

**CMP: INR 1,386**

**Rating: BUY**

**Target Price: INR 1,772**

**Stock Info**

BSE	500330
NSE	RAYMOND
Bloomberg	RW:IN
Reuters	RYMD.NS
Sector	Garments & Apparels
Face Value (INR)	10
Equity Capital (INR cr)	66.57
Mkt Cap (INR cr)	9,230
52w H/L (INR)	1,644/ 645
Avg Daily Vol (in 000')	690

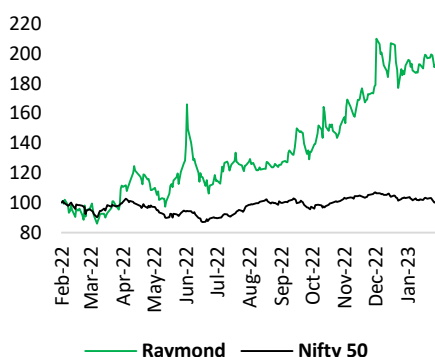
**Shareholding Pattern %**

(As on December, 2022)

Promoters	49.2
DII	2.5
FII	16.3
Public & Others	32

Stock Performance (%)	1m	3m	12m
RAYMOND	3.8	26.7	99.3
NIFTY 50	(1.8)	(2.0)	1.2

**Raymond Price Chart**



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- Raymond had a good quarter, registering the highest third-quarter revenue and EBITDA. This quarter was expected to be softer due to a slightly challenging export environment in the engineering business, however, the garmenting business had a good export momentum, and the order book is set for the next 2 quarters.
- Raymond's Q3FY23 Revenue ex-OI grew by 17.62% YoY to INR 2,168 Cr (+0.00% QoQ).
- Q3FY23 Gross Margin ex- OI contracted by 5bps YoY 61.94% (-68bps QoQ).
- Q3FY23 EBITDA including OI grew by 15.77% YoY to INR 351 Cr (-1.96% QoQ).
- Q3FY23 EBITDA Margin including OI contracted by 25bps YoY to 15.94% (-38bps QoQ).
- Q3FY23 PAT ex- OI de-grew 4.42% YoY to INR 97 Cr (+70.07% QoQ).

**Q3FY23 Earnings Call Highlights:**

**Real Estate bookings:** Combined inventories for both projects in thane have 75% of their inventories booked as of Q3FY23.

**Ethnix Store Expansion:** Raymond is on track to open 75 Ethnix stores by FY23. So far, they have opened 45 stores. This brand was one of the driving factors of growth for the apparel business this quarter.

**Continued product innovation:** New launches in branded textiles during the quarter comprise of: Ultimo Black – Black superior fabric, and customizable gift packs per the choice of fabric color, combinations, personalized messages, themes, etc. in shirting. In suiting, they launched Regio Italia – a collection of the finest Italian suiting materials, suitable for both occasion, and formal wear.

**Operational efficiencies and operating leverage:** Were had across all businesses leading to margin expansion as follows- Branded Apparel 50bps, Garmenting 50bps, High-Value Cotton Shirting 210bps, Engineering 80bps.

**Valuation and Outlook:** All in all, the company has displayed an impressive growth momentum supported by robust secondary sales this quarter, though the pressures on inflation curtailing demand in both domestic and export markets are still felt as they caused higher operating expenses on a low-cost base. The lifestyle business was well supported by wedding demand for both personal and gifting purposes, the garmenting order book is well maintained into the next 2 quarters, and the booking momentum was strong across the real estate business. We believe that there is significant value unlocking to take place in Raymond in the years to come stemming from the real estate, branded apparel, and branded textiles businesses.

We assign a TP of INR 1,772 based on a SOTP EV/EBITDA multiple of 10.3x the FY25E EBITDA, indicating a potential upside of 27.8% from the CMP.

