



Assignment-II

Investing Management and Stock Market (MSO 851)

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Roll No.- 17CE8059

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Part Two

PAGE INDUSTRIES LTD

5. Industry prospects and critical success factors

- Page Industries Limited was incorporated in the year 1995 with the key objective of bringing the innerwear brand 'Jockey to India. The core values of the brand include youthfulness, fun, quality, value, confidence and innovation. The company has introduced a wide range of quality products for men, women and children as well as innovative marketing concepts such as display modules aimed at enhancing the consumer's involvement with the purchase.
- The company commenced operations in the year 1995 in Bengaluru with the manufacturing, distribution and marketing of Jockey products. The company has added to its profile by entering into license with 'SPEEDO', globally known International brand for swim wear.
- Jockey is the company's flagship brand and a market leader in the innerwear category. Page Industries and Brand Jockey have pioneered the innerwear industry on many fronts. The company has established the premium segment in the innerwear category in India through brand Jockey. The introduction of high-quality products coupled with an organized and extensive network of distributors pan India has created a paradigm shift in the way consumers perceive innerwear in the country.
- Jockey took the bold stance of changing the rules of retailing innerwear two decades ago. Modules and Fixtures for product display, attractive Box Packaging and Lifestyle Point-of-Sale imagery ensured the category was brought 'out of the closet' using first of its kind international brand communication. Jockey was also the first innerwear brand in India to set up Exclusive Brand Outlets across the country. As of September 2017, the brand has 384 Exclusive Brand Outlets across India with 286 stores on high streets and 98 stores in shopping malls with heavy footfalls. These stores reinforce the legacy of brand Jockey and allow it to showcase its complete range of products in Innerwear, Athleisure and Sportswear for men, women and kids.
- Speedo International Limited appointed Page Industries as their sole licensee for the manufacturing, marketing and distribution of the Speedo brand in India. The vision of Speedo is to 'inspire people to swim; with Speedo.' The mission of Page Industries is to be the number one swimwear brand in the country in terms of both market share and profitability.

Business area of the company

Page Industries' brand Jockey has pioneered the innerwear industry on many fronts. The company has established the premium segment in the innerwear category in India through brand Jockey.

Products of the company

- Men's Innerwear
- Women's Innerwear
- Sport and Leisurewear
- Thermals

Awards and Accolades

- The Company has received an award from Debra Waller, Chairman of the Board & CEO of Jockey International, honouring 25 years of strong partnership.
- Mr. Sunder Genomal, Managing Director, received the award for INDIA'S BEST CEO (Textiles) 2015 during the fourth edition of the Business Today Best CEO Awards held in December 2015 at New Delhi.
- Mr. Pius Thomas, former Executive Director -Finance had been chosen by an eminent Jury - Chaired by former RBI Deputy Governor Mr. Subir Gokarn - as the winner in the Sustained Wealth Creation Medium Category at the fifth Business Today- YES Bank Best CFO Awards in 2015.
- Jockey International has felicitated Page Industries Limited for 'twenty years of service and dedication to the Jockey brand' in 2015.
- The company has been awarded by Jockey International for 'the Outstanding Marketing of the Jockey brand' in 2015.
- The Company has received the award for the 'Outstanding Advancement of the Jockey Global Retail Image' by Jockey International in 2015.
- The Company has received the award for the 'Best Wholesale Growth in 2013' by Speedo International in 2015.
- Brand Jockey has won the award for the Buzziest Brand in Apparel, Fashion, Accessories for 2015. This award has been given by the Advertising and Marketing fraternity through a voting panel of eminent personalities as well as advertising professionals and brand marketers.
- The Company has been awarded the International licensee of the year award by Jockey International Inc (USA) for the years 2005, 2009, 2013 and 2016.
- Mr. Vedji Ticku, Executive Director & CEO, received the 'Decadal Award' on behalf of Page Industries Limited at the 10th edition of the CNBC TV18 Emerging India Awards event.
- Mr. Sunder Genomal, Managing Director, featured in INDIA'S BEST CEOs' list released by Business Today in January 2017. This renowned study was jointly conducted by Business Today and PwC.
- Mr. Sunder Genomal, Managing Director, was awarded 'EY Entrepreneur of the year 2017' Award in the Consumer Products & Retail category. A distinguished nine-member jury led by Mr. Dilip Shanghvi, Managing Director, Sun Pharmaceuticals selected the winners from India.
- Mr. Sunder Genomal, Managing Director, received 'Economic Times Awards 2018 - 'Emerging Company of the Year' on behalf of Page Industries Ltd. Mr. Venkaiah Naidu,

Honorable Vice-President of India and Mr. Arun Jaitley, the then Finance Minister, presented the award.

Milestones

1880

- In 1876, Samuel Thrall Cooper founded S.T. Cooper & Sons, the predecessor of Jockey International, Inc. Samuel Cooper started his hosiery business in St. Joseph, Michigan to help lumberjacks who were suffering from their poor quality socks, laying Jockeys foundation for 'Satisfying the Human Need for Comfort.'
- By 1878, S.T. Cooper & Sons was producing nearly 2,500 pairs of seamless stockings each day. Over the next 25 years, Cooper's sons (Charles, Henry and Willis) became skilled in the business. In 1897, they introduced the Black Cat brand of hosiery for men, women & children, and in 1898, the brothers moved the company and eventually moved the company into an ambitious new direction Men's Underwear.

1900

- In 1900, the brothers incorporated as the Cooper Underwear Company and began producing White Cat underwear.
- The new Cooper Underwear Company mill, which manufactured White Cat union suits, was completed in 1902. This location still serves as the longtime headquarters of Jockey International, Inc.

1910

- In 1912, the patented Cooper union suit, branded as the Kenosha Klosed Krotch, rose to the top of the underwear market and was sold faster than it could be produced.
- Cooper hired Joseph C. Leyendecker, illustrator for The Saturday Evening Post, to create the 'Man on the Bag' image a staple of the company's brand identity and a classic American advertising image.

1920

- 1920s Arthur Kneibler was hired by Cooper Underwear in 1928 to head its sales and marketing team.
- In 1929, the Cooper Underwear Company officially changed its name to Coopers, Inc. That year, Coopers' developed the Singleton, a new-style union suit with short legs and a sleeveless top and packaged them in cellophane bags - a first in the underwear trade and a huge selling point in modern self-service apparel stores.

1930

- In 1934, Arthur Kneibler received a post card from the French Riviera showing a man in a bikini style swimsuit. This simple postcard inspired the creation of the one and only Jockey brief.
- In 1935, Coopers began selling the Jockey short on a larger scale. The day of its debut, Chicago's popular Marshall Field & Company sold out its stock of 600 packages by noon and sold 12,000 more in the following weeks. The Jockey short became a national sensation.
- The Jockey Y-Front brief was invented later that year and became Coopers most sought after item. The success of the Y-Front brief was followed with the design of the Jockey Midways Brief.
- Coopers signed its first international license agreement with the Canadian J.R. Moodie company in 1936. That same year, European export agents began placing orders for Coopers products. During the remaining century, licensee agreements were signed in Australia and throughout Europe, South America, Asia and Africa.
- At a retail convention in Chicago in 1938, Cooper's hosted one of the first Underwear Fashion Shows, featuring The Cellophane Wedding.
- A Coopers salesman in 1939 invented a ground-breaking countertop dispenser to organize sizes and styles of underwear.

