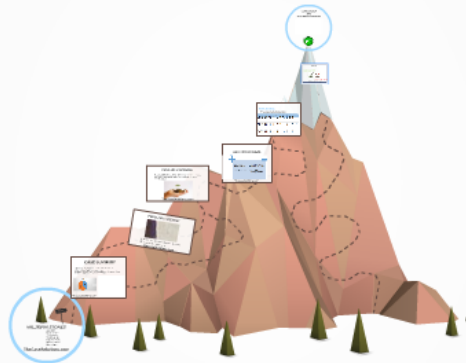


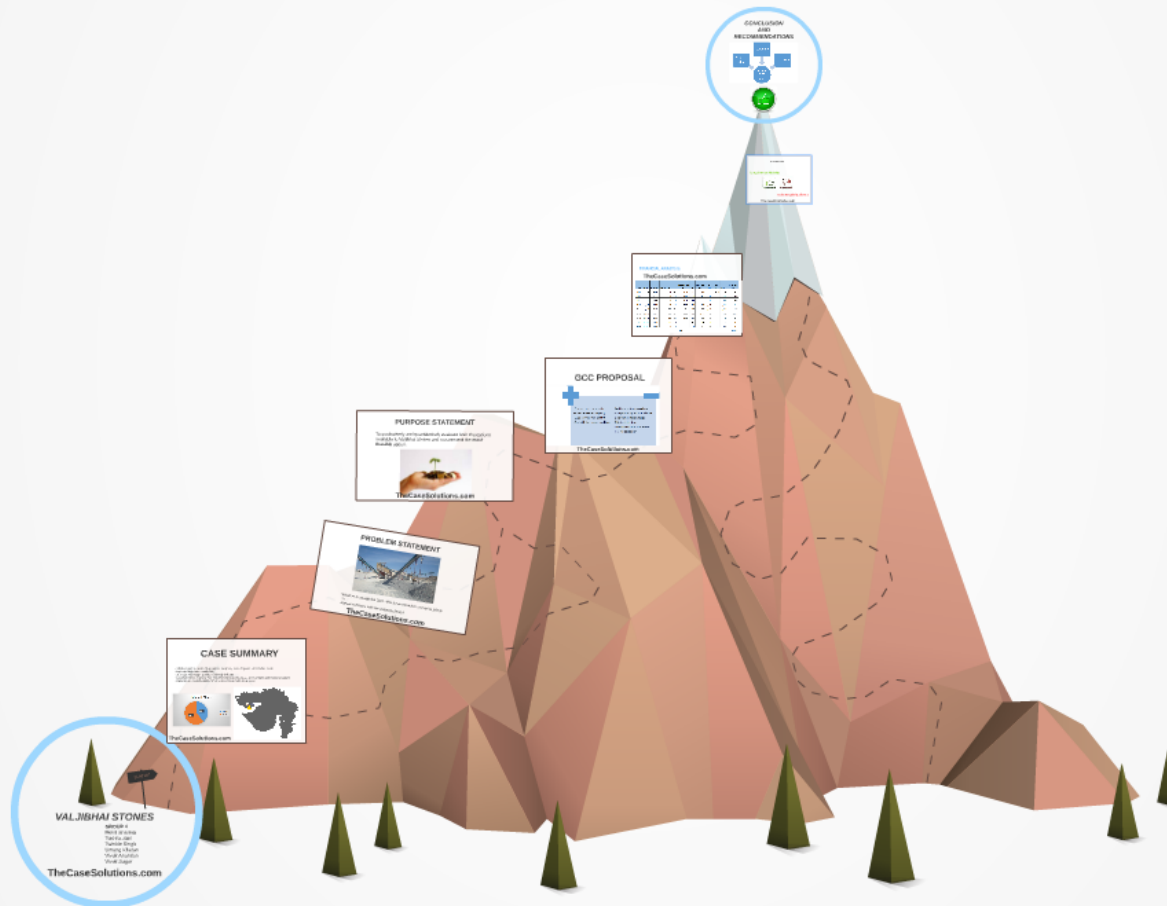
# Valjibhai Stones

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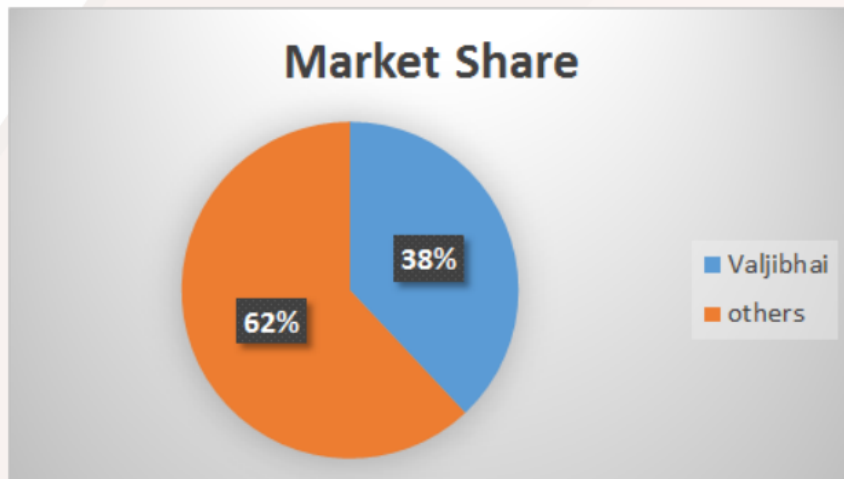
# ***VALJIBHAI STONES***

- GROUP 4**  
Rohit Sharma  
Tushita Suri  
Twinkle Singh  
Umang Khetan  
Vivek Anandan  
Vivek Sagar

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# CASE SUMMARY

- Valjibhai Stones- Stone Chip supplier company- past 30 years- 38% market share
- Expected high future profitability
- Strategic advantage: Quality and timely delivery
- Establishment of Mundra Port- Government initiatives (SEZ, tax incentives and industrialization)
- Opportunity to supply 28000 MT of stone chips to GCC for 8 years



# PROBLEM STATEMENT



Whether to accept the GCC offer for construction of marine pilings  
Or  
Renew contracts with the existing clients?

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# PURPOSE STATEMENT

To qualitatively and quantitatively evaluate both the options available to Valjibhai Stones and recommend the ***most feasible*** option.



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# GCC PROPOSAL



- Premium over market price
