

Stock Details

BSE code	521167
BSE ID	FRONTBUSS
Face value (₹)	5
No of shares (m)	21.3
52 week H/L	31.3/12.1
Market cap (₹ m)	298.5
30 days avg vol (No)	42,670
Free float (₹m)	250.8

Stock performance (%)

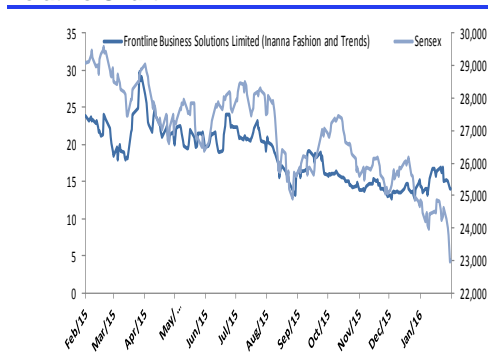
	1M	3M	12M
Absolute	-7.5%	-5.4%	-40.3%
Rel. to Sensex	0.7%	5.7%	-20.1%

Shareholding Pattern* (%)

Promoters	FIIs	DIIs	Others
16.1%	0.0%	0.0%	83.8%

*As of December 2015

Relative Chart



Source: Bloomberg

Company Overview

Inanna Fashion and Trends Ltd (formerly known as Frontline Business Solutions Ltd) engaged in the business of providing value added solutions for Human resource services and Trading. The company is in the process of diversifying into the innerwear business.

Industry Overview

India is the world's second largest exporter of textiles and clothing. India's textile and apparel exports are expected to reach US\$82 billion by 2021 from US\$40 billion in 2014. Readymade garments remain the largest segment, accounting for 40% of all textile and apparel exports in FY15. Cotton and man-made textiles were the other major segments, accounting for 31% and 16%, respectively. According to the Annual Report 2010-11 of the Ministry of Textiles, textiles account for 17% of the country's export earnings.

Financial Performance

- ✓ Inanna Fashion and Trends Ltd revenues for FY'15 rose 51.2% to ₹178.0 million compared to ₹117.7 million in the previous year.
- ✓ The company has reported a net profit of ₹3.4 million in FY'15, representing a strong 953.9% increase compared to the profit of ₹0.3 million in FY'14.
- ✓ On Q-o-Q basis Inanna Fashion and Trends revenues have declined 80.4% to ₹10.0 million in Q2'16 from ₹51.1 million in Q2'15.

Table1: Key Financials

(Y/e March)	FY 13	FY 14	FY 15	2Q FY15	2Q FY 16
Sales (₹ m)	176.5	117.7	178.0	51.1	10.0
YoY Growth (%)	33.2%	-33.3%	51.2%	20.5%	-80.4%
EBITDA (₹ m)	4.8	0.9	4.7	0.88	0.16
EBITDA Margin	2.7%	0.8%	2.7%	1.7%	1.6%
PAT (₹ m)	1.0	0.3	3.4	0.7	0.1
EPS (₹)	0.05	0.02	0.16	NA	0.01
YoY Growth (%)	-92.2%	-60.0%	700.0%	NM	NM

Source: Company, Karvy Investment Advisory

Background and Business Description

Inanna Fashion and Trends Ltd (formerly known as Frontline Business Solutions Ltd) engaged in the business of providing value added solutions for Human resource services and Trading. The company is in the process of diversifying into the innerwear business and currently undertaking a detailed feasibility report on the industry, competition and the strategy for complete future business operations.

Key Strengths

- ✓ Diversification

Risks & Concerns

- ✓ High competition

Board of Directors

Table 2: Composition of Board

Name	Relation with Company
Mr. Natwar Sureka	Managing Director
Mrs. Manju Sureka	Whole-Time Director
Mr. Brijkishore Ruia	Director

Source: Company

Industry Overview

India is one of the largest producers of textile fibers and yarns, and apparel. The country is the largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fiber, according to Indian brand equity foundation (IBEF). India has the highest loom capacity, according for 63% of global capacity.

According to IBEF, domestic textile and apparel industry in India is estimated to reach US\$141 billion by 2021 from US\$ 67 billion in 2014, driven by increased penetration of organized retail, favorable demographics, and rising income levels.

In terms of apparel exports, India is the world's second largest exporter of textiles and clothing. India's textile and apparel exports are expected to reach US\$ 82 billion by 2021 from US\$ 40 billion in 2014. Readymade garments remain the largest segment, accounting for 40% of all textile and apparel exports in FY15. Cotton and man-made textiles were the other major segments, accounting for 31% and 16%, respectively. According to the Annual Report 2010-11 of the Ministry of Textiles, textiles account for 17% of the country's export earnings.

