

Strong free cash flow generation, focus on debt reduction and leadership position in Indian retail space makes us bullish on PML; Initiate with Buy with a TP of Rs 986

CMP: Rs 719

Rating: Buy

Target: Rs 986

(NR-Not Rated)

Stock Info

INDEX	
BSE	503100
NSE	PHOENIXLTD
Bloomberg	PHNX IN
Reuters	PHOE.BO
Sector	Real Estate
Face Value (Rs)	2
Equity Capital (Rs Mn)	307
Market Cap (Rs Mn)	110,273
52w H/L (Rs)	766 /491
Avg Weekly Vol (BSE+NSE)	499,250

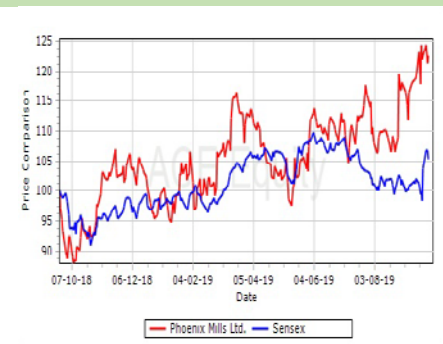
Shareholding Pattern	%
(As on June, 2019)	
Promoters	62.7
Public & Others	37.3

Source: NSE, Arihant Research

Stock Performance (%)	3m	6m	12m
PHOENIX MILLS	11.3	8.5	22.7
SENSEX	-2.1	2.1	5.3

Source: ACE Equity, Arihant Research

PHOENIX MILLS v/s SENSEX



Source: ACE Equity, Arihant Research

The Phoenix Mills Ltd (PML) is the largest player in the Indian retail mall segment. Other than retail PML also has presence in commercial, residential and hospitality space. As of June 2019 end, PML has 7.22 msf of operational assets, 5.86 msf of developmental assets and 3.85 msf of assets under planning. With its strong annuity led business model and impressive portfolio of assets we expect PML to report 10.1% CAGR in revenue over FY19-21E while PAT will witness 12% CAGR over the same period with a stable margin of 50-51%. We are bullish on PML due to its strong free cash flow generation and stable annuity income. Initiate coverage with Buy rating and a target price of Rs 986, giving 37.1% upside.

Investment Rationale

- **Annuity led business model (81% of FY19 revenue from annuity assets)**
With strong focus on its annuity led business model, PML has the guarantee of stable future cash flows from its matured businesses which imparts faith to the investor community in an otherwise highly volatile and unpredictable real estate sector.
- **Increasing urbanisation to fuel further growth of retail**
India's retail market is expected to increase by 60% to reach US\$ 1.1 trillion by 2020, on the back of factors like rising incomes and lifestyle changes by the middle class. PML to benefit from this retail boom in India.
- **Focus on debt reduction paves way for a stronger balance sheet**
Around 89% of PML's debt (Rs 44.9 bn), is long term in nature, while debt on its operational portfolio is primarily lease-rental discounting/backed by steady hotel income. PML reduced its debt in a steady manner backed by its stable annuity income, which paves way for a stronger balance sheet.
- **PAT to witness 12% CAGR over FY19-21E with stable margin of 50-51%**
PML's steady revenue growth (10.1% CAGR over FY19-21E) coupled with efficient execution would help the company to ramp up its earnings over the next few years. We expect PML to report 12% CAGR in its earnings over FY19-21E with stable EBITDA margin of 50-51%.

Valuations

We have valued PML using DCF method, and have discounted PML's cash flows at WACC of 10.4% till FY25E and calculated its terminal value beyond that assuming terminal growth rate of 3%. Our DCF method yields a NAV of Rs 986/share for PML. **We initiate coverage on PML with a BUY rating and a TP of Rs 986 per share, which gives an upside potential of 37.1%.**

Financial Performance

YE March (Rs Mn)	Net Sales	EBITDA	PAT	EPS (Rs)	EBITDA Margin %	RoE (%)	P/E (x)
FY18	16,199	7,777	2,424	15.8	48.0	8.5	45.4
FY19	19,816	9,931	4,210	27.5	50.1	12.2	26.2
FY20E	21,806	11,121	4,442	29.0	51.0	12.0	24.8
FY21E	24,031	12,328	5,277	34.4	51.3	13.5	20.9

