COVERAGE DOSSIER

Raymond Limited restructures its business for value creation

08 November 2019

TIMES OF INDIA

Raymond to hive off cash spinner textile, apparel biz

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Mumbai: Industrialist Gautam Singhania is separating the flagship textile and apparel businesses from Raymond to a new entity. The existing Raymond will retain the real estate, auto component and consumer products businesses, which had a combined revenue of Rs 1,549 crore in fiscal 2019.

The demerged lifestyle business, with revenue of Rs 5,284 crore, will be listed on the stock exchanges, mirroring the shareholding structure of Raymond. Raymond shareholders will be getting an equal number of shares of the new entity.

The bifurcation of the diversified enterprise, according to Singhania, will simplify the structure and, more importantly, the lifestyle-focused entity will not have the "conglomerate discount" of the undivided Raymond in the stock market.

The latest move comes even as Singhania is engaged in an arbitration with his father Vijaypat to settle a dispu-

NEW ENTITY

te regarding allocation of a duplex flat in JK House in south Mumbai.

To begin with, Singhania will be merging Raymond Apparel and Scissors Engineering with Raymond. Raymond Apparel houses the Rs 1,622-crore branded retail business while Scissors Engineering is into auto components. Thereafter, the lifestyle business will be separated from Raymond and parked in a new company. The denim and the wholesale shirting businesses will, however, be retained within Raymond. The denim business is a 50:50 joint venture with European player UCO. There is no benefit obtained by the promoter from the proposed restructuring, Raymond said.

In a parallel development, JK Investo, one of the promoters of Raymond, will put in Rs 350 crore in the company through equity and convertible preference stock. The fund infusion will pare Raymond's over Rs 2,500-crore debt and increase the promoters' overall stake in the company to 48% from 44% once the preference stock is converted into equity.

THE FINANCIAL EXPRESS

Raymond creates new consumer biz company; parent to focus on realty

FE BUREAU
Mumbai, November 7

TEXTILE TO ENGINEERING conglomerate Raymond on Thursday announced plans to demerge its core lifestyle business into a separate entity that will simplify the group structure as well as unlock potential shareholder value.

Raymond indicated that the new company would hold its branded textile, branded apparel and garmenting businesses while the existing company would retain the group's real estate project, Thane land bank, B2B shirting business, engineering businesses of auto components and tools & hardware, denim and fast-moving consumer goods business. The new firm will be listed with every Raymond shareholder getting one share of the new entity for every scrip held.

The resulting companies would have focused strategy and specialisation for sustainable growth and profitability, Raymond said. At the same time, the company also announced that it is looking to deleverage its balance sheet aided by a fund infusion worth ₹350 crore from an associate firm. Raymond said it would issue equity shares as well as compulsorily convertible preference shares (CCPS) through the preferential allotment route to its associate firm, JKIT, in lieu of the

funds that came as proceeds of a land sale. The equity shares and CCPS will be issued at a price of ₹674 per share, Raymond indicated in a stock exchange filing. Raymond's gross debt as on March 2019 stood at ₹2,142.92 crore, according to *Bloomberg* data.

Raymond chairman and managing director Gautam Singhania said the demerger would improve the balance sheet. "There is no doubt that there is a slowdown. I have always embraced slowdown in a different way. Sometimes, slowdowns help you introspect."

As on September 30, Raymond promoter group held 43.83% in the firm while the rest of the 56.17% stake was held by public shareholders. The firm indicated that after the preferential allotment, the promoter group shareholding will rise to 48.21%.

Raymond group chief financial officer Sanjay Bahl said the infusion of net proceeds of JKIT land sale in Raymond would help the group in debt reduction leading to better operational efficiencies. "As our balance sheet will get leaner, it will lead to a better profitability at the group level. The demerger of the Lifestyle Business will enable the demerged company and the resulting companies to have focused strategy and specialisation for sustained growth and the ability to attract investors for better access to capital," he said.

As of fiscal year 2019, the lifestyle company had revenues of ₹5,284 crore and an earnings before interest tax depreciation and amortisation (Ebitda) of ₹601 crore while the existing company—predominantly a real estate firm — had revenues of ₹1,549 crore with an Ebitda of ₹101 crore, Raymond indicated.

For the quarter-ended September, Raymond posted a 32.27% year-on-year rise in its consolidated net profit to ₹86.24 crore.

The announcements were made to the stock exchanges after market closing hours. Shares of Raymond closed Thursday's trading session at ₹673.70, up 6.94%, on BSE.

The Telegraph

Raymond to demerge

Mumbai: Textile player Raymond is hiving off its consumer and lifestyle businesses into a separate entity, which will be valued at around $1 billion.

The company also announced a preferential allotment of equity to the promoters, which will increase their stake by 5 percentage points to over 48 per cent.

Chairman and managing director Gautam Singhania expects the returns on capital from the new company will be almost three times its peers.

He also said the new company will be listed and the existing shareholders of Raymond will get the shares of the new company on a 1:1 basis.

Singhania said under the demerger scheme, promoters will be using the Rs 350-crore gains from the Thane land bank sale to subscribe to the preferential shares, and the move is aimed at maximising shareholder value.

The new holding company will control the lifestyle and consumer verticals while the divisions remaining under the parent will focus on realty. They will together deliver a topline of Rs 5,500 crore.

Singhania was planning the demerger for the past decade but could not take it forward because of the high debt of over Rs 2,700 crore at Raymond. Another impediment was the lack of clarity on the revenue stream for the divisions that remain with the parent company.

