

Kitex Garments

BSE SENSEX 27,711
S&P CNX 8,510

CMP: INR488 TP: INR770 (+58%) Buy

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Bloomberg	KTG IN
Equity Shares (m)	47.5
M.Cap.(INRb)/(USD\$)	23.2 / 0.3
52-Week Range (INR)	934/340
1, 6, 12 Rel. Per (%)	1/-23/-43
Avg Val, (INR m)	95
Free float (%)	45.8

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	5.5	6.6	7.9
EBITDA	1.9	2.4	3.0
NP	1.1	1.6	2.0
EPS (INR)	23.6	32.8	42.7
EPS Gr. (%)	13.8	39.0	30.2
BV/Sh. (INR)	77.3	103.1	137.6
RoE (%)	35.5	36.3	35.5
RoCE (%)	27.4	32.2	33.6
P/E (x)	20.7	14.9	11.4
P/BV (x)	6.3	4.7	3.5

Estimate change	↔
TP change	↔
Rating change	↔

Confident about meeting growth guidance given new client additions and capacity expansion

- **Results in line with expectations:** Kitex Garments' (KTG) 1QFY17 revenues grew 9.4% YoY to INR1.2b (v/s est. of INR1.1b), led by higher garments (+6.6% YoY) and net fabric (+23.1% YoY) revenues. EBITDA margin expanded 80bp YoY to 28.4% (v/s est. of 29.5%), while PAT grew 31% to INR209m on account of lower interest outgo. Management continues to maintain its guidance of 20% annual growth over the next three years due to new client additions and commensurate capacity addition. After increasing capacity to 320,000 pcs/day from 270,000 pcs/day, the company aims to sustain this momentum, which should aid targeted top line growth of 20% for FY17.
- **Addition of clients to drive revenues:** KTG recently added a new client, Sam's Club, which is a subsidiary of Wal-Mart. Sam's is a wholesale format business with lower margins of 15-18% (v/s retailer margins of 50-60%), but we note that it sells products in large quantities to its members. We view this as a huge opportunity in terms of business for KTG. The company expects USD5-6m business in FY17 and USD15m in FY18. Additionally, Kitex has shipped its first consignment of Lamaze on a test basis (order size of USD50,000), and for the full year, it intends to clock USD7m of revenues.
- **New textile policy to be favorable:** Based on available prima facie information, KTG expects the new textile policy to be highly favorable for the garment industry. It expects annual benefit of INR18.7m from the Provident Fund scheme, INR250-300m from increased rate of duty drawback by 5%, and higher capital subsidy benefit (15-25%) on capex planned. Also, in terms of Income Tax, it will qualify under section 80JJAA, which should help it save INR100m.
- **Valuation and view:** We expect 20% revenue CAGR, along with 35% PAT CAGR over FY16-18 after considering the impact of IT benefit u/s 80JJAA. We expect EBITDA margins to expand by 390bp over FY16-18E given operating leverage benefits. Given huge scalability, strong return ratios and free cash generation, we maintain **Buy** with a TP of INR770—valuing it at 18x FY18E EPS.

Quarterly performance

Y/E March	FY16				FY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY16	FY17E
Net Sales	1,091	1,343	1,181	1,844	1,193	1,544	1,500	2,397	5,458	6,578
YoY Change (%)	6.2	4.7	-3.2	16.7	9.4	15.0	27.0	30.0	6.8	20.5
Total Expenditure	789	891	765	1,150	854	1,016	954	1,445	3,596	4,210
EBITDA	301	451	417	693	339	528	546	951	1,863	2,368
Margins (%)	27.6	33.6	35.3	37.6	28.4	34.2	36.4	39.7	34.1	36.0
Depreciation	55	55	55	48	51	58	64	70	213	247
Interest	48	44	42	4	26	19	19	19	138	78
Other Income	59	68	54	17	62	65	60	59	198	248
PBT	258	421	373	659	323	515	522	921	1,711	2,291
Tax	98	149	132	210	115	178	180	318	590	733
Rate (%)	38.1	35.4	35.4	31.9	35.4	34.5	34.5	34.5	34.5	32.0
Reported PAT	160	272	241	449	209	337	342	603	1,121	1,558
Adj PAT	160	272	241	449	209	337	342	603	1,121	1,558
YoY Change (%)	10.7	40.6	4.0	7.9	30.7	24.3	42.2	34.4	13.8	39.0
Margins (%)	14.6	20.2	20.4	24.4	17.5	21.9	22.8	25.2	20.5	23.7

