

CMP: INR42.60

Stock data

BSE code	508905
BSE ID	SMIFS
Face value (INR)	10
No of shares (m)	5.6
Market cap (INRm)	237.9
3m avg. daily vol (No)	141.1
Free float (INRm)	122.1
Dividend yield FY13 (%)	3.3

S&P BSE Sensex	24,217.3
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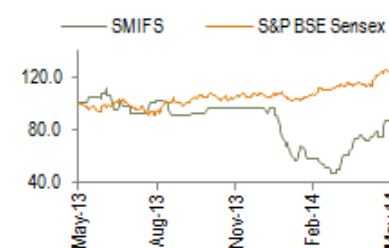
Stock performance (%)

52-week H/L	INR52.0/22.3		
	1M	3M	12M
Absolute (%)	27.5	57.2	-8.9
Relative (%)	19.5	42.5	-31.4

Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
48.68%	9.85%	1.81%	39.66%

Relative stock movement



Source: BSE

June 2014

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., Prithvi Nandy Communications Ltd. and Moving Picture Company Ltd.

Q4FY14 and FY14 performance

- The Company earned INR260.6m from capital market operations, INR15.2m from investment banking operations and INR80.9m from real estate business in FY14.
- Net revenue decreased by 9.6% YoY but increased by 26.5% QoQ to INR109.9m in Q4FY14. It increased by 17.4% YoY to INR366.8m in FY14.
- Stock-in-trade decreased by 16.0% YoY but increased by 5.5% QoQ to INR87.5m in Q4FY14. It increased by 21.3% YoY to INR323.5m in FY14. Other expenditure decreased by 6.1% YoY but increased by 13.9% QoQ to INR6.7m in Q4FY14. It increased by 23.1% YoY to INR24.8m in FY14.
- The operating profit was INR10.4m in Q4FY14 compared to INR5.2m in Q4FY13 and operating loss of INR5.4m in Q3FY14. EBITDA decreased to INR4.0m in FY14.
- Non-operating income decreased by 54.2% YoY, but increased 139.0% QoQ to INR0.5m in Q4FY14. It decreased by 34.6% YoY to INR4.2m in FY14.
- Net profit was INR7.6m in Q4FY14 compared to INR26.6m in Q4FY13 and net loss of INR6.1m in Q3FY14. It decreased by 79.5% YoY to INR2.1m in FY14.
- Networth decreased to INR1,049.7m in FY14 from INR1,057.5m in FY13. Total borrowings decreased to INR0.7m in FY14 from INR1.6m in FY13. Provisions decreased to INR8.6m in FY14 from INR19.6m in FY13. Inventories decreased to INR120.2m in FY14 from INR189.6m in FY13. Trade receivables increased to INR37.5m in FY14 from INR8.6m in FY13.

Table 1: Q4FY14 snapshot**

(INRm)	Q4FY14	Q4FY13	YoY %	Q3FY14	QoQ%	FY14	FY13	YoY %
Revenue	109.9	121.5	-9.6	86.9	26.5	366.8	312.4	17.4
EBITDA	10.4	5.2	101.3	-5.4	294.1	4.0	11.1	-64.4
PAT (Adjusted)	7.6	26.6	-71.4	-6.1	225.5	2.1	10.2	-79.5
PAT (Reported)	7.6	26.6	-71.4	-6.1	225.5	2.1	10.2	-79.5
Ratio								
% of sales	Q4FY14	Q4FY13	YoY %	Q3FY14	QoQ%	FY14	FY13	YoY %
Stock-in-trade	79.7	85.8	-6.1	95.5	-15.8	88.2	85.4	2.8
Staff Cost	4.7	4.1	0.7	3.9	0.8	4.0	4.6	-0.7
Other Expenditure	6.1	5.9	0.2	6.8	-0.7	6.8	6.5	0.3
EBITDA	9.5	4.3	5.2	-6.2	15.7	1.1	3.6	-2.5
Tax Rate	24.4	-400.5	424.9	-0.5	24.9	54.8	25.4	29.4
NPM	6.9	21.9	-15.0	-7.0	13.9	0.6	3.3	-2.7

