.0	348.3
CF from investment	(57.4)	(14.0)	2.7
CF from financing	(348.8)	(188.9)	(146.2)
Inc/(dec) cash	(54.8)	(1.0)	204.8
Closing balance	86.6	85.6	290.4

Balance sheet (Rs. mn)	FY13	FY14	FY15
Share capital	65.0	65.0	265.0
Share application money	-	-	-
Reserves & surplus	(238.8)	(496.8)	(899.8)
Net worth	(173.8)	(431.8)	(634.8)
Borrowings	2,206.0	2,358.6	2,335.9
Current liabilities & provisions	833.8	1,050.6	838.2
Total liabilities	2,865.9	2,977.5	2,539.3
Net fixed assets	1,477.2	1,372.0	1,277.1
Capital WIP	2.4	10.4	3.0
Investments	216.6	235.6	242.0
Inventories	808.6	1,000.1	442.4
Sundry debtors	228.7	177.4	128.3
Cash & bank	86.6	85.6	290.4
Other current assets	35.4	83.5	117.2
Loans and Advances	77.0	56.7	63.1
Miscellaneous Expenses not w/off	-	-	-
Deferred tax assets/(liabilities)	(66.5)	(43.7)	(24.3)
Total assets	2,865.9	2,977.5	2,539.3

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