Earnings Summary (INR Mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue (Ex- OI)	34,465	61,785	80,906	92,664	1,04,339
Operating Profit	(662)	7,111	11,405	13,364	15,523
Operating Margin	-1.92%	11.51%	14.10%	14.42%	14.88%
EBITDA	1,351	8,806	12,540	14,556	16,774
EBITDA Margin (%)	3.92%	13.87%	15.29%	15.51%	15.89%
PAT growth (%)	(288.0)	(242.7)	4.8	16.0	27.5
EPS (INR)	(44.6)	63.7	66.8	77.4	98.7
EPS growth (%)	(288.0)	(242.7)	4.8	16.0	27.5
P/E (x)	(31.1)	21.8	20.8	17.9	14.0
P/BV (x)	4.4	3.9	3.3	2.8	2.3
EV/EBITDA (x)	82.1	12.7	9.0	7.7	6.5

Note: EBITDA, and EBITDA Margin calculation includes other income  
Source: Company Filings & Arihant Capital Research

**Valuation and Quarterly Result**

SOTP Valuation (FY25E)	EBITDA (INR Mn)	Multiple (x)	Enterprise Value (INR Mn)
Branded Textiles	9,008	10	90,077
Branded Apparel	1,934	11	21,274
Cotton Shirting Fabric	1,087	5	5,436
Garmenting	991	6	5,948
Tools & Hardware	994	7	6,961
Auto Components	505	7	3,536
Real Estate			15,634
<b>Total</b>	<b>14,520</b>	<b>10.3</b>	<b>1,48,866</b>
Elimination	1,452	10.3	14,887
<b>Segment EV</b>	<b>13,068</b>	<b>10.3</b>	<b>1,33,979</b>
Cash & Investments			1,803
JV/Associates (Denim and FMCG)			930
Total Debt			18,772
<b>Intrinsic Market Cap</b>			<b>1,17,941</b>
Outstanding Shares (Mn)			66.6
<b>Fair Value Per Share (INR)</b>			<b>1,772</b>

Source: Company & Arianth Research

INR Cr (consolidated)	Q3FY23	Q2FY23	Q3FY22	Q-o-Q	Y-o-Y
<b>Revenue (Ex- OI)</b>	<b>2168</b>	<b>2168</b>	<b>1843</b>	<b>0.00%</b>	<b>17.62%</b>
Raw Material Costs	825	811	701	1.80%	17.76%
<b>Gross Profit</b>	<b>1,343</b>	<b>1,358</b>	<b>1,143</b>	<b>-1.08%</b>	<b>17.53%</b>
<i>Gross Margin</i>	<i>61.94%</i>	<i>62.61%</i>	<i>61.98%</i>	<i>-68bps</i>	<i>-5bps</i>
Employee costs	262	256	227	2.43%	15.54%
Manufacturing and operating expenses	237	243	207	-2.60%	14.27%
Costs toward development of Porperty	199	240	182	-17.20%	8.94%
Other Expenses	327	284	251	14.93%	29.98%
<b>Operating Profit</b>	<b>319</b>	<b>335</b>	<b>275</b>	<b>-4.71%</b>	<b>15.94%</b>
<i>Operating Margin</i>	<i>14.72%</i>	<i>15.45%</i>	<i>14.93%</i>	<i>-73bps</i>	<i>-21bps</i>
Other Income	31	23	27	38.74%	14.11%
<b>EBITDA</b>	<b>351</b>	<b>358</b>	<b>303</b>	<b>-1.96%</b>	<b>15.77%</b>
<i>EBITDA Margin</i>	<i>15.94%</i>	<i>16.32%</i>	<i>16.18%</i>	<i>-38bps</i>	<i>-25bps</i>
Depreciation	58	57	60	1.47%	-3.18%
<b>EBIT</b>	<b>293</b>	<b>301</b>	<b>243</b>	<b>-2.62%</b>	<b>20.43%</b>
Finance costs	70	63	57	11.14%	23%
Exceptional Items	-5	-10	-2	-52.61%	187%
One time tax adjustment	-74	-	-	-	-
Share of Profit/Loss from associates	-7	3	-1	-333.33%	600%
<b>PBT</b>	<b>137</b>	<b>231</b>	<b>183</b>	<b>-40.71%</b>	<b>-25.41%</b>
Tax Expense	43	71	83	-39.33%	-48%
Effective tax rate %	31%	31%	45%	72bps	-1373bps
<b>PAT</b>	<b>95</b>	<b>159</b>	<b>100</b>	<b>-41.33%</b>	<b>-6.73%</b>
Other Comprehensive Income	22	-1	5	-2469.23%	-118.80%
<b>Consolidated PAT</b>	<b>115</b>	<b>159</b>	<b>105</b>	<b>-27.42%</b>	<b>9.46%</b>
<i>PAT margin %</i>	<i>5.24%</i>	<i>7.25%</i>	<i>5.63%</i>	<i>-201bps</i>	<i>-39bps</i>
<b>EPS (INR)</b>	<b>14.25</b>	<b>23.86</b>	<b>15.06</b>	<b>-40.28%</b>	<b>-5.38%</b>

