

CMP: INR25.45

## Stock data

BSE code	521113
BSE ID	SUDTIND-B
Face value (INR)	10
No of shares (m)	16.7
Market cap (INRm)	424.4
3m avg. daily vol (No)	19,099.0
Free float (INRm)	106.8
Dividend yield FY14 (%)	2.0

S&P BSE Sensex	28,888.8
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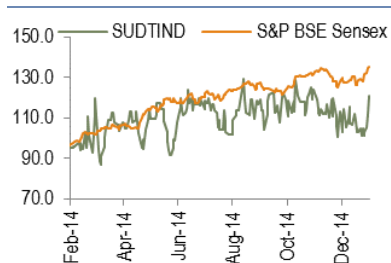
## Stock performance (%)

<b>52-week H/L</b>	<b>INR29.8/17.4</b>		
	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute (%)	17.6	9.2	21.2
Relative (%)	13.3	1.4	-14.2

## Shareholding pattern (%)

<b>Promoters</b>	<b>FIIs</b>	<b>DIIs</b>	<b>Others</b>
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.

## Q3FY15 performance

- Revenues decreased by 20.5% YoY from INR146.2m in Q3FY14 to INR116.3m in Q3FY15.
- Raw material cost decreased by 46.9% YoY from INR38.5m in Q3FY14 to INR20.5m in Q3FY15. Staff cost decreased by 1.0% YoY from INR13.6m in Q3FY14 to INR13.5m in Q3FY15. Other expenses decreased by 14.0% YoY from INR83.4m in Q3FY14 to INR71.8m in Q3FY15.
- As a result, EBIDTA declined by 1.1% YoY from INR10.7m in Q3FY14 to INR10.6m in Q3FY15.
- Depreciation increased by 44.1% YoY from INR3.0m in Q3FY14 to INR4.3m in Q3FY15. Interest expenses increased by 1.1% YoY from INR5.9m in Q3FY14 to INR6.0m in Q3FY15. Non-operating income increased from INR0.8m in Q3FY14 to INR1.0m in Q3FY15. Provision for taxes decreased from INR0.5m in Q3FY14 to INR0.3m in Q3FY15.
- Consequently, PAT decreased by 48.3% YoY from INR2.1m in Q3FY14 to INR1.1m in Q3FY15.
- Company has informed BSE on 19 January 2015, that the Board of Directors of the Company at its meeting held on 16 January 2015 has accorded their consent to start two new subsidiary companies namely a) Suditi Sports Apparel Limited and b) Suditi Design Studio Limited. Further the Board has given consent to invest in the subsidiaries to the extent of not less than 70% to 80% and the balance by the promoters and his friends and relatives..

Table 1: Q3FY15 snapshot

(INRm)	Q3FY15	Q3FY14	YoY %	Q2FY15	QoQ%	9MFY15	9MFY14	YoY %
Revenue	116.3	146.2	-20.5	180.3	-35.5	486.9	440.1	10.6
EBITDA	10.6	10.7	-1.1	13.1	-19.1	37.5	30.1	24.7
PAT (Adjusted)	1.1	2.1	-48.3	2.9	-62.6	7.3	8.4	-12.8
PAT (Reported)	1.1	2.1	-48.3	2.9	-62.6	7.3	8.4	-12.8

## Ratio

% of sales	Q3FY15	Q3FY14	YoY %	Q2FY15	QoQ%	9MFY15	9MFY14	YoY %
Raw Material	17.6	26.3	-8.7	36.5	-18.9	28.0	30.9	-3.0
Staff Cost	11.6	9.3	2.3	7.4	4.2	8.2	9.8	-1.5
Other Expenditure	61.7	57.0	4.7	48.8	12.9	56.1	52.5	3.6
EBITDA	9.1	7.3	1.8	7.3	1.8	7.7	6.8	0.9
Tax Rate	19.0	19.1	-0.1	23.6	-4.5	19.1	14.8	4.2
NPM	0.9	1.4	-0.5	1.6	-0.7	1.5	1.9	-0.4

