

22 June 2016

CMP: Rs.2.6

Industry: IT

BSE group: XD

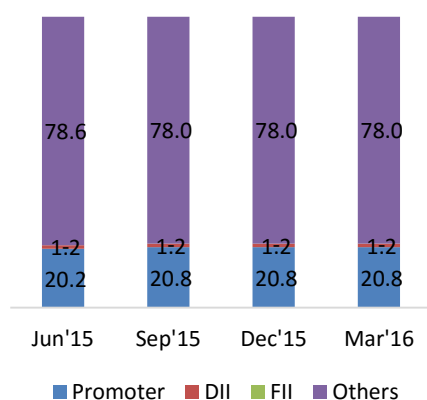
Promoters

Private (Indian)

Key Data (as on 13 June 2016)

BSE	532402
ISIN	INE718B01017
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	106.4
Current P/E	100.4
Current P/BV	0.3
52 week low-high	3.04-2.04
30 days avg daily trading volume	433
Equity capital (Rs mn)	394.1
Net worth (Rs mn)	425.6

Shareholding Pattern (%)



Write to us at:

equity.research@outlook.com

Company business

USG Tech Solution Limited (USG Tech) provides a single avenue for payment processing system by bringing together merchants, banks, financial institutions, corporate companies and other modes of transaction activities on a single platform. USG Tech's strategic solutions are capable of communicating across broadband, GPRS, Wi-Fi and dial-up along with supporting several third-party VAA's (Value Added Applications).

Financials

Particulars (Rs in mn)	Jan '16 to Mar '16	Jan '15 to Mar '15	% Change ¹	Oct '15 to Dec '15	% Change ²
Total income	5.5	7.4	(25.5%)	6.7	(17.2%)
Total operating expenditure	2.8	2.1	33.8%	5.2	(47.1%)
EBIDTA	2.8	5.4	(48.4%)	1.4	91.7%
EBIDTA margin	49.9%	72.1%	-	21.6%	-
PBT	1.2	4.8	(74.2%)	0.3	373.1%
PAT	1.2	4.8	(74.2%)	0.3	373.1%
PAT margin	22.2%	64.2%	-	3.9%	-
EPS	0.0	0.1	(75.0%)	0.0	354.8%

¹ compared to corresponding quarter in the previous year ² sequential comparisons

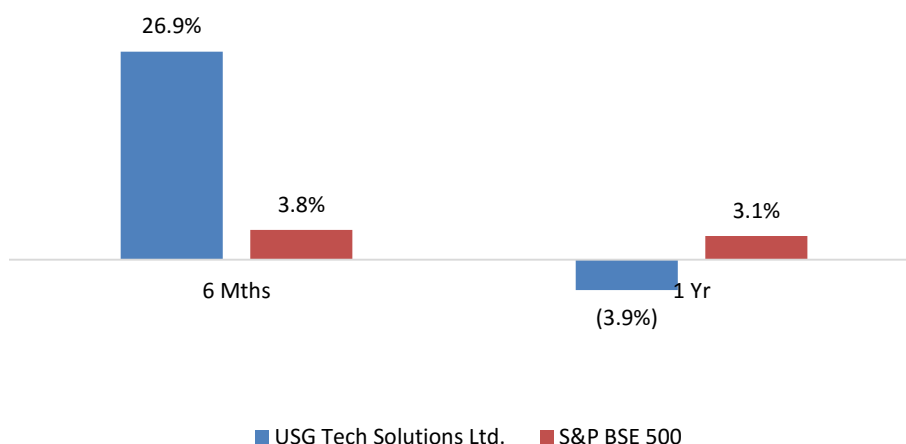
Source: ACE Equity, Company

Financial Performance

For the quarter ended 31 March 2016, total income of the company decreased 25.5% y-o-y to Rs.5.5 mn from Rs.7.4 mn. The company's PAT decreased to Rs.1.2 mn from Rs.4.8 mn over the corresponding period.

On a sequential basis, total income of the company decreased by 17.2% to Rs.5.5 mn from Rs. 6.7 mn. The company posted a PAT of Rs. 0.3 mn in the previous quarter.

Share Price Performance



■ USG Tech Solutions Ltd.

■ S&P BSE 500

Financials

P&L (Rs. mn)	FY13	FY14	FY15
Total income	64.5	33.6	17.7
EBIDTA	7.4	4.0	3.4
EBIDTA margin	11.4%	11.9%	19.4%
Depreciation	6.6	3.9	3.7
EBIT	0.8	0.1	(0.3)
Interest	0.3	0.2	0.0
PBT	0.5	(0.1)	(0.3)
Tax	0.2	(0.1)	(0.5)
PAT	0.3	0.0	0.2
PAT Margin	0.5%	0.1%	1.0%
Dividend	-	-	-
Dividend Payout	-	-	-

Balance Sheet (Rs. mn)	FY13	FY14	FY15
Share Capital	339.6	394.1	394.1
Share Application Money Pending allotment	54.5	-	-
Reserves & Surplus	29.9	29.9	30.1
Net worth	424.0	424.1	424.2
Borrowings	31.8	105.2	77.3
Current Liabilities & Provisions	159.4	7.7	5.5
Total liabilities	615.2	537.1	507.0
Net fixed assets	12.2	7.9	6.2
Capital WIP	17.6	17.6	17.6
Investments	119.7	162.0	173.7
Inventories	4.0	7.3	7.3
Sundry Debtors	229.5	136.6	126.8
Cash & Bank	7.4	5.9	3.1
Other Current Assets	1.5	1.7	1.6
Loans and Advances	223.1	197.8	170.2
Miscellaneous Expenses not w/off	1.8	1.6	1.4
Deferred Tax Assets/(Liabilities)	(1.5)	(1.3)	(0.9)
Total assets	615.2	537.1	507.0

Cash Flow (Rs.mn)	FY13	FY14	FY15
PBT	0.5	(0.1)	(0.3)
CF from Operation	(56.7)	(66.1)	4.6
CF from Investment	(75.2)	(17.1)	14.2
CF from Financing	109.8	81.7	(21.5)
Inc/(dec) Cash	(22.1)	(1.5)	(2.7)
Closing Balance	7.4	5.9	3.2

Disclaimer

The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Our company shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation which may affect their investment in the securities of companies referred to in this document (including the merits and risks involved). The discussions or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information.