E: MOSL Estimates

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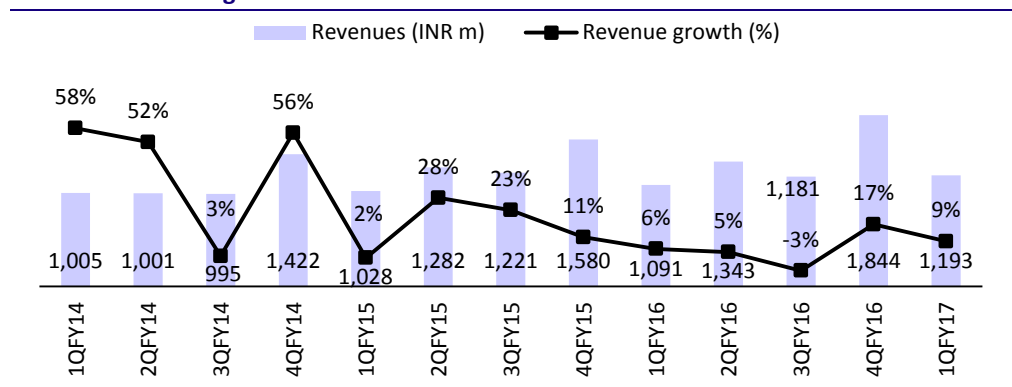
Investors are advised to refer through important disclosures made at the last page of the Research Report.

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Revenues meet expectations

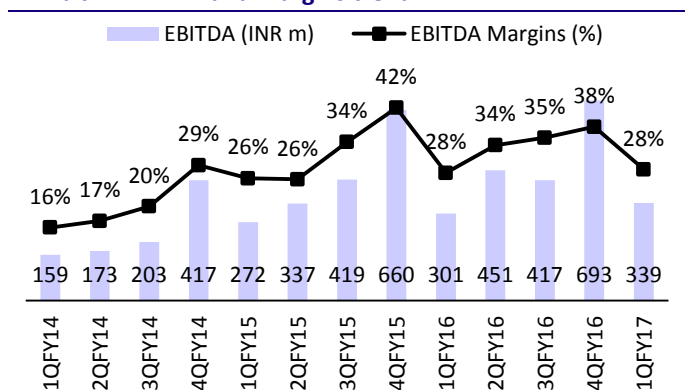
- KTG's 1QFY17 revenue grew 9.4% to INR1.2b (est. of INR1.1b) led by garments which grew 6.6% and net fabric revenues which grew 23.1%. EBITDA margins expanded 80bp YoY to 28.4% (est. of 29.5%) while PAT grew by 31% to INR209m on account of lower interest outgo.
- The management continues to maintain its guidance of 20% growth every year over next 3 years on the back of new client additions and commensurate capacity addition to support growth.
- Currently, the company has already increased capacity to 320,000 pcs per day from 270,000 pcs per day and will continue to increase the same which shall aid targeted topline growth of 20% for FY17.