1940

- 1940s To better symbolize the pride in the brand, Coopers commissioned well known sculptor and painter, Frank Hoffman, to produce the Jockey Boy.
- 1946 ushered in one of the company's most important merchandising tools endorsements from star athletes one of the first being home run king, Babe Ruth. In 1947, the Jockey brand name was stitched into the waistband of the underwear for the first time.

1950

- Coopers advertised in the first issue of Sports Illustrated magazine in 1954.
- In 1958, Coopers introduced Jockey Skants briefs, the company's first foray into fashion underwear. Coopers also purchased its first TV advertising, read live by Jack Parr on the Tonight Show.

1960

- Harry Wolf Sr., future owner of Jockey International, Inc., became President of Coopers in 1960.
- The Jockey Low Rise brief was born in 1961 and became a huge success in Europe. The Jockey Half-boy trademark was also introduced that year.
- Coopers introduced the Jockey Life Low Rise brief to the United States.

1970

- In 1971, Coopers, Inc. changed its name to Jockey Menswear, Inc., and then changed its name to Jockey International, Inc. in 1972.

- In 1972, Jockey International, Inc. established a new line called Trophy, fashions for the golf course, and by 1975, Jockey's Sportswear line accounted for one third of the company's sales.
- The Jockey Elancee collection was launched in 1976, beginning the company's longstanding leadership in the world of men's fashion underwear.
- In 1978 Donna Wolf Steigerwaldt, daughter of Harry Wolf Sr., took the helm at Jockey International, Inc. and ushered in a new golden age at the company

1980

- In 1982, Steigerwaldt introduced the enormously successful Jockey for Her. Jockey for Her hosiery was introduced in 1988.

1990

- Jockey developed the Life brand for Wal-Mart in 1996. Jockey launched the first generation of its Web site in 1997. The 'Let 'em Know You're Jockey' advertising campaign in Times Square coincided with the opening of a new showroom in New York's Fashion District in 1998.
- Jockey increased its retail capabilities in 1999 with the launch of Jockey.com

2000

- Debra Steigerwaldt Waller succeeded her mother as Jockey's Chairman & CEO.
- In 2001, Jockey International, Inc. launched its revolutionary No Panty Line Promise panties.
- Jockey embarked on a mission in 2004 to develop underwear in an innovative new way, ultimately becoming the 3D-Innovations line of products.
- Jockey launched Jockey Person to Person, Inc., its direct sales business, in 2004.
- In 2005 Jockey introduced the Jockey Swirl™ Icon. Jockey's corporate citizenship initiative, Jockey Being Family, was also launched that year. Jockey launched its 3D-Innovations garments in most major metropolitan areas across the United States in 2006 and introduced the collection globally in 2007.
- 2007 witnessed the launch of Jockey's first retail catalog along with its freedom inspiring 'Dare to Be You' television ad.

2020

- Page Industries resumes its manufacturing operations, in all 15 facilities / Units, (including all Warehouses) on different dates from May 04, 2020, with health and safety guidelines in place. The company had temporary shutdown its manufacturing activities and other offices on March 24, 2020, due to Covid-19 outbreak.

PROSPECTS

- We are highly encouraged by the enduring strong brand equity, image and leadership of the Jockey brand and the rising strength of the Speedo brand in the respective markets. We will continue our unrelenting endeavor to satisfy consumers with the finest products in terms of style, design, comfort, fit and quality in all verticals:- Jockey Men's and Women's Innerwear, Athleisure, Socks and Accessories, as well as Speedo Swimwear and Swim related equipment.
- The Jockey brand continues to live up to the results of an independent 'brand health' study carried out earlier by Nielsen Research Agency which rated the Jockey Brand Health in India among the most powerful brands in their research experience across all categories. The research involved fourteen cities across all four zones in the nation. Jockey brand scored a Brand Equity Index of 4.6 on a scale of ten in the Men's Innerwear category and 2.9 in the Women's innerwear category. To put things in perspective, worldwide only 23% of brands across all product categories score a Brand Equity Index 3.0 or over on a scale of ten and only 8% of brands score 5.0 and above. Jockey India Brand Equity Index scores were way above all other brands in both the Men's and Women's Innerwear categories.
- One more brand health study conducted by another research agency, Kantar IMRB measured the Brand Equity of the Jockey brand using a propriety tool called 'Brand Spring' (a composite of 'to what extent consumers are familiar with the brand' and 'what the consumers' reaction is to the brand'). The results were very encouraging and showed a Brand Spring score of 56 for Men and 55 for Women, far higher than any other brand in the respective categories.
- With the continued support from Jockey International, USA, Speedo International, UK, and access to ideas, trends and innovations from forty other Jockey international licensees throughout the world, our long-term commitment to newness and innovation will never waver, be it in product, technology upgradation, back-end processes or marketing. With our strong in-house product development, back-end capabilities manufacturing expertise and state of the art technology that is continuously evolving, combined with a very strong distribution network, we remain optimistic about the prospects and expect continued healthy sales growth and profitability in the coming years, further consolidating our position in the premium market for Innerwear, Athleisure, Socks, Swimwear & Swim equipment.

BRAND BUILDING

JOCKEY

- Jockey brand is distributed in 2,800+ cities and towns. The products are sold through Exclusive Brand Outlets (EBO), Large Format Stores (LFS), Multi Brand Outlets (MBO), Traditional hosiery stores and Multi-purpose stores. Jockey brand is available in over 66,000+ outlets spread across India.
- During the year 2019-20, the Company through its authorised franchisees opened 150 EBOs, taking the total number of EBOs to 756 which includes 37 'Jockey Woman' EBOs catering

exclusively to our women customers. These outlets are spread throughout India covering even Tier II and Tier III cities. This is an indicator of the growth potential of the Jockey brand in such cities. Apart from the domestic EBOs, the Company has 6 EBOs outside India - 4 in UAE and 2 in Sri Lanka.

- While these markets are still in a nascent stage, your company is confident of promising opportunities in these new regions, for the brand. The online retail business has also showed significant growth both through jockey.in website as well as with key e-commerce partners and online marketplaces.

SPEEDO

- The Speedo brand has achieved a turnover of `354 million in the financial year 2019-20 as against previous year sales of `420 million. As on 31st March 2020, Speedo brand is available in 1,350 stores, 43 EBOs and 15 Large Format Stores. Studies on the swimming market in India by global marketing research firm, AC Nielsen, commissioned by us, shows a promising and fast evolving market for both swimwear and swim equipment. Your Directors are confident that the Speedo business would experience healthy growth in the years to come as Speedo becomes a dominant brand in the premium swimwear market.