Source: Company & Arianth Research

**Q3FY23 Conference Call Highlights:**
**Operational Highlights:**

- The festive season in October and positive consumer sentiment boosted secondary sales. The wedding and festive season led to strong sales momentum.
- Inflationary pressure continued to impact overall demand.
- Winter was delayed this year which impacted winter sales.
- The apparel segment had an aggressive EOSS.
- All businesses had enhanced operating efficiencies which led to margin expansions during the quarter.
- This quarter had decreased consumer sentiments
- Low-income households were impacted more whereas high-income household consumption increased.
- Net additional store expansion of 70 stores is planned this year, driven by Ethnix store growth. The company is currently in investment mode for Ethnix.

Segment Wise (INR Cr)	Q3FY23	Q2FY23	Q3FY22	Q-o-Q	Y-o-Y
<b>Segment Revenue</b>					
Textile	902	912	899	-1.04%	0.38%
Shirting	195	211	148	-7.47%	31.87%
Apparel	364	370	316	-1.73%	15.03%
Garmenting	282	266	203	6.32%	39.33%
Tools & Hardware	118	132	130	-11.15%	-9.60%
Auto Components	91	95	79	-4.71%	15.63%
Real Estate & Development of Porperty	292	247	175	18.03%	66.78%
Others	3	2	2	46.49%	37.45%
Inter Segment Revenue	-79	-67	-108	17.45%	-27.21%
<b>Total Segment Revenue</b>	<b>2168</b>	<b>2168</b>	<b>1843</b>	<b>0.00%</b>	<b>17.62%</b>
<b>Segment Results</b>					
Textile	172	186	172	-7.44%	-0.08%
Shirting	11	18	3	-37.29%	283.45%
Apparel	23	19	23	17.33%	-0.35%
Garmenting	21	18	12	12.89%	69.70%
Tools & Hardware	13	12	12	10.68%	15.76%
Auto Components	72	61	36	18.15%	101.35%
Real Estate & Development of Porperty	61	76	16	-20.45%	282.24%
Others	-1	-2	-3	-35.06%	-65.52%
Inter Segment Profit/ Loss	-2	4	-2	-144.50%	-5.32%
<b>Total Segment Results</b>	<b>369</b>	<b>393</b>	<b>268</b>	<b>-5.95%</b>	<b>37.79%</b>
<b>Segment Wise EBIT Margin</b>					
Textile	19.05%	20.36%	19.14%	-132bps	-9bps
Shirting	5.83%	8.60%	2.00%	-277bps	382bps
Apparel	6.26%	5.24%	7.22%	102bps	-97bps
Garmenting	7.26%	6.84%	5.96%	42bps	130bps
Tools & Hardware	11.37%	9.13%	8.88%	224bps	249bps
Auto Components	78.94%	63.67%	45.34%	1528bps	3361bps
Real Estate & Development of Porperty	20.78%	30.83%	9.07%	-1005bps	1171bps
Others	-29.94%	-67.54%	-119.34%	3760bps	8940bps
Inter Segment Profit/ Loss	2.26%	-5.97%	1.74%	823bps	52bps
<b>EBIT Margin</b>	<b>17.04%</b>	<b>18.12%</b>	<b>14.55%</b>	<b>-108bps</b>	<b>249bps</b>

Source: Company & Arianth Research

- The garment business has good export visibility from the China+1 strategy and vendor consolidation. The business has a strong order book for the next 2 quarters.
- Cotton prices had increased significantly, however, they have now stabilized at slightly lower levels, but they are still at higher prices compared to pre-pandemic.
- Continued focus to generate strong operating cash flows, and use an asset-light expansion model to increase capacity in the apparel and garment business.
- Residential real estate continued to demonstrate sustained demand.
- Supply chain issues moderated this quarter.
- They registered the highest-ever quarterly revenue for the 5th quarter and the highest quarterly EBITDA. Compared to pre-pandemic levels, they had profitable growth across all segments.
- New corporate tax rate regime: The current tax rate for the Q3FY23 is ~20% and for the nine months ending 31st December 2022 is ~26%. DTA and MAT credits under the old tax regime recognized till FY22 and six months ended September 2022 have resulted in a one-time net impact of INR 73.5 Cr in the financials for Q3FY23 and 9MFY23.
- July- September months are usually stronger because of higher primary sales, as companies prepare for the festive season in Q3. However, this year, the festive season started in 1st week of October, and a majority of the primary sales for the season were from mid-August to September. For comparison purposes, one can club Q2 and Q3 figures.

