

SMIFS Capital Markets Ltd

The Varhad Group

CMP: INR25.35

Stock data

| | |
|-------------------------|--------|
| BSE code | 508905 |
| BSE ID | SMIFS |
| Face value (INR) | 10 |
| No of shares (m) | 5.6 |
| Market cap (INRm) | 141.6 |
| 3m avg. daily vol (No) | 1106.8 |
| Free float (INRm) | 72.7 |
| Dividend yield FY14 (%) | 3.9 |

| | |
|----------------|----------|
| S&P BSE Sensex | 26,575.7 |
|----------------|----------|

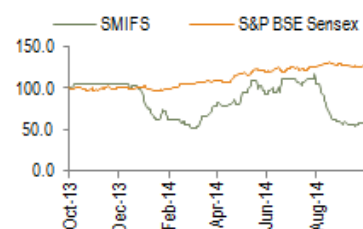
Stock performance (%)

| 52-week H/L | INR52.8/22.3 | | |
|--------------|--------------|-------|-------|
| | 1M | 3M | 12M |
| Absolute (%) | 0.6 | -47.2 | -41.1 |
| Relative (%) | 2.9 | -49.3 | -68.5 |

Shareholding pattern (%)

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

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.

Q2FY15 performance

- Revenue decreased by 11.8% YoY from INR90.9m in Q2FY14 to INR80.2m in Q2FY15.
- Raw material cost decreased by 17.1% YoY from INR83.7m in Q2FY14 to INR69.4m in Q2FY15. Staff cost decreased marginally by 0.2% YoY to INR3.0m in Q2FY15. Other expenses decreased from INR6.3m in Q2FY14 to INR4.9m in Q2FY15.
- As a result, EBIDTA increased by 227.4% YoY to INR2.8m in Q2FY15.
- Depreciation decreased from INR0.8m in Q2FY14 to INR0.7m in Q2FY15. Interest expense increased from INR0.1m in Q2FY14 to INR0.2m in Q2FY15. Non-operating income decreased by 92.9% YoY to INR0.2m in Q2FY15. Provision for tax remained nil Q2FY15.
- Consequently, PAT increased by 758.4% YoY from INR0.3m in Q2FY14 to INR2.2m in Q2FY15.
- The company has informed BSE on 7 August 2014 that, it has appointed Mr. Shreemanta Banerjee, Chartered Accountant, as Chief Financial Officer (CFO) of the Company with effect from August 13, 2014. Mr. Shreemanta Banerjee will be designated as CFO-cum-Assistant Vice President (Finance and Taxation).

Table 1: Q2FY15 snapshot**

| (INRm) | Q2FY15 | Q2FY14 | YoY % | Q1FY15 | QoQ% | H1FY15 | H1FY14 | YoY % |
|----------------|--------|--------|-------|--------|-------|--------|--------|-------|
| Revenue | 80.2 | 90.9 | -11.8 | 54.3 | 47.7 | 134.5 | 170.1 | -20.9 |
| EBITDA | 2.8 | -2.2 | 227.4 | 3.1 | -10.6 | 5.9 | -1.1 | 639.0 |
| PAT (Adjusted) | 2.2 | 0.3 | 758.4 | 2.6 | -16.7 | 4.8 | 0.5 | 790.6 |
| PAT (Reported) | 2.2 | 0.3 | 758.4 | 2.6 | -16.7 | 4.8 | 0.5 | 790.6 |

Ratio

| % of sales | Q2FY15 | Q2FY14 | YoY % | Q1FY15 | QoQ% | H1FY15 | H1FY14 | YoY % |
|-------------------|--------|--------|-------|--------|------|--------|--------|-------|
| Stock-in-trade | 86.5 | 92.1 | -5.5 | 77.3 | 9.3 | 82.8 | 90.0 | -7.2 |
| Staff Cost | 3.8 | 3.4 | 0.4 | 5.7 | -1.9 | 4.6 | 3.5 | 1.1 |
| Other Expenditure | 6.2 | 7.0 | -0.8 | 11.2 | -5.0 | 8.2 | 7.2 | 1.0 |
| EBITDA | 3.5 | -2.4 | 5.9 | 5.8 | -2.3 | 4.4 | -0.6 | 5.1 |
| Tax Rate | 0.0 | -0.8 | 0.8 | 0.5 | -0.5 | 0.2 | 8.9 | -8.7 |
| NPM | 2.7 | 0.3 | 2.4 | 4.8 | -2.1 | 3.6 | 0.3 | 3.3 |

**Standalone figures. The calculated and reported figures of Q2FY14 does not match, we have considered calculated figure Source: Company, Varhad Research