He expects the restructuring to be complete over the next three quarters. The first step is to book Rs 350 crore gains from the Thane land deal, which will be followed by the preferential allotment to promoters and the proceeds will be used to deleverage the books of Raymond.

Following the preferential allotment, promoters' stake in Raymond will go up to 48.33 per cent, Singhania said.

For residual Raymond, expected revenue from the realty business stands at Rs 4,500 crore over the next four-five years, while it also has other businesses such as tools & hardware (Rs 400 crore), auto and engineering (Rs 300 crore) and B2B clothing (Rs 700 crore).

Singhania said the sale of non-core assets will continue, but declined to offer a timeline or name the assets.

Singhania, embattled in a fight with his father, said his dream is to be just a shareholder and let professionals manage his businesses. He said investors like focus and with this rejig, governance will get a fillip. PTI

NEW ERA

- Raymond to hive off consumer & lifestyle business
- Entity to be listed
- Raymond shareholders to get shares on 1:1 basis in new entity
- Residual entity to be involved in realty

Raymond LIMITED

mint

Raymond demerges core lifestyle business

Bidya Sapam
bidya.s@livemint.com
MUMBAI

Gautam Singhania, chairman and MD of Raymond.

Raymond Ltd said it will demerge its core lifestyle business into a separate listed entity to simplify the group structure and create investor opportunities.

The new entity, Raymond Lifestyle Ltd, will bring all its existing branded textile, apparel and garment businesses under one umbrella, said Gautam Hari Singhania, Raymond's chairman and managing director on Thursday.

After the split, Raymond will retain its real estate project, land in Thane, manufacturing of shirts for business-to-business (B2B) customers, auto components, tools and hardware, along with the denim and consumer goods businesses. The Mumbai-based conglomerate also said that it has raised around ₹350 crore through a preferential share allotment to JK Investo Trade (India) Ltd, which is part of the promoter group firm, to pare debt of ₹2,777 crore.

"One thing I have consistently said in the last three years is we want to create shareholder value. First thing we need to do is monetize some assets. The question I have been consistently asked is what are we doing with the land. We will do whatever we can to monetize the land," Singhania told reporters.

On 9 October, the company announced selling a 20-acre land parcel in Mumbai's Thane area to Xander-backed Virtuous Retail South Asia (VRSA) for ₹700 crore. It owns a total of 120 acres in the area. Raymond owns 125 acres of land in Thane and has been looking at ways to monetize the asset either through an outright sale or by developing it in a phased manner. In April last year, the company announced its entry into the real estate development business with plans to develop a 3000 unit-residential project on a 20 acre plot.

"With a real estate project that has a revenue potential of around ₹4,500 crore, the existing company would be primarily a real estate firm," Singhania said. As part of the demerger plan, the new lifestyle firm would be listed through mirror shareholding structure, wherein every shareholder would be issued shares of the new company in the ratio of 1:1.

Sanjay Bahl, group financial officer at Raymond, said infusion of net proceeds of the land sale would help the company in debt reduction, leading to better operational efficiencies.

"The demerger of the lifestyle business will enable the demerged company and the resulting companies to have focussed strategy and specialization for sustained growth and the ability to attract investors for better access to capital," Bahl said.

Raymond's lifestyle business comprises around 1,500 stores across more than 600 towns and cities. Some of its leading brands include Raymond Ready to Wear, Park Avenue, ColorPlus, Parx and Raymond Made to Measure.

THE ECONOMIC TIMES

Raymond Demerges Lifestyle Business into Separate Co

To list new entity that will house branded textile business; existing one will have its real estate, engg and FMCG operations

Our Bureau

Mumbai: Textile-focused conglomerate Raymond on Thursday said it will demerge its core lifestyle business and list it as a separate entity.

This will create two separate companies — the new entity will house the core branded textile, branded apparel and garment businesses and the existing one will have its new real estate project, land bank, engineering businesses of auto components and FMCG businesses among others. The listing will be done in the mirror shareholding structure which means "every shareholder of Raymond will be issued the shares of the new company in the ratio of 1:1", said a statement from the company.

Raymond shares gained almost 7% to ₹673.7 apiece, on a day when the BSE Sensex rose 0.45% to end Thursday's trading at 40,653.74. The announcement came after trading hours.

In a separate development, the company announced that it is raising ₹350 crore by allotting equity shares and compulsorily convertible preference shares (CCPS) to an associate company JKIT, against the infusion of net proceeds of the JKIT land sale that was announced in October 2019.

The company will raise ₹225 crore via the allotment of 3.3 million equity shares while ₹125 crore will be raised via the allotment of 1.8 million CCPS. Both will be issued at ₹674 per share. The fund will be used to repay Raymond's debt.

The company last month said it sold 20-acres of land to global investment firm Xander-backed Virtuous Retail South Asia (VRSA) for ₹700 crore. This is part of the 125-acre land bank it owns in Thane. It has been looking at ways to sell the land.

The Indian EXPRESS
JOURNALISM OF COURAGE

Raymond hives off consumer business arm

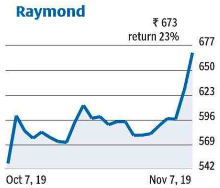
New Delhi: In a major rejig, textile player Raymond on Thursday announced hiving off the consumer and lifestyle businesses into a separate entity that will be publicly traded valued at around $1 billion. The company also announced a preferential allotment of equity to the promoters, which will raise their stake by 5 percentage points to over 48. Chairman-managing director Gautam Singhania expects return on capital from the new company will be almost three-times the peers.

