

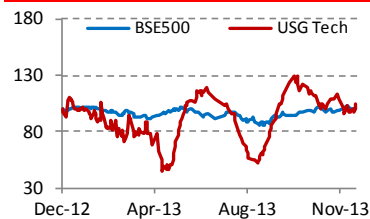
USG Tech Solutions Ltd.

Market data

Current price*	Rs 12.6 (BSE)
Market cap *	Rs 496.4 m
Face value	Rs 10
BSE Code	532402
No. of shares	39.4 m
Free float	93.8%
52 week H/L*	Rs 15.5/5.3

*as on 20th Dec 13

Rs 100 invested is now worth



Shareholding (Sep-2013)

Category	(%)
Promoters	6.2
DII's	1.2
FII's	0.0
Others	92.6
Total	100.0

Report prepared by

Equitymaster Agora Research Private Limited.

www.equitymaster.com

info@equitymaster.com

Quarter results overview

Result performance review

- USG Tech Solution announced its results for the quarter ended September 2013. The company's net sales improved by 12.5% on a year on year (YoY) basis.
- Its expenditure almost tripled during the September 2013 quarter as compared to the same quarter of previous year. This led to USG report operating loss of Rs 5.4 m during the quarter as compared to operating profit of Rs 1.8 m during September 2012 quarter.
- Depreciation expense was lower by 35% YoY.
- At the bottom line level, the company reported net loss of Rs 4.3 m as compared to net profit of Rs 0.5 m during the same quarter of the previous year.

Quarter result comparison snapshot

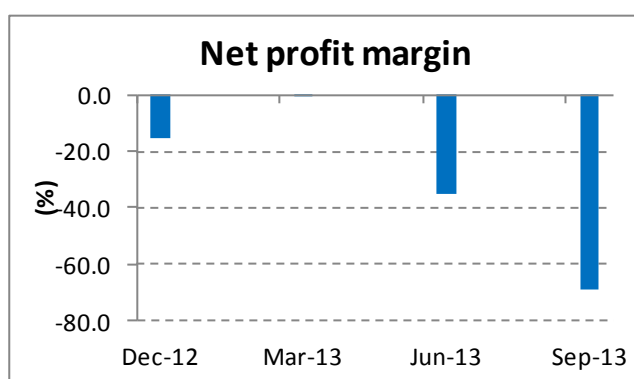
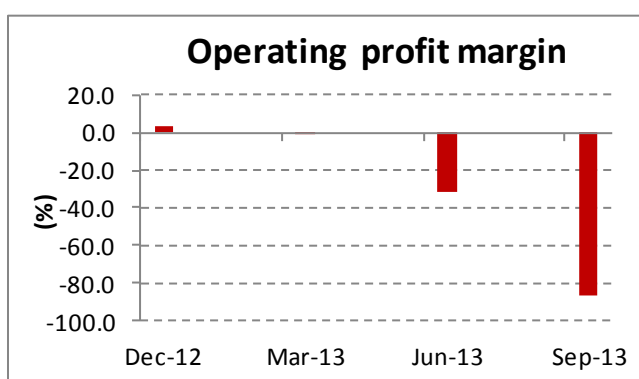
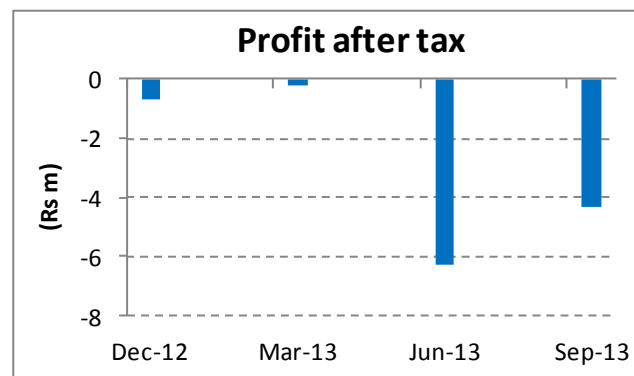
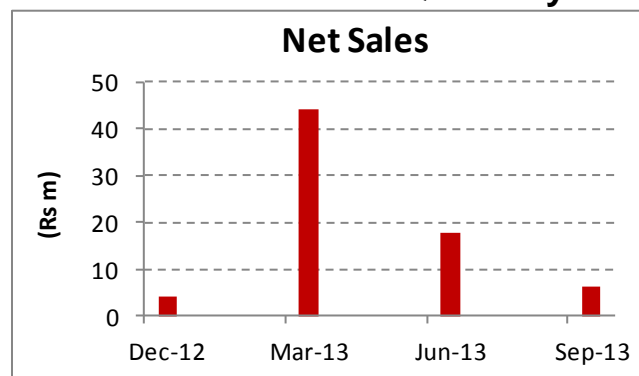
Rs m	Sep-12	Jun-13	Sep-13	QoQ ch	YoY ch
Net Sales	5.6	17.8	6.3	-64.6%	12.5%
Other income	0.5	0.4	2.3	475.0%	360.0%
Total Income	6.1	18.2	8.6	-52.7%	41.0%
Expenses	3.9	23.4	11.7	-50.0%	200%
Operating profit	1.8	-5.5	-5.4	-1.8%	-400%
Depreciation	1.7	1.1	1.1	0.0%	-35.3%
Interest	0.1	0.1	0.1	0.0%	0.0%
Profit before tax	0.5	-6.3	-4.3	-31.7%	-960%
Tax	0.0	0.0	0.0	NA	NA
Profit after tax	0.5	-6.3	-4.3	-31.7%	-960%
Operating profit margin	32.1%	-31.1%	-86.5%		
Effective tax rate	0.0%	0.0%	0.0%		
Net profit margin	8.9%	-35.4%	-68.7%		
Diluted EPS	0.0	-0.2	-0.1		

Note: Quarter results exclude extraordinary / exceptional items | Wherever the results are consolidated we have taken consolidated numbers else standalone. NA = Not applicable

Current valuation

The company's stock trades at Rs 12.6 per share. Its trailing twelve months earnings stood negative, hence its P/E ratio is not meaningful.

Quarterly financial trend charts



Important Message from Equitymaster:

- This report has been prepared exclusively for the BSE Investor Protection initiative.
- The data for this report has been sourced primarily from the company's Annual Report and other publicly available information.
- Equitymaster did not meet the management of this company in person.
- Equitymaster insists that it makes no recommendation by way of presenting this report.
- The only purpose of this report is to make available publicly information on the company to readers in a format that is easy to understand

© Equitymaster Agora Research Private Limited. All rights reserved.

Disclaimer:

The information contained in this document has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. This document does not contain any views or opinions of Equitymaster and all such information is provided 'as is' without any warranty of any kind, and Equitymaster makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. This document should not be construed as an offer to sell or solicitation of an offer to buy any security in any jurisdiction. Equitymaster and its affiliates, its directors, analyst and employees will not be responsible for any loss or liability incurred to any person as a consequence of his or any other person on his behalf taking any investment decisions based on this document. Equitymaster and its affiliates and their officers and their employees may or may not hold any securities mentioned herein. Equitymaster and its affiliates may from time to time, have a consulting relationship with a company being reported upon.