6. Economic Variables factors affecting the company

Economic Overview

- The global outbreak of COVID-19 has infected nearly 8 million people as of June 2020, posing a major threat to human health. The need to slow down the spread of the virus in order to protect lives has resulted in isolation / quarantine, lockdowns and widespread closure of markets. The health crisis is having a severe impact on economic activity through supply disruption, drop in domestic and international demand, fall in travel and tourism, and erosion of consumer and investor confidence. Several organizations have slashed their growth projections for individual countries' GDP as well as for the global economy.
- As per IMF's World Economic Outlook, April 2020, the global economy is projected to contract sharply by (–)3 per cent during 2020, much worse than the drift during the 2008–09 financial crisis, as a result of the pandemic. The global economy is projected to grow by 5.8 per cent in 2021, with the support of favorable policies as economic activity normalizes. These projections assume that the pandemic fades in the second half of 2020 and that containment efforts can be gradually unwound. The growth of India's real GDP in 2019-20 was estimated at 5.0 per cent (Second Advance Estimates) as compared to 6.1 per cent (First Revised Estimates) in 2018-19. However, with the onset of COVID-19 pandemic, its intensity, spread and duration will now majorly determine whether India is able to realize its estimated and projected GDP growth. As per IMF's World Economic Outlook, India is projected to grow at 4.2 per cent in 2019-20 with a 2 per cent growth in Q4 2019-20.

- Signs of growth uptick was evident prior to the onset of COVID-19 pandemic in India. Index of Industrial Production (IIP) grew by 4.5 per cent (YoY) during February 2020, as compared to 2.1 percent in January 2020. Eight core industries registered a growth of 5.5 percent (YoY) in February 2020, the highest growth since March 2019 and consecutive increase since the previous four months.
- The adverse impact of COVID-19 has severely halted the growth momentum. Merchandise exports, subsequent to witnessing positive growth in February (YoY), showed negative growth in March 2020 (YoY) of (-)34.6 per cent. Imports, also, reported negative growth of (-)28.7 per cent (YoY) in March 2020 after a positive growth of 2.5 per cent in February 2020.

OPPORTUNITIES AND THREATS

Opportunities

Economic Shift

- Growth in organized retail providing a larger opportunity for branded play.
- Increase in consumption with factors like education, occupation, urbanization, nuclear families and disposable incomes moving in a positive direction.
- Increase in fashion and brand consciousness making consumers more aspirational and discerning.
- Increasing urban women population and women corporate workforce.

Brand

- Widespread distribution and retailer network drives the brand closer to consumers at a time when commuting for shopping is limited
- In-house Manufacturing and a robust supply chain help the brand ensure adequate supply post lockdown

Consumer Behaviour

- The increasing need to service consumers at their doorstep provides a big opportunity to the e-commerce business.
- With 'Work From Home' becoming the new norm, categories such as lounge wear, leisure wear and athleisure is expected to see a boost
- With the lockdowns in place and schools remaining closed, the demand for home wear for children is expected to see a boost

Threat

Long Term

- Many major international apparel brands have commenced operations in India realizing that the Indian market is likely to emerge as one of the largest apparel markets in the world in the next few decades

Short Term / COVID 19

- The overall closure of markets, malls and highstreets due to lockdown is expected to affect Retail.
- Consumers may tend to be cautious in their purchase decisions and this may affect overall demand.
- Certain product categories such as socks, thermals, shapewear etc. may see a drop in demand if lockdowns continue.

STRATEGIC INITIATIVES

- The Company's value system and success revolves around Quality, Comfort, Integrity, Simplicity, Transparency, People and Customer delight.

Key strategic initiatives taken to maintain market position and profitability:

- Ramp-up in capacity in both manufacturing and sales.
- Expanding channel presence in distribution, exclusive brand outlets, large format stores & ecommerce.
- Expanding investments and spends in sales and marketing at point of sale
- Enhance investments in R&D, Product development and innovation, automation and digital transformation

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company is engaged in the business of manufacturing garments and there is no separate reportable segment.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company enables a high performing organization by empowering employees with adequate skills and resources to unleash their potential and perform at their full capacity and to function smoothly under any circumstance.

RISK AND CONCERN

The Company has robust risk management procedures to identify and evaluate risks on an ongoing basis. Risks are inherent in business activities and to effectively and efficiently mitigate risks, the Company has implemented a SCORE framework: -

- Strategic Risks,
- Compliance Risks,
- Operational Risks,
- Reporting obligations and
- Environment, Health and Safety Risks

The identified risks are integrated into the business plan and a detailed action plan to mitigate the identified business risk and concerns is put in place.

Management of key risks and concerns identified by the Company:

- IT Governance & Enterprise Risk Management;
- Management of Risks relating to Sensitive
- Information Leakage; and
- Business Continuity and disaster recovery

INDUSTRY STRUCTURE AND DEVELOPMENT

- Indian Textiles and Apparels (T&A) industry, accounts for approximately 4% of the global T&A market. The T&A industry is one of the largest and the most important sectors for the Indian economy in terms of output, foreign exchange earnings and employment. The industry contributes approximately 7% to industrial output in value terms, 2% to the GDP and 15% to the country's export earnings. Exports and domestic consumption are both expected to be sluggish in the near term due to the impact of COVID-19.

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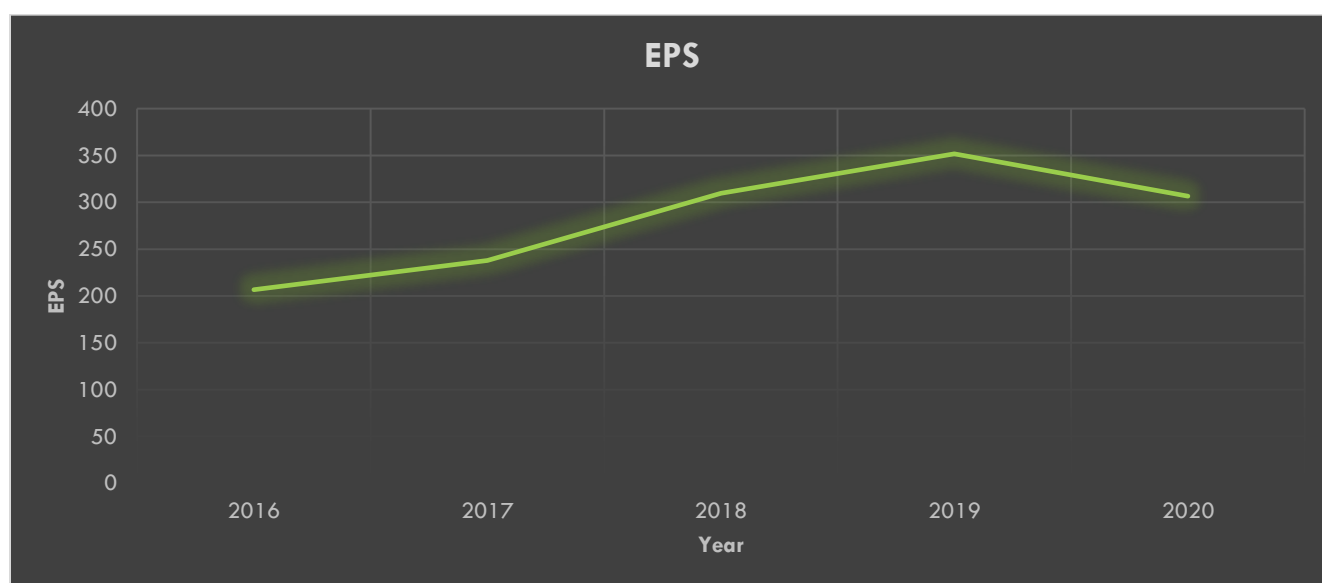
Indian Apparel Market

- Indian Fashion Retail which is currently estimated at `3,61,160 crore (USD 54 billion) will grow at a promising CAGR of 8.1% for next ten years to reach `7,88,532 crore (USD 118 billion) by 2028.

