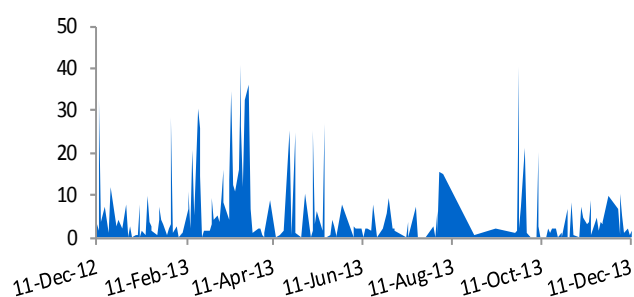


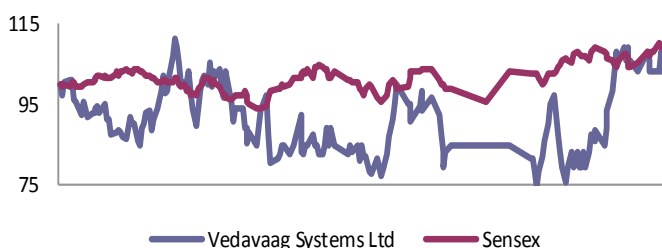
Equity Statistics

Current Market Price	Rs.	8.5
52 Week High/Low	Rs.	9.3/6.2
Market Capitalisation	Rs. Crores	7.9
Free Float	Rs. Crores	6.4
Dividend Yield	%	0.0
One Year Regression Beta	Times	0.1

BSE Volumes Trend - Average = 5.77 Thousand

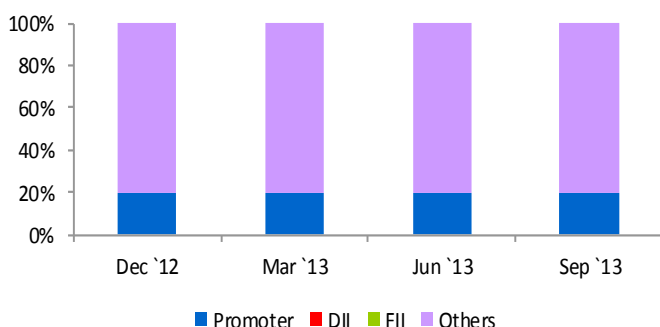


Relative Returns



Returns	1M	3M	6M	1 Yr
Absolute	5%	27%	28%	3%
Rel. to Sensex	2%	19%	15%	-6%

Shareholding Pattern



Source: BSE, Capitaline and CARE Research

Result analysis

Vedavaag Systems Ltd. (VSL) Q2FY14 net sales decreased by 50.6% y-o-y however it increased 20.9% q-o-q to Rs.6.2 crore. The company witnessed a decrease of 28.9% y-o-y in EBITDA to Rs.1.8 crore. The EBITDA margin for the quarter increased to 28.6%, as compared with 19.9% in the corresponding quarter last year. The rise in EBITDA margin was as a result of lower other expenditure, which stood at 71.4% of net sales in Q2FY14, as compared with 80.1% in Q2FY13. The company reported an adjusted net profit of Rs.0.3 crore (down 76% y-o-y) in Q2FY14, as compared with Rs.1.0 crore in Q2FY13. The net profit margin stood at 4.2% for the quarter, down 427 bps y-o-y.

During H1FY14, the company reported 31.5% y-o-y decrease in net sales to Rs 11.3 crore. EBITDA for H1FY14 witnessed 8.9% y-o-y decrease to Rs 3.6 crore. EBITDA margin increased by 791bps to 31.8%. Net profit decreased by 56% to Rs 0.6 crore.

VSL is trading at 1.8 times 12 months trailing EPS as on December 12, 2013.

Annual financial snapshot

Income statement	FY11	FY12	FY13
Net sales (Rs. crore)	17.3	25.1	50.6
Growth in net sales (%)	4.3	45.4	101.9
Per share data (Rs.)			
Adjusted BVPS	22.8	23.7	29.6
Diluted EPS*	0.2	(4.5)	3.9
Key financial ratios			
EBITDA margin (%)	39.9	7.9	17.2
Adjusted PAT margin (%)	1.2	NM	7.2
RoCE (%)	0.7	NM	11.1
RoE (%)	1.0	4.0	14.7
Net debt to equity	0.4	0.0	(0.1)
Interest coverage (times)	5.3	NM	19.8

Source: BSE, Capitaline and CARE Research

Quarterly financials	Q2 FY14	Q2 FY13	Q1 FY14	Growth	Growth
				Y-o-Y (%)	Q-o-Q (%)
Income statement (Rs. crore)					
Total income	6.2	12.5	5.1	(50.6)	20.9
Net sales	6.2	12.5	5.1	(50.6)	20.9
EBITDA	1.8	2.5	1.8	(28.9)	(3.3)
Depreciation and amortisation	1.4	1.1	1.4	31.2	-
EBIT	0.3	1.4	0.4	(75.7)	(15.0)
Interest	0.1	0.1	-	(16.7)	NM
PBT	0.3	1.3	0.4	(79.1)	(30.0)
Ordinary PAT	0.3	1.0	0.3	(76.0)	(16.7)
Adjusted PAT	0.3	1.0	0.3	(76.0)	(16.7)
Per share data (Rs.)					
Diluted EPS*	0.3	1.1	0.3	(76.0)	(16.7)
Profitability ratio (%)					
EBITDA margin	28.6	19.9	35.8		
Adjusted PAT margin	4.0	8.3	5.9		

Source: BSE, Capitaline and CARE Research

NM: Non Meaningful

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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