#### **Branded Textiles: Revenue INR 902 Cr (Flat YoY), EBITDA Margin 20.9%**

- On a Q2+Q3 basis, the topline was INR 1,840cr.
- Retail outlets were fully geared up for consumers, across both suiting and shirting. The demand for premium products was high.
- Marketing campaigns were undertaken for the TechnoStretch Series.
- The business saw higher demand for personal consumption and gifting purposes. The festive season contributed to sales across primary channels and the Pan-India retail network with consumers opting for more innovative offerings.
- A large chunk of wedding season demand is pushed to Q4. Demand was high for wool-rich and poly-viscose categories.

- There was a heightened focus on new product launches, and Brands like Spanex, Supernova, and Supercrease did well.
- TRS stores had an ATV growth 25% through TRS stores showing the trend of high-value purchases being pushed.

**Branded Apparel: Revenue INR 364 Cr (+15% YoY), EBITDA Margin 11.2%**

- On a Q2+Q3 basis, the top line reported strong growth with high sales momentum across key brands.
- They launched a wide collection ranging from smart Ethnix to other wedding wear. Festive-related purchases were high.
- Performance in the apparel segment was driven by the good performance of Raymond Ready to Wear and Ethnix.
- They are investing in brand campaigns for key brands.
- Key launches in the key product portfolio were indicative of a strong foray into Ethnix. They opened 21 new Ethnix stores which bring the total to 45 stores across the country.
- Continued strengthening of the retail footprint led to net 149 stores being added this quarter. The total store count is now 1,400.

**Garmenting: Revenue INR 282 Cr, EBITDA Margin 9.1%**

- Higher demand momentum from existing and newly acquired global customers and the bulk business for tailored clothing.
- Healthy momentum in the order book was maintained with China+1 adoption & consolidation of vendors.

**High-Value Cotton Shirting: Revenue INR 195 Cr, EBITDA Margin 10.7%**

- Domestic B2B customers had a high demand for cotton fabric.
- This quarter had better capacity utilization and a higher number of orders

**Engineering: Revenue INR 208 Cr, EBITDA Margin 15.8%**

- Top-line growth was flat.
- Sales growth was witnessed in domestic markets in most categories, and export markets were impacted by Euro depreciation and lower demand due to the global inflationary economy, however, witnessed growth in Ring Gears, Drills, and others.
- B2B customers have deferred orders because of slowdowns in secondary demand because of inflationary pressures on consumers.

**Realty: Revenue INR 292 Cr, EBITDA Margin 25.5%**

- They delivered 3 towers of the 10x project 2 years ahead of the RERA timeline in December.
- Premium offerings and fast-paced construction were well appreciated by consumers. Strong momentum in bookings was maintained.
- 75% of the total inventory across both projects- TenX Realty, and The Address by GS were booked by this quarter.
- TenX had a total booking value of INR 2,402 Cr, and The Address by GS had a total booking value of INR 1,022 Cr.

**Financial Highlights for Q3FY23:**

- Opex to sales is slightly higher this quarter at 26.7% vs 25.5% last year due to higher inflation on a lower cost base.
- The continued focus on efficient working capital management led to a reduction in working capital by INR 176 Cr (7 days) on a sequential basis.
- Generated operating cash flows of INR 492cr, and free cash flows of INR 462cr.
- Free cash flows were used for debt reduction. Net debt was reduced by INR 354cr to INR 932cr- the lowest level of net debt to date. The net debt/ equity is 0.33x.
- Interest costs increased to 7.92% on account of lease liabilities from stores taken on a rental basis and some deferred approval costs. The RBI has also increased interest rates by 2-2.5% which contributed to the higher cost.
- Other expenses are higher because of advertisement and freight costs. Salespeople have also begun to travel unlike before.

