

CMP: INR24.65

## Stock data

BSE code	521113
BSE ID	SUDTIND-B
Face value (INR)	10
No of shares (m)	16.7
Market cap (INRm)	411.0
3m avg. daily vol (No)	11,859.2
Free float (INRm)	103.4
Dividend yield FY13 (%)	2.0

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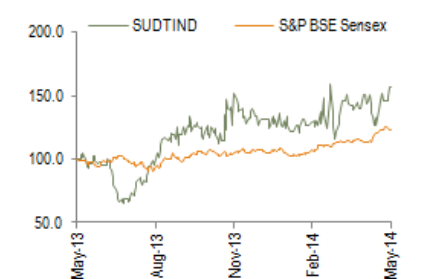
## Stock performance (%)

52-week H/L	INR28.5/9.7		
	1M	3M	12M
Absolute (%)	3.6	20.8	56.5
Relative (%)	-4.5	6.2	34.0

## 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.

## Q4FY14 and FY14 performance

- Net revenue increased by 19.3% YoY and by 23.5% QoQ to INR180.6m. It increased 15.4% YoY to INR620.7m in FY14.
- Raw material cost increased 64.6% YoY and 75.7% QoQ to INR67.6m in Q4FY14. It increased by 20.0% YoY to INR203.8m in FY14. Staff cost decreased by 21.0% YoY but increased by 10.2% QoQ to INR15.0m in Q4FY14. It decreased by 1.7% YoY to INR58.0m in FY14. Other expenditure increased 3.6% YoY and by 4.9% QoQ to INR87.5m in Q4FY14. It increased by 12.9% YoY to INR318.4m in FY14.
- Operating profit increased by 52.5% YoY but decreased by 2.3% QoQ to INR10.4m in Q4FY14. It increased by 48.5% YoY to INR40.5m in FY14.
- Interest expenses increased by 54.6% YoY but decreased by 2.2% QoQ to INR5.8m in Q4FY14. It increased by 72.3% YoY to INR21.3m in FY14.
- Net profit increased by 293.1% YoY but decreased by 26.3% QoQ to INR1.5m in Q4FY14. It increased by 32.9% YoY to INR7.7m in FY14.
- One of the directors of SIL, Mr. Indushekhar Rao, expired on April 7<sup>th</sup>, 2014.
- Networth increased to INR249.9m in FY14 from INR244.7m in FY13. Total borrowings increased to INR163.7m in FY14 from INR116.4m in FY13. Trade payables reduce to INR78.7m in FY14 from INR86.8m in FY13. Loans and advances increased to INR81.9m in FY14 from INR66.2 in FY13. Inventories increased to INR170.7m in FY14 from INR165.5m in FY13 and trade receivables increased to INR97.4m in FY14 from INR88.3m in FY13.

Table 1: Q4FY14 snapshot

(INRm)	Q4FY14	Q4FY13	YoY %	Q3FY14	QoQ%	FY14	FY13	YoY %
Revenue	180.6	151.4	19.3	146.2	23.5	620.7	538.1	15.4
EBITDA	10.4	6.8	52.5	10.7	-2.3	40.5	27.3	48.5
PAT (Adjusted)	1.5	0.4	293.1	2.1	-26.3	7.7	5.8	32.9
PAT (Reported)	1.5	0.4	293.1	2.1	-26.3	7.7	5.8	32.9

## Ratio

% of sales	Q4FY14	Q4FY13	YoY %	Q3FY14	QoQ%	FY14	FY13	YoY %
Raw Material	37.5	27.1	10.3	26.3	11.1	32.8	31.6	1.3
Staff Cost	8.3	12.6	-4.2	9.3	-1.0	9.3	11.0	-1.6
Other Expenditure	48.4	55.8	-7.3	57.0	-8.6	51.3	52.4	-1.1
EBITDA	5.8	4.5	1.3	7.3	-1.5	6.5	5.1	1.5
Tax Rate	20.2	16.4	3.8	19.1	1.0	19.3	18.9	0.5
NPM	0.9	0.3	0.6	1.4	-0.6	1.2	1.1	0.2