Exhibit 1: Revenue growth trend



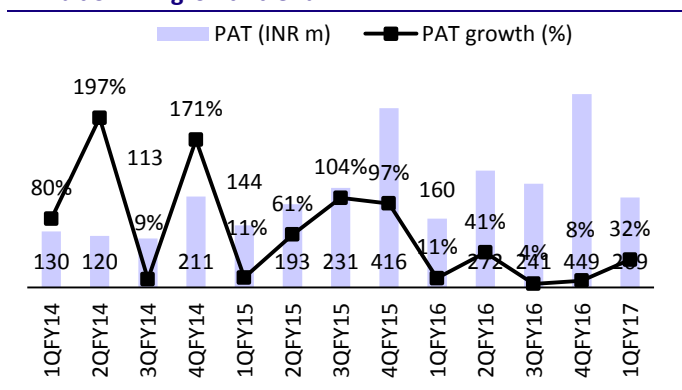
Source: MOSL, Company

Exhibit 2: EBITDA and margins trend



Source: MOSL, Company

Exhibit 3: PAT growth trend

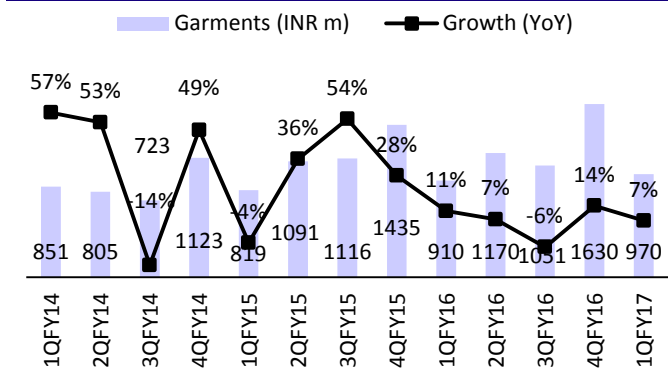


Source: MOSL, Company

Garments segment reports 6.6% growth, fabrics grow 23.4%

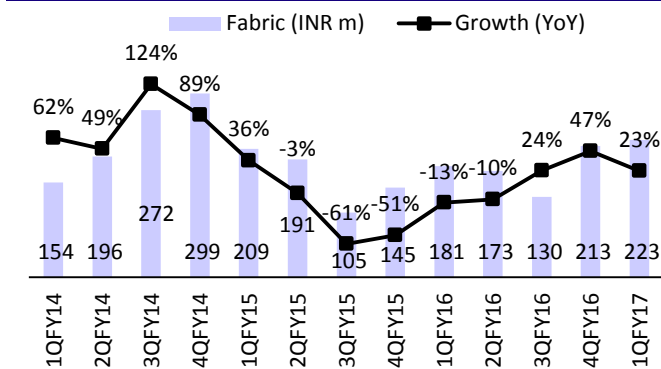
- During 1QFY17, garments segment grew 6.6% to INR970m while net fabric revenues grew 23.4% to INR223m.
- Garment business contribution to total revenue stood at 81% as against 83% in 1QFY16.
- Garment margins improved by 150bp YoY to 32.8% while fabric margins decreased from 4.4% in 1QFY16 to 4% in 1QFY17.

Exhibit 4: Garments revenues and growth



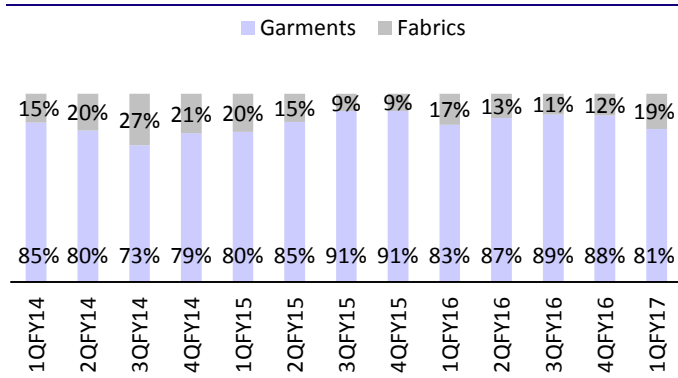
Source: MOSL, Company

Exhibit 5: Fabric revenue and growth



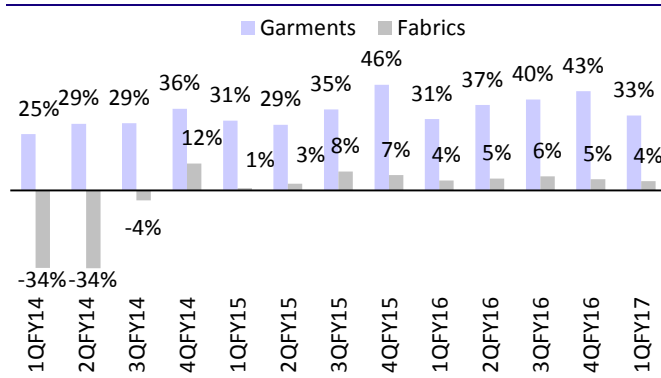
Source: MOSL, Company

Exhibit 6: Segment revenue mix (%)



Source: MOSL, Company

Exhibit 7: Segment margins



Source: MOSL, Company

Management confident of 20% CAGR over FY16-FY19 aided by newer clients and products

- Kitex recently added new client – Sams Club which is a subsidiary of Wal-mart and is wholesale format business where its (Sams Club's) margins are lower at 15-18% compared to retailer margins 50-60% margins which is available to its members but sells in large quantities. This can be a huge opportunity in terms of business for Kitex, going ahead. The company expects USD5-6m business in FY17 and USD15m in FY18.
- Additionally, Kitex shipped out first its first consignment of Lamaze on test basis (size of USD50,000) but on a full year it intends to clock USD7m of revenue. By Fall season the company intends to increase traction in business. It also in talks with COSCO for Lamaze business.

New Textile policy to be favorable

- As per prima facie information available, Kitex expects new policy to be highly favorable for garment industry.
- It expects annual benefit of INR18.7m from Provident Fund scheme, INR250-300m benefit from increased rate of duty drawback by 5% and increased capital subsidy benefit (15% to 25%) on capex planned.
- However, the management has clarified that it is as per prima facie evidence available but will get clarity once it receives detailed document.
- Additionally, under Income Tax it will qualify under section 80JJAA which shall help savings of INR100m.