Business Standard

Raymond plans to demerge lifestyle biz, merge 2 units

Raymond plans to spin off the lifestyle business into a new company with existing business of branded textile, apparel and garments, according to a statement. Raymond also plans to list the demerged lifestyle operations; each of its shareholders will receive one share of the new entity for every one they currently hold. **BLOOMBERG**

THE HINDU



Raymond: Focus on corporate revamp

The board of Raymond on Thursday approved a composite scheme of arrangement involving Raymond Apparel Ltd (RAL) and Scissors Engineering Products Ltd (SEPL). The scheme envisages the amalgamation of RAL and SEPL with Raymond Ltd; demerger of the lifestyle business undertaking of Raymond Ltd into a new company on a going concern basis; and cancellation and reduction of existing share capital of Raymond. Shareholders will closely monitor further development.

Raymond LIMITED

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MANUFACTURING

Raymond to demerge flagship lifestyle business

By Debjyoti Roy | 07 November, 2019

Photo Credit: VCCircle

SHARE

Mumbai-based textile and apparel maker Raymond Ltd said on Thursday it will demerge its core lifestyle business into a separate firm that will be listed on stock exchanges.

The move will create a clear demarcation of lifestyle and other businesses, leading to the simplification of the group structure, Raymond said in a stock-market disclosure.

Gautam Hari Singhania, chairman and managing director at Raymond, said demerging the core lifestyle business is an affirmative step towards enhancing performance and delivery across verticals.

The new company will house the branded textile, branded apparel and garmenting businesses. The existing company will retain a real estate project, the Thane land bank, the business-to-business shirting business, and the denim and FMCG business. It will also retain the engineering businesses of auto components and tools and hardware, Raymond said.

Under the demerger proposal, Raymond shareholders will be issued an equal number of shares of the new company.

Raymond houses leading brands such as Park Avenue, ColorPlus and Parx. The apparel maker claims to have one of the largest exclusive retail networks in the country with over 1,500 stores in more than 600 cities and towns.

The diversified group also has business interests in men's accessories, personal grooming and toiletries, prophylactics, engineering and auto components across national and international markets.

Raymond also said that it will raise Rs 350 crore by issuing equity shares and compulsorily convertible preference shares to JK Investo Trade (India) Ltd, an associate company. The amount is the net proceeds of JKIT's land sale deal announced last month, Raymond said. It said that it will use the money to repay its debt.

Raymond Ltd | Gautam Hari Singhania

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Gautam Singhania, chairman and MD of Raymond.

Raymond demerges core lifestyle business

2 min read . Updated: 07 Nov 2019, 10:33 PM IST

Bidya Sapam

- The new entity, Raymond Lifestyle Ltd, will bring all its existing branded textile, apparel and garment businesses under one umbrella
- On 9 October, the company announced selling a 20-acre land parcel in Mumbai's Thane area to Xander-backed VRSA for ₹700 crore

MUMBAI : Raymond Ltd said it will demerge its core lifestyle business into a separate listed entity to simplify the group structure and create investor opportunities.

The new entity, Raymond Lifestyle Ltd, will bring all its existing branded textile, apparel and garment businesses under one umbrella, said Gautam Hari Singhania, Raymond's chairman and managing director on Thursday.

After the split, Raymond will retain its real estate project, land in Thane, manufacturing of shirts for business-to-business (B2B) customers, auto components, tools and hardware, along with the denim and consumer goods businesses. The Mumbai-based conglomerate also said that it has raised around ₹350 crore through a preferential share allotment to JK Investo Trade (India) Ltd, which is part of the promoter group firm, to pare debt of ₹2,777 crore.

"One thing I have consistently said in the last three years is we want to create shareholder value. First thing we need to do is monetize some assets. The question I have been consistently asked is what are we doing with the land. We will do whatever we can to monetize the land," Singhania told reporters.

On 9 October, the company announced selling a 20-acre land parcel in Mumbai's Thane area to Xander-backed Virtuous Retail South Asia (VRSA) for ₹700 crore. It owns a total of 120 acres in the area. Raymond owns 125 acres of land in Thane and has been looking at ways to monetize the asset either through an outright sale or by developing it in a phased manner. In April last year, the company announced its entry into the real estate development business with plans to develop a 3000 unit-residential project on a 20 acre plot.

"With a real estate project that has a revenue potential of around ₹4,500 crore, the existing company would be primarily a real estate firm," Singhania said. As part of the demerger plan, the new lifestyle firm would be listed through mirror shareholding structure, wherein every shareholder would be issued shares of the new company in the ratio of 1:1.

Sanjay Bahl, group financial officer at Raymond, said infusion of net proceeds of the land sale would help the company in debt reduction, leading to better operational efficiencies.

"The demerger of the lifestyle business will enable the demerged company and the resulting companies to have focussed strategy and specialization for sustained growth and the ability to attract investors for better access to capital," Bahl said.

Raymond's lifestyle business comprises around 1,500 stores across more than 600 towns and cities. Some of its leading brands include Raymond Ready to Wear, Park Avenue, ColorPlus, Parx and Raymond Made to Measure.

THE HINDU

Raymond to demerge lifestyle unit

SPECIAL CORRESPONDENT

MUMBAI, NOVEMBER 07, 2019 22:08 IST
UPDATED: NOVEMBER 07, 2019 23:02 IST

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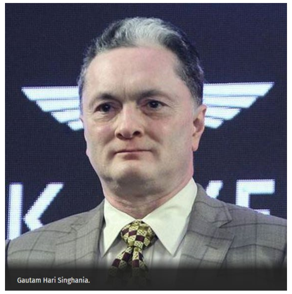

Gautam Hari Singhania.

