

# Basic Research on Radico Khaitan

## NSE

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I am writing to present an analysis report on Radico Khaitan, based on a thorough analysis of the company's financial performance and key indicators. The report provides insights into various aspects of Radico Khaitan's operations and financial position during the period from March 2020 to March 2023.

1. Sales Growth:
    - Radico Khaitan's sales have demonstrated consistent growth since March 2020, with a notable decline observed in March 2023.
  2. Operating Profit Margin (OPM):
    - The OPM of Radico Khaitan has been increasing steadily and reached an average level in March 2023, indicating improved operational efficiency and profitability.
  3. Net Profit Margin (NP Margin):
    - Radico Khaitan has maintained a high net profit margin from March 2020 to March 2023, suggesting effective cost management and revenue generation.
  4. Fixed Asset Turnover Ratio:
    - The fixed asset turnover ratio has remained relatively stable, averaging around 2.6-3, indicating efficient utilization of fixed assets to generate revenue.
  5. Networking Capital/Sales:
    - Radico Khaitan has successfully reduced its networking capital/sales ratio over the analyzed period, reflecting improved working capital management.
  6. Debtor Days:
    - The decreasing debtor days signify Radico Khaitan's ability to collect receivables more promptly, indicating favorable cash flow management.
  7. Inventory Days:
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- Radico Khaitan has experienced an increasing trend in inventory days since March 2020, reaching its highest level in 2023. Further analysis is required to evaluate the impact on the company's operations.
8. Creditor Days:
- The decreasing creditor days may raise concerns as it suggests delayed payments to creditors, which can impact supplier relationships.
9. Debt to Total Capital:
- After a decreasing trend from March 2020 to March 2022, Radico Khaitan's debt to total capital ratio spiked in March 2023. This indicates a potential increase in financial risk.
10. Cash Flow from Operating:
- Radico Khaitan has demonstrated a significant increase in cash flow from operating activities, which is a positive indication of the company's ability to generate cash from core operations.
11. Cash Flow from Investing:
- The negative cash flow from investing activities suggests that Radico Khaitan has been investing in assets or projects during the analyzed period.
12. Cash Flow from Financing:
- Radico Khaitan had negative cash flow from financing activities until March 2022, indicating healthy financial management. However, the shift to positive cash flow in March 2023 implies potential difficulties in paying debt and dividends.
13. Return on Capital Employed (ROCE) %:
- Radico Khaitan's ROCE has been decreasing and remained below 20%, indicating a decline in the company's ability to generate returns on its capital employed.
14. Return on Equity (ROE) %:
- Although the ROE has increased, it reached a low level in March 2023, signaling reduced profitability relative to shareholders' equity during that period.

## Output Data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2		Particulars		Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
3															
4		Sales Growth			8.81%	13.88%	1.60%	17.36%	0.85%	8.45%	14.80%	16.09%	-0.88%	20.43%	9.93%
5		OPM		15%	16%	14%	13%	12%	13%	15%	17%	16%	17%	14%	11%
6		NP Margin		5.76%	6.36%	5.15%	4.86%	4.44%	4.83%	6.84%	9.11%	9.52%	11.42%	8.81%	6.49%
7															
8		Fixed Asset turnover ratio		2.22	2.29	2.42	2.44	2.25	2.35	2.62	2.89	3.22	2.93	3.48	2.59
9		Networking Capital		680	837	982	997	974	904	801	749	986	918	1093	1098
10		Networking Capital/Sales		61.15%	69.17%	71.26%	71.21%	59.28%	54.56%	44.57%	36.31%	41.17%	38.67%	38.23%	34.93%
11		Debtor Days		114.2	118.1	126.9	130.5	121.0	136.0	127.4	112.5	111.6	116.8	92.8	91.7
12		Inventory days		58.8	55.1	52.6	55.5	54.5	62.8	61.5	59.6	56.1	66.5	65.7	72.8
13		Creditor Days		38.4	35.3	32.4	32.9	33.3	39.8	40.5	40.6	38.8	40.4	36.1	33.6
14		Debt to Total capital		49.28%	51.30%	53.65%	50.57%	49.90%	43.69%	34.14%	20.40%	20.82%	14.04%	9.23%	25.95%
15															
16		Cashflow From Operating		142	-66	137	250	-39	252	316	309	60	370	220	224
17		Net Profit		64	77	71	68	73	80	123	188	228	271	252	204
18		Cashflow From Investing		-128	46	-141	-83	84	3	-21	-7	-67	-76	-107	-684
19		Cashflow From Financing		-2	15	3	-172	-87	-234	-293	-226	9	-183	-134	482
20		Cummulative Cashflows from operations		142	76	213	463	424	676	992	1301	1361	1731	1951	2175
21		Cummulative NetProfit		64	141	212	280	353	433	556	744	972	1243	1495	1699
22															
23		ROCE %		7.64%	7.35%	6.24%	6.60%	5.69%	6.96%	8.72%	12.35%	13.78%	13.32%	11.55%	7.31%
24		ROE %		9.57%	10.56%	9.09%	8.19%	7.57%	7.77%	10.77%	14.30%	14.99%	15.36%	12.68%	9.48%
25															
26															