GICS Industry : Text., App. & Luxury Goods | Sub Industry : App., Acc. & Luxury Goods | Website : www.rajlaxmiindustriesltd.com

Rajlaxmi Industries Ltd.

Report Date: 06 May 2016

Key Stock Indicators

BSE Ticker :	512319	CMP as on 26 Aug 2015-Rs/share :	2.9	Shares outstanding (mn) :	310.0
Bloomberg Ticker :	RLXM:IN	52 week range up to 26 Aug 2015 (Rs)(H/L) :	5.3/2.8	Free Float (%) :	98.4
Face value per share :	1.0	Market Cap as on 26 Aug 2015 (Rs mn) :	884	Average daily volumes (12 months) :	418,160
Div.Yield (%):	0.0	Enterprise Value as on 26 Aug 2015 (Rs mn) :	883	Beta :	1.1

Background

Incorporated in 1985, Rajlaxmi Industries Ltd (erstwhile Rajlaxmi Mercantile Company Ltd) is engaged in trading of textiles, majorly readymade garments and sarees. The company is headquartered in Thane.

Key Highlights

Revenue declined in Q3FY16

Revenue declined ~92% year-on-year to Rs 4 million in Q3FY16 from Rs 50 million in the same period last year.

Key Risks

- Prolonged slowdown in demand
- Government slashing subsidies
- Volatile raw material prices

Key Financial & Valuation Indicators

	MAR-13	MAR-14	MAR-15
Revenue (Rs mn)	0	152	134
PAT (Rs mn)	-4	4	1
EPS (Rs/share)		-	-
PE (x)		296.2	1,783.2
P/BV (x)	2.3	4.7	7.3
RoE (%)	-	1.6	0.4
EV/EBITDA (x)	n.m.	n.m.	n.m.

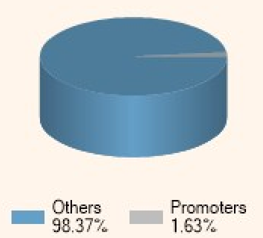
Source: Company, CRISIL Research | n.m. : Not meaningful.

Stock Performance vis-a-vis Market

Returns (%)	YTD	1-m	3-m	12-m
Rajlaxmi Industries Ltd.	-54	-28	-32	-90
SENSEX	-9	-7	-7	-3

1) YTD returns are since Apr 1, 2015 to Aug 26, 2015.
2) 1-m, 3-m and 12-m returns are up to Aug 26, 2015

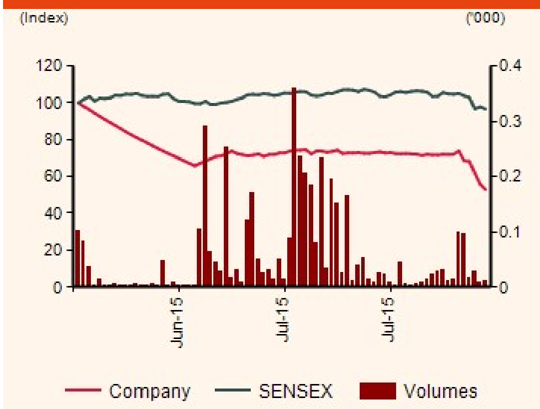
Shareholding (As on December 31, 2015)



Pledged shares (As on December 31, 2015)

As a % of promoter holding	0.0
As a % of total shares	0.0

Share Price Chart (Indexed to 100)



Source: BSE, CRISIL Research

Competitive Position

Peer Comparison

	Rajlaxmi Industries Ltd. Mar-15	Binny Mills Limited Mar-15
Revenue (Rs mn)	134	72
EBITDA margins (%)	-5.6	13.6
PAT (Rs mn)	1	6
PAT margins (%)	0.8	8.9
Gearing (x)	-	25.3
EPS (Rs/share)	-	2.0
PE (x)	1,783.2	170.4
P/BV (x)	7.3	19.4
RoCE (%)	0.6	0.7
RoE (%)	0.4	12.1
EV/EBITDA (x)	n.m.	254.4

n.m: Not meaningful
Source: Company, CRISIL Research

Financial Profile

The company's revenue declined 11.8% year-on-year to Rs 134 million in 2014-15 from Rs 152 million in 2013-14.