Source: Company, Varhad Research

June 2014

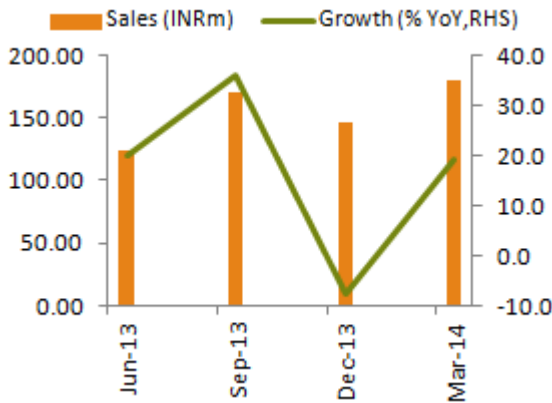
## Quarterly performance in charts and tables

**Table 2: Detailed Q4FY14 Overview**

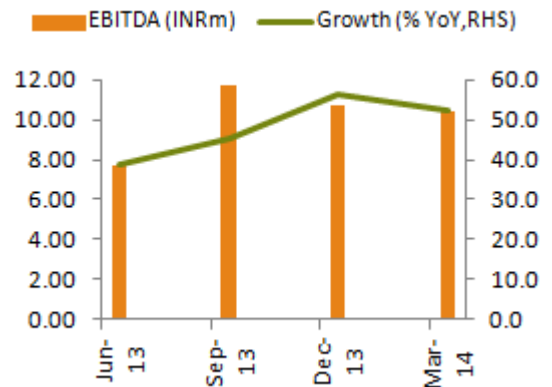
	Q4FY14	Q4FY13	YoY %	Q3FY14	QoQ%	FY14	FY13	YoY %
<b>Revenue</b>	180.6	151.4	19.3	146.2	23.5	620.7	538.1	15.4
Raw Material Cost	67.6	41.1	64.6	38.5	75.7	203.8	169.8	20.0
Staff Cost	15.0	19.0	-21.0	13.6	10.2	58.0	59.0	-1.7
Other Expenditure	87.5	84.5	3.6	83.4	4.9	318.4	282.0	12.9
Total Cost	170.2	144.6	17.7	135.5	25.5	580.2	510.8	13.6
<b>EBITDA</b>	10.4	6.8	52.5	10.7	-2.3	40.5	27.3	48.5
Depreciation	3.2	3.6	-11.7	3.0	8.2	12.0	9.9	21.1
<b>EBIT</b>	7.3	3.2	124.5	7.7	-6.3	28.6	17.4	64.1
Interest Expenses	5.8	3.7	54.6	5.9	-2.2	21.3	12.4	72.3
Non-Operating Income	0.5	1.0	-51.9	0.8	-38.4	2.4	2.1	9.9
<b>PBT</b>	1.9	0.5	311.7	2.6	-25.3	9.6	7.2	33.7
Provision for Tax	0.4	0.1	406.5	0.5	-21.4	1.9	1.4	37.1
<b>PAT (Adjusted)</b>	1.55	0.39	293.1	2.1	-26.3	7.7	5.8	32.9
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
<b>PAT (Reported)</b>	1.5	0.4	293.1	2.1	-26.3	7.7	5.8	32.9

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

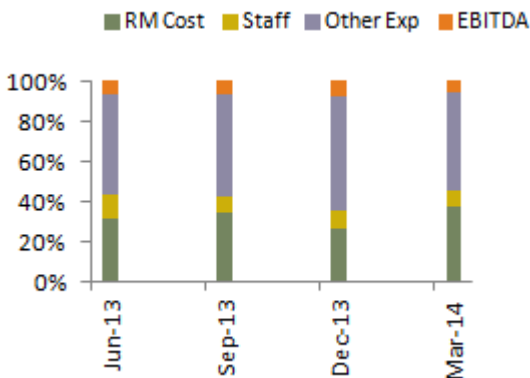
**Chart 1: Sales trend**



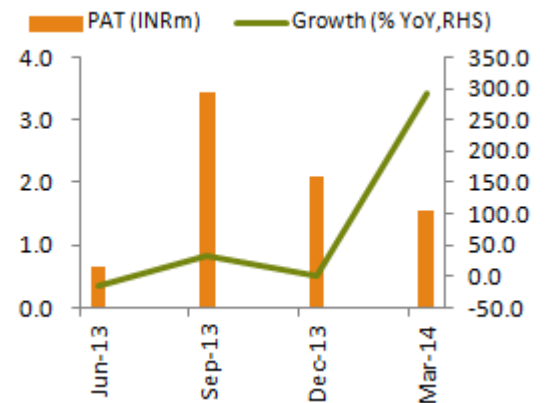
**Chart 2: EBITDA trend**



**Chart 3: Margin trend**



**Chart 4: PAT trend**



Source: Company, Varhad Research

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