7.Future projected income statement for next three years based on past data/ industry prospect/ economic variables

Past EPS Growth

Year	EPS
2016	206.7143
2017	237.75
2018	309.8036
2019	351.7321
2020	306.4464



- No of share have not been changed in last five years because company has not given bonus neither split their shares in last five years.

Future Projected Income

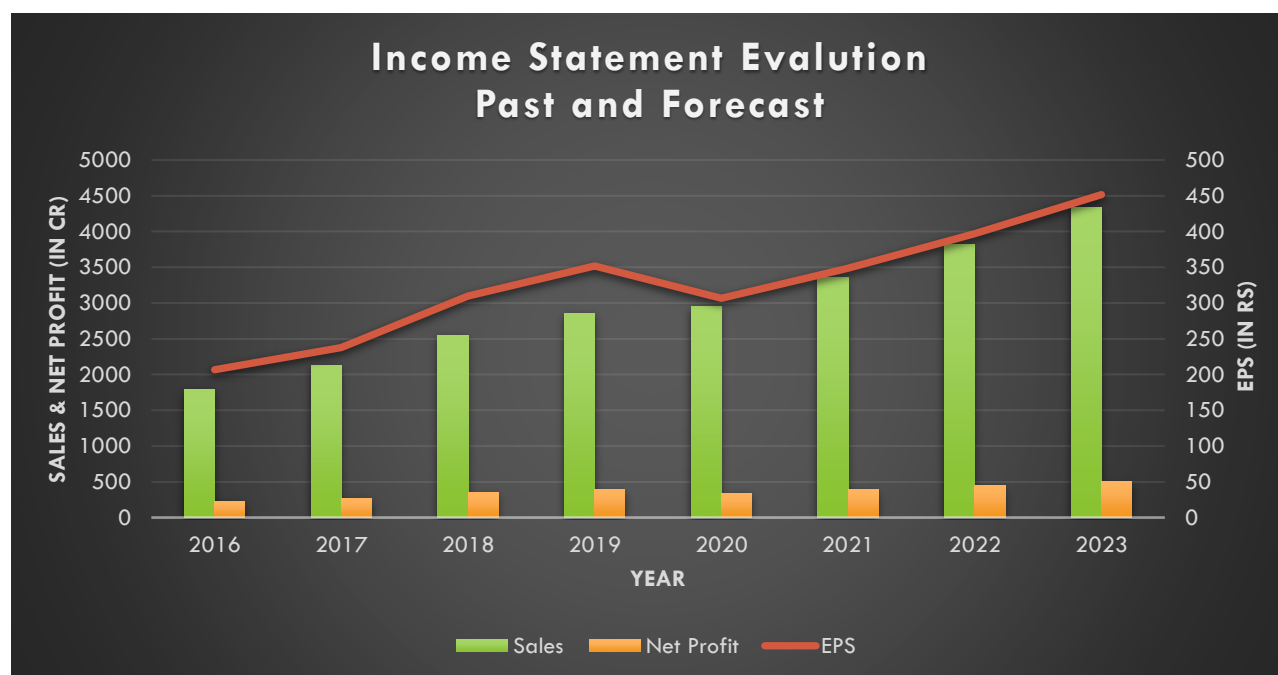
Future projected income statement for next three years based on past data Comparing the last five year's standalone balance sheets and income statement, we observe:

1. Good increase in revenue over the last five years.
2. Decent increase in PAT.
3. Almost no debt in the balance sheet.
4. Increase in earnings per share.
5. Increase in dividend per share.

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales	1,543.44	1,795.60	2,128.53	2,551.37	2,852.20	2,945.42	3,351.89	3,814.45	4,340.84
Expense s	1,223.03	1,419.12	1,713.79	2,009.72	2,234.32	2,412.31	2,745.21	3,124.05	3,555.17
Operati ng Profit	320.41	376.48	414.74	541.65	617.88	533.11	606.68	690.40	785.68
Other Income	8.19	9.59	24.29	21.55	36.43	24.64	28.04	31.91	36.31
Depreci ation	17.64	24.12	24.72	27.99	31.06	61.36	69.83	79.46	90.43
Interest	17.65	18.86	19.49	17.70	17.22	34.39	39.14	44.54	50.68
Profit before tax	293.31	343.09	394.82	517.51	606.03	462.00	525.76	598.31	680.88
Tax	97.28	111.57	128.54	170.53	212.09	118.79	135.18	153.84	175.07
Net profit	196.02	231.52	266.28	346.98	393.94	343.22	390.58	444.49	505.82
EPS	175.02	206.71	237.75	309.80	351.73	306.45	348.74	396.86	451.63
Price to earning	78.46	58.62	61.50	73.22	71.00	55.36	62.99	71.69	81.58
Price	13,731.05	12,116.90	14,620.80	22,684.55	24,972.25	16,963.50	19,304.46	21,968.48	25,000.13
Dividen d Payout	40.96%	40.94%	40.62%	42.09%	97.37%	52.30%	59.52%	67.74%	77.08%
OPM	20.76%	20.97%	19.48%	21.23%	21.66%	18.10%	20.60%	23.44%	26.67%

Dividend History

5/31/16	Dividend	₹ 22	Interim 1 - FY17
Aug. 3, 2016	Dividend	₹ 24	Final - FY16
Nov. 17, 2016	Dividend	₹ 25	Interim 2 - FY17
Feb. 16, 2017	Dividend	₹ 25	Interim 3 - FY17
Thursday, June 1, 2017	Dividend	₹ 26	Interim 1 - FY18
Aug. 2, 2017	Dividend	₹ 25	Final - FY17
Nov. 16, 2017	Dividend	₹ 35	Interim 2 - FY18
Feb. 15, 2018	Dividend	₹ 35	Interim 3 - FY18
Thursday, May 31, 2018	Dividend	₹ 35	Interim 4 - FY18
Aug. 23, 2018	Dividend	₹ 41	Interim 1 - FY19
Nov. 20, 2018	Dividend	₹ 110	Special - FY19
Nov. 20, 2018	Dividend	₹ 41	Interim 2 - FY19
Feb. 21, 2019	Dividend	₹ 70	Special - FY19
Feb. 21, 2019	Dividend	₹ 41	Interim 3 - FY19
Thursday, May 30, 2019	Dividend	₹ 41	Interim 4 - FY19
Aug. 19, 2019	Dividend	₹ 51	Interim - FY20
Nov. 21, 2019	Dividend	₹ 52	Interim 2 - FY20
Feb. 18, 2020	Dividend	₹ 58	Interim 3 - FY20
Nov. 19, 2020	Dividend	₹ 100	Interim 1 - FY21
Feb. 17, 2021	Dividend	₹ 150	Interim 2 - FY21



- While analyzing the income statement of Page Industries over the last five years we see that Sales of Page Industries rose from 1795.60 Cr in 2016 to 2945.42 Cr in 2020 with a CAGR of 13.8%
- Net profit rose from 231.52 Cr in 2016 to 343.25 Cr in 2020 with a CAGR of 7.4%.
- EPS has been increasing with a CAGR of around 12.81 % for the last 5 years.
- Also, Page Industries has been constantly giving dividend initiative quite regularly to shareholders. This has a positive impact in EPS as well as reputation and brand image of the company which increases the stock prices.
- Dividend per share (DPS) too rose from 2016 to 2020 at a CAGR of 54.66%. Though this high CAGR is due to a special dividend of Rs 110 and Rs 70 offered to shareholders in the year 2019, but Page Industries has been giving high dividend for a long time.
- Therefore, taking all the above factors in consideration and given its strong balance sheet, superior execution, strong preferred relationship, steady increase in digital revenue, we can safely assume a CAGR of around 13.8 % in Net Profit and EPS for the next 3 years.