EBITDA margin contracted by 400 bps y-o-y to -5.6% in 2014-15.

PAT fell to Rs 1 million in 2014-15 from Rs 4 million in 2013-14.

Financial Performance

	Mar-13	Mar-14	Mar-15
Revenue (Rs mn)	0	152	134
Revenue growth (%)	-	-	-11.8
EBITDA (Rs mn)	-3	-2	-8
EBITDA growth (%)	n.m.	n.m.	n.m.
EBITDA margins (%)	-	-1.6	-5.6
PAT (Rs mn)	-4	4	1
PAT growth (%)	n.m.	n.m.	-73.8
PAT margins (%)	-	2.8	0.8
Gearing (x)	-	-	-
RoCE (%)	-	1.5	0.6
RoE (%)	-	1.6	0.4

Source: Company, CRISIL Research

Industry Outlook

Textiles

The textile sector in India is estimated at $125 billion in 2015-16. The industry is characterised by the presence of small and fragmented units across the value chain – from spinning to weaving to fabric processing to garment manufacturing.

Growth in the textile industry is expected to moderate to 4-5% from 2015-16 to 2019-20 from around 8-10% over the last 5 years even as domestic market demand remains robust. Slower growth would largely be on account of laggard exports, especially in readymade garments segment, due to lower competitiveness of India (compared with Bangladesh and Vietnam) and adverse currency movement. Domestic demand is expected to remain healthy with improving economy.

A sharp drop in raw material prices is expected to boost profitability for players in the industry. However, moderation in export growth will limit the benefit for players with international exposure.

Annual Results

Income statement

(Rs million)	Mar-13	Mar-14	Mar-15
Net Sales	0	152	134
Operating Income	**0**	**152**	**134**
EBITDA	**-4**	**-2**	**-8**
EBITDA Margins (%)	**0.0**	**-1.6**	**-5.6**
Depreciation	0	0	0
Interest	0	0	0
Other Income	0	7	9
PBT	-4	4	2
PAT	**-4**	**4**	**1**
PAT Margins (%)	**0.0**	**2.8**	**0.8**
No.of shares (mn no.)	310.0	310.0	310.0
Earning per share (EPS)		0.0	0.0

Balance Sheet

(Rs million)	Mar-13	Mar-14	Mar-15
Equity share capital	310	310	310
Reserves and surplus	-49	-45	-44
Tangible net worth	**261**	**265**	**266**
Deferred tax liability:(asset)	0	0	0
Long-term debt	0	0	0
Short-term-debt	8	8	0
Total debt	**8**	**8**	**0**
Current liabilities	0	36	85
Total provisions	0	0	0
Total liabilities	**269**	**309**	**352**
Gross block	0	0	0
Net fixed assets	0	0	0
Investments	**263**	**221**	**211**
Current assets	**6**	**88**	**141**
Receivables	0	21	80
Inventories	0	20	9
Cash	**0**	**2**	**1**
Total assets	269	309	352

Cash flow

(Rs million)	Mar-13	Mar-14	Mar-15
Pre-tax Profit	-3	4	2
Total tax paid	0	0	-1
Depreciation	0	0	0
Change in working capital	-6	-44	-5
Cash flow from operating activities	-9	-40	-4
Capital expenditure	0	0	0
Investments and others	-263	42	10
Cash flow from investing activities	-263	42	10
Equity raised/(repaid)	300	0	0
Debt raised/(repaid)	-28	0	-8
Dividend (incl. tax)	0	0	0
Others (incl extraordinaries)	1	0	0
Cash flow from financing activities	273	0	-8
Change in cash position	1	2	-2
Opening cash	0	0	2
Closing cash	0	2	1

