

CMP: INR43.00

Stock data

BSE code	508905
BSE ID	SMIFS
Face value (INR)	10
No of shares (m)	5.6
Market cap (INRm)	240.2
3m avg. daily vol (No)	31
Free float (INRm)	123.8
Dividend yield FY13 (%)	3.2

S&P BSE Sensex	20,683.5
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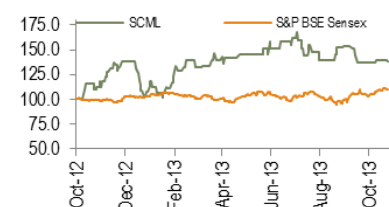
Stock performance (%)

52-week H/L	INR52.0/30.4		
	1M	3M	12M
Absolute (%)	1.4	-5.8	22.9
Relative (%)	-2.6	-10.5	11.8

Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
48.47%	9.85%	1.81%	39.87%

Relative stock movement



Source: BSE

Company Overview

Incorporated in the early eighties, SMIFS Capital Markets (SCML) is engaged in financial services. The Company is also registered under SEBI as merchant banker and underwriter. The company has expertise in areas of corporate finance, merchant banking, corporate advisory services, treasury management and project finance. The company has associates in all the major metros of the country viz., Kolkata, Chennai, New Delhi, Bangalore & Hyderabad and Mumbai. The key clients are Mukta Arts Ltd., Pritish Nandy Communications Ltd. and Moving Picture Company Ltd.

Q2FY14 performance

- The Company earned INR67.2m from capital market operations, INR1.5m from investment banking operations and INR20.6m from real estate business. Net revenue increased by 32.6% YoY, 14.9% QoQ to INR90.9m in Q2FY14. It increased by 74.4% YoY to INR170.1m in 6mFY14.
- Stock-in-trade cost increased by 31.4% YoY, 20.7% QoQ to INR83.7m in Q2FY14. It increased by 81.6% YoY to INR153.1m in 6mFY14. Other expenditure increased by 60.4% YoY, 9.0% QoQ to INR6.4m in Q2FY14. It increased by 77.7% YoY to INR12.2m in 6mFY14.
- Operating loss increased by 6.2% YoY to INR2.2m in Q2FY14. The Company reported an operating profit of INR1.1m in Q1FY14. In 6mFY14, the Company reported operating loss of INR1.1m versus an operating profit of INR0.2m in 6mFY13.
- Non-operating income increased by INR3m YoY to INR3.4m in Q2FY14.
- Net profit improved from a loss of INR9.0m in Q2FY13 to profit of INR0.3m in Q2FY14. In 6mFY14, the net profit is INR0.5m versus a net loss of INR34.2m in 6mFY13.
- Net worth was INR1,058.1m in Q2FY14. Non-current investments increased by INR46.7m from FY13 to INR191.4m in Q2FY14. Inventories decreased by INR52.0m from FY13 to INR137.5m in Q2FY14.
- Board of Directors appointed Ms Poonam Bhatia as Company Secretary-cum-Senior Manager Legal of the Company from October 28, 2013.

Table 1: Q2FY14 snapshot

(INRm)	Q2FY14	Q2FY13	YoY %	Q1FY14	QoQ%	6mFY14	6mFY13	YoY %
Revenue	90.9	68.6	32.6	79.2	14.9	170.1	97.5	74.4
EBITDA	-2.2	-2.1	-6.2	1.1	-299.6	-1.1	0.2	-615.6
PAT (Adjusted)	0.3	-9.0	102.9	0.3	-9.1	0.5	-34.2	101.6
PAT (Reported)	0.3	-9.0	102.9	0.3	-9.1	0.5	-34.2	101.6
Ratio								
% of sales	Q2FY14	Q2FY13	YoY %	Q1FY14	QoQ%	6mFY14	6mFY13	YoY %
Stock-in-trade	92.1	92.9	-0.8	87.6	4.5	90.0	86.4	3.6
Staff Cost	3.4	4.3	-1.0	3.7	-0.3	3.5	6.3	-2.8
Other Expenditure	7.0	5.8	1.2	7.4	-0.4	7.2	7.0	0.1
EBITDA	-2.4	-3.0	0.6	1.4	-3.8	-0.6	0.2	-0.9
Tax Rate	0.0	-225.6	225.6	16.1	-16.1	9.2	-4095.3	4104.5
NPM	0.3	-13.1	13.4	0.4	-0.1	0.3	-35.0	35.3