Cotton price increase will have no impact on margins

- The management clarified that recent increase in cotton prices will have no impact on the margins of the company. The company when it gets a confirmed Purchase Order from clients it simultaneously books/cover the raw material for the same and pricing is accordingly done. Therefore, there will never be any impact on margins of the company.

Other conference call highlights

- Current debt on books includes INR500m of packing credit and term loan of INR190m.
- The recent Madras high court order to increase pay hike by 30% will not impact Kitex as it is located in Kerela. Additionally, the minimum wages prescribed in Kerela is INR5,500 to 7,000p.m however, Kitex's starting salary is INR8,000pm and goes upto INR12,000-13,000pm.
- The management clarified that amount lying in dollar need not be converted into rupee as per FEMA rule if it is already hedged. Kitex has already hedged its cash lying in dollar denominations.

Exhibit 8: Quarterly metrics (%)

	1QFY14	2QFY14	3QFY14	4QFY14	1QFY15	2QFY15	3QFY15	4QFY15	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17
Sales Growth %													
Garments	57	53	-14	49	-4	36	54	28	11	7	-6	14	7
Fabrics	62	49	124	89	36	-3	-61	-51	-13	-10	24	47	23
Sales Mix %													
Garments	85	80	73	79	80	85	91	91	83	87	89	88	81
Fabrics	15	20	27	21	20	15	9	9	17	13	11	12	19
EBIT Margin %													
Garments	25	29	29	36	31	29	35	46	31	37	42	43	33
Fabrics	-34	-34	-4	12	1	3	8	7	4	5	7	5	4
EBIT Contri %													
Garments	133	140	106	92	99	98	98	99	97	98	98	99	97
Fabrics	-33	-40	-6	8	1	2	2	1	3	2	2	1	3

Source: Company, MOSL

Valuation and view

We value KTG at 18x FY18E EPS, higher than its 5-year average of 12.2x, which we believe is justified considering:

Large opportunity: Kitex has presence in the highly niche USD20b global infant-wear clothing market and is the 3rd largest vendor globally. With India's market share being low single-digit, and with India's growing competitiveness against erstwhile low-cost countries like China (~52% market share), we believe the long term opportunity for KTG is large.

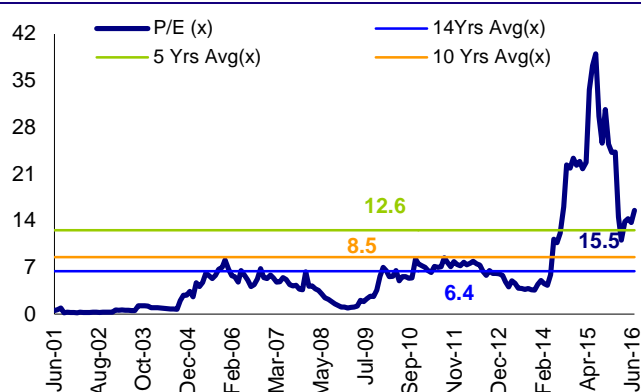
High entry barriers: KTG is the largest exporter of infant-wear clothing out of India and commands a 70% market share for all infant-wear clothing exports out of India. Adhering to stringent safety measures, maintaining high quality standards, higher degree of complexity (than adult garments) due to involvement of small sizes, need for greater variety, smaller batch size orders and high labor requirements are some of the key entry barriers that support superior profitability for the company.

Industry leading return ratios: KTG commands strong, industry leading return ratios (41.8% RoCE and 35.5% RoE), with its business model generating robust free cash generation (INR4.6b over FY16-18). We believe KTG stands out amongst listed textile exporters (with most of them present in capital intensive, low RoCE businesses of yarn and fabric manufacturing (averaging ~10% RoCE)).

Opportunity to enter the brands business: We expect KTG to capture a larger pie of the infant-wear value chain through its forward integration with its launch of own brand in the US market (Little Stars) as well as licensing of private labels (Lamaze) in the US market. Forward integration holds high significance for the company as margins in its own brand will be double of the current business (~60% versus current margins of ~30%), along with higher realizations.

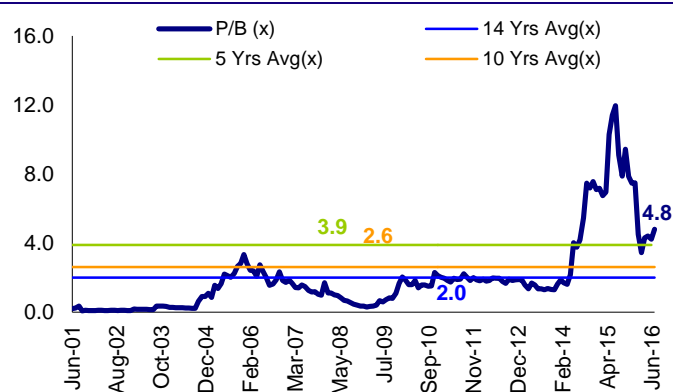
We value the stock at 18x FY18E EPS of INR42.7, arriving at price target of INR770. Maintain **Buy**.

