

# SUDITI INDUSTRIES LTD.



C-253/254, MIDC, TTC INDL.AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 705  
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Regd.Office: A-2, Shah & Nahar Indl.Estate, Unit No.23/26, Lower Parel, Mumbai-400013.

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Ref: No. SIL/S/91/2017-18

Date: 05.11.2017

The Secretary/Corporate Services,  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001.

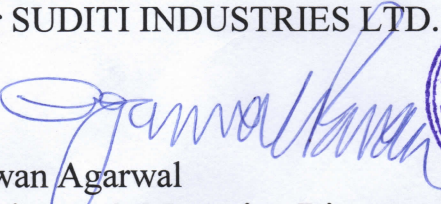
Company Code No. 521113

Dear Sir,

We hereby submit the “Q2/FY 2017-18 Earnings presentation” prepared by our Investor Relations Management Services Company “M/S.Valorem Advisors “for the information of the investors. The financial details presented contain the information from the September 2017 quarterly/half yearly results submitted by the company and the disclaimer statement is also attached for the information of the investors.

Thanking you,

Yours faithfully,  
For SUDITI INDUSTRIES LTD.

  
Pawan Agarwal  
Chairman & Managing Director.









  
SUDITI INDUSTRIES LTD.

# Q2/H1-FY18 EARNINGS PRESENTATION

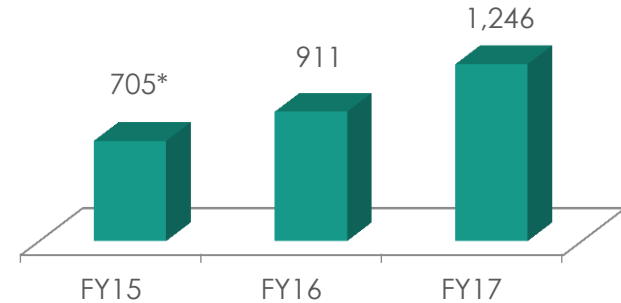
# Executive Summary

	<p><b>Overview</b></p> <ul style="list-style-type: none"><li>• Suditi Industries limited ("SIL"), was incorporated in 1991 as a processing house to manufacture 100% cotton Knitted Fabrics and Polar Fleece Fabrics</li><li>• In a short span, the company established itself as a reputed quality manufacturer of hosiery fabrics and garments for many established brands</li><li>• The company is today a vertically integrated Textile and Apparel manufacturing house with processes like knitting, dyeing, printing, finishing, garmenting and also retailing of our own branded apparels and reputed licensed wear</li></ul>
	<p><b>Products and Business Mix</b></p> <ul style="list-style-type: none"><li>• <b>Retail Business</b><ul style="list-style-type: none"><li>◦ <b>Licensed Brands</b> – FC Barcelona, Manchester City FC, MTV, YouWeCan</li><li>◦ <b>Own Brands</b> – Riot and Indianink</li></ul></li><li>• <b>Fabric and Garments Business</b></li></ul>
	<p><b>Key Marquee Clients</b></p> <ul style="list-style-type: none"><li>• <b>Retail:</b> EBO's and large format stores like Central, Shoppers Stop, Pantaloons, Lifestyle, &amp; Walmart, and e-commerce presence on Jabong, Myntra, Amazon, Flipkart, Snapdeal, etc.</li><li>• <b>Fabrics:</b> Madura Group, Reliance, Creative Garments Pvt. Ltd, Gini &amp; Jony Ltd, Choudhary Garments</li><li>• <b>Garments:</b> Future Group, Mandhana Industries Ltd, Myntra Designs Pvt. Ltd, Siyaram Silk Mill Ltd, Shoppers Stop, Raymond, Lee Cooper, Walmart, Burnt UMBER</li></ul>
	<p><b>Financial Performance</b></p> <ul style="list-style-type: none"><li>• Total Income from <b>Rs 623 Mn</b> in FY14 to <b>Rs 1,052 Mn</b> in FY17 at a 3-year CAGR of <b>19 %</b></li><li>• EBITDA has grown from <b>Rs 43 Mn</b> in FY14 to <b>Rs 83 Mn</b> in FY17 at a 3-year CAGR of <b>25 %</b></li><li>• Net Profit has grown from <b>Rs 8 Mn</b> in FY14 to <b>Rs 22 Mn</b> in FY17 at a 3-year CAGR of <b>40%</b></li></ul>