8. State your assumption clearly

Assumptions being

1. An increase in the finance is observed which is however predicted to decrease.
2. Effect of COVID crisis.
3. An impressive increase of dividend per share.
4. Shifting focus to more varieties in coming years.
5. No unprecedented crisis.
6. Projected Backing of investors as projected.
7. No sudden change in Govt Policy.
8. No accidents/ unaccounted liability increase.

9. EXPANSION AND NEW INVESTMENTS

- To meet the growing market demand, we have geared up to augment our production capacity. Our installed capacity is spread over 2.40 million sqft across 15 manufacturing units.
- In order to further improve our supply chain, we have directed our efforts on enhancing supply chain efficiencies by implementing the state of the art technology and process improvements. As part of the Supply Chain Optimization and Re-Engineering (SCORE), we are in the final stage of implementation of the Enterprise wide supply chain optimization tools in cooperation with the world's most reputed supply chain digitalisation partners. This is being undertaken to further improve our demand forecasting, customer responsiveness, agility, service levels and to optimize production and inventory. This will also help us with significant cost reduction, improved order fulfilment and better utilization of inventory.
- In order to further improve warehousing operations, we have entered into an 3PL (Third Party Logistics) agreement with DHL for managing part of our warehouse operations. DHL operates outsourced warehousing for multiple industries, with expertise in this field and brings with it, the best practices in Warehousing Operations. This 3PL facility is 100 ksqft at Attibele, Karnataka and is functioning with an advanced Warehouse Management System with higher efficiency of material storage, handling and dispatch.
- A new unit at K.R. Pet near Mysore, of 0.2 million sq. ft., for manufacturing & raw material warehousing for Men's premium range has started operations during the year under review. The new plant is equipped with Centralized Auto Cutting and is built in a Green Campus Concept with latest systems in place like STP, Forced Air Ventilation, Fire Hydrant System, Day Lighting and Building Management System.
- We have successfully piloted the digital manufacturing initiative at the Hassan sewing unit. This will become a Digital Factory with real-time online production data, giving full visibility to all our associates at different locations. This initiative will ensure more efficient Online

Monitoring system leading to Increased Efficiency, reduced downtimes and a better-quality control process.

- We will also be adding another 90K sq. ft. of space in Hassan to expand our Women's and Kids segments. The plant is likely to be ready by Q3 of FY 2020-21. This plant will also help in increasing raw material storage, inspection and narrow tape manufacturing capacities.
- We have also expanded our socks manufacturing facility by adding around 70k sq. ft. space in Bangalore. The plant is equipped with evaporative cooling facility and has the best Italian socks knitting machines to manufacture the best quality products. The plant has the most modern centralized steam boarding system and the facility also does silicon printing.
- As we continue to drive manufacturing excellence, we are happy to inform you that we were declared the overall winner of the ABKOTS-Dosakai 5S award in the apparel and textile category. Also, our Gowribidanur unit was awarded the 5S Platinum award.

OUTLOOK

- In anticipation of growing demand, the Company has substantially expanded its installed capacity. With the ongoing addition of new buildings, infrastructure and facilities, the installed capacity is scalable and can be ramped up with incremental machinery and manpower to meet the expected healthy growth in demand. The Company has significantly expanded its presence by opening many Exclusive Brand Outlets (EBO's) and through expansion in multi brand outlets making the brand available / accessible to consumers across the entire length and breadth of the country.

10. Valuation and target price-

Target price for year 21,22,23



Year	P/E Ratio as on March 31
2016	58.62
2017	61.50
2018	73.22
2019	71.00
2020	55.36
Average P/E Ratio	63.94
Total Number of Shares (in Cr)	1.1153874

Projected EPS = Projected Net Profit / Total no. of shares
Target price = Projected EPS* P/E ratio

Year	Net Profit (Cr)	Projected EPS	Target Price (Rs)
FY 21	390.58	350.18	22,390.39
FY 22	444.49	398.50	25,480.27
FY 23	505.82	453.50	28,996.55

Conclusion

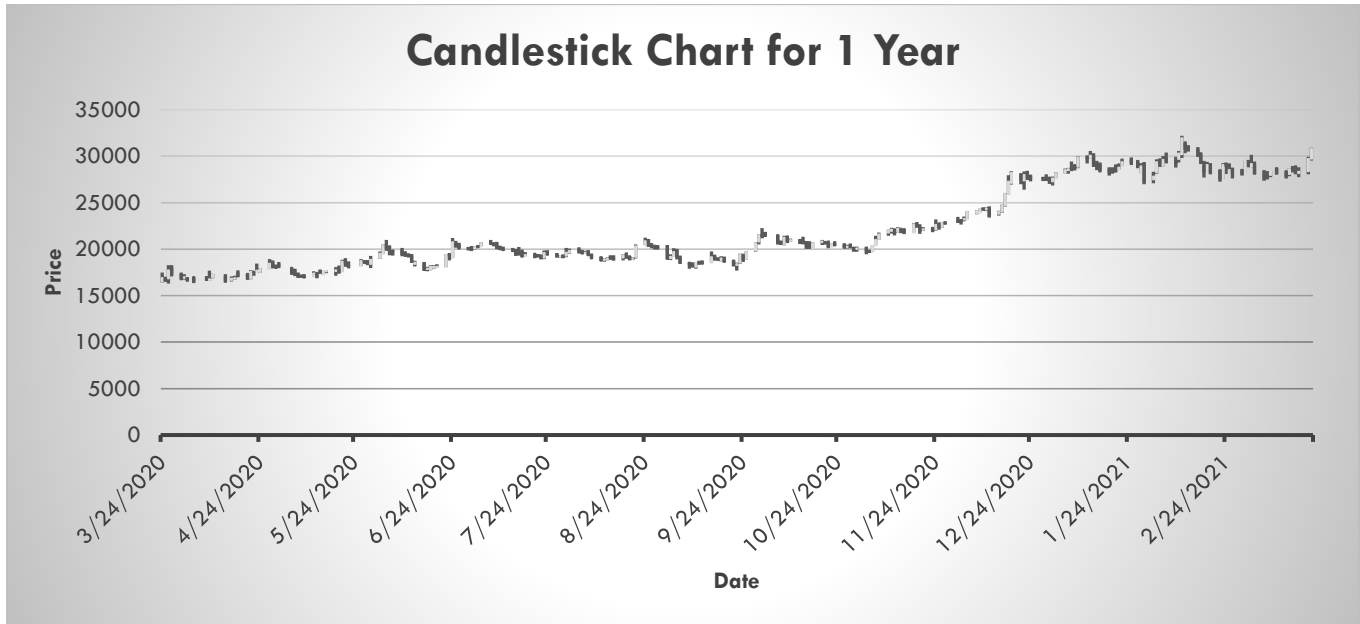
- The Covid-19 pandemic has introduced an unprecedented level of uncertainty in an already unstable global economy. Page Industries has been able to stabilize from the initial shock of the lockdowns by taking several steps.
- From the analysis conducted above, we see that the current price of Page Industries during the time of analysis is around Rs 29779.55 which may fall to around Rs 28996.55 with a CAGR of 13.8%. Here the price is decreasing because we have taken the COVID-19 impact but after the miracle recovery of the market the price has been increases unpredictably. Therefore, it has crossed our projected income.
- Therefore, keeping in mind the brand value and good returns and the monopoly of Jockey and Speedo brand, Page Industries can be bought by long term investors.