Government continues to support the textiles and clothing industry through favorable policies, as the industry is a key contributor to the overall industrial production and employment. According to the Ministry of Textiles, Foreign direct investment (FDI) in the textile sector reached US\$1,588 million in FY15 from US\$ 1,425 million in FY14. To encourage investments, the Ministry of Textiles is focusing on schemes such as Technology Up-gradation Fund Scheme (TUFS). To promote apparel exports, the government has approved 12 locations to set up apparel parks for exports. The Government plans to provide a budgetary support of US\$4.25 billion to textiles in the 12th Five Year Plan. Free trade agreements with ASEAN countries and proposed agreement with European Union will also help boost exports.

Competition analysis

Company	CMP (₹)	Mcap (₹ m)	Rev (₹m)	OPM (%)	EPS (₹)	PE (x)
Inanna Fashion and Trends Ltd	14.0	298.5	178.0	2.7%	0.2	4.8
Virat Industries Ltd	92.9	457.4	205.3	20.2%	4.2	18.6
Givo Ltd	3.5	283.4	242.0	2.8%	-0.03	NM

Source: BSE

Financial Analysis

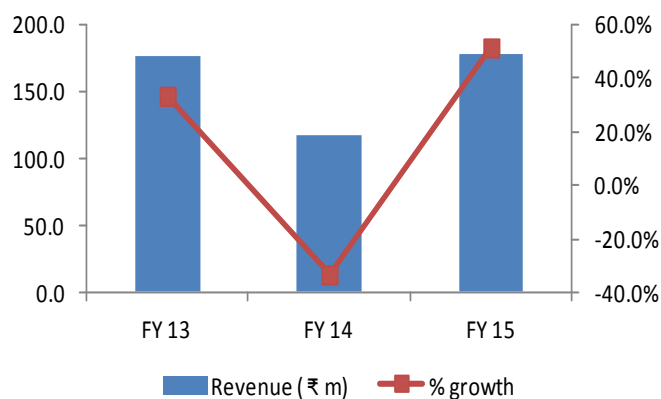
For the period ending 31 March, 2015, Inanna Fashion and Trends Ltd reported revenues of ₹178.0 million, representing 51.2% rise when compared to the revenues in FY'14. The company's EBITDA stood at ₹4.7 million in FY'15 and its EBITDA margin improved by 190 bps to 2.7% from being 0.8% in FY'14 due to increased revenue.

Year end March	FY 13	FY 14	FY 15
Income statement (₹ million)			
Revenue	176.5	117.7	178.0
% growth	33.2%	-33.3%	51.2%
EBITDA	4.8	0.9	4.7
% EBITDA margin	2.7%	0.8%	2.7%
Depreciation and amortisation	0.7	0.7	0.7
EBIT	4.1	0.3	4.0
Interest	-	-	-
PBT	4.1	0.3	4.0
Tax (credit) expense	3.1	(0.1)	0.6
Net profit	1.0	0.3	3.4
% growth net profit	-83.9%	-68.5%	953.9%
Balance sheet (₹ million)			
Shareholder fund	132.2	131.9	134.6
Long term liabilities	7.95	5.52	5.39
Current liabilities	58.2	36.0	34.9
Fixed assets	2.33	1.73	1.14
Current assets	77.4	49.0	52.5
Cash & cash equivalents	8.96	-8.54	25.87
Cash flow statement			
Cash flow operations	-9.68	-3.56	76.01
Cash flow from investing	(0.1)	(13.9)	(41.6)
Cash flow from financing	11.40	-	-
Per share data			
EPS (₹)	0.05	0.02	0.16
CEPS (₹)	-	-	-
DPS (₹)	-	-	-
BVPS (₹)	6.49	8.22	6.37
Financial Ratios %			
ROE	0.8%	0.2%	2.5%
ROCE	2.9%	0.2%	2.9%
Debt/Equity	5.8%	4.1%	4.0%
Interest coverage ratio	NM	NM	NM
Current ratio	1.3	1.4	1.5
Cash ratio	0.15	-0.24	0.74