Source: Company, Arihant Research

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■ **Company Background**

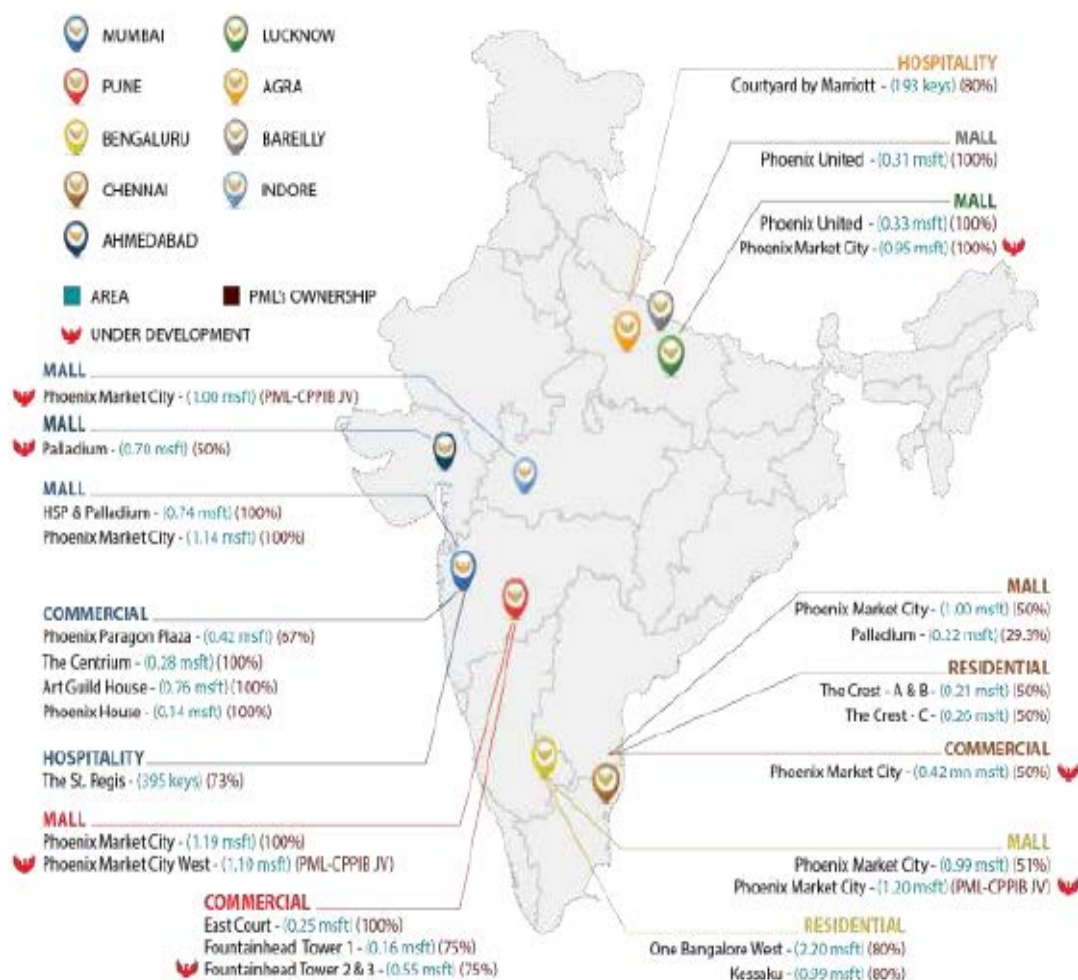
The Phoenix Mills Limited (PML) is an active owner, developer, and manager of prime retail-led assets in the key gateway cities of India. PML is the largest player in the Indian retail mall segment. Other than retail PML also has presence in commercial, residential and hospitality space. As of June 2019 end, PML has 7.22 msf of operational assets, 5.86 msf of developmental assets and 3.85 msf of assets under planning.

Portfolio Summary of PML as of June 2019

Particulars	Retail (msf)	Commercial – Office (msf)	Hospitality – Hotel	Total
Current Operational Assets	5.90	1.32	588 Keys	7.22
Under Development Portfolio	4.90	0.96	-	5.86
Portfolio under Planning	0.85	3.00	-	3.85
Total	11.65	5.28	588 Keys	16.93

Source: Company, Arihant Research

Presence of PML across major cities of India



Source: Company, Arihant Research

Investment Rationale

■ **Annuity led business model**

PML follows an annuity led business model. The company puts its focus on creating value by developing new properties for long-term investment and creating and acquiring exceptional assets with strong cash flows and return potential. With a deep understanding of India’s urban markets, PML has the ability to capitalise on its client relationships, which in turn augurs well for the long-term business potential of the company.

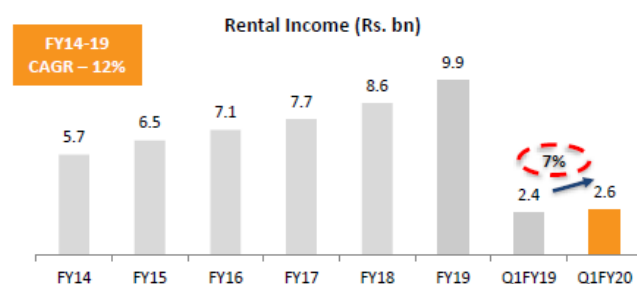
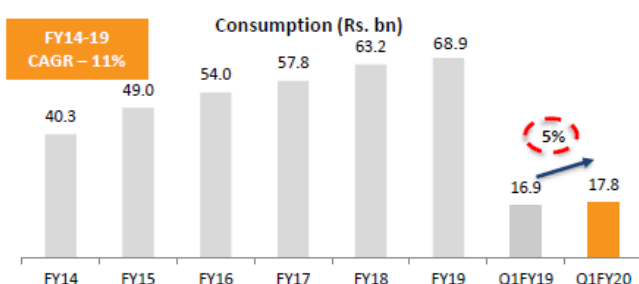