Source: Company, Varhad Research

Jan 2015

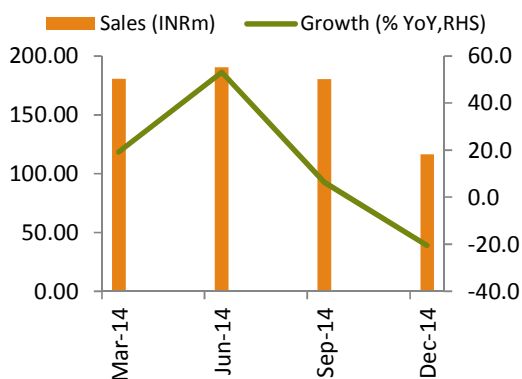
## Quarterly performance in charts and tables

**Table 2: Detailed Q3FY15 Overview**

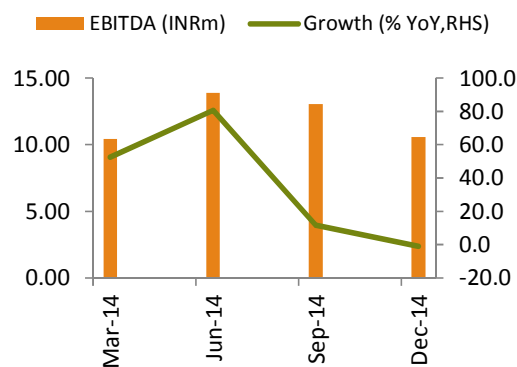
	Q3FY15	Q3FY14	YoY %	Q2FY15	QoQ%	9MFY15	9MFY14	YoY %
<b>Revenue</b>	116.3	146.2	-20.5	180.3	-35.5	486.9	440.1	10.6
Raw Material Cost	20.5	38.5	-46.9	65.8	-68.9	136.2	136.2	0.0
Staff Cost	13.5	13.6	-1.0	13.4	0.8	40.1	42.9	-6.6
Other Expenditure	71.8	83.4	-14.0	88.1	-18.5	273.1	230.9	18.2
Total Cost	105.7	135.5	-22.0	167.2	-36.8	449.4	410.0	9.6
<b>EBITDA</b>	10.6	10.7	-1.1	13.1	-19.1	37.5	30.1	24.7
Depreciation	4.3	3.0	44.1	4.1	3.7	12.8	5.8	120.1
<b>EBIT</b>	6.3	7.7	-18.4	9.0	-29.5	24.7	24.3	1.8
Interest Expenses	6.0	5.9	1.1	6.2	-3.1	18.1	16.9	7.4
Non-Operating Income	1.0	0.8	30.4	1.0	0.0	2.5	2.5	0.0
<b>PBT</b>	1.3	2.6	-48.3	3.8	-64.7	9.1	9.9	-8.3
Provision for Tax	0.3	0.5	-48.6	0.9	-71.5	1.7	1.5	17.9
<b>PAT (Adjusted)</b>	1.1	2.1	-48.3	2.9	-62.6	7.3	8.4	-12.8
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
<b>PAT (Reported)</b>	1.1	2.1	-48.3	2.9	-62.6	7.3	8.4	-12.8

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

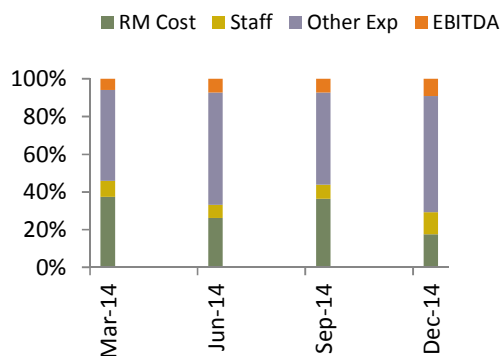
**Chart 1: Sales trend**



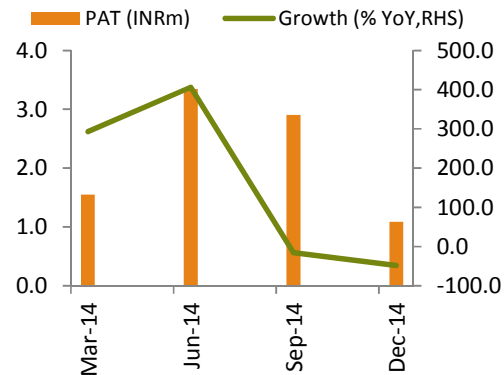
**Chart 2: EBITDA trend**



**Chart 3: Margin trend**



**Chart 4: PAT trend**



Source: Company, Varhad Research

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