Move will simplify group structure, says the company

Raymond Ltd. has announced the demerger of its lifestyle business into a separate entity that will be listed through a mirror shareholding structure, the company said on Thursday.

Every shareholder of Raymond Ltd. will be issued shares of the new company in the ratio of 1:1. The move will create a clear demarcation of lifestyle and other businesses leading to the simplification of the group structure, the firm said.

The new company will have the businesses of branded textiles, branded apparel and garmenting while the existing company will retain real estate projects, Thane land bank, B2B shirting business, engineering businesses of auto components and tools and hardware, denim and FMCG businesses.

Ahead of the announcement, the firm's sharesclosed with a gain of 6.94% at ₹673.70 on the BSE.

Raymond Ltd. also announced the allotment of equity shares and compulsorily convertible preference shares (CCPS) worth ₹225 crore and ₹125 crore respectively to JK Investo Trade (India) Ltd (JKIT), an associate company, against the infusion of net proceeds of JKIT land sale that was announced in October 2019. The allotment was done at ₹674 per equity share.

The total of ₹350 crore will be used to repay debt thus deleveraging the balance sheet of Raymond Ltd. The decisions are subject to approval of the shareholders.

Gautam Hari Singhania, CMD, Raymond Ltd., said, "As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core lifestyle business is an affirmative step towards that direction and this will also simplify the group structure We remain resolute to take right steps to enhance value creation for our shareholders."

Sanjay Bahl, group chief financial officer, Raymond Ltd., said, "In line with our stated strategy of asset monetisation, the infusion of net proceeds of JKIT land sale in Raymond Ltd. will help us in debt reduction leading to better operational efficiencies."

"As our balance sheet will get leaner, it will lead to a better profitability at the group level. The demerger of the lifestyle business will enable the demerged company and the resulting companies to have focussed strategy and specialisation for sustained growth and the ability to attract investors for better access to capital," Mr. Bahl said.

Sanjay Behl, CEO, lifestyle business, Raymond Ltd., said, "With a large network of over 1,500 stores across more than 600 towns and cities, Raymond Lifestyle Business offers an integrated play in the textile, apparel and garmenting segments both in domestic and global markets. With this demerger, lifestyle business will be well positioned to capitalise on the emerging opportunities through newer capabilities across the entire value chain of 'Fibre to Fashion.'"

Raymond LIMITED

ET Markets

Raymond to demerge core lifestyle business

Raymond Thursday announced the demerger of its core lifestyle business which will create two separate companies—the new one housing the core branded textile, branded apparel and garmenting businesses and the existing one to have its new real esta...

By Anirban Chowdhury, ET Bureau | Updated: Nov 08, 2019, 11.05 AM IST

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1 Comments

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Getty Images

The company will raise Rs 225 crore via the allotment of 3.3 million equity shares while Rs 125 crore will be raised via the allotment of 1.8 million CCPS.

Mumbai: Textile-focused conglomerate Raymond NSE 20.00 % Thursday announced the demerger of its core lifestyle business and its listing as a separate entity.

This will create two separate companies—the new one housing the core branded textile, branded apparel and garmenting businesses and the existing one to have its new real estate project, land bank, engineering businesses of auto components and FMCG businesses among others.

The listing will be done in the mirror shareholding structure which means "every shareholder of Raymond Ltd. will be issued the shares of the new company in the ratio of 1:1," said a statement from the company.

Company Summary	NSE BSE
Raymond Ltd.	▲ 134.65 (20.00%) +

In a separate development, the company announced that it is raising Rs 350 crore by allotting equity shares and compulsorily convertible preference shares (CCPS) to an associate company JKIT, against the infusion of net proceeds of JKIT land sale that was announced in October 2019.

The company will raise Rs 225 crore via the allotment of 3.3 million equity shares while Rs 125 crore will be raised via the allotment of 1.8 million CCPS. Both will be issued at Rs 674 per share.

The fund will be used to repay Raymond's debt.

The company last month said it sold 20-acres of land to global investment firm Xander-backed Virtuous Retail South Asia (VRSA) for Rs 700 crore. This is part of the 125 acre land bank it owns in Thane. It has been looking at ways to sell the land.

Raymond last year made an entry into the real estate business with plans to develop a residential project.

Chairman Gautam Singhania said the demerger will "simplify the group structure".

"In line with our stated strategy of asset monetization, the infusion of net proceeds of JKIT land sale in Raymond Limited will help us in debt reduction leading to better operational efficiencies," said group chief financial officer Sanjay Bahl.

"As our balance sheet will get leaner, it will lead to a better profitability at the group level. The demerger of the lifestyle business will enable the demerged company & the resulting companies to have focused strategy and specialization for sustained growth and the ability to attract investors for better access to capital," he added.

FINANCIAL EXPRESS Read to Lead

Raymond creates new consumer business company; parent to focus on realty

By: FE Bureau | Published: November 8, 2019 6:09:01 AM

The new firm will be listed with every Raymond shareholder getting one share of the new entity for every scrip held.

Raymond group chief financial officer Sanjay Bahl said the infusion of net proceeds of JKIT land sale in Raymond would help the group in debt reduction leading to better operational efficiencies.