Source: Company, Arianth Research

With strong focus on its annuity led business model, PML has the guarantee of stable future cash flows from its matured businesses which imparts faith to the investor community in an otherwise highly volatile and unpredictable real estate sector. In the last concluded fiscal year of FY19, this annuity based approach has helped the company to clock almost 81% of its revenue solely from its annuity-led businesses like retail, commercial and hotel, while the rest 19% of FY19 revenue came from its residential developmental properties.

Retail portfolio of PML – Operational update

	HSP & Palladium	Phoenix MarketCity				Phoenix United		Palladium
	Mumbai	Bangalore	Chennai^	Mumbai	Pune	Bareilly	Lucknow	Chennai
Retail Leasable/Licensable Area (msf)	0.74	1.00	1.00	1.14	1.19	0.31	0.33	0.22
Total No. of Stores	270	296	263	311	352	139	128	86
Average Rental (Rs. psf)**	406	124	139	101	125	67	77	130
Trading Occupancy %**	93%	97%	99%	93%	98%	88%	89%	85%
Leased Occupancy %*	99%	99%	100%	97%	99%	91%	94%	90%

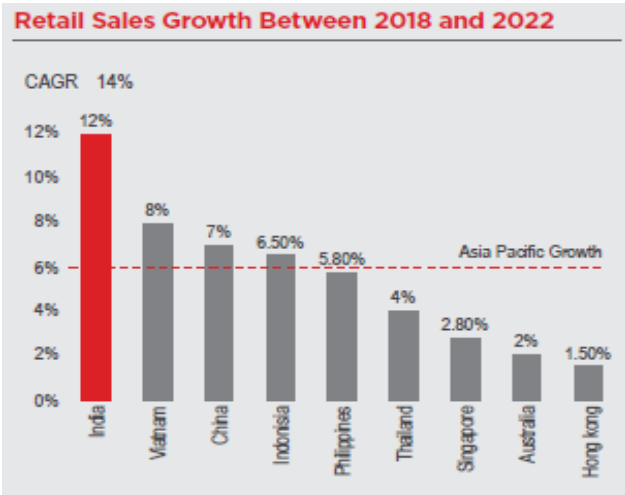


** Average for quarter ended June 2019 * As of end-June 2019

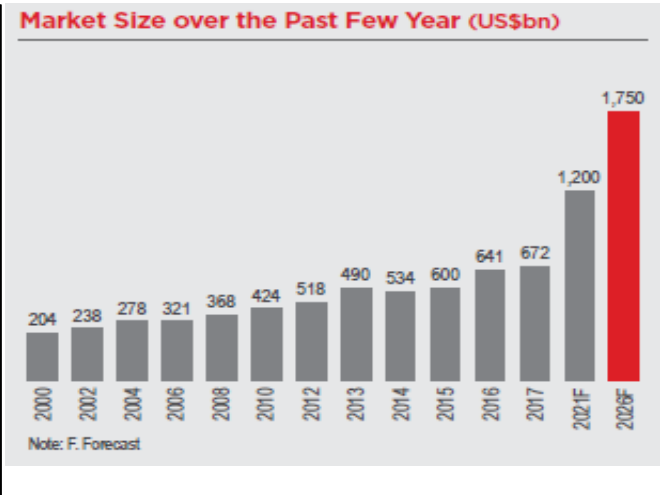
Source: Company, Arianth Research

■ **Increasing urbanisation to fuel further growth of retail**

India is the world’s fifth-largest global destination in the retail space. India’s retail market is expected to increase by 60% to reach US\$ 1.1 trillion by 2020, on the back of factors like rising incomes; lifestyle changes by the middle class; and increased digital connectivity.