# Company Overview

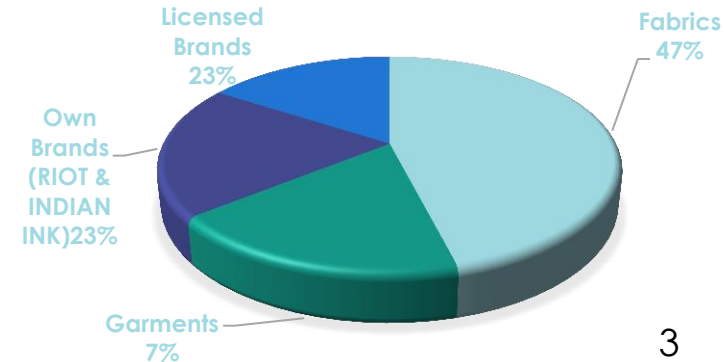
- SIL initially started as a fabrics processing plant, the company has gradually entered into different segments of fabric processing such as knitting, printing, finishing and garmenting.
- The company is **headquartered at Navi Mumbai, Maharashtra** and has manufacturing unit at Turbhe, Mumbai.
- SIL has state-of-the-art machines imported from Germany, USA, Greece, Switzerland, Taiwan etc. through which they cater to customers' specific needs.
- SIL ventured into licensing by acquiring **manufacturing rights for 2014 FIFA World Cup (Brazil)**.
- Encouraged by the response of FIFA world cup 2014 (Brazil) the company has now executed licensing agreement with reputed **international clubs like FC Barcelona and Manchester City FC**. and also ventured licensing agreements with **MTV and YouWeCan**
- The company has a strong retail presence through 2 of its **key brands: Riot and Indianink**.
- Its retail brand **Riot** is an inspirational youth fashion brand that offers high quality fashion wear at economical price. It offers **denims, bottoms, jackets, shirts for men ,skirts, dresses, cardigans for women** and other **accessories**.
- **IndianInk** offers a vivid range of contemporary fashion and styled garments for women. It emphasizes on ethnic and fusion wear. It offers a wide range of products like **Kurtas, Tunics, Skirts, Salwar Kameez** along with **co-ordinates**.

## CONSOLIDATED REVENUES (INR MN)



\*FY15 Standalone Revenues

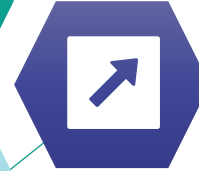
## SEGMENTAL REVENUE (FY17)



# Key Strengths

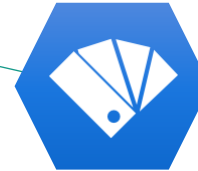
Experienced promoters & a strong management team

Established Players in Apparel Brand Licensing



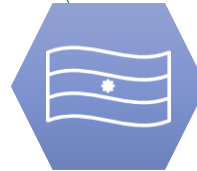
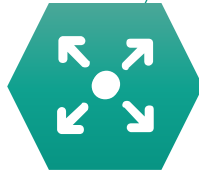
Vertically integrated - processing to garmenting

Strong Retail brands - Riot & Indian Ink



Diversified range of textile products

Reliable suppliers of Fabrics and Garments to Marquee Clients



Strong Pan India distribution network across platforms

# Future Strategy

- **Increased focus on retail** business.
- Strategically identify & tie-up with **more licensed brands**.
- **Increasing footprint of our own and licensed brands** through distributor networks and other low-capex franchisee models.
- **Higher focus on e-commerce** platforms.
- Strategically leverage on companies own manufacturing facilities to **further reduce cost & improve margins**.