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The new firm will be listed with every Raymond shareholder getting one share of the new entity for every scrip held.
The resulting companies would have focused strategy and specialisation for sustainable growth and profitability, Raymond said. At the same time, the company also announced that it is looking to deleverage its balance sheet aided by a fund infusion worth Rs 350 crore from an associate firm. Raymond said it would issue equity shares as well as compulsorily convertible preference shares (CCPS) through the preferential allotment route to its associate firm, JKIT, in lieu of the funds that came as proceeds of a land sale.

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As of fiscal year 2019, the lifestyle company had revenues of Rs 5,284 crore and an earnings before interest tax depreciation and amortisation (Ebitda) of Rs 601 crore while the existing company—predominantly a real estate firm — had revenues of Rs 1,549 crore with an Ebitda of Rs 101 crore, Raymond indicated.

For the quarter-ended September, Raymond posted a 32.27% year-on-year rise in its consolidated net profit to Rs 86.24 crore. The announcements were made to the stock exchanges after market closing hours. Shares of Raymond closed Thursday's trading session at Rs 673.70, up 6.94%, on BSE.

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moneycontrol

Raymond spins off core lifestyle business into a separate entity

Raymond on November 7 announced the restructuring of its core lifestyle business into a separate entity.

Every shareholder of Raymond Ltd will be issued the shares of the new company in the ratio of 1:1.

Raymond said the move will create a clear demarcation of lifestyle and other businesses, leading to the simplification of the group structure.

Raymond houses leading brands such as Park Avenue, ColorPlus and Parx.

In the same board meeting, it was decided that Raymond Ltd will allot equity shares and Compulsorily Convertible Preference Shares (CCPS) to JKIT, an associate company against the infusion of net proceeds of JKIT land sale that was announced in October 2019.

The company had received around Rs 700 crore through the land sale.

A total of Rs 350 crore will be used to repay the debt, thus deleveraging the Balance Sheet of Raymond Ltd.

The demerger will unlock the potential of the core Lifestyle Business through a new listed company which will feature—Branded Textile, Branded Apparel & Garmenting

The existing company will retain its real estate projects, Thane land bank, B2B Shirting business, engineering businesses of Auto Components and Tools & Hardware, denim and FMCG business

Gautam Hari Singhania, Chairman & Managing Director, Raymond Limited said: "For over three years now, we have been relentless in building the organization that is future ready and our efforts have been unwavering during this transformational journey despite multiple challenges. As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core Lifestyle Business is an affirmative step towards that direction and this will also simplify the Group structure. We remain resolute to take right steps to enhance value creation for our shareholders."

The infusion of net proceeds of JKIT land sale in Raymond Ltd will help the company in debt reduction.

Currently, the company's net debt stands at Rs 2,777 crore.

With a large network of over 1500 stores across more than 600 towns and cities, Raymond Lifestyle Business will offer an integrated play in the textile, apparel and garmenting segments both in domestic and global markets.

Bloomberg | Quint

Raymond Demerges Its Branded Lifestyle Business, Shares Surge

Yatin Mota @YatinMota
Sharad Dubey @Sharad9Dubey

Bookmark

Published on November 07 2019, 10:20 PM
Last Updated on November 08 2019, 9:37 AM

RAYMOND	808.40
+134.70	+19.99%

Shares of Raymond Ltd. surged Friday after it spun off its branded lifestyle business into a separate entity as part of a restructuring plan. The stock rose as much as 12.01 percent to Rs 754.20—the highest since July 5.

The company's lifestyle business, which comprises branded textiles, branded apparel and garments, would be separately listed on the bourses after the demerger, the textile maker said in an exchange filing. These segments cumulatively contributed almost 81 percent in sales for the financial year 2018-19, the filing said.

After the demerger, Raymond's shareholders would be entitled to shares in the company's lifestyle business in the ratio of 1:1, mirroring the shareholding of the listed entity on the effective date, according to the filing.

The existing listed company will include verticals such as real estate, engineering businesses of auto components and tools, denim and consumer goods.

"As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core lifestyle business is an affirmative step towards that direction and this will also simplify the group structure," Gautam Hari Singhania, chairman and managing director of Raymond, said in a statement.

Snapshot Of Demerged Business

Lifestyle Company	Existing Listed Company
• Branded Textile • Branded Apparel • Garmenting	• Real Estate • High Value Cotton Shirting • Tools & Hardware • Auto Components • FMCG (Associate Company) • Denim (JV)

Source: Company Presentation — Bloomberg | Quint

Snapshot Of Demerged Business

Lifestyle Company	Existing Listed Company
• Park Avenue • Parx • Color Plus	• Raymond • Park Avenue (FMCG) • Kamasutra

Source: Company Presentation — Bloomberg | Quint

Financials Of Raymond

Rs Crore (FY19)

Particulars	Lifestyle Business	Other Business
Revenue	5,284	1,549
Ebitda	601	101
Margin (%)	11	7

Source: Company Presentation — Bloomberg | Quint

Raymond also plans to "fully reduce debt" by issuing equity to JK Investo Trade (India) Ltd., its associate company.

The company announced the allotment of equity shares and compulsorily convertible preference shares to JKIT at a price of Rs 674 per share aggregating to rupees Rs 350 crore.

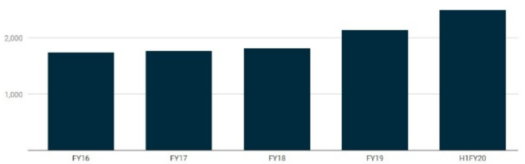
As a result of equity issuance of Rs 225 crore and compulsorily convertible preference share issue of Rs 125 crore, JKIT's stake would rise to 12.01 percent from the present 4.57 percent assuming full conversion into equity, the filing said.