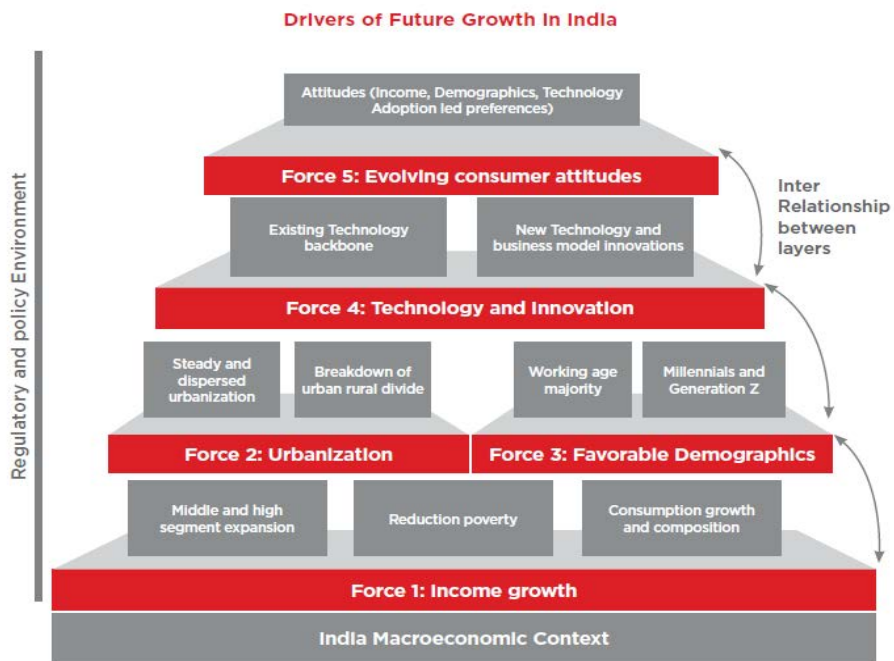
Source: Company, Arihant Research



Source: Company, Arihant Research

Presently, the penetration of modern retail in India is low as compared to that of developed and emerging economies. However, consumer spending patterns and increasing disposable income levels in India continue to evolve at a faster speed. PML being the largest player in the retail landscape of India will benefit immensely from this retail boom.

PML to benefit from the retail boom in India



Source: Company Annual Report, Arihant Research

■ **PML has 4.9 msf of retail assets to be operational between FY20 to FY23**

The company would derive synergies from mixed-use development of its retail assets. Between August 2017 and July 2018, PML has closed five acquisitions, land parcels in Pune, Bangalore and Ahmedabad, and retail assets which are under-construction in Lucknow and Indore. With these acquisitions, PML now has an under-development retail leasable portfolio of approx. 4.9 msf. This under-construction portfolio of 4.9 msf has strong cash generating potential and will be operational between FY20 to FY23.

Project	Partnership / owned	Land Size	Development Potential	Comments
PMC Wakad, Pune	ISML – alliance with CPPIB (PML stake: 51%)	15 Acres	1.6 msf (1.1 msf retail)	All approvals received. Construction commenced in Feb 2019; Excavation is 95% complete at end of June 2019, foundation work is on
PMC Hebbal, Bengaluru		13 Acres	1.8msf (1.2 msf retail)	All approvals received. Construction commenced in Feb 2019. Excavation is 70% complete as on end of June 2019, foundation work is on
PMC Indore		19 Acres	1.0 msf retail	All approvals received, construction commenced in June 2019
PMC Lucknow	100% owned	13.5 Acres	0.9 msf retail	Construction is complete. Shops being handed over for fit-outs. Expect operations to commence during H2 FY20
Palladium, Ahmedabad	50:50 alliance with BSafal group	5.2 Acres	0.7 msf retail	Construction in Progress. Excavation is complete and foundation work is on

Source: Company, Arianth Research

■ **Commercial portfolio – PML has annuity income generating office portfolio of 1.8 msf and further 0.96 msf under development**

Commercial real estate sector gained momentum during 2018 as the supply increased by 13% YoY to 36.9 msf, the highest YoY increase in this decade. PML has operating office portfolio of 1.8 msf which provides stable annuity income and also has 0.96 msf of office portfolio under development.

Project Name	Total Area (msf)	Area Sold (msf)	Net Leasable Area (msf)	Area Leased (msf)
Phoenix House	0.14	-	0.14	0.13
Centrium	0.28	0.16	0.12 [#]	0.10
Art Guild House	0.80	0.20 [®]	0.60 [®]	0.54
Phoenix Paragon Plaza	0.41	0.12	0.29	0.17
Fountainhead – Tower 1	0.17	0.00	0.17	0.16
Total	1.80	0.48	1.32	1.10

OFFICE PORTFOLIO (0.96 MSF)		
Fountainhead – Tower 2 &3	Pune	0.54
Phoenix MarketCity	Chennai	0.42
Total		0.96

[®]Total Area sold is 0.38 msf out of which PML owns 0.17 msf – this area is also counted in area available for lease

[#]Rental Income from Phoenix House is part of Standalone results

^{*}Area owned by PML

Source: Company, Arianth Research

■ **Commercial portfolio – PML has two hotel properties with 588 keys**

PML has two hotel properties St Regis (395 keys) in Mumbai and Courtyard by Marriott (193 keys) in Agra. The first hotel property of PML, namely The St. Regis has one of the highest average room rates (ARRs) as far as Mumbai luxury hotels are concerned, and has been able to maintain its leadership position among the luxury hotels in Mumbai for second year in a row.