Exhibit 9: 15 year PE band



Source: MOSL, Company

Exhibit 10: 15 year PB band



Source: MOSL, Company

Operating metrics

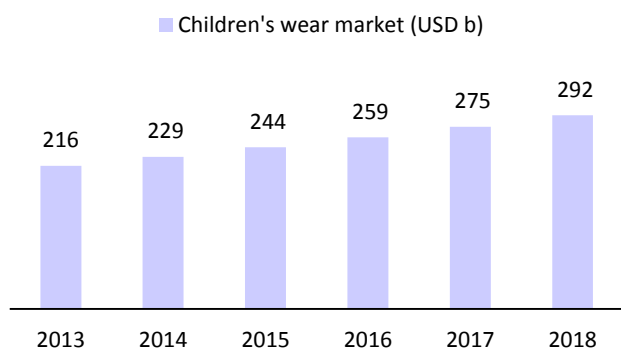
Exhibit 11: Operating metrics and key assumptions

Y/E March (INR m)	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E
Growth (%)							
Garments		15	31	27	7	19	19
Fabric		-36	82	-29	7	-5	0
Net Revenues		2	40	16	7	21	20
Contribution (%)							
Garments	75	84	79	87	87	86	85
Fabric	25	16	21	13	13	10	8
In-licensed brands						4	6
Net Revenues	100	100	100	100	100	100	100