JKIT sold about 20 acres of land in Thane for Rs 700 crore In October. Shareholders of JK Investo, in which Raymond holds 47.6 percent stake, had approved the sale in June.

Raymond's total debt stood at Rs 2,504.3 crore, according to data compiled by Bloomberg as on Sept. 30.

Raymond's Debt Picture

Rs crore



Source: Bloomberg — Bloomberg | Quint

The company said its foray into real estate saw 20 acres of land getting developed as a residential project. Around 650 flats have been booked within seven months of launch, it said.

The company's branded apparel and garments business was aided by strong growth in sales of Parx and Park Avenue brands and higher exports from Japan.

Shares of Raymond have declined by more than 20 percent so far this year, while the Nifty 500 Index has risen by 6.5 percent.

BloombergQuint

India Finance News

Raymond demerges core lifestyle business to separate listed entity

MUMBAI :
Textile major Raymond Ltd is demerging its core lifestyle business into a separate listed entity as part of its plan to simplify the group structure and create investor opportunities, said a top company executive.

The new entity, called Raymond Lifestyle Ltd would bring all its existing branded textile, apparel and garment businesses under one umbrella. The existing company — Raymond Ltd would retain its real estate project, Thane land, B2B shirting, engineering businesses of auto components and tools and hardware, denim and consumer goods businesses.

The Mumbai-based conglomerate also announced raising around Rs350 crore through preferential share allotment to JK Investo Trade India Ltd, part of the promoter group firm to pare debt which currently stands at Rs2,777 crore.

"One thing I have consistently said in the last three years is we want to create shareholder value. First thing we need to do is monetize some assets. The question I have been consistently asked is what are we doing with the land. We will do whatever we can to monetize the land, " Gautam Hari Singhania, chairman and managing director, Raymond Ltd, told reporters here.

On October 9, the company announced selling a 20-acre land parcel to Xander-backed Virtuous Retail South Asia (VRSA) for Rs700 crore. It owns a total 120 acre land in the area Raymond owns 125 acres of land in Thane and has been looking at ways to monetise the asset by either by conducting an outright sale or developing it in a phased manner.

In April last year, the company announced its entry into the real estate development business with plans to develop a 3,000 unit-residential project over 20 acre land plot.

"With a real estate project that has a revenue potential of around Rs4,500 crore, the existing company would be primarily a real estate firm, " Singhania said.

As part of the demerger plan, the new lifestyle firm would be listed through mirror shareholding structure, where every shareholder would be issued shares of the new company in the ratio of 1:1.

According to Sanjay Bahl, group financial officer, Raymond Ltd, infusion of net proceeds of the land sale would help the company in debt reduction leading to better operational efficiencies.

"The demerger of the lifestyle business will enable the demerged company and the resulting companies to have focussed strategy and specialisation for sustained growth and the ability to attract investors for better access to capital," Bahl said.

The company's lifestyle business has a network of around 1,500 stores across more than 600 stores and cities. Some of its leading brands include Raymond Ready to Wear, Park Avenue, ColorPlus, Parx and Raymond Made to Measure among others.

EQUITY BULLS

Raymond Limited restructures its business for value creation
Posted On: **2019-11-07 21:37:53**

In continuation of its transformational journey of value creation, Raymond Limited today announced the demerger of its core Lifestyle Business into a separate entity that will be listed through mirror shareholding structure. Every shareholder of Raymond Ltd. will be issued the shares of the new company in the ratio of 1:1. The move will create a clear demarcation of Lifestyle & other businesses leading to the simplification of the Group structure.

- Demerge its core Lifestyle business to be listed as a separate entity
- The entire net proceeds of JKIT (Associate Company) land sale to be infused into Raymond Limited for deleveraging the Balance Sheet
- Demerger to unlock the potential of the core Lifestyle business through a new listed company with existing business of Branded Textile, Branded Apparel & Garmenting
- Existing company to retain Real Estate project, Thane land bank, B2B Shirting business, engineering businesses of Auto Components and Tools & Hardware, Denim and FMCG business
- JKIT to infuse the net receipt of Rs. 350 cr. in Raymond Limited in the form of Equity Shares & Compulsorily Convertible Preference Shares (CCPS) through preferential allotment route to pare debt

In another development, Raymond Limited announced the allotment of Equity Shares and Compulsorily Convertible Preference Shares (CCPS) to JKIT, an Associate Company against the infusion of net proceeds of JKIT land sale that was announced in October 2019. A total of Rs. 350 Crores will be used to repay the debt thus deleveraging the Balance Sheet of Raymond Ltd.

Commenting on the development, Gautam Hari Singhania, Chairman & Managing Director, Raymond Limited said, "For over three years now, we have been relentless in building the organization that is future ready and our efforts have been unwavering during this transformational journey despite multiple challenges. As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core Lifestyle Business is an affirmative step towards that direction and this will also simplify the Group structure. We remain resolute to take right steps to enhance value creation for our shareholders."

Speaking about the financial metrics that this development would lead to, Sanjay Bahl, Group Chief Financial Officer, Raymond Limited said, "In line with our stated strategy of asset monetization, the infusion of net proceeds of JKIT land sale in Raymond Limited will help us in debt reduction leading to better operational efficiencies. As our balance sheet will get leaner, it will lead to a better profitability at the group level. The demerger of the Lifestyle Business will enable the Demerged Company and the Resulting Companies to have focused strategy and specialization for sustained growth and the ability to attract investors for better access to capital."