Source: Company, Varhad Research

November 2013

Quarterly performance in charts and tables

Table 2: Detailed Q2FY14 Overview

	Q2FY14	Q2FY13	YoY %	Q1FY14	QoQ%	6mFY14	6mFY13*	YoY %
Revenue	90.9	68.6	32.6	79.2	14.9	170.1	97.5	74.4
Stock-in-trade Cost	83.7	63.7	31.4	69.3	20.7	153.1	84.3	81.6
Staff Cost	3.1	3.0	2.6	2.9	5.2	5.9	6.2	-3.6
Other Expenditure	6.4	4.0	60.4	5.8	9.0	12.2	6.9	77.7
Total Cost	93.1	70.6	31.8	78.1	19.3	171.2	97.3	75.9
EBITDA	-2.2	-2.1	-6.2	1.1	-299.6	-1.1	0.2	-615.6
Depreciation	0.8	1.0	-20.1	0.8	-0.2	1.6	1.8	-8.2
EBIT	-3.0	-3.1	2.5	0.3	-1194.5	-2.7	-1.6	-73.4
Interest Expenses	0.1	0.1	17.6	0.1	-8.0	0.2	0.1	21.0
Non-Operating Income	3.4	0.4	756.8	0.2	2089.5	3.5	0.9	288.8
PBT	0.3	-2.8	109.4	0.3	-23.8	0.6	-0.8	173.8
Provision for Tax	0.0	6.2	-100.0	0.1	-100.0	0.1	33.3	-99.8
PAT (Adjusted)	0.3	-9.0	102.9	0.3	-9.1	0.5	-34.2	101.6
Extra Ordinary	0.0	0.0	**	0.0	**	0.0	0.0	**
PAT (Reported)	0.3	-9.0	102.9	0.3	-9.1	0.5	-34.2	101.6

Note: (*) 6mFY13 values obtained by adding Q1 and Q2 of FY13, (**) Not Applicable, Source: BSE, Varhad Research

Chart 1: Sales trend

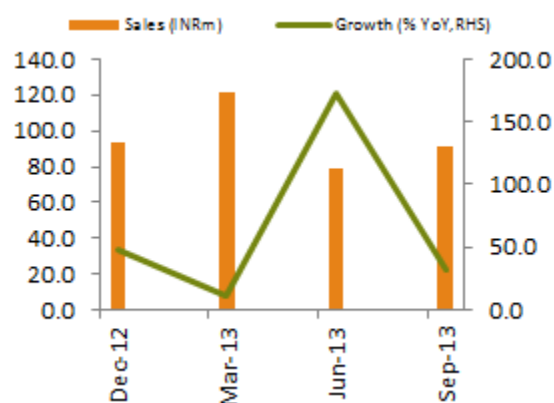


Chart 2: EBITDA trend#

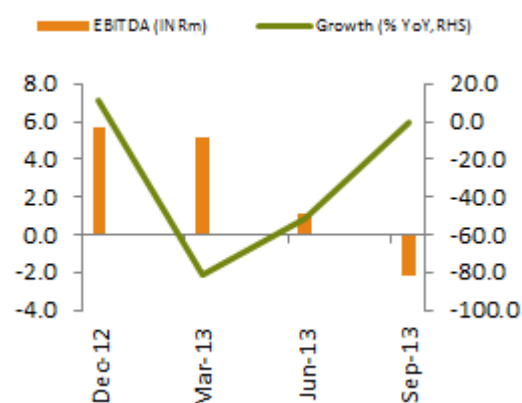
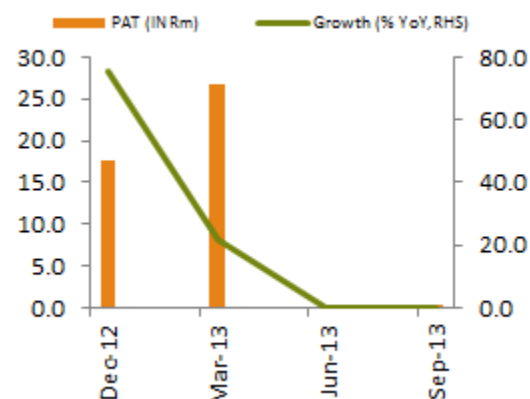


Chart 3: Margin trend



Chart 4: PAT trend#



Note: (#) EBITDA/PAT growth could not be calculated for certain quarters due to losses, Source: Company, Varhad Research

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