# Financial & Operational Highlights

## Q2 FY18 Standalone Financial Performance:

**Total Income** –INR 234 Mn; Growth of 17.0% YoY

**EBITDA**- INR 31 Mn; Growth of 19.2% YoY

**EBITDA Margin**- 13.25%

**Net Profit**- INR 13 Mn; Growth of 44.4% YoY

**PAT Margin**- 5.56%

**Diluted EPS**- INR 0.76 per equity share

## H1 FY18 Standalone Financial Performance:

**Total Income** - INR 458 Mn; Growth of 21.8% YoY

**EBITDA**-INR 46 Mn; Growth of 9.5% YoY

**EBITDA Margin**- 10.04%

**Net Profit**-INR 17 Mn; Growth of 41.7% YoY

**PAT Margin**- 3.71%

**Diluted EPS**-INR 0.97 per equity share

## Q2/H1 FY18 Operational Highlights:

- Joint Venture proposal with **Project Anushka Sharma Lifestyles Pvt.Ltd.**, (a company promoted by Celebrity actress Ms. Anushka Sharma) in the name of “**SAA & SUDITI RETAIL PRIVATE LIMITED**” has commenced sales business activities and the company has launched its products in the name of “**NUSH**”.

# Quarterly Standalone Financial Performance (IND AS)

Particulars (INR Mn)	Q2 FY18	Q1 FY18	QoQ	Q2FY17	YoY
<b>Total Income *</b>	<b>234</b>	<b>224</b>	<b>4.5%</b>	<b>200</b>	<b>17.0%</b>
Total Expenses	203	209	(2.9)%	174	16.7%
<b>EBITDA</b>	<b>31</b>	<b>15</b>	<b>106.7%</b>	<b>26</b>	<b>19.2%</b>
<b>EBITDA Margin (%)</b>	<b>13.25%</b>	<b>6.69%</b>	<b>656 bps</b>	<b>13.00%</b>	<b>25 bps</b>
Depreciation	4	3	33.3%	5	(20.0)%
Finance Cost	7	7	-	8	(12.5)%
<b>PBT</b>	<b>20</b>	<b>5</b>	<b>300.0%</b>	<b>13</b>	<b>53.8%</b>
Tax	7	2	250.0%	4	75.0%
<b>PAT</b>	<b>13</b>	<b>3</b>	<b>333.3%</b>	<b>9</b>	<b>44.4%</b>
<b>PAT Margins (%)</b>	<b>5.56%</b>	<b>1.34%</b>	<b>422 bps</b>	<b>4.50%</b>	<b>106 bps</b>
Diluted EPS	0.76	0.21	261.9%	0.51	49.0%

\* - Includes Other Income



# Half-Yearly Standalone Financial Performance (IND AS)

Particulars (INR Mn)	H1 -FY18	H1- FY17	YoY
<b>Total Income *</b>	<b>458</b>	<b>376</b>	<b>21.8%</b>
Total Expenses	412	334	23.4%
<b>EBITDA</b>	<b>46</b>	<b>42</b>	<b>9.5%</b>
<b>EBITDA Margin (%)</b>	<b>10.04%</b>	<b>11.17%</b>	<b>(113) bps</b>
Depreciation	7	9	(22.2)%
Finance Cost	14	15	(6.7)%
<b>PBT</b>	<b>25</b>	<b>18</b>	<b>38.9%</b>
Tax	8	6	33.3%
<b>PAT</b>	<b>17</b>	<b>12</b>	<b>41.7%</b>
<b>PAT Margins (%)</b>	<b>3.71%</b>	<b>3.19%</b>	<b>52 bps</b>
Diluted EPS	0.97	0.72	34.7%