Elaborating the benefits of this development for the business, Sanjay Behl, CEO Lifestyle Business, Raymond Limited said, "As this iconic brand is nearing its 100th year of existence, the Lifestyle Business is at the cusp of scaling-up exponentially to leverage its true potential. With a large network of over 1500 stores across more than 600 towns and cities, Raymond Lifestyle Business offers an integrated play in the textile, apparel and garmenting segments both in domestic and global markets. With this demerger Lifestyle Business will be well positioned to capitalize on the emerging opportunities through newer capabilities across the entire value chain of 'Fibre to Fashion'."

Shares of RAYMOND LTD. was last trading in BSE at Rs.673.7 as compared to the previous close of Rs. 629.95. The total number of shares traded during the day was 111978 in over 4117 trades.

The stock hit an intraday high of Rs. 681 and intraday low of 634.3. The net turnover during the day was Rs. 74519996.

THE HINDU BusinessLine

Stocks

What to watch: Raymond: Focus on corporate revamp

| Updated on November 07, 2019 | Published on November 08, 2019

The board of Raymond on Thursday approved a composite scheme of arrangement involving Raymond Apparel Ltd (RAL) and Scissors Engineering Products Ltd (SEPL). The scheme envisages the amalgamation of RAL and SEPL with Raymond Ltd; demerger of the lifestyle business undertaking of Raymond Ltd into a new company on a going concern basis; and cancellation and reduction of existing share capital of Raymond. Shareholders will closely monitor further development.

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Published on November 08, 2019

blogdady.com

Raymond to demerge core way of life enterprise

By Business News · November 8, 2019

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Mumbai: Textile-focused conglomerate Raymond Thursday introduced the demerger of its core way of life enterprise and its itemizing as a separate entity.
It will create two separate firms—the brand new one housing the core branded textile, branded attire and garmenting companies and the prevailing one to have its new actual property undertaking, land financial institution, engineering companies of auto elements and FMCG companies amongst others.

The itemizing might be accomplished within the mirror shareholding construction which suggests "each shareholder of Raymond Ltd. might be issued the shares of the brand new firm within the ratio of 1:1," mentioned an announcement from the corporate.

In a separate improvement, the corporate introduced that it's elevating Rs 350 crore by allotting fairness shares and compulsorily convertible choice shares (CCPS) to an affiliate firm JKIT, in opposition to the infusion of internet proceeds of JKIT land sale that was introduced in October 2019.

The corporate will increase Rs 225 crore through the allotment of three.three million fairness shares whereas Rs 125 crore might be raised through the allotment of 1.eight million CCPS. Each might be issued at Rs 674 per share.

The fund might be used to repay Raymond's debt.

The corporate final month mentioned it offered 20-acres of land to world funding agency Xander-backed Virtuous Retail South Asia (VRSA) for Rs 700 crore. That is a part of the 125 acre land financial institution it owns in Thane. It has been methods to promote the land.

Raymond final yr made an entry into the true property enterprise with plans to develop a residential undertaking.

Chairman Gautam Singhania mentioned the demerger will "simplify the group construction".

"According to our acknowledged technique of asset monetization, the infusion of internet proceeds of JKIT land sale in Raymond Restricted will assist us in debt discount main to raised operational efficiencies," mentioned group chief monetary officer Sanjay Bahl.

"As our steadiness sheet will get leaner, it'll result in a greater profitability on the group stage. The demerger of the life-style enterprise will allow the demerged firm and the ensuing firms to have targeted technique and specialization for sustained development and the flexibility to draw buyers for higher entry to capital," he added.

Raymond LIMITED

Business Standard

Raymond demerges its core lifestyle business in restructuring exercise

ANI
Last Updated at November 7, 2019 18:35 IST

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Every shareholder of Raymond will be issued the shares of the new company in the ratio of 1:1. The move will create a clear demarcation of lifestyle and other businesses leading to the simplification of the group structure.

In another development, Raymond announced the allotment of equity shares and compulsorily convertible preference shares to JK Investo Trade (JKIT), an associate company against the infusion of net proceeds of JKIT land sale that was announced last month.

A total of Rs 350 crore will be used to repay the debt, thus deleveraging the balance sheet of Raymond Ltd.

"For over three years now, we have been relentless in building the organisation that is future-ready and our efforts have been unwavering during this transformational journey despite multiple challenges," said Chairman and Managing Director Gautam Hari Singhania.

"As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core lifestyle business is an affirmative step towards that direction and this will also simplify the group structure. We remain resolute to take the right steps to enhance value creation for our shareholders."

Group Chief Financial Officer Sanjay Bahl said that in line with the company's stated strategy of asset monetisation, the infusion of net proceeds of JKIT land sale in Raymond will help in debt reduction leading to better operational efficiencies.

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With a large network of over 1,500 stores across more than 600 towns and cities, Raymond lifestyle business offers an integrated play in the textile, apparel and garmenting segments both in domestic and global markets.

With this demerger, lifestyle business will be well-positioned to capitalise on the emerging opportunities through newer capabilities across the entire value chain of fibre to fashion.

yahoo! finance

Raymond creates new consumer biz co;parent to focus on realty Mumbai, Nov 7 (PTI) In a major rejig,

Raymond creates new consumer biz co;parent to focus on realty Mumbai, Nov 7 (PTI) In a major rejig, textile playerRaymond on Thursday announced hiving off the consumer andlifestyle businesses into a separate entity that will bepublicly traded valued at around USD 1 billion.

The company also announced a preferential allotment ofequity to the promoters, which will increase their stake by 5percentage points to over 48.