	The St. Regis, Mumbai	Courtyard by Marriott, Agra
Keys	395	193
Restaurants & Bar	10	4
Occupancy (%)#	82%	64%
Average room rent (Rs. / room night)#	10,913	3,353

Source: Company, Aриhant Research

■ **Residential portfolio – expected to generate substantial free cash flow**

PML has two residential properties which are operational in Bangalore, One Bangalore West and Kessaku. These are premium and large-scale residential developments. These projects are expected to generate substantial free cash flow for the company in coming years. In last 5 years, selling prices of these projects have seen 18-20% CAGR while construction costs for the same have only seen 5-10% CAGR, thereby ensuring steady cash flows for the company.

Project Name (operational)	Saleable area (msf)			Cumulative Area Sold (msf)	Sales Value (Rs. mn)	Collections in Q1 FY20 (Rs. mn)	Revenue recognized (Rs. mn)	
	Total Area	Area launched	Balance Area				in Q1 FY20	Cumulative
One Bangalore West, Bengaluru	2.20	1.49	0.71 ^{##}	1.30	13,173	416	1,954	14,462
Kessaku, Bengaluru	0.99	0.52	0.47	0.25	3,756	337	117	3,290
Total	3.21	2.01	1.18	1.55	16,929	753	2,071	17,752

^{##} Note that of the nine towers in One Bangalore West (OBW), only Towers 1-6 have been launched and completed. Tower 7 was launched in July 2019

Source: Company, Aриhant Research

The free cash flows generated from already sold inventory is sufficient for PML to cover its future construction costs to complete these projects. Also residual inventory of PML (both ready and under-construction) at current market prices represent significantly higher profit margins for the company.

■ **Focus on debt reduction paves way for a stronger balance sheet**

PML's total debt stood at Rs 44.9 bn at the end of June 2019. 89% of its debt is long term in nature, while the debt on the operational portfolio is primarily lease-rental discounting for retail and commercial or backed by steady hotel revenues. The company also has a strong interest coverage ratio across its group companies. PML does not guarantee any debt taken by its SPVs and enjoys strong credit ratings for its SPVs.

89% of PML's debt is long term in nature

Status	Asset Class	Amount (Rs. mn)
Operational	Retail	31,872
	Hospitality	5,409
	Commercial	2,761
	Residential	1,119
	Sub-total (A)	41,162
Under-development	Retail	3,005
	Commercial	737
	Sub-total (B)	3,741
Grand Total (A+B)		44,903

Source: Company, Arianth Research

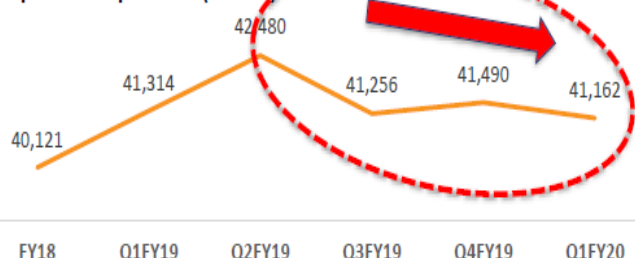
Strong credit rating enjoyed by its SPVs

Credit Ratings	As on June 30, 2019	Ratings Agency
PML Standalone	A+	CRISIL, India Ratings & Research
PMC Bangalore	A	CRISIL
The St. Regis, Mumbai	A-	CRISIL
PMC Pune	A-	CRISIL
PMC Mumbai	A-	CRISIL

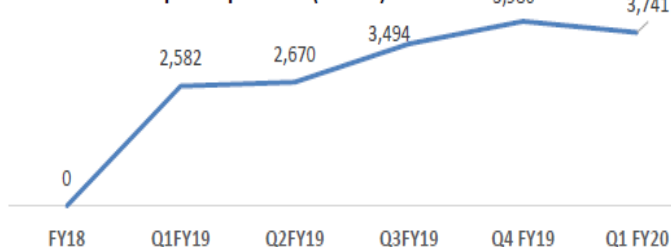
Source: Company, Arianth Research

Concious focus on debt reduction by PML across its operational assets

Debt on Operational portfolio (Rs. mn)



Debt on Under-development portfolio (Rs. mn)



Total Debt					
FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
40,121	43,896	45,150	44,750	45,469	44,903