\* - Includes Other Income

# Standalone Income Statement (IND AS)

Particulars (INR Mn)	FY15*	FY16	FY17	H1-FY18
<b>Total Income</b>	<b>705</b>	<b>822</b>	<b>1,052</b>	<b>458</b>
Total Expenses	649	753	969	412
<b>EBITDA</b>	<b>56</b>	<b>69</b>	<b>83</b>	<b>46</b>
<b>EBITDA Margin (%)</b>	<b>7.94%</b>	<b>8.39%</b>	<b>7.89%</b>	<b>10.04%</b>
Depreciation	19	18	18	7
Finance Cost	25	30	29	14
<b>PBT</b>	<b>12</b>	<b>21</b>	<b>36</b>	<b>25</b>
Tax	2	6	14	8
<b>PAT</b>	<b>10</b>	<b>15</b>	<b>22</b>	<b>17</b>
<b>PAT Margins (%)</b>	<b>1.41%</b>	<b>1.82%</b>	<b>2.09%</b>	<b>3.71%</b>
Diluted EPS	0.58	0.87	1.30	0.97

\* -FY15 Financials are as on IGAAP

# Standalone Balance Sheet

Liabilities (INR Mn)	FY16	FY17	H1-FY18	Assets (INR Mn.)	FY16	FY17	H1-FY18
<b>Shareholder Funds</b>				<b>Fixed Assets</b>			
Share Capital	167	168	168	Tangible Assets	119	104	99
Reserves & Surplus	101	126	144	Intangible Assets	0	1	1
				Capital Work in Progress	-	2	2
<b>Total Shareholders Fund</b>	<b>268</b>	<b>294</b>	<b>312</b>	Intangible Assets under Development	0	2	2
<b>Non Current Liabilities</b>				<b>Total Fixed Assets</b>	<b>119</b>	<b>109</b>	<b>104</b>
Long Term Borrowings	43	35	30	<b>Non-current investments</b>			
Other Long Term Liabilities	1	4	4	Non-current investments	9	9	9
				Deferred Tax Asset	1	1	1
<b>Total Non Current Liabilities</b>	<b>44</b>	<b>39</b>	<b>34</b>	Long term loans and advances	41	42	40
				Other non current assets	1	0	
				Others	-	-	3
				<b>Total Non current assets</b>	<b>171</b>	<b>161</b>	<b>157</b>
<b>Current Liabilities</b>				<b>Current Assets</b>			
Short term Borrowings	181	211	214	Current Investments	1	1	-
Trade Payables	93	137	173	Inventories	218	296	334
Other Financial Liabilities			45	Trade Receivables	185	226	286
Other Current Liabilities	18	10	22	Cash & Bank Balances	3	3	5
Short-term provisions	14	17	3	Short-term loans & advances	30	14	0
Current Tax Liability(Net)			5	Other current assets	11	7	26
<b>Total Current Liabilities</b>	<b>306</b>	<b>375</b>	<b>462</b>	<b>Total Current Assets</b>	<b>447</b>	<b>547</b>	<b>651</b>
<b>GRAND TOTAL - LIABILITES</b>	<b>618</b>	<b>708</b>	<b>808</b>	<b>GRAND TOTAL – ASSETS</b>	<b>618</b>	<b>708</b>	<b>808</b>

