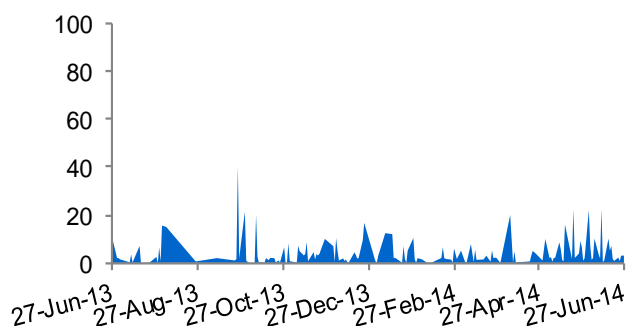


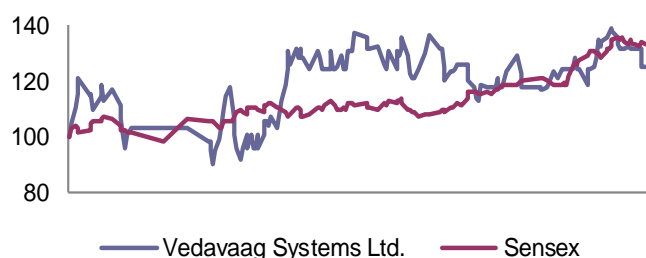
Equity Statistics

Current Market Price	Rs.	8.6
52 Week High/Low	Rs.	9.7/6.1
Market Capitalisation	Rs. Crores	8.0
Free Float	Rs. Crores	6.4
Dividend Yield	%	0.0
One Year Regression Beta	Times	(0.0)

BSE Volumes Trend - Average = 4.11 Thousand

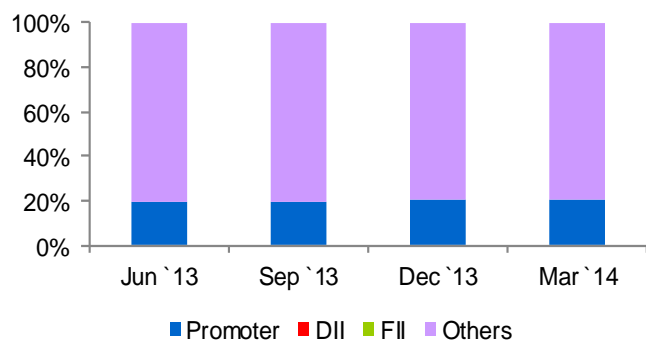


Relative Returns



Returns	1M	3M	6M	1Y
Absolute	-2%	7%	-8%	25%
Rel. to Sensex	-4%	-6%	-23%	-6%

Shareholding Pattern



Source: CARE, BSE and ACE Equity

Result analysis

Vedavaag Systems Ltd. (VSL) Q4FY14 net sales increased by 36.9% y-o-y and 17.3% q-o-q to Rs 27.9 crore. The company witnessed an increase of 41.4% y-o-y in EBITDA to Rs.3.1 crore. The EBITDA margin for the quarter increased to 11.1%, as compared with 10.8% in the corresponding quarter last year. The company reported an adjusted net profit of Rs.0.3 crore in Q4FY14. The net profit margin stood at 1.0% for the current quarter.

During FY14, the company reported 24.7% y-o-y increase in net sales to Rs 63 crore. EBITDA for FY14 witnessed 19.0% y-o-y increase to Rs 10.3 crore. EBITDA margin decreased by 80bps to 16.4%. Net profit decreased by 36.8% to Rs 2.2 crore.

VSL is trading at 3.45 times 12 months trailing EPS as on July 1, 2014

Annual financial snapshot

Income statement	FY12	FY13	FY14
Net sales (Rs. crore)	25.1	50.5	63.0
Growth in net sales (%)	45.4	101.4	24.7
Per share data (Rs.)			
Adjusted BVPS	23.7	29.6	34.8
Diluted EPS*	0.9	3.9	2.5
Key financial ratios			
EBITDA margin (%)	29.7	17.2	16.4
Adjusted PAT margin (%)	3.4	7.2	3.7
RoCE (%)	5.2	10.4	8.6
RoE (%)	4.0	14.7	7.7
Net debt to equity	0.0	(0.1)	(0.2)
Interest coverage (times)	5.8	14.5	19.9