**Consolidated Financial Highlights**

<b>Income Statement (INR Mn)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue (Ex- OI)	34,465	61,785	80,906	92,664	1,04,339
Op. Expenses	35,127	54,674	69,501	79,300	88,817
<b>Operating Profit</b>	<b>(662)</b>	<b>7,111</b>	<b>11,405</b>	<b>13,364</b>	<b>15,523</b>
<i>Operating Margin</i>	<i>-1.92%</i>	<i>11.51%</i>	<i>14.10%</i>	<i>14.42%</i>	<i>14.88%</i>
Other income	2,014	1,695	1,135	1,192	1,252
<b>EBITDA</b>	<b>1,351</b>	<b>8,806</b>	<b>12,540</b>	<b>14,556</b>	<b>16,774</b>
<i>EBITDA Margin</i>	<i>3.92%</i>	<i>13.87%</i>	<i>15.29%</i>	<i>15.51%</i>	<i>15.89%</i>
Depreciation	3,142	2,398	2,314	2,912	2,980
<b>EBIT</b>	<b>-1,790</b>	<b>6,408</b>	<b>10,227</b>	<b>11,645</b>	<b>13,795</b>
Interest Exp.	2,760	2,277	2,561	2,700	2,440
Extra Ordinary Items -gain/(loss)	-	(1,636)	-	-	-
<b>PBT</b>	<b>(4,551)</b>	<b>2,496</b>	<b>7,665</b>	<b>8,944</b>	<b>11,354</b>
Tax	(1,609)	(219)	3,104	3,667	4,655
<b>PAT</b>	<b>(2,942)</b>	<b>2,715</b>	<b>4,561</b>	<b>5,277</b>	<b>6,699</b>
Minority Int./Profit (Loss) From Associates	29	111	117	123	129
Net Profit	(2,970)	2,604	4,444	5,155	6,570
<b>Adjusted PAT</b>	<b>(2,970)</b>	<b>4,239</b>	<b>4,444</b>	<b>5,155</b>	<b>6,570</b>
<b>Adjusted EPS (INR)</b>	<b>(44.6)</b>	<b>63.7</b>	<b>66.8</b>	<b>77.4</b>	<b>98.7</b>

<b>Balance Sheet (INR Mn)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Share Capital	666	666	666	666	666
Reserves & Surplus	20,308	22,925	27,400	32,517	39,060
<b>Networth</b>	<b>20,974</b>	<b>23,591</b>	<b>28,065</b>	<b>33,183</b>	<b>39,726</b>
Debt	24,128	23,272	22,272	20,772	18,772
Minority Interest	819	772	822	875	930
Net deferred Tax liabilities	(3,206)	(3,853)	(3,853)	(3,853)	(3,853)
<b>Capital Employed</b>	<b>42,715</b>	<b>43,782</b>	<b>47,306</b>	<b>50,976</b>	<b>55,575</b>
Gross Fixed Assets	32,345	34,845	35,595	36,395	37,245
Accumulated Depreciation	11,915	14,312	16,626	19,538	22,517
Capital work in progress	210	246	196	176	166
<b>Net Fixed Assets</b>	<b>20,641</b>	<b>19,015</b>	<b>19,165</b>	<b>17,034</b>	<b>14,894</b>
Goodwill	10	10	10	10	10
Investments	5,004	10,998	12,048	12,548	13,298
Non Current Investments	5,004	10,998	12,048	12,548	13,298
<b>Current Assets, Loans &amp; Advances</b>	<b>38,438</b>	<b>39,813</b>	<b>48,775</b>	<b>57,559</b>	<b>66,675</b>
Inventory	16,338	20,113	26,599	31,480	35,733
Debtors	9,580	8,731	11,083	13,455	16,294
Cash & Bank balance	5,521	3,363	1,133	1,215	1,803
Loans & advances and others	6,998	7,606	9,960	11,408	12,845
<b>Current Liabilities &amp; Provisions</b>	<b>21,378</b>	<b>26,054</b>	<b>32,692</b>	<b>36,174</b>	<b>39,302</b>
Liabilities	20,661	25,129	31,480	34,786	37,739
Provisions	717	925	1,212	1,388	1,563
<b>Net Current Assets</b>	<b>17,060</b>	<b>13,759</b>	<b>16,083</b>	<b>21,385</b>	<b>27,373</b>
<b>Application of Funds</b>	<b>42,715</b>	<b>43,782</b>	<b>47,306</b>	<b>50,976</b>	<b>55,575</b>