Part-3 (12 marks)

1. Collect the last one year closing price plot candlestick, identify few candlesticks.

Solution:

Candlestick Chart



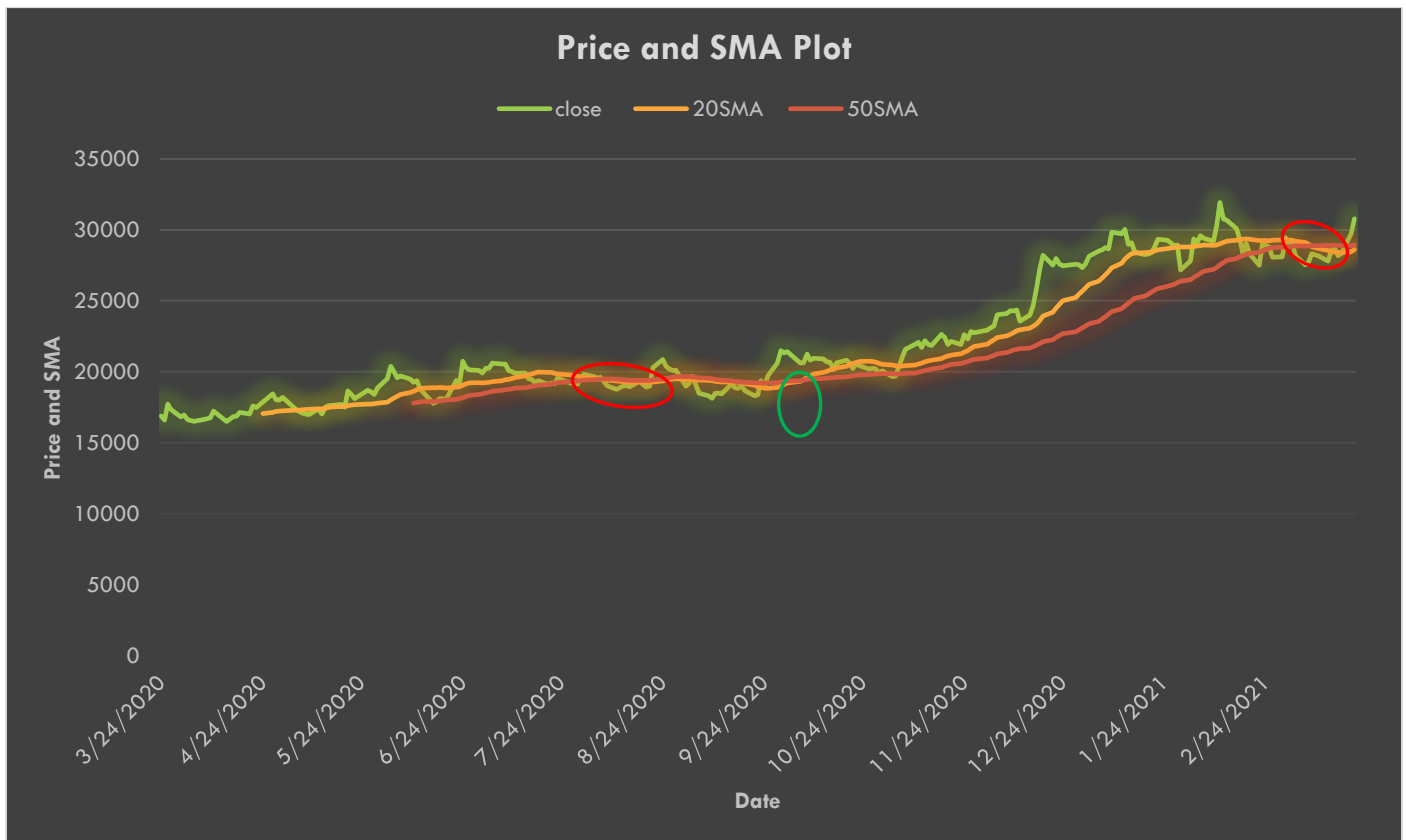
- 23 April 2020 – Inverted Hammer which indicated trend reversal. Found at the bottom of decline.
- 5 March 2020 – Hanging Man which indicates top reversal i.e., prices are expected to come down in the next few sessions.
- 10 Nov 2020, 24 Nov 2020, 10 Dec 2020, 13 Jan 2021 – Bearish engulfing which indicates buyers are more than seller and the downtrend is coming to an end.
- 10 Feb 2021 – Bearish Harami, which suggests prices may soon reverse to the downside.
- 17 November 2020 – Shooting star, found at the end of an uptrend. Indicates prices are going to come down.

2. Calculate 20 and 50-day simple moving and exponential moving average and plot along with price chart and interpret the signal.

Solution:

Moving Average

Simple Moving Average



- Simple moving average can be used by traders to identify buy and sell signal. When 20-day SMA crosses the 50-day SMA to the upside, it's a buy signal and when 20-day SMA crosses the 50 day SMA in downside, it's a sell signal.
- In the above graph, the place where point Green circle is there, 20-day SMA line is crossing 50 day SMA line to the downside which indicates sell signal.
- The place in the graph where Red circle is there, 20-day SMA line is crossing 50-day SMA line to the upside which indicates buy signal.