# Consolidated Income Statement

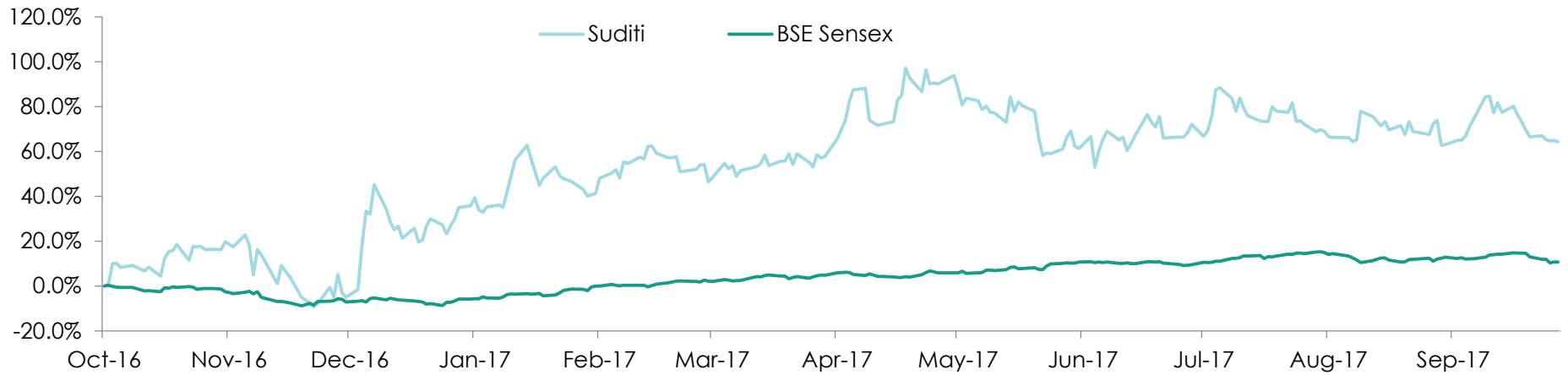
Particulars (INR Mn)	FY16	FY17
<b>Total Income*</b>	<b>911</b>	<b>1,246</b>
Total Expenses	844	1,162
<b>EBITDA</b>	<b>67</b>	<b>84</b>
<b>EBITDA Margin (%)</b>	<b>7.35%</b>	<b>6.74%</b>
Depreciation	18	18
Finance Cost	30	31
<b>PBT</b>	<b>19</b>	<b>35</b>
Tax	6	14
<b>PAT</b>	<b>13</b>	<b>21</b>
<b>PAT Margins(%)</b>	<b>1.43%</b>	<b>1.68%</b>
Diluted EPS	0.77	1.24

\* - Includes Other Income

# Consolidated Balance Sheet

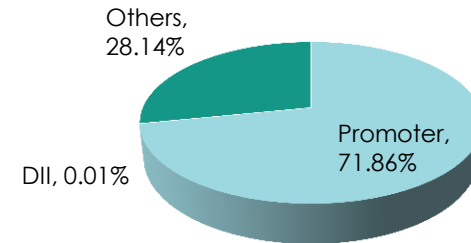
Liabilities (INR Mn.)	FY16	FY17	Assets (INR Mn.)	FY16	FY17
<b>Shareholder Funds</b>			<b>Fixed Assets</b>		
Share Capital	167	168	Tangible Assets	120	110
Reserves & Surplus	99	123	Intangible Assets	-	-
<b>Total Shareholders Fund</b>	<b>266</b>	<b>291</b>	Capital Work in Progress		
			Intangible Assets under Development	-	-
Minority Interest	-	-	<b>Total Fixed Assets</b>	<b>120</b>	<b>110</b>
			<b>Non-current investments</b>		
<b>Non Current Liabilities</b>			Non-current investments		
Long Term Borrowings	43	34	Deferred Tax Asset	1	1
Other Long Term Liabilities	8	28	Long term loans and advances	44	43
			Other non current assets	2	-
<b>Total Non Current Liabilities</b>	<b>51</b>	<b>62</b>	<b>Total Non current assets</b>	<b>167</b>	<b>154</b>
<b>Current Liabilities</b>			<b>Current Assets</b>		
Short term Borrowings	191	229	Current Investments		
Trade Payables	109	182	Inventories	233	328
Other Current Liabilities	21	16	Trade Receivables	209	300
Short-term provisions	15	26	Cash & Bank Balances	4	4
			Short-term loans & advances	29	13
			Other current assets	11	7
<b>Total Current Liabilities</b>	<b>336</b>	<b>453</b>	<b>Total Current Assets</b>	<b>486</b>	<b>652</b>
<b>GRAND TOTAL - LIABILITES</b>	<b>653</b>	<b>806</b>	<b>GRAND TOTAL - ASSETS</b>	<b>653</b>	<b>806</b>

# Capital Market Data



Price Data (30 <sup>th</sup> September, 2017)		INR
Face Value		10
Market Price		69.2
52 Week H/L (INR)		86.5/37.2
Market Cap (INR Mn)		1,161
Equity Shares Outstanding (Mn)		16.76
1 Year Avg. trading Volume ('000)		13.3

**Shareholding Pattern (30th September 2017)**



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thank  
YOU