<b>Cash Flow Statement (INR Mn)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
<b>PBT</b>	<b>(4,646)</b>	<b>4,068</b>	<b>7,599</b>	<b>8,874</b>	<b>11,281</b>
Depreciation & amortisation	3,142	2,398	2,314	2,912	2,980
(Inc)/Dec in working capital	6,712	51	(4,554)	(5,219)	(5,400)
Tax paid	232	(344)	(3,104)	(3,667)	(4,655)
Other operating Cash Flow	(1,163)	(1,675)	(1,135)	(1,192)	(1,252)
<b>Cash flow from operating activities</b>	<b>7,038</b>	<b>6,774</b>	<b>3,680</b>	<b>4,408</b>	<b>5,394</b>
Capital expenditure	(16)	(317)	(750)	(800)	(850)
Add: Int/Div. Income Recd.	666	(3,932)	1,135	1,192	1,252
<b>CF from investing activities</b>	<b>644</b>	<b>(4,249)</b>	<b>(665)</b>	<b>(108)</b>	<b>(348)</b>
Inc/(Dec) in debt	(3,375)	(95)	(1,000)	(1,500)	(2,000)
Dividend Paid	(2,439)	(2,148)	(2,714)	(2,930)	(2,670)
Others	-	1,746	(1,597)	142	139
<b>CF from financing activities</b>	<b>(5,814)</b>	<b>(498)</b>	<b>(5,311)</b>	<b>(4,288)</b>	<b>(4,531)</b>
<b>Closing balance</b>	<b>5,521</b>	<b>3,363</b>	<b>1,133</b>	<b>1,215</b>	<b>1,803</b>

Source: Company &amp; Arihant Research

**Ratios**

	FY21	FY22	FY23E	FY24E	FY25E
<b>Per share data</b>					
No. of shares (m)	66.6	66.6	66.6	66.6	66.6
Diluted no. of shares (m)	66.6	66.6	66.6	66.6	66.6
BVPS (INR)	315.1	354.4	421.6	498.5	596.7
CEPS (INR)	3.0	76.8	103.3	123.0	145.4
DPS (INR)	-	1.0	2.0	3.0	3.0
<b>Margins</b>					
EBITDA Margin	3.92%	13.87%	15.29%	15.51%	15.89%
EBIT Margin	-4.91%	10.09%	12.47%	12.41%	13.06%
PAT Margin	-8.14%	6.68%	5.42%	5.49%	6.22%
<b>Growth Indicators (%)</b>					
Revenue(%)	-46.8	79.3	30.9	14.5	12.6
EBITDA(%)	-77.9	551.6	42.4	16.1	15.2
Adj PAT(%)	-288.0	-242.7	4.8	16.0	27.5
Adj EPS(%)	-288.0	-242.7	4.8	16.0	27.5
<b>Valuation (x)</b>					
P/E	(31.1)	21.8	20.8	17.9	14.0
P/BV	4.4	3.9	3.3	2.8	2.3
EV/EBITDA	82.1	12.7	9.0	7.7	6.5
EV/Sales	3.2	1.8	1.4	1.2	1.0
Dividend Yield (%)	-	0.1	0.1	0.2	0.2
<b>Financial Ratios</b>					
<b>Profit &amp; Loss</b>					
RM/Net Revenue	48	36	37	36	35
Emp Exp/Net Revenue	20	14	11	10	10
Other Exp/Net Revenue	35	38	37	39	40
<b>Balance Sheet</b>					
RoE (%)	(13.3)	19.0	17.2	16.8	18.0
RoCE (%)	0.5	18.7	24.9	26.1	28.2
<b>Key operating metrics</b>					
Dep. (% of Gross Block)	9.4	7.1	6.6	8.1	8.1
Inventory days	173	119	120	124	125
Debtor days	101	52	50	53	57
Creditor days	123	101	95	90	85
Net working capital days	122	61	67	79	89
Asset turnover (x)	0.8	1.4	1.8	1.9	2.0
Fixed asset turnover (x)	1.1	1.8	2.3	2.5	2.8
Sales :Net Block (x)	1.7	3.2	4.2	5.4	7.0
Financial leverage (Asset/Equity)	0.5	0.5	0.6	0.7	0.7
Debt/Equity (x)	1.2	1.0	0.8	0.6	0.5

Source: Company & Arianth Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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