Source: Company, Arianth Research

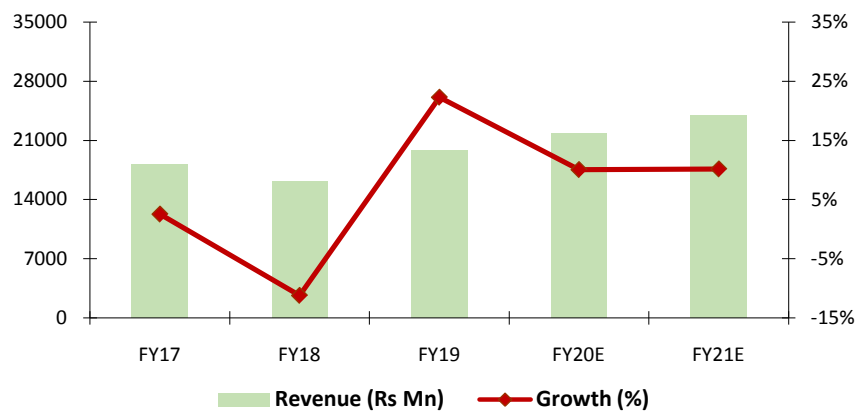
- Reduction in debt has been done across most operating assets in line with steady annuity income
- Construction Finance on under development assets (Wakad, Hebbal, Indore, Ahmedabad) to be taken only upon fully deploying equity component
- Upon operationalization of the under-development retail assets, construction loans will be converted into lease-rental discounting (LRD) loans backed by the asset's annual income generation ability
- PML infused Rs. 500 mn of further equity in PMC Lucknow project during Q1FY20

Financial Performance Analysis

■ **Revenue to grow at a CAGR of 10.1% over FY19-21E**

PML has good revenue visibility over the next few years by virtue of its best of the class retail assets as well as premium residential and commercial assets. We expect PML to report revenues of Rs 21,806 mn and Rs 24,031 mn respectively in FY20E and FY21E, which implies a revenue CAGR of 10.1% over FY19-21E.

Revenue growth trend of PML over the years

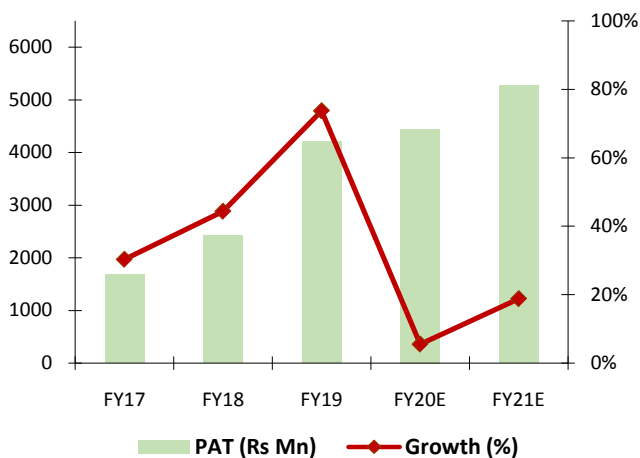


Source: Company, Aриhant Research

■ **PAT to witness 12% CAGR over FY19-21E with stable margin of 50-51%**

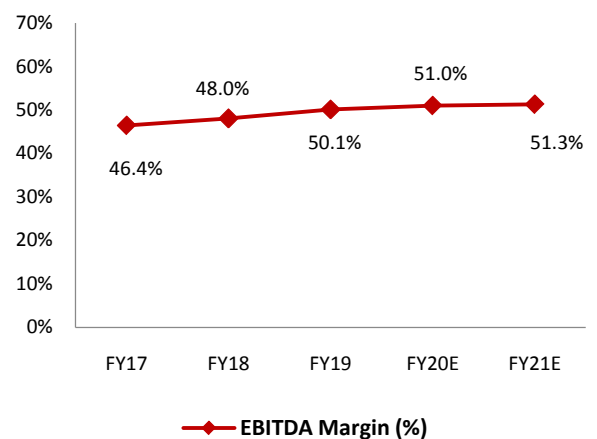
We believe, going forward, PML’s steady revenue growth coupled with efficient execution would help the company to ramp up its earnings over the next few years. We expect PML to report 12% CAGR in its earnings over FY19-21E with stable EBITDA margin of 50-51%.

PML’s PAT trend over the years



Source: Company, Aриhant Research

EBITDA margin trend of PML



Source: Company, Aриhant Research

Q1FY20 Financial Performance

Rs Mn (consolidated)	Q1FY20	Q4FY19	Q1FY19	Q-o-Q	Y-o-Y
Net Revenue	6,150	7,232	4,132	-15.0%	48.9%
Raw Material Cost	1,808	1,860	734	-2.7%	146.3%
Employee cost	382	374	385	2.0%	-0.7%
Other Expenses	1,033	1,227	1,059	-15.8%	-2.5%
EBITDA	2,927	3,771	1,953	-22.4%	49.9%
EBITDA margin %	47.6%	52.1%	47.3%	-455bps	+32bps
Other Income	154	329	170	-53.3%	-9.5%
Depreciation	507	514	499	-1.4%	1.6%
EBIT	2,574	3,587	1,624	-28.2%	58.5%
Finance cost	871	826	846	5.5%	3.0%
Exceptional Item	-	481	-		
PBT	1,703	3,242	778	-47.5%	118.8%
Tax Expense	234	510	235	-54.1%	-0.4%
Effective tax rate %	13.8%	15.7%	30.2%	-198bps	-1647bps
PAT	1,469	2,732	543	-46.2%	170.4%
MI & Associates	-165	-448	54	-	-
Consolidated PAT	1,304	2,284	597	-42.9%	118.3%
<i>PAT margin %</i>	<i>23.9%</i>	<i>37.8%</i>	<i>13.1%</i>	<i>-1389bps</i>	<i>+1074bps</i>
EPS (Rs)	8.5	14.9	3.9	-42.9%	118.1%