Source: Company, MOSL

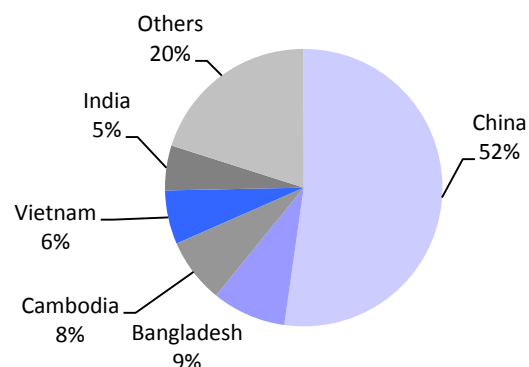
Story in charts

Exhibit 12: Global children's wear market is huge



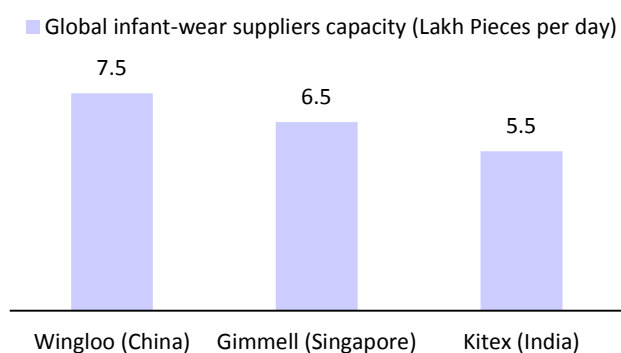
Source: MOSL, Company

Exhibit 13: India has high potential for infant-wear sourcing



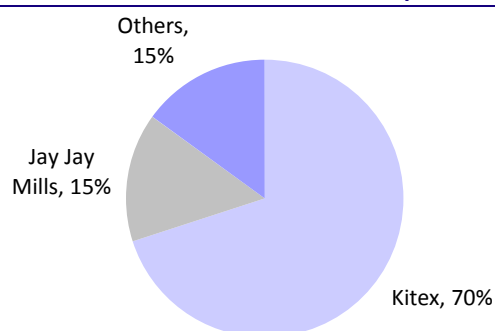
Source: MOSL, Company

Exhibit 14: Kitex is the 3rd largest infant-wear player



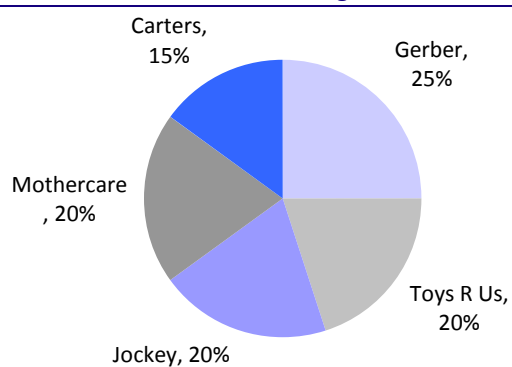
Source: MOSL, Company

Exhibit 15: Kitex dominated infant-wear exports from India



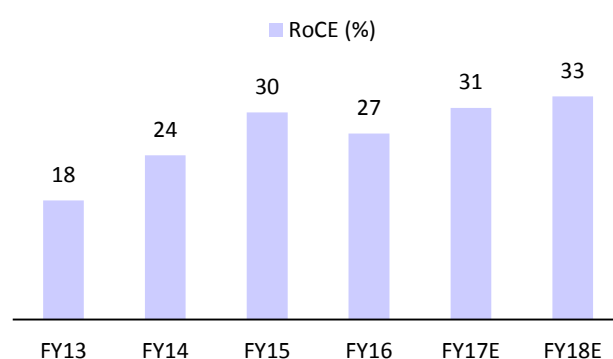
Source: MOSL, Company

Exhibit 16: Diversified client mix augurs well for margins



Source: MOSL, Company

Exhibit 17: Kitex reports strong capital efficiency



Source: MOSL, Company

Financials and Valuations

Income Statement						(INR Million)	
Y/E March	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E
Net Sales	3,120	3,170	4,422	5,111	5,458	6,578	7,904
Change (%)	21.9	1.6	39.5	15.6	6.8	20.5	20.2
EBITDA	582	601	951	1,687	1,863	2,368	3,004
Margin (%)	18.7	19.0	21.5	33.0	34.1	36.0	38.0
Depreciation	69	86	97	213	213	247	298
EBIT	514	515	855	1,474	1,650	2,121	2,706
Int. and Finance Charges	176	115	106	192	138	78	44
Other Income - Rec.	64	40	133	134	198	248	322
PBT bef. EO Exp.	401	440	882	1,417	1,711	2,291	2,983
EO Expense/(Income)	0	0	0	0	0	0	0
PBT after EO Exp.	401	440	882	1,417	1,711	2,291	2,983
Current Tax	124	149	254	422	590	733	955
Deferred Tax	6	-2	55	10	0	0	0
Tax Rate (%)	32.4	33.3	34.9	30.5	34.5	32.0	32.0
Reported PAT	271	294	574	985	1,121	1,558	2,029
PAT Adj for EO items	271	294	574	985	1,121	1,558	2,029
Change (%)	31.5	8.3	95.3	71.7	13.8	39.0	30.2
Margin (%)	8.7	9.3	13.0	19.3	20.5	23.7	25.7

Balance Sheet						(INR Million)	
Y/E March	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E
Equity Share Capital	48	48	48	48	48	48	48
Total Reserves	927	1,176	1,694	2,591	3,626	4,851	6,491
Net Worth	974	1,224	1,742	2,639	3,674	4,899	6,538
Minority Interest	0	0	0	0	0	0	0
Deferred Liabilities	163	162	216	226	206	206	206
Total Loans	1,015	1,012	1,342	1,612	918	510	306
Capital Employed	2,153	2,397	3,299	4,477	4,798	5,615	7,050
Gross Block	1,613	1,638	2,374	2,625	2,686	3,336	3,936
Less: Accum. Deprn.	385	465	562	743	956	1,203	1,501
Net Fixed Assets	1,228	1,172	1,812	1,882	1,730	2,133	2,435
Capital WIP	4	23	7	3	12	0	0
Total Investments	0	0	0	0	46	46	46
Curr. Assets, Loans&Adv.	1,443	1,755	2,219	3,468	4,401	5,054	6,501
Inventory	520	459	108	112	130	135	157
Account Receivables	318	506	531	627	960	956	1,149
Cash and Bank Balance	365	412	1,036	2,033	2,499	3,032	4,121
Loans and Advances	240	378	544	696	811	931	1,075
Curr. Liability & Prov.	522	553	738	876	1,391	1,619	1,932
Account Payables	348	333	402	343	688	621	747
Provisions	174	221	337	532	703	997	1,186
Net Current Assets	921	1,202	1,480	2,592	3,010	3,436	4,569
Appl. of Funds	2,153	2,397	3,299	4,477	4,798	5,615	7,050