- Advance to expand capacity
- Large contract from an MNC
- Deal with tight money conditions

- Additional capital expenditure
- Fixing stone chip prices in advance
- Extra transportation charges
- Obtain mining rights
- Disconnection with local market
- Fine for late delivery

## FINANCIAL ANALYSIS

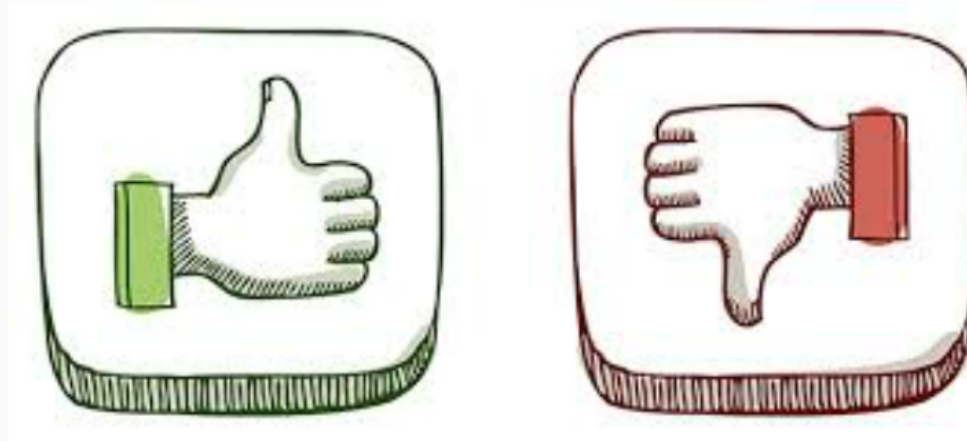
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Year	Sales	Expenses	Depreciation	%	Profit Before Tax	Tax	Profit After Tax	Cash Flow	Added WC	Final CF	Discounted CF
2010	9,036	6,082	573	586	1,795	539	1,257	1,830	(577)	1,825	1,622
2011	9,036	6,302	573	586	1,575	473	1,103	1,675	-	2,248	1,775
2012	9,036	6,541	573	586	1,336	401	935	1,508	-	2,081	1,460
2013	9,036	6,801	573	586	1,076	323	753	1,326	-	1,899	1,184
2014	9,036	7,083	573	586	794	238	556	1,128	-	1,701	943
2015	10,070	7,391	573	586	1,520	456	1,064	1,637	-	2,210	1,088
2016	10,070	7,726	573	586	1,185	356	830	1,403	-	1,976	864
2017	10,070	8,091	573	586	820	246	574	1,147	-	1,720	669
2018	10,070	8,489	573	586	422	127	296	869	577	2,019	697
<b>TOTAL</b>											<b>10,302</b>



# SYNTHESIS

Long term profitability



Trade off: Existing clientele

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