

CMP: INR12.60

## Stock data

BSE code	537669
BSE ID	KFL
Face value (INR)	10
No of shares (m)	10.4
Market cap (INRm)	131.2
3m avg. daily vol (No)	305.0
Free float (INRm)	84.1
Dividend yield FY13 (%)	0.0

S&P BSE SME IPO	941.16
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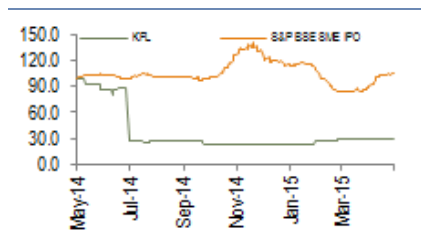
## Stock performance (%)

<b>52-week H/L</b>	<b>INR42.0/9.5</b>		
	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute (%)	0.0	11.5	-100.0
Relative (%)	-17.9	111.5	0.0

## Shareholding pattern (%)

<b>Promoters</b>	<b>FIIs</b>	<b>DIIs</b>	<b>Others</b>
35.93%	0.00%	0.00%	64.07%

## Relative stock movement



Source: BSE

May 2015

## Company Overview

Kavita Fabrics Ltd (KFL) was incorporated in 2005 as Kavita Fabrics Pvt Ltd. The Company is based out of Surat, Gujarat. KFL started its actual operations in 2008. KFL currently manufactures synthetic fabrics in the form of semi-finished sarees and dress materials. Company has expanded its production capacity recently in September 2012 through purchase of 24 new jacquard power looms. This has increased the installed capacity from 150,000 meters to 450,000 meters. Mr Harish Chandak, who is chairman and managing director, has 4 decades of experience in textiles industry.

## H2FY15 performance

- Net revenue decreased by 6.1% YoY from INR55.2m in H2FY14 to INR51.8m in H2FY15. Raw material cost decreased by 10.3% YoY from INR51.7m in H2FY14 to INR46.4m in H2FY15. Staff cost increased by 120.9% YoY from INR0.9m in H1FY14 to INR2.0m in H2FY15. Other expenditure increased by 47.5% YoY to INR1.8m in H2FY15 compared to INR1.2m in H2FY14. Operating profit of the company increased by 19.5% YoY from INR1.3m in H2FY14 to INR1.6m in H2FY15. Interest Expense decreased by 23.1% YoY from INR0.4m in H2FY14 to INR0.3m in H2FY15. Non operating income was recorded at INR0.1m in H2FY15.
- As a result, net profit increased by 252.0% YoY from INR0.1m in H2FY14 to INR0.4m in H2FY15.
- Net Block decreased to INR5.4m in H2FY15. Trade payables reduced from INR20.7m in H1FY15 to INR11.1m in H2FY15. Reserves and surplus increased from INR1.3m in H1FY15 to INR1.5m in H2FY15. Equity Capital was recorded at INR104.2m in H2FY15.
- Company has informed BSE on 13 Apr 2015 that the Board of Directors of the Company at its meeting held on 13 Apr 2015, inter alia, have considered and accorded their consent for migrating Company's present listing from SME Platform of BSE Limited to the Main Board of BSE Limited. The appointment of Mr. Nitin Maheshwari as Independent Director and appointment of Ms. Monika Kothari, Chartered Accountant as scrutinizer for postal ballot process have also been approved.

Table 1: H2FY15 snapshot

(INRm)	H2FY15	H2FY14	YoY %	H1FY15	HoH%	FY15	FY14	YoY %
Revenue	51.8	55.2	-6.1	59.3	-12.7	111.1	95.6	16.2
EBITDA	1.6	1.3	19.5	1.9	-18.2	3.5	2.9	21.6
PAT (Adjusted)	0.4	0.1	252.0	0.5	-15.0	1.0	0.6	59.0
PAT (Reported)	0.4	0.1	252.0	0.5	-15.0	1.0	0.6	59.0

## Ratio

% of sales	H2FY15	H2FY14	YoY %	H1FY15	HoH%	FY15	FY14	YoY %
Raw Material	89.6	93.8	-4.1	93.1	-3.5	91.5	91.6	-0.1
Staff Cost	3.9	1.6	2.2	1.4	2.5	2.5	2.7	-0.2
Other Expenditure	3.5	2.2	1.3	2.3	1.2	2.9	2.7	0.2
EBITDA	3.0	2.4	0.7	3.2	-0.2	3.1	3.0	0.1
Tax Rate	17.5	62.2	-44.7	30.1	-12.6	24.9	45.4	-20.5
NPM	0.9	0.2	0.6	0.9	0.0	0.9	0.6	0.2

Source: Company, Varhad Research

## Performance in tables

Table 2: Detailed H2FY15 Income Statement Overview

	H2FY15	H2FY14	YoY %	H1FY15	HoH%	FY15	FY14	YoY %
<b>Revenue</b>	51.8	55.2	-6.1	59.3	-12.7	111.1	95.6	16.2
Raw Material Cost	46.4	51.7	-10.3	55.2	-16.0	101.6	87.5	16.1
Staff Cost	2.0	0.9	120.9	0.8	146.8	2.8	2.6	7.5
Other Expenditure	1.8	1.2	47.5	1.4	30.9	3.2	2.6	22.7
Total Cost	50.2	53.8	-6.8	57.4	-12.6	107.6	92.7	16.1
<b>EBITDA</b>	1.6	1.3	19.5	1.9	-18.2	3.5	2.9	21.6
Depreciation	0.8	0.5	45.0	0.6	31.3	1.4	1.2	16.9
<b>EBIT</b>	0.8	0.8	1.8	1.3	-40.3	2.1	1.7	24.8
Interest Expenses	0.3	0.4	-23.1	0.6	-43.4	0.9	0.6	63.1
Non-Operating Income	0.1	0.0	*	0.0	246.2	0.1	0.0	*
<b>PBT</b>	0.5	0.3	61.3	0.8	-28.0	1.3	1.1	15.5
Provision for Tax	0.1	0.2	-54.5	0.2	-58.1	0.3	0.5	-36.7
<b>PAT (Adjusted)</b>	0.4	0.1	252.0	0.5	-15.0	1.0	0.6	59.0
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
<b>PAT (Reported)</b>	0.4	0.1	252.0	0.5	-15.0	1.0	0.6	59.0

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

Table 3: Detailed FY15 Balance Sheet Overview

	H2FY15	H1FY15	FY14
Net Block	5.4	6.2	5.2
Investments	18.7	15.0	15.0
Cash and Banks Balance	2.2	2.1	9.6
Inventory	29.3	26.3	24.7
Sundry Debtors	44.8	46.8	33.6
Loans and Advances	12.2	15.7	12.0
Other Current Assets	17.4	26.7	28.1
Other	0.1	0.1	0.0
<b>Total Assets</b>	<b>130.2</b>	<b>138.9</b>	<b>128.2</b>
Equity Capital	104.2	104.2	34.7
Reserves and Surplus	1.5	1.3	70.9
Share Application Money	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0
<b>Shareholder's Funds</b>	<b>105.7</b>	<b>105.5</b>	<b>105.6</b>
Gross Debt	11.3	11.4	12.6
Trade Payables	11.1	20.7	7.9
Provisions and other current liabilities	2.1	1.3	2.0
Others	0.0	0.0	0.1
<b>Total Liabilities</b>	<b>130.2</b>	<b>138.9</b>	<b>128.2</b>

Source: BSE, Varhad Research

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