

25 May 2017

**CMP:** Rs. 43.1

**Industry:** Textiles

**BSE group:** XD

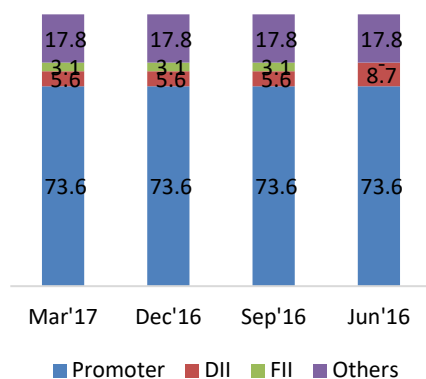
### Promoters

Shapoorji Pallonji Group

### Key Data

BSE	532957
ISIN	INE642I01014
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	279.5
Current P/E	(0.8)
Current P/BV	(0.6)
52 week high-low	60-41
30 days avg. daily trading volume (shares)	2.3
Equity capital (Rs mn)	65.0
Net worth (Rs mn)	(435.5)

### 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 company issued 30 mn non-convertible redeemable preference shares of face value Rs. 10.0 each to the promoters in September 2016.

### Financials

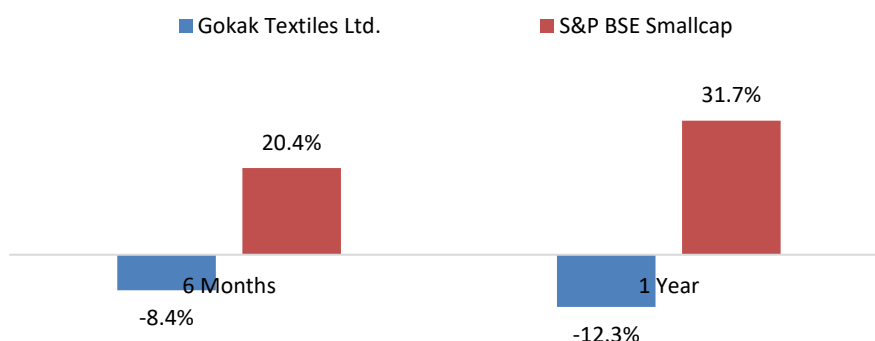
Particulars (Rs. mn)	Mar'17	Mar'16	% Change <sup>1</sup>	Dec'16	% Change <sup>2</sup>
Total income	378.4	397.2	-4.7%	172.3	119.6%
Total expenditure	389.4	465.1	-16.3%	202.8	92.0%
EBITDA	(11.0)	(67.9)	-83.8%	-30.5	-63.9%
EBITDA margin (%)	-2.9%	-17.1%		-17.7%	
PBT	(65.9)	(129.4)	-49.1%	-84.4	-22.0%
PAT (after extraordinary items)	(39.1)	(142.7)	-72.6%	-86.1	-54.6%
PAT margin (%)	-10.3%	-35.9%		-49.9%	
EPS (Rs.)	(6.0)	(22.0)	-72.6%	(13.2)	-54.6%

<sup>1</sup> compared to corresponding quarter in the previous year      **Source: ACE Equity, Company**  
<sup>2</sup> 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 net-worth of the company.

### Share Price Performance



## Financials

<b>P&amp;L (Rs. mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total income	3,501.4	3,365.4	1,055.9
EBITDA	144.6	(35.6)	(93.2)
EBITDA margin (%)	4.1%	-1.1%	-8.8%
Depreciation	117.8	119.6	35.5
EBIT	25.0	(121.9)	(128.7)
Interest	320.7	338.9	101.4
PBT (before exceptional items)	(118.4)	(313.9)	(230.1)
Exceptional items	-	-	-
PAT	(134.3)	(291.2)	(238.6)
PAT margin (%)	-3.8%	-8.7%	-22.6%
Dividend	-	-	-
Dividend payout (%)	-	-	0.0%
<b>Cash Flow (Rs.mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
PBT (after exceptional items)	(118.4)	(313.9)	(230.1)
CF from operations	202.0	348.3	(198.8)
CF from investing	(14.0)	2.7	62.3
CF from financing	(188.9)	(146.2)	(53.6)
Inc/(dec) in cash	(1.0)	204.8	(190.1)
<b>Closing Balance</b>	<b>85.6</b>	<b>290.4</b>	<b>16.7</b>

<b>Balance Sheet (Rs. mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Equity Share Capital	65.0	65.0	65.0
Preference Share Capital	-	200	400.0
Share Warrants	-	-	-
Reserves & Surplus	(496.8)	(899.8)	(414.8)
<b>Net worth</b>	<b>(431.8)</b>	<b>(634.8)</b>	<b>50.2</b>
Borrowings	2,358.6	2,335.9	1,430.0
Current Liabilities & Provisions	1,050.6	838.2	597.8
<b>Total liabilities</b>	<b>2,977.5</b>	<b>2,539.3</b>	<b>2,078.0</b>
Net fixed assets	1,372.0	1,277.1	932.5
Capital WIP	10.4	3.0	1.1
Investments	235.6	242.0	481.7
Inventories	1,000.1	442.4	383.1
Sundry Debtors	177.4	128.3	119.9
Cash & Bank	85.6	290.4	16.7
Other Current Assets	83.5	117.2	20.0
Loans and Advances	56.7	63.1	160.2
Miscellaneous Expenses not w/off	-	-	-
Deferred Tax Assets/(Liabilities)	(43.7)	(24.3)	(37.1)
<b>Total assets</b>	<b>2,977.5</b>	<b>2,539.3</b>	<b>2,078.0</b>

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