E: MOSL Estimates

Financials and Valuations

Ratios

Y/E March	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E
Basic (INR)							
EPS	5.7	6.2	12.1	20.7	23.6	32.8	42.7
Cash EPS	7.2	8.0	14.1	25.2	28.1	38.0	49.0
BV/Share	20.5	25.8	36.7	55.6	77.3	103.1	137.6
DPS	0.6	0.8	1.0	1.3	3.0	6.0	7.0
Payout (%)	12.2	15.1	9.7	7.3	14.9	21.4	19.2
Valuation (x)							
P/E				23.5	20.7	14.9	11.4
Cash P/E				19.3	17.4	12.8	10.0
P/BV				8.8	6.3	4.7	3.5
EV/Sales				4.5	4.0	3.1	2.5
EV/EBITDA				13.5	11.6	8.7	6.4
Dividend Yield (%)				0.3	0.6	1.2	1.4
FCF per share	11.7	4.1	9.1	20.7	35.0	28.5	36.3
Return Ratios (%)							
RoE	31.7	26.7	38.7	45.0	35.5	36.3	35.5
RoCE	20.5	17.5	24.2	30.5	27.4	32.2	33.6
RoIC	18.8	18.3	26.4	43.6	46.2	60.4	67.9
Working Capital Ratios							
Asset Turnover (x)	1.4	1.3	1.3	1.1	1.1	1.2	1.1
Inventory (Days)	61	53	9	8	9	7.5	7.3
Debtor (Days)	37	58	44	45	64	53	53
Creditor (Days)	41	38	33	25	46	34	34
Wkg. Capital Turnover (Days)	65	91	37	40	34	22	21
Leverage Ratio (x)							
Debt/Equity	1.0	0.8	0.8	0.6	0.2	0.1	0.0

Cash Flow Statement

(INR Million)

Y/E March	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E
NP/(Loss) before Tax & EO Items	401	440	882	1,417	1,711	2,291	2,983
Depreciation	69	84	97	213	213	247	298
Interest & Finance Charges	176	115	102	188	138	78	44
Direct Taxes Paid	-134	-139	-242	-364	-590	-733	-955
(Inc)/Dec in WC	114	-256	315	-176	261	107	-45
CF from Operations	626	244	1,154	1,284	1,733	1,989	2,326
CF from Operating incl EO	626	244	1,154	1,284	1,733	1,989	2,326
(inc)/dec in FA	-68	-48	-720	-302	-70	-638	-600
Free Cash Flow	558	196	433	981	1,663	1,352	1,726
(Pur)/Sale of Investments	0	0	0	0	-46	0	0
Others	11	4	8	-9	0	0	0
CF from Investments	-57	-44	-712	-311	-116	-638	-600
(Inc)/Dec in Debt	-69	-5	334	271	-694	-408	-204
Interest Paid	-176	-115	-106	-192	-138	-78	-44
Dividend Paid	-22	-33	-45	-56	-167	-333	-389
Others	0	0	0	0	-152	0	0
CF from Fin. Activity	-267	-153	183	24	-1,150	-819	-637
Inc/Dec of Cash	302	47	624	996	467	533	1,089
Add: Beginning Balance	64	365	412	1,036	2,033	2,499	3,032
Closing Balance	365	412	1,036	2,033	2,499	3,032	4,121

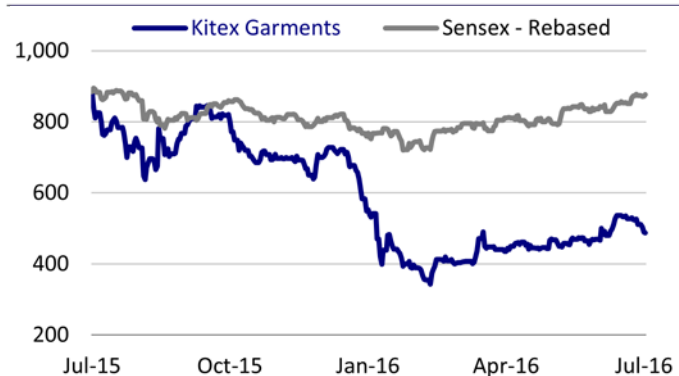
E: MOSL Estimates

Corporate profile

Company description

Kitex Garments Ltd (KTG) is based in Kochi, India. Incorporated in 1992, its first public issue was in 1995. Its promoters are Mr MC Jacob, Mr Bobby Jacob and Mr Sabu Jacob. KTG is in the business of manufacturing and exporting infant garments. Company derives 80% of its revenue from the sale of infant garments and the balance 20% from the sale of fabric to Kitex Childrenwear.

Exhibit 1: Sensex rebased



Source: MOSL/Bloomberg

Exhibit 2: Shareholding pattern (%)

	Jun-16	Mar-16	Jun-15
Promoter	54.2	54.2	54.2
DII	0.3	2.1	0.5
FII	4.0	1.1	3.0
Others	41.5	42.6	42.3

Note: FII Includes depository receipts

Source: Capitaline

Exhibit 4: Top management

Name	Designation
Sabu M Jacob	Chairman & Managing Director
A Babu	Company Secretary

Source: Capitaline

Exhibit 6: Auditors

Name	Type
Ernst & Young LLP	Internal
Kolath & Co	Statutory
SVJS & Associates	Secretarial Audit
Varma & Varma	Statutory

Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
C K G Super Market Limited	6.4
Gopinathan C K .	6.2
Acumen Capital Market (India) Ltd	2.5
Jinsha Nath C K	1.8
Sethuparvathy .	1.4

Source: Capitaline

Exhibit 5: Directors

Name	Name
Sabu M Jacob	Erumala Mathew Paulose*
Benni Joseph*	K L V Narayanan
C P Philipose	Sindhu Chandrasekhar

*Independent

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY17	31.5	29.0	8.6
FY18	41.1	34.7	18.6


Source: Bloomberg

Kitex Garments

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Kitex Garments

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2019 INDEX	547.20
2018 INDEX	5.40
Quarterly	47.76
Quarterly Growth	47.76
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CMP: NMPS456 **TP: NMPS456** **Buy**

Key Metrics

Revenue	100.00
Profit	10.00
EPS	1.00
P/E	10.00
Dividend	0.00
Yield	0.00

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MATHAL OSWAL

23 January 2021

Rewals (Revised) – Tagline

Kites Garments

CAMP: NR558

1P: NR020 (+25%)

Buy

5Yr. SENDEX	5Yr. CAGR
214.08	14.02%
5Yr. CAGR	14.02%
Recy. Share (%)	0.00%
Net Profit (₹ Cr.)	26.53
EBITDA (₹ Cr.)	40.61
EBIT (₹ Cr.)	31.63
1st Yr. Net Profit (%)	11.14%
2nd Yr. Net Profit (%)	14.14%
3rd Yr. Net Profit (%)	13.14%

Key Financials: 5Yr. CAGR: 14.02%
Key Financials: 5Yr. CAGR: 14.02%

Kites Garments Ltd [KGT] reported FY2023 numbers with a revenue of ₹102.23n (FY19: ₹31.31n, compared to ₹109.75n in FY20), marking a 1st growth of 22.8%. Growth was driven by net earnings due to higher than-expected net interest payable of ₹4.5n by US clients from ₹20.75n to ₹10.25n. EBITDA grew by 150% this year to ₹40.61n (FY19: ₹13.07n, EBITDA margin of 39.74%, FY20: ₹42.1n, FY21: ₹47.1n, compared to 20.4% in FY2019, an expansion of 43% this year) driven by lower capital expenses, higher pricing and lower wastages due to technology upgradation. Hence, FY19 FY2023 added to ₹102.23n (FY19: ₹31.31n), compared to ₹116.11n in FY2014, marking a 1st growth of 12.8%. Capacity utilization at the processing unit is ~70-80%, while in the sewing unit it is ~100%. FY21 is planning to double the sewing capacity in the next year's expansion further upgradation technology, thus driving further efficiencies.

Research on the right path

We expect KGT to acquire a larger part of the US market share, through its forward expansion with the launch of its own brand in the US market and targeting of private labels in the US market. During the quarter, company already made significant gains to results in both these endeavors and expects revenue from brands and private labels to grow in FY21. Forward integration holds high significance for the company as it is the most preferred and sustainable business model. Hence, FY20 ~20% contribution, along with higher realisation. We have not factored additional growth from brands business, which provides further upside to our estimates.

Valuation and exit

Management has guided for doubling of current turnover in FY2028 over the next three years, with margin expansion held by heavy into brands business. Further, capital expenditure over the next three years will be limited to ₹100n, thus resulting in significant cash generation. We suggest FY16/17/17/17/17 to 4n each to reflect in better margin expansion and suggest 25x Revenue CAGR and 30x P/E Ratio, over FY15-17. With huge valuation expansion and free cash generation, we target FY20 to be around a multiple of 20x over FY15 valuation. We maintain Buy as a better price of ₹102.23n, resulting in 20% over FY15 P/E17E average.

Company's website

1st Yr. Net Profit

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1st Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2nd Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3rd Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
5th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
7th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
8th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
9th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10th Yr. Net Profit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Annual Report, Management Estimates, Researcher's Analysis

Anal. Mehra (Anal. Mehra)@MathalOswal.com +91 22 3992 5456

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Analyst's estimate to select the best stock from the list of the Research Report

Disclaimer: Research, Review, and Stock Capital

Kitex Garments

[illegible][illegible]

A wicker basket filled with baby items like a teddy bear, a blanket, and bottles, floating upwards. It is attached to several colorful balloons (blue, pink, yellow, white) which have text and logos on them: 'MOM'S', 'Gerber', 'PLACE', 'mothercare', and 'Gerber'. The background is a bright blue sky with white clouds.

NOTES

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Analyst ownership of the stock

Served as an officer, director or employee

KITEX GARMENTS

No

No

A graph of daily closing prices of securities is available at www.nseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>

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