Source: BSE, ACE Equity and CARE Research

Quarterly financials	Q4 FY14	Q4 FY13	Q3 FY14	Growth	Growth
Income statement (Rs. crore)				Y-o-Y (%)	Q-o-Q (%)
Total income	27.9	20.4	23.8	36.9	17.3
Net sales	27.9	20.4	23.8	36.9	17.3
EBITDA	3.1	2.2	3.6	41.4	(13.9)
Depreciation and amortisation	2.6	(1.6)	1.4	(264.8)	81.9
EBIT	0.5	3.8	2.2	(87.1)	(77.4)
Interest	0.1	0.0	0.0	233.3	900.0
PBT	0.4	3.8	2.2	(89.6)	(81.9)
Ordinary PAT	0.3	2.8	1.5	(90.3)	(82.0)
Adjusted PAT	0.3	2.8	1.5	(90.3)	(82.0)
Per share data (Rs.)					
Diluted EPS*	0.3	3.0	1.6	(90.3)	(82.0)
Profitability ratio (%)					
EBITDA margin	11.1	10.8	15.2		
Adjusted PAT margin	1.0	13.7	6.3		

Source: BSE, ACE Equity and CARE Research

NM: Non Meaningful

Annual financial statistics	FY10	FY11	FY12	FY13	FY14
Income statement (Rs. crore)					
Total income	16.5	17.2	25.1	50.6	63.0
Net sales	16.5	17.2	25.1	50.5	63.0
EBITDA	7.8	6.9	7.5	8.7	10.3
Depreciation and amortisation	6.9	6.6	6.0	4.8	6.9
EBIT	0.9	0.3	1.5	3.9	3.4
Interest	0.8	0.1	0.3	0.3	0.2
PBT	0.1	0.3	1.3	3.8	3.2
Ordinary PAT	0.1	0.2	0.9	3.7	2.3
Adjusted PAT	0.1	0.2	0.9	3.7	2.3
Balance sheet (Rs. crore)					
Adjusted networth	21.1	21.3	22.2	27.7	32.5
Total debt	16.6	8.3	1.1	-	-
Cash and bank	0.0	0.2	0.6	2.1	6.9
Investments	0.0	0.0	0.0	0.0	0.0
Net fixed assets (incl. CWIP)	30.1	26.6	13.6	14.7	20.6
Net current assets (excl. cash, cash equivalents)	10.8	13.0	19.7	18.7	(0.6)
Per share data (Rs.)					
Adjusted BVPS	22.5	22.8	23.7	29.6	34.8
Diluted EPS*	0.1	0.2	0.9	3.9	2.5
DPS	-	-	-	-	-
Growth (Y-o-Y) (%)					
Growth in total income		4.3	45.5	101.7	24.4
Growth in net sales		4.3	45.4	101.4	24.7
Growth in EBITDA		(33.3)	8.5	16.1	19.0
Growth in adjusted PAT		211.3	315.9	326.2	(36.8)
Growth in EPS*		211.3	315.9	326.2	(36.8)
Key financial ratio					
EBITDA margin (%)	62.3	39.9	29.7	17.2	16.4
Adjusted PAT margin (%)	0.4	1.2	3.4	7.2	3.7
RoCE (%)		7.2	5.2	10.4	8.6
RoE (%)		1.0	4.0	14.7	7.7
Gross debt - equity (times)	0.8	0.4	0.1	-	-
Net debt - equity (times)	0.8	0.4	0.0	(0.1)	(0.2)
Interest coverage (times)	1.1	5.4	5.8	14.5	19.9
Current ratio (times)	6.1	9.4	3.3	1.8	1.1
Inventory days		26.3	11.9	3.7	59.4
Receivable days		227.7	250.7	176.7	116.6

Source: BSE, ACE Equity and CARE Research

DISCLOSURES

Each member of the team involved in the preparation of this research report, hereby affirms that there exists no conflict of interest that can bias the research on the company.

DISCLAIMER

Please refer to our detailed disclaimer mentioned on the last page of the initial report on this company.

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