Exponential Moving Average

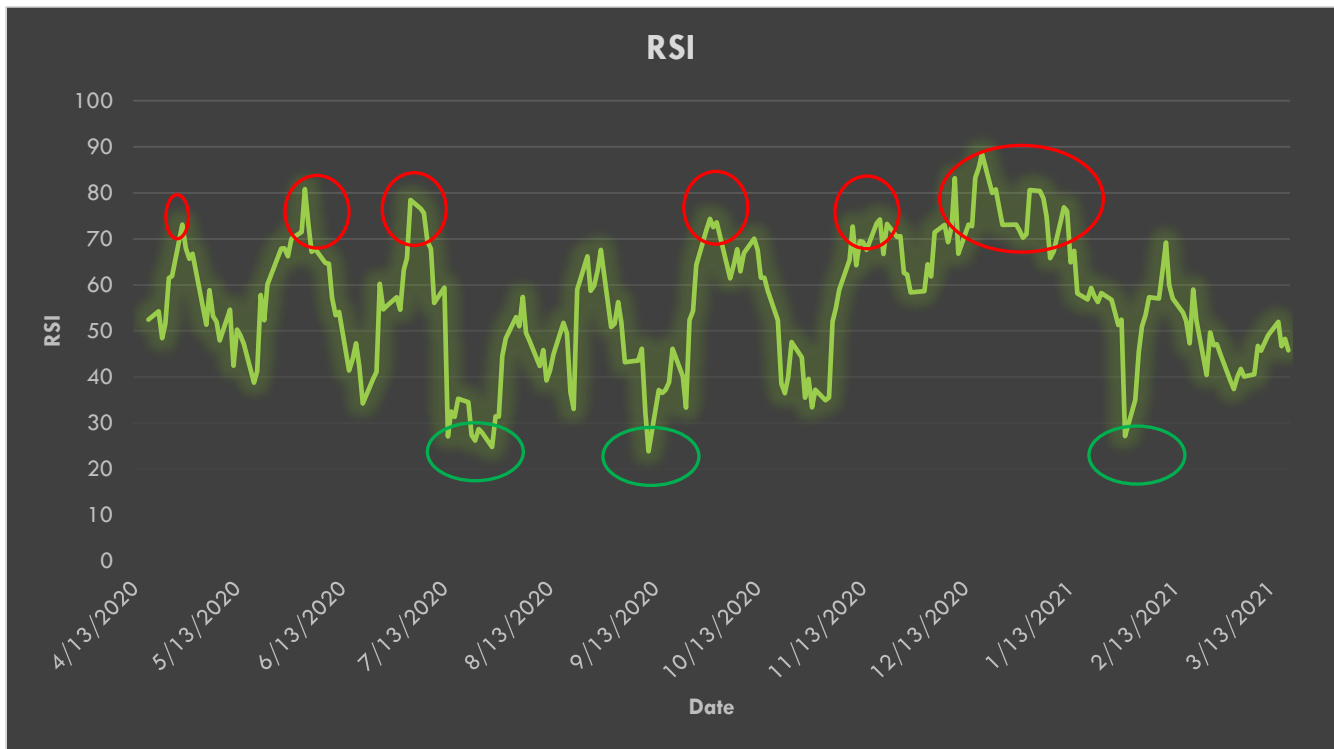


- Simple moving average can be used by traders to identify buy and sell signal. When 20-day EMA crosses the 50-day EMA to the upside, it's a buy signal and when 20-day EMA crosses the 50-day EMA in downside, it's a sell signal.
- In the above graph, the place where point Green circle is there, 20-day EMA line is crossing 50-day EMA line to the downside which indicates a sell signal.
- The place in the graph where Red circle is there, 20-day EMA line is crossing 50-day EMA line to the upside which indicates a buy signal.

3. Calculate relative strength index ,money flow index, Stochastic, MACD and interpret.

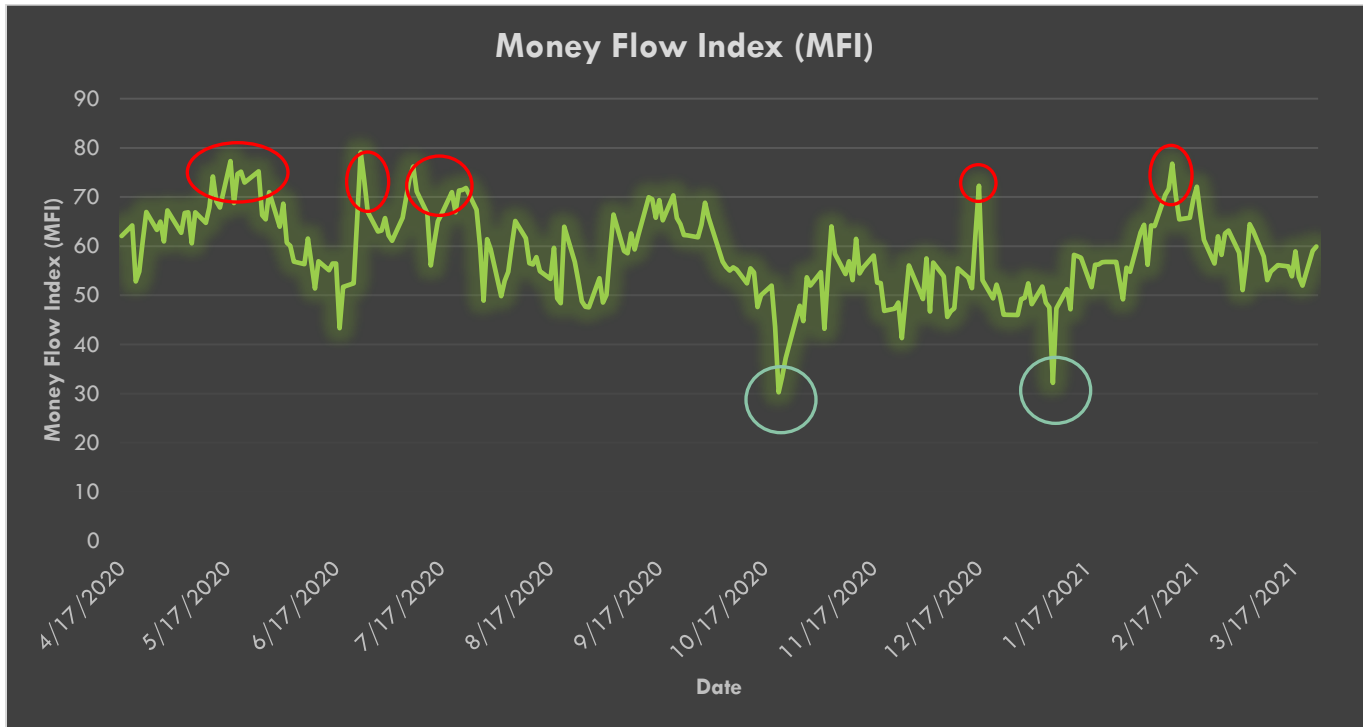
Solution:

Relative Strength Index (RSI)