**Standalone figures. Source: Company, Varhad Research

Quarterly performance in charts and tables

Table 2: Detailed Q4FY14 Overview**

	Q4FY14	Q4FY13	YoY %	Q3FY14	QoQ%	FY14	FY13	YoY %
Revenue	109.9	121.5	-9.6	86.9	26.5	366.8	312.4	17.4
Stock-in-trade	87.5	104.2	-16.0	83.0	5.5	323.5	266.7	21.3
Staff Cost	5.2	4.9	5.1	3.4	54.0	14.5	14.4	0.6
Other Expenditure	6.7	7.2	-6.1	5.9	13.9	24.8	20.2	23.1
Total Cost	99.5	116.4	-14.5	92.2	7.8	362.9	301.3	20.5
EBITDA	10.4	5.2	101.3	-5.4	294.1	4.0	11.1	-64.4
Depreciation	0.8	0.9	-8.5	0.8	-1.3	3.3	3.6	-8.5
EBIT	9.6	4.3	124.1	-6.2	255.1	0.7	7.5	-91.0
Interest Expenses	0.1	0.1	-47.5	0.1	-18.8	0.3	0.3	-18.2
Non-Operating Income	0.5	1.1	-54.2	0.2	139.0	4.2	6.5	-34.6
PBT	10.1	5.3	89.2	-6.0	266.8	4.6	13.7	-66.1
Provision for Tax	2.5	-21.3	111.5	0.0	8372.4	2.5	3.5	-26.9
PAT (Adjusted)	7.6	26.6	-71.4	-6.1	225.5	2.1	10.2	-79.5
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Reported)	7.6	26.6	-71.4	-6.1	225.5	2.1	10.2	-79.5

Note: (*) Not Applicable, **Standalone figures. Source: BSE, Varhad Research

Chart 1: Sales trend

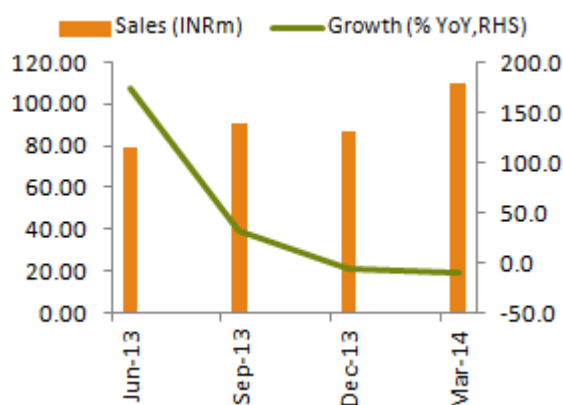


Chart 2: EBITDA trend#

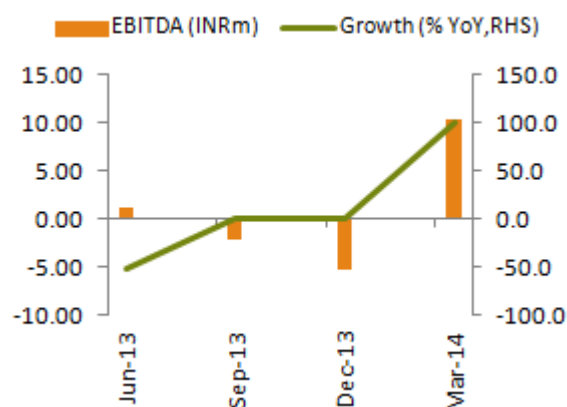
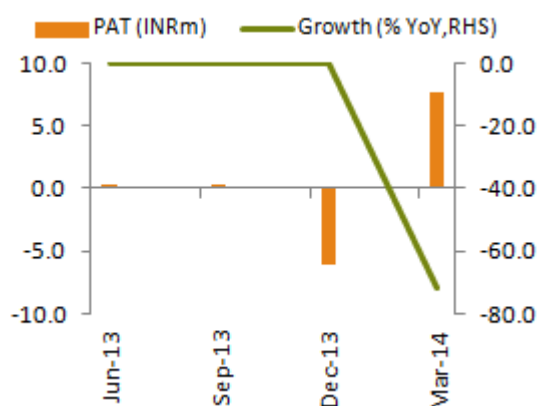


Chart 3: Margin trend



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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