Nov 2014

Quarterly performance in charts and tables

Table 2: Detailed Q2FY15 Overview**

| | Q2FY15 | Q2FY14 | YoY % | Q1FY15 | QoQ% | H1FY15 | H1FY14 | YoY % |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| Revenue | 80.2 | 90.9 | -11.8 | 54.3 | 47.7 | 134.5 | 170.1 | -20.9 |
| Stock-in-trade | 69.4 | 83.7 | -17.1 | 42.0 | 65.4 | 111.4 | 153.1 | -27.2 |
| Staff Cost | 3.0 | 3.1 | -0.2 | 3.1 | -2.1 | 6.2 | 6.0 | 3.4 |
| Other Expenditure | 4.9 | 6.3 | -22.1 | 6.1 | -18.8 | 11.0 | 12.2 | -9.4 |
| Total Cost | 77.4 | 93.1 | -16.9 | 51.2 | 51.3 | 128.6 | 171.2 | -24.9 |
| EBITDA | 2.8 | -2.2 | 227.4 | 3.1 | -10.6 | 5.9 | -1.1 | 639.0 |
| Depreciation | 0.7 | 0.8 | -20.6 | 0.6 | 0.9 | 1.3 | 1.6 | -20.9 |
| EBIT | 2.1 | -3.0 | 171.0 | 2.5 | -13.6 | 4.6 | -2.7 | 268.5 |
| Interest Expenses | 0.2 | 0.1 | 155.3 | 0.0 | 340.9 | 0.2 | 0.2 | 46.0 |
| Non-Operating Income | 0.2 | 3.4 | -92.9 | 0.2 | 17.2 | 0.4 | 3.5 | -87.4 |
| PBT | 2.2 | 0.3 | 765.2 | 2.6 | -17.1 | 4.8 | 0.6 | 713.1 |
| Provision for Tax | 0.0 | 0.0 | -100.0 | 0.0 | -100.0 | 0.0 | 0.1 | -77.4 |
| PAT (Adjusted) | 2.2 | 0.3 | 758.4 | 2.6 | -16.7 | 4.8 | 0.5 | 790.6 |
| Extra Ordinary | 0.0 | 0.0 | * | 0.0 | * | 0.0 | 0.0 | * |
| PAT (Reported) | 2.2 | 0.3 | 758.4 | 2.6 | -16.7 | 4.8 | 0.5 | 790.6 |

Note: (n.a.) Not Applicable, **The calculated and reported figures of Q2FY14 does not match, we have considered calculated figure. Source: BSE, Varhad Research

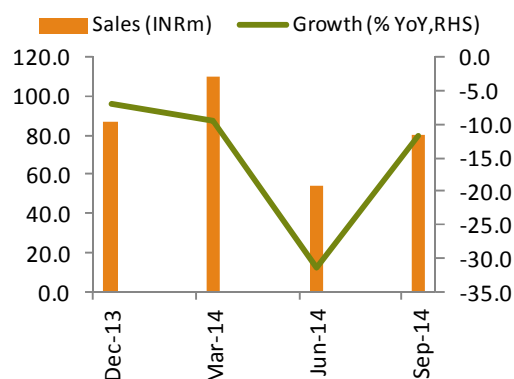
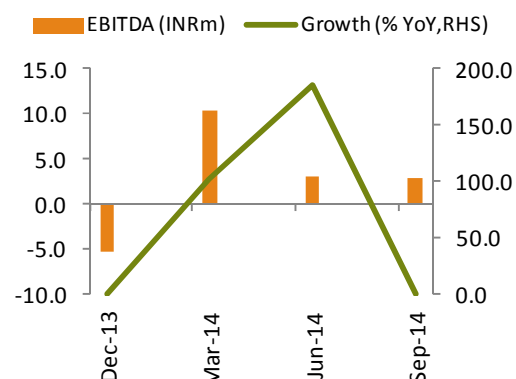
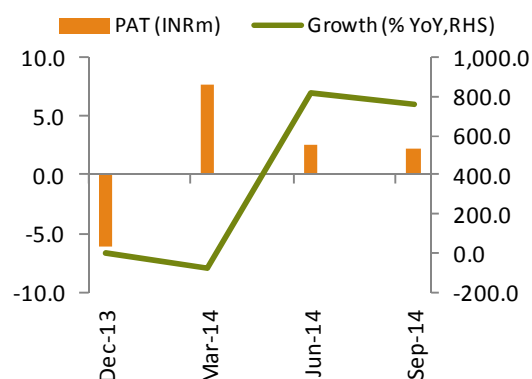
Chart 1: Sales trend

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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