Source: Company, Aриhant Research

Future Outlook

We like PML's business model, given the fact that it manages the prime retail-led assets in the key gateway cities of India. With its leadership position in the Indian retail mall segment and presence in commercial, residential and hospitality space, PML has strong cash flow visibility by virtue of its annuity led business model, which makes it insulated from the volatile business cycle of the real estate industry. Also management's expertise in managing the entire mall lifecycle with conscious focus on execution and cash generation makes PML an ideal player to benefit from the retail boom expected in the Indian market over the next several years.

Valuations

We have valued PML using DCF method, wherein we have calculated value of its retail asset portfolio comprising both completed annuity and upcoming projects, commercial portfolio consisting of office as well as hospitality assets, and pending value from completed as well as under-construction residential development projects. We have assumed a risk free rate of 7%, equity risk premium of 5%, beta of 1, tax rate of 25%, terminal growth rate of 3% and 9% pre-tax cost of debt to arrive at our WACC of 10.4%. Our DCF method yields a NAV of Rs 986/share for PML.

At CMP of Rs 719, PML is trading at FY20E and FY21E, P/E multiples of 24.8x and 20.9x respectively, which is reasonable considering its leadership position in India's retail space, stable annuity income generating commercial, retail and hospitality portfolio, focus on debt reduction and ability to generate free cash flows. We initiate coverage on PML with a BUY rating and a target price of Rs 986, which gives an upside of 37.1%.

DCF Valuation of PML

Rs Mn	FY20E	FY21E	FY22E	FY23E	FY24E	FY25E
Revenue	21806	24031	27635	33162	41453	53889
EBITDA	11121	12328	15199	18239	22799	29639
PBT	6232	7417	8606	11586	16085	22865
Tax	1433	1854	2151	2896	4021	5716
PAT	4442	5277	6454	8689	12064	17149
Operating Cash Flow	8320	9526	11437	14566	19216	26146
Free Cash Flow	2320	5526	5437	8566	13216	20146
Sum of PV of FCF	35591					
Terminal Value	279396					
NPV of Terminal Value	154089					
Enterprise Value (EV)	189680					
Less: Net Debt	38524					
Net Asset Value (NAV)	151156					
No. of PML Shares (Mn)	153					
NAV per Share (Rs)	986					
Discount to NAV (%)	0%					
Value per Share (Rs)	986					

Peer Comparison (On FY21E basis)

Company	Price (Rs)	Sales (Rs Mn)	EBITDA (Rs Mn)	EBITDA Margin (%)	PAT (Rs Mn)	EPS (Rs)	P/E (x)	ROE (%)	ROCE (%)
Oberoi Realty	521	35,838	15,466	43.2	11,122	30.6	17.0	12.5	15.6
The Phoenix Mills Ltd	719	24,031	12,328	51.3	5,277	34.4	20.9	13.5	10.8
Sunteck Realty	440	15,693	6,434	41.0	3,952	28.2	15.6	8.6	11.9

Source: Company, Arianth Research

Consolidated Financials

Income Statement

Y/E March (Rs Mn)	FY17	FY18	FY19	FY20E	FY21E
Revenues	18,246	16,199	19,816	21,806	24,031
Change (%)	2.5%	-11.2%	22.3%	10.0%	10.2%
Raw materials	2,827	1,769	4,609	2,290	2,571
Stock Adjustments	-361	-450	-2,420	0	0
Employee costs	1,403	1,473	1,615	1,854	2,043
Other expenses	5,908	5,630	6,080	6,542	7,089
Total Expenses	9,777	8,422	9,884	10,685	11,703
EBITDA	8,469	7,777	9,931	11,121	12,328
Other Income	472	556	851	872	961
Depreciation	1,953	1,983	2,042	2,089	2,109
Interest	4,230	3,476	3,506	3,673	3,763
PBT	2,758	2,874	5,235	6,232	7,417
Extra-ordinary	0	0	-481	0	0
PBT after ext-ord.	2,758	2,874	5,716	6,232	7,417
Tax	858	758	1,099	1,433	1,854
Rate (%)	31.1%	26.4%	19.2%	23.0%	25.0%
PAT	1,900	2,116	4,617	4,798	5,563
MI & Associates	-221	308	-407	-356	-286
Consolidated PAT	1,679	2,424	4,210	4,442	5,277
Change (%)	30.2%	44.3%	73.7%	5.5%	18.8%