Chairman and managing director Gautam Singhaniaexpects return on capital from the new company will be almostthree-times the peers.

He also said the new company will be listed and theexisting shareholders of residual Raymond will get the sharesof the new company on a 1:1 basis.

Singhania said under the demerger scheme, promoterswill be utilising the Rs 350-crore gains from Thane land banksale to subscribe to the preferential shares, and the move isaimed at maximising shareholder value.

Residual Raymond will focus on realty, while the newholding company will control the lifestyle and consumerverticals, will together deliver a topline of Rs 5,500 crore.

Singhania was planning the demerger for the pastdecade but could not take it forward because of the high debtof over Rs 2,700 crore at Raymond. Another impediment was thelack of clarity on the revenue stream for residual Raymond.

He expects the restructuring to be completed over thenext three quarters. The first step is to book Rs 350 croregains from the Thane land deal, which will be followed withthe preferential allotment to promoters and the proceeds willbe utilised to deleverage the book of Raymond.

Following the preferential allotment, promoters' stakein Raymond will go up to 48.33 percent, Singhania said, addingthe lifestyle business will be listed and shares will be givento all Raymond shareholders on a 1:1 basis.

For the residual Raymond, the revenue opportunity fromthe realty play stands at Rs 4,500 crore over the next four-five years, while it also has other businesses including tools& hardware (Rs 400 crore), auto & engineering (Rs 300 crore) and B2B clothing (Rs 700 crore) with it.

Singhania said the sale of non-core assets willcontinue, but declined to offer a timeline or name the assets.

Singhania, embattled in a fight with his father, saidhis dream is to be just a shareholder and let professionalsmanage his businesses.

He said investors like focus and this rejig is aimedat the same as governance will get a fillip with this.

On the reported tie-up with Ayurveda major Patanjali,Singhania said it is on the backburner.

The Raymond scrip closed 6.94 percent up at Rs 673.70on the BSE as against a 0.45 percentage points rally on thebenchmark, reacting to the preferential allotment issue. Thedemerger was announced after the market hours. PTI AABEN BEN

TFIPOST.com

Raymond hives off lifestyle business

IANS by Indo Asian News Service 7 November 2019 in Newswire

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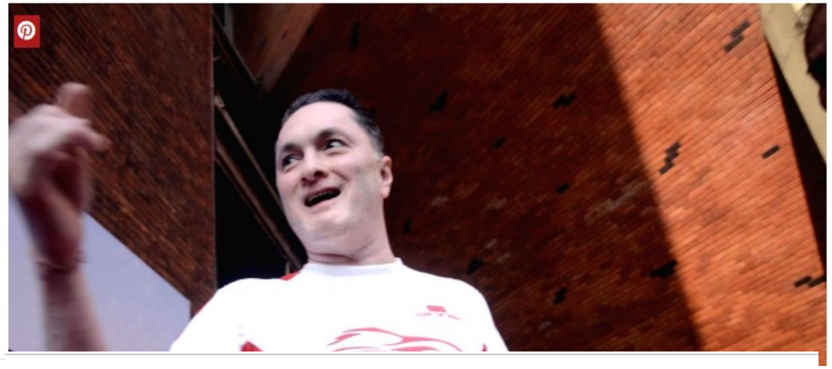
Raymond LIMITED

Prokerala.com

Raymond hives off lifestyle business

By IANS | Thu, Nov 7 2019 21:27 IST



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webindia123

Raymond demerges its core lifestyle business in restructuring exercise

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Mumbai (Maharashtra) | November 7, 2019 7:41:55 PM IST

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Window To News

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Thursday - November 7, 2019 9:24 pm , Category : BUSINESS

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CANINDIA

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Author: CanIndia New Wire Service

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Dailyworld

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Business`, Economy November 7, 2019, 9:29 pm Daily World

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INDIA CITY BLOG

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By **superuser** - November 7, 2019 15 0

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The Indian Wire

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By IANS · November 7, 2019 · 0 · Share

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LOKMAT BETA

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Author : IANS | November 7, 2019 09:24 PM

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Outlook

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Raymond LIMITED

SOCIALNEWS.XYZ
The Millennial Media

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POSTED BY: GOPI   NOVEMBER 7, 2019

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Raymond LIMITED

Devdiscourse
Discourse on Development

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ANI | Mumbai (Maharashtra) | Updated: 07-11-2019 18:35 IST | Created: 07-11-2019 18:35 IST

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Chairman and Managing Director Gautam Hari Singhania. Image Credit: ANI

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The Rahnuma Daily
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Raymond hives off lifestyle business

Raymond Group Chairman and Managing Director Gautam Singhania during a press conference to announce `Parx Super Car Show 2014` in Mumbai on Jan.7, 2014. (Photo: Sandeep Mahankal/IANS)

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newsd.

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by IANS
Published on :Thu 07th November 2019, 09:24 PM

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Currently, Raymond promoters hold 43.83 per cent share and the public 56.17 per cent, and the same structure would be retained in the new lifestyle entity.

The company said the macroeconomic indicators were favourable for its lifestyle business and there was a growing preference for quality branded products.

Commenting on the development, Gautam Hari Singhania, Chairman and Managing Director, Raymond, said: "As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core lifestyle business is an affirmative step towards that direction and this will also simplify the group structure. We remain resolute to take right steps to enhance value creation for our shareholders."

In another development, Raymond has decided to allot of equity shares and 'compulsorily convertible preference shares' (CCPS) to JKIT, an associate company, against the infusion of Rs 350 crore net proceeds of JKIT land sale.

–IANS

THANK YOU