

CMP: INR21.45

Stock data

BSE code	521113
BSE ID	SUDTIND-B
Face value (INR)	10
No of shares (m)	16.7
Market cap (INRm)	357.6
3m avg. daily vol (No)	6,723
Free float (INRm)	89.9
Dividend yield FY13 (%)	2.3

S&P BSE Sensex 21,251.1

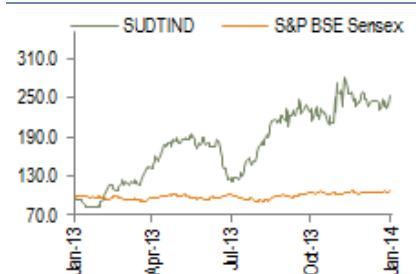
Stock performance (%)

52-week H/L	INR28.5/6.7		
	1M	3M	12M
Absolute (%)	-1.2	8.3	152.4
Relative (%)	-1.9	6.5	146.0

Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
74.85%	0.00%	0.01%	25.14%

Relative stock movement



Source: BSE

Company Overview

Suditi Industries Limited (SIL) was incorporated on 12th September 1991. It went public in January 1994. It manufactures 100% cotton knitted fabric and Polar Fleece fabric and knitted hosiery fabrics and readymade garments. The firm is promoted by the Agarwal family, better known as the R.P.K Group and is based out of Mumbai. While the company exports garments to the US and the EU, it chose to focus more on the local markets due to economic crises in the EU. However, it plans to export 35% of its production abroad. As part of its expansion plan, a printing plant is being set up at Navi Mumbai.

Q3FY14 performance

- Net revenue decreased by 7.6% YoY and 13.8% QoQ to INR146.2m in Q3FY14. However, it increased by 13.8% YoY to INR440.1m in 9mFY14. The Company earned most of its revenue from local market.
- Raw material cost decreased by 15.4% YoY and 33.7% QoQ to INR38.5m in Q3FY14. However, it increased by 5.8% YoY to INR136.2m in 9mFY14.
- Staff cost decreased by 5.9% YoY and 6.7% QoQ to INR13.6m in Q3FY14. However, it increased by 7.5% YoY to INR42.9m in 9mFY14.
- Other expenditure decreased by 8.7% YoY and 2.2% QoQ to INR83.4m in Q3FY14. However, it increased by 16.9% YoY to 230.9m in 9mFY14.
- Operating profit increased by 56.3% YoY to INR10.7m in Q3FY14. However, it decreased by 8.7% QoQ from INR11.7m in Q2FY14. It increased by 47.1% YoY to INR30.1m in 9mFY14.
- Interest expenses increased by 119.7% YoY and 17.6% QoQ to INR5.9m in Q3FY14. It increased by 80.0% YoY to INR15.5m in 9mFY14.
- Net profit increased by 1.5% YoY to INR2.1m in Q3FY14. However, it decreased by 38.8% QoQ from INR3.4m in Q2FY14. It increased by 14.1% YoY to INR6.2m in 9mFY14.

Table 1: Q3FY14 snapshot

(INRm)	Q3FY14	Q3FY13	YoY %	Q2FY14	QoQ%	9mFY14	9mFY13	YoY %
Revenue	146.2	158.2	-7.6	169.6	-13.8	440.1	386.7	13.8
EBITDA	10.7	6.8	56.3	11.7	-8.7	30.1	20.5	47.1
PAT (Adjusted)	2.1	2.1	1.5	3.4	-38.8	6.2	5.4	14.1
PAT (Reported)	2.1	2.1	1.5	3.4	-38.8	6.2	5.4	14.1

Ratio

% of sales	Q3FY14	Q3FY13	YoY %	Q2FY14	QoQ%	9mFY14	9mFY13	YoY %
Raw Material	26.3	28.8	-2.4	34.2	-7.9	30.9	33.3	-2.4
Staff Cost	9.3	9.2	0.2	8.6	0.7	9.8	10.3	-0.6
Other Expenditure	57.0	57.8	-0.7	50.3	6.8	52.5	51.1	1.4
EBITDA	7.3	4.3	3.0	6.9	0.4	6.8	5.3	1.5
Tax Rate	19.1	19.1	0.1	19.1	0.1	19.1	19.1	0.1
NPM	1.4	1.3	0.1	2.0	-0.6	1.4	1.4	0.0