Source: Company, Arianth Research

Balance Sheet

Y/E March (Rs Mn)	FY17	FY18	FY19	FY20E	FY21E
Sources of Funds					
Share Capital	306	306	307	307	307
Reserves & Surplus	21,161	28,118	34,297	36,710	38,781
Net Worth	21,467	28,424	34,604	37,016	39,087
Loan Funds					
Deferred Tax & other liabilities	2,993	1,898	1,763	1,763	1,763
Capital Employed	60,799	69,492	88,409	91,822	94,894
Application of Funds					
Gross Block	53,377	66,937	77,363	84,363	89,363
Less: Accumulated Depreciation	8,400	10,356	12,277	14,366	16,475
Net Block	44,978	56,580	65,086	69,997	72,888
CWIP	2,952	5,025	8,963	8,963	8,963
Other non current assets	1,484	949	1,046	1,046	1,046
Deferred tax assets	1,252	1,392	1,386	1,386	1,386
Net fixed assets	50,665	63,947	76,481	81,392	84,283
Investments	4,096	8,290	7,450	7,450	7,450
Debtors	1,470	1,292	1,955	2,091	2,304
Inventories	9,455	6,615	8,986	9,410	10,567
Cash & bank balance	812	406	1,920	2,286	2,132
Loans & advances & other CA	3,560	4,327	4,225	4,779	5,267
Total current assets	15,297	12,640	17,087	18,565	20,271
Current liabilities	8,417	14,340	11,958	14,936	16,459
Provisions	843	1,045	651	651	651
Net current assets	6,037	-2,745	4,478	2,979	3,161
Total Assets	60,798	69,492	88,409	91,822	94,894

Source: Company, Arianth Research

Cash Flow Statement

Y/E March (Rs Mn)	FY17	FY18	FY19	FY20E	FY21E
PBT	2,758	2,874	5,716	6,232	7,417
Depreciation	1,953	1,983	2,042	2,089	2,109
Interest & others	3,538	3,227	2,248	2,444	2,516
Cash flow before WC changes	8,248	8,084	10,006	10,765	12,042
(Inc)/dec in working capital	5,904	8,376	-5,710	1,865	-335
Operating CF after WC changes	14,153	16,460	4,296	12,630	11,707
Less: Taxes	-858	-758	-1,099	-1,433	-1,854
Operating cash flow	13,295	15,702	3,197	11,196	9,853
(Inc)/dec in F.A + CWIP	-1,847	-13,289	-12,532	-7,000	-5,000
(Pur)/sale of investment	-2,429	-4,194	840	0	0
Cash flow from investing	-4,276	-17,483	-11,692	-7,000	-5,000
Free cash flow (FCF)	11,448	2,020	-9,244	4,196	4,853
Loan raised/(repaid)	-2,735	967	5,301	1,000	1,000
Equity raised	22	0	0	0	0
Interest & others	-6,479	849	5,188	-4,263	-5,393
Dividend	-83	-442	-480	-567	-613
Cash flow from financing activities	-9,276	1,375	10,009	-3,830	-5,006
Net inc/(dec) in cash	-256	-406	1,514	366	-153
Opening balance of cash	1,068	812	406	1,920	2,286
Closing balance of cash	812	406	1,920	2,286	2,132

Source: Company, Arianth Research

Key Ratios

Y/E March (Rs Mn)	FY17	FY18	FY19	FY20E	FY21E
Per share (Rs)					
EPS	11.0	15.8	27.5	29.0	34.4
CEPS	23.7	28.8	40.8	42.6	48.2
BVPS	140.2	185.6	225.7	241.4	254.9
DPS	0.5	2.9	3.1	3.7	4.0
Payout (%)	4.9%	18.2%	11.4%	12.8%	11.6%
Valuation (x)					
P/E	65.5	45.4	26.2	24.8	20.9
P/CEPS	30.3	25.0	17.6	16.9	14.9
P/BV	5.1	3.9	3.2	3.0	2.8
EV/EBITDA	16.9	18.5	14.9	13.4	12.2
Dividend Yield (%)	0.1%	0.4%	0.4%	0.5%	0.6%
Return Ratio (%)					
EBIDTA Margin	46.4%	48.0%	50.1%	51.0%	51.3%
PAT Margin	9.2%	15.0%	21.2%	20.4%	22.0%
ROE	7.8%	8.5%	12.2%	12.0%	13.5%
ROCE	10.7%	8.3%	8.9%	9.8%	10.8%
Leverage Ratio (%)					
Total D/E	1.6	1.2	1.2	1.1	1.1
Net D/E	1.5	1.2	1.1	1.0	1.0
Turnover Ratios					
Asset Turnover (x)	0.3	0.2	0.2	0.2	0.3
Inventory Days	1399	1830	1498	1500	1500
Receivable Days	29	29	36	35	35
Payable days	185	347	232	250	250

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%

Research**Analyst****Contact****Website****Email Id****Registration No.**

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