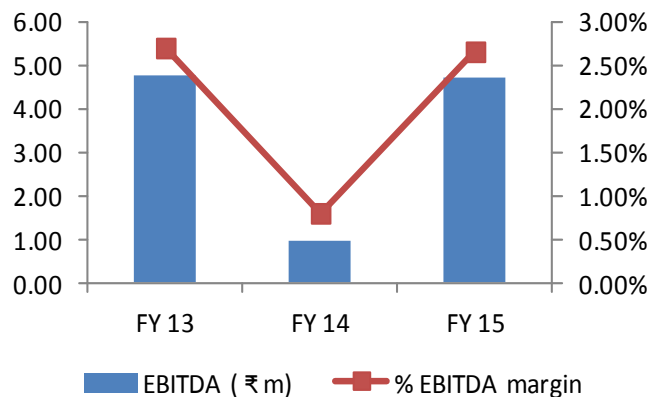
Source: Company, Karvy Investment Advisory

Financial Snapshot

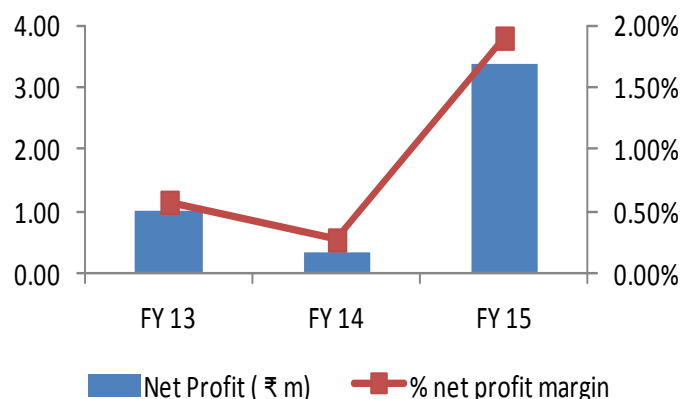
Revenue growth (%)



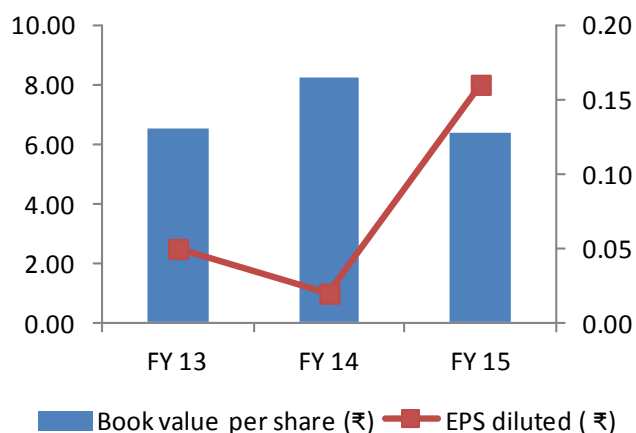
EBITDA margin (%)



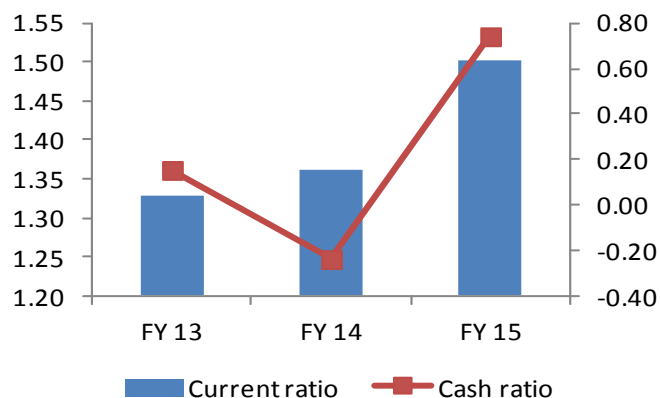
Net Profit Margin (%)



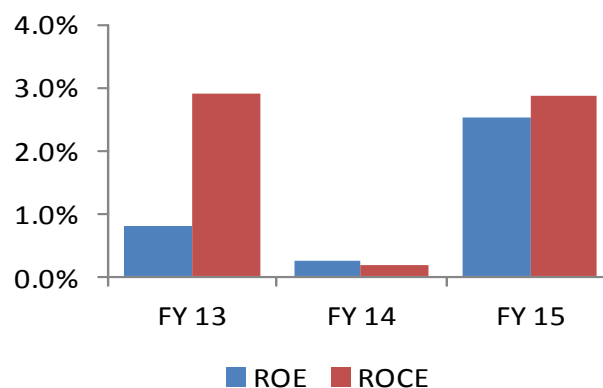
BVS & EPS



Liquidity ratios



Profitability ratios



Source: Karvy Investment Advisory

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