Source: Company, Varhad Research

January 2014

Quarterly performance in charts and tables

Table 2: Detailed Q3FY14 Overview

	Q3FY14	Q3FY13	YoY %	Q2FY14	QoQ%	9mFY14	9mFY13	YoY %
Revenue	146.2	158.2	-7.6	169.6	-13.8	440.1	386.7	13.8
Raw Material Cost	38.5	45.5	-15.4	58.0	-33.7	136.2	128.7	5.8
Staff Cost	13.6	14.5	-5.9	14.6	-6.7	42.9	39.9	7.5
Other Expenditure	83.4	91.4	-8.7	85.3	-2.2	230.9	197.5	16.9
Total Cost	135.5	151.4	-10.5	157.9	-14.2	410.0	366.2	12.0
EBITDA	10.7	6.8	56.3	11.7	-8.7	30.1	20.5	47.1
Depreciation	3.0	2.0	48.1	3.0	-1.2	8.8	6.3	39.9
EBIT	7.7	4.8	59.6	8.7	-11.3	21.3	14.2	50.3
Interest Expenses	5.9	2.7	119.7	5.0	17.6	15.5	8.6	80.0
Non-Operating Income	0.8	0.4	94.2	0.5	42.5	1.9	1.2	62.7
PBT	2.6	2.6	1.6	4.2	-38.8	7.6	6.7	14.2
Provision for Tax	0.5	0.5	2.1	0.8	-38.5	1.5	1.3	14.7
PAT (Adjusted)	2.1	2.1	1.5	3.4	-38.8	6.2	5.4	14.1
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Reported)	2.1	2.1	1.5	3.4	-38.8	6.2	5.4	14.1

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

Chart 1: Sales trend

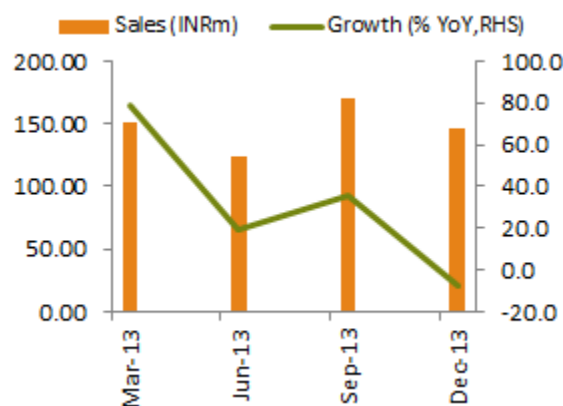


Chart 2: EBITDA trend

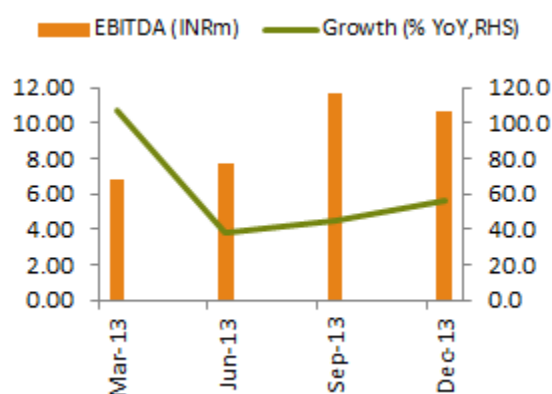


Chart 3: Margin trend

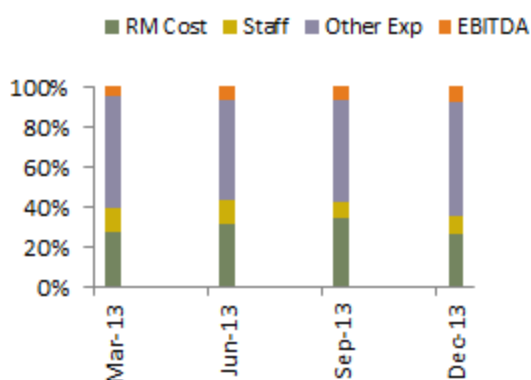
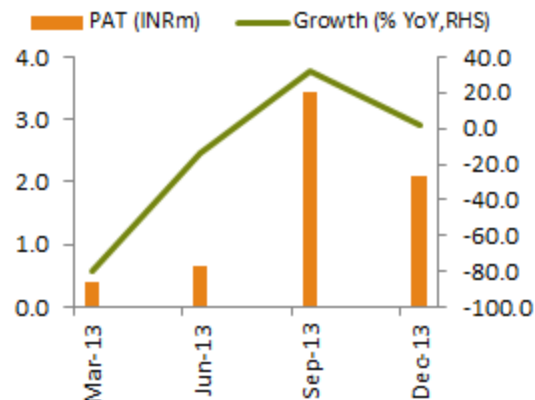


Chart 4: PAT trend



Source: Company, Varhad Research

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Head Office: Ground Floor, E07/01, Sector 1, Vashi, Navi Mumbai 400703|Tel: +91-22-64646425

|www.varhadcapital.com|

Regional Offices: B111, Parmar Chambers, Sadhu Vasvani Chowk, Pune 411001