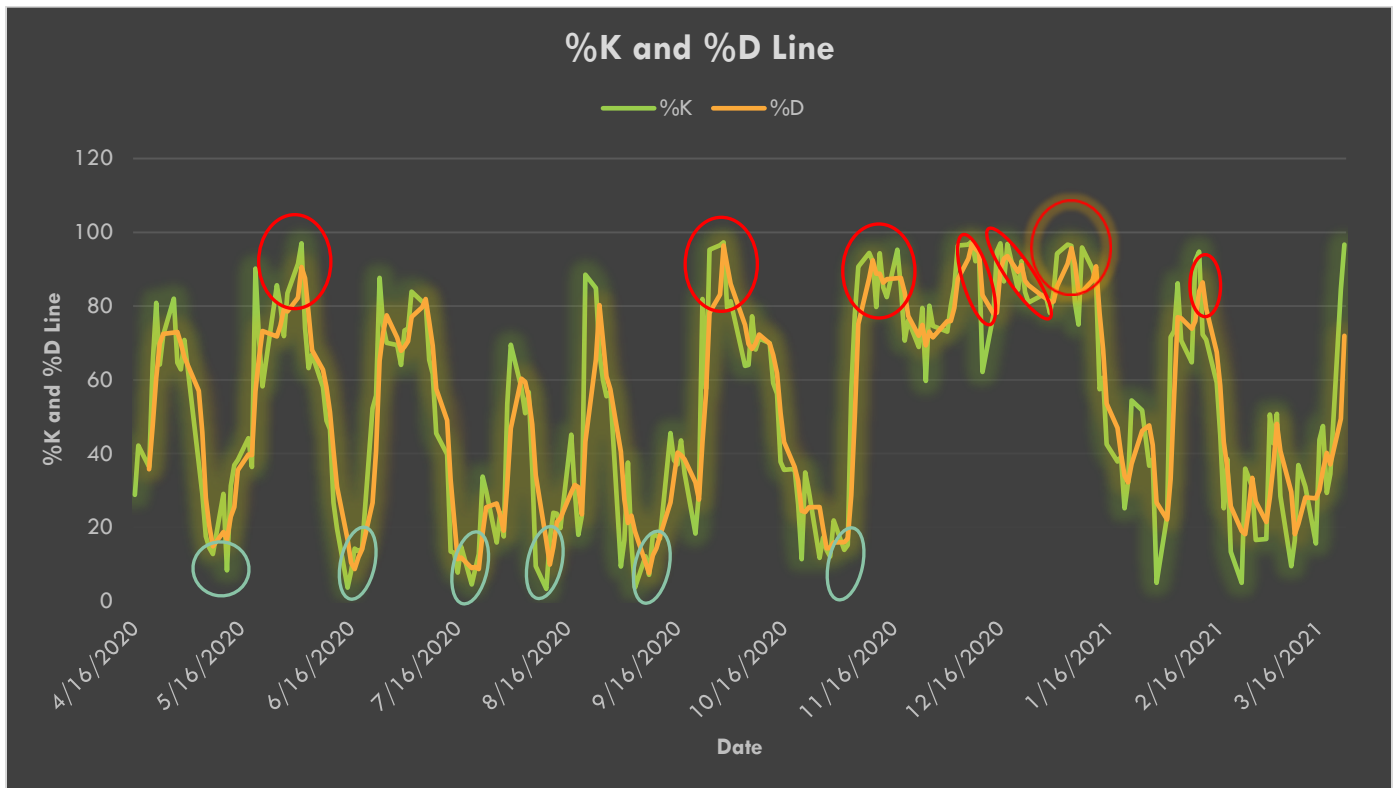
- RSI is used by traders to identify oversold and overbought price zones. 30% line is used to indicate oversold and 70 % line is used to indicate overbought. If RSI is at 30% or below, it's a buy call while a RSI of 70% or above is sell signal for traders.
- Green marked circle indicates buy signal.
- Red marked circle indicates sell signal.

Money Flow Index (MFI)



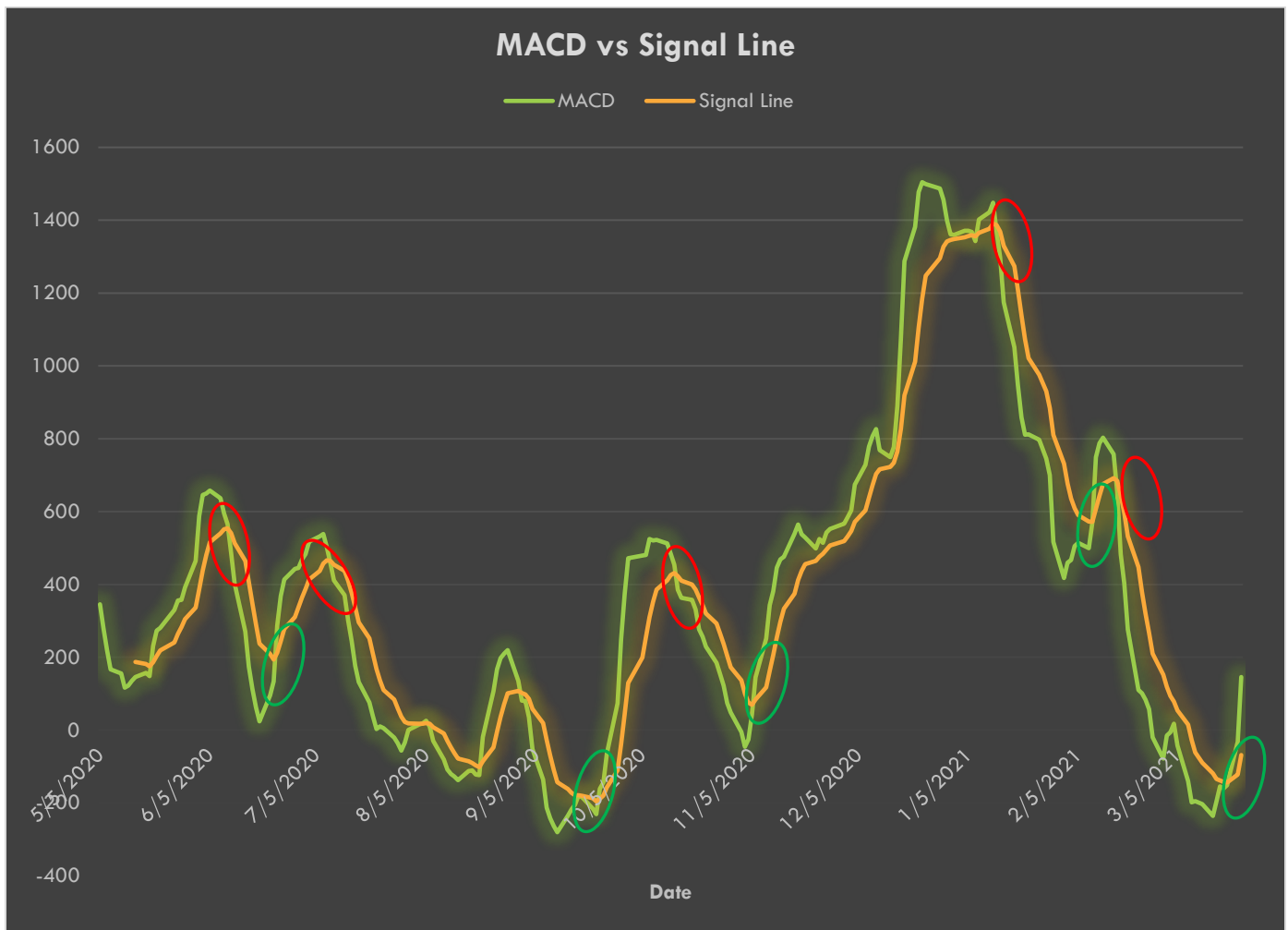
- MFI also indicates oversold and overbought zones. Generally, MFI of 20 indicates oversold zones and MFI above 80 indicates overbought zone.
- In case of Page Industries, we can see that MFI has neither touched 20 nor has it touched 80 in the past 1 year. But from the graph we can conclude that for Page Industries, oversold zone is around 30% and overbought zone is around 70%.
- Hence, when MFI is 30 signifies that it's time to buy the shares as its oversold and prices are expected to rise in the near term. When MFI is at 70, it indicates traders to sell off the shares as the price of the share is expected to come down in the near term.

Stochastic



- Stochastic is used to identify oversold and overbought zones. Stochastic oscillator above 80 is used to indicate overbought and below 20 indicates oversold.
- The regions marked below 20 and where % K line crosses %D line to the upside indicate oversold zone and hence traders can buy at that point of time.
- The regions marked above 80 and where % K line crosses %D line to the downside indicate overbought zone and the traders can sell at that time.
- All the green marked circles are buy signal and the red circles are sell signal.

Moving Average Convergence Divergence (MACD)



- When the MACD line crosses from below to above the signal line, the indicator is considered bullish.
- When the MACD line crosses from above to below the signal line, the indicator is considered bearish.
- At the Green marked circle - The MACD line crosses from below to above the signal line which indicates the traders to buy the shares.
- At the Red marked circle - The MACD line crosses from above to below the signal line which indicates the traders to sell the shares.