n.m.: Not meaningful
Source: Company, CRISIL Research

Ratios

	Mar-13	Mar-14	Mar-15
Revenue growth (%)	-	-	-11.8
EBITDA growth (%)	n.m.	n.m.	n.m.
PAT growth (%)	n.m.	n.m.	-73.8
EBITDA margins (%)	-	-1.6	-5.6
Tax Rate (%)	-	-	33.5
PAT margins (%)	-	2.8	0.8
Dividend payout (%)	-	-	-
Dividend per share (Rs)	-	-	-
BV (Rs)	0.8	0.9	0.9
Return on Equity (%)	-	1.6	0.4
Return on Capital employed (%)	-	1.5	0.6
Gearing (x)	-	-	-
Interest coverage (x)	-	n.m.	n.m.
Debt/EBITDA (x)	n.m.	n.m.	-
Asset turnover (x)	-	-	-
Current ratio (x)	0.1	2.0	1.6
Gross current assets (days)	0	211	384

Quarterly Results

Profit and loss account

(Rs million)	Dec-14	Sep-15	Dec-15	QoQ Growth (%)	YoY Growth (%)	YTD Dec-14	YTD Dec-15	YoY Growth (%)
No of Months	3	3	3			9	9	
Revenue	**50**	**49**	**4**	**-91.8**	**-92.0**	**101**	**61**	**-39.6**
EBITDA	**-1**	**-1**	**1**	**n.m.**	**n.m.**	**-2**	**2**	**n.m.**
Interest	0	0	0	-	-	0	0	-
Depreciation	0	0	0	-	-	0	0	-
PBT	1	-1	1	n.m.	0.0	5	2	-60.0
PAT	**1**	**-1**	**1**	**n.m.**	**0.0**	**4**	**2**	**-50.0**

Source: Company, CRISIL Research | n.m. : Not meaningful

Focus Tables

Board of Directors

SN	Director Name	Designation	SN	Director Name	Designation
1	Gurushantappa Lature	Chairman	4	Deodatta Gangadhar Marathe	Independent Director
2	Shivshankar Lathure	Managing Director	5	Kallinath Gangadharappa Chitradurga	Independent Director
3	Vivek Lature	Executive Director	6	Satya Rajeshekhar Choudhary	Independent Director

Source: BSE, CRISIL Research.

List of non-promoter shareholders having more than 1% holding

Name of the Shareholder	As on Dec-2015
Singal Neeraj ,Uma, Ritu & Neeraj Singhal	10.7
Vinod Garg, Puushpit Garg & Sangitha Garg	10.4
Pondurai, Pondurai Balaselvi	9.5
Moonnight Vinimay Private Limited	3.3
Brij Bhushan Singal	3.2
Bismuth Vinimay Private Limited	2.3
Sahil Manchanda & Saloni Manchanda	2.1
Rahul S Bagaria	2.1
Shrawankumar Purshottamdas Bagadia	2.1
Ester Industries Ltd	1.7
Comfort Securities Ltd	1.6
Kailashnath Sanitary Goods Suppliers Pvt Ltd	1.5
Kaangdaji Fabrics Trades Pvt Ltd	1.1
Grove Suppliers Private Limited	1.1
Ashish Kumar Baranwal	1.1
Meenakshi Manchanda	1.1
Sunil Kumar	1.1
TOTAL	**56**

Source: BSE, CRISIL Research

Contingent Liabilities

(Rs million)	As on Mar-2015
Commitment on capital account	0
Guarantees for operations	0
Guarantees on behalf of Subsidiaries :affiliates	0
Other Claims against the company not acknowledged as debt	0
Others	0
Total	**0**

Source: Company, CRISIL Research

Auditor's Qualification

The company's auditors have not reported any/major qualifications for the financial period under review.

Note

Financials have been reclassified as per CRISIL standards.

Analytical Contact

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