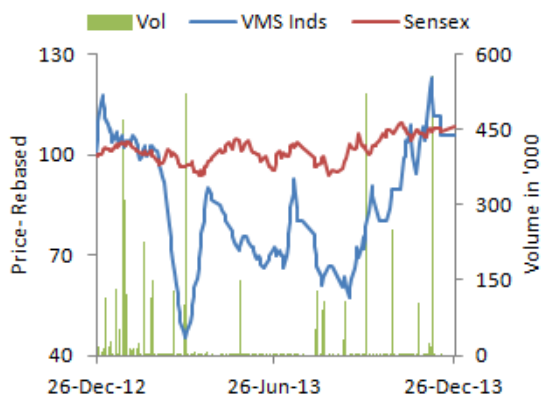


December 26, 2013

CMP	Rs. 36.6
BSE Code	533427
BSE ID	VMS
High/Low 1Y (Rs)	42.5 / 15.7
Average Volume (3M)	24,387
Market Cap Full/Free	60 / 27
Float (Rs. Cr)	

Shareholding %	Sep-13	Jun-13
Promoters	56.61	56.61
FII	-	-
DII	-	-
Public & Others	43.39	43.39

**Stock Chart ( Relative to Sensex)**


Stock Performance (%)	1M	6M	1Yr
VMS Inds	-1.2	48.9	5.9
Sensex	3.2	11.6	8.5

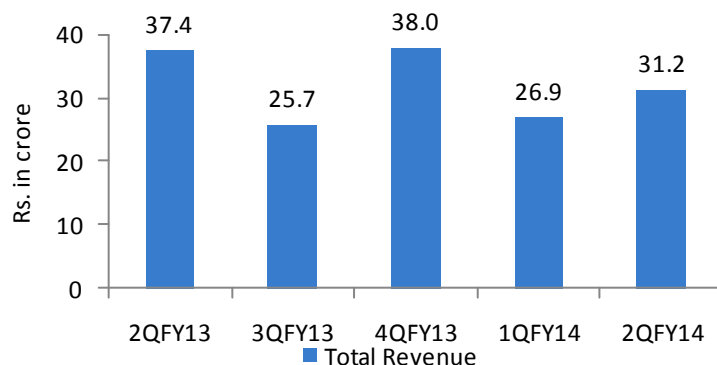
Financials	2QFY14	2QFY13	Y-o-Y
Revenue	31.2	37.4	-16.7%
EBITDA	0.5	0.5	10.2%
Net Profit	0.1	0.0	111.6%
EPS (Diluted)	0.06	0.03	-
EBITDA Margin	1.6%	1.2%	-
Net Profit Margin	0.3%	0.1%	-

Common size Analysis	2QFY14	2QFY13	TTM
COGS / TR	70.4%	91.8%	84.2%
Emp. Cost / TR	0.9%	1.1%	1.0%
Other Exp / TR	27.1%	5.9%	11.3%
Interest / TR	0.6%	0.3%	1.1%

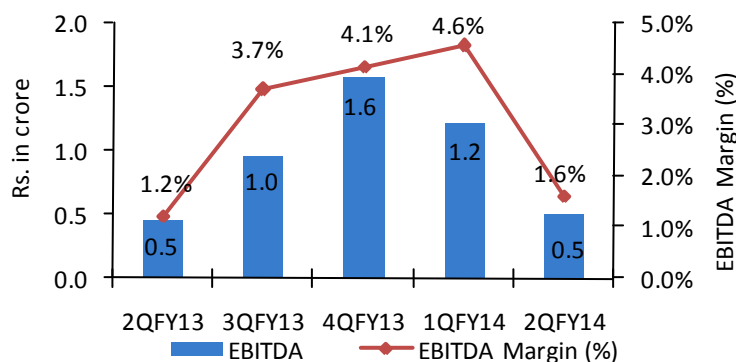
Financials are on a standalone basis. All figures in Rs. crore except for per share data  
 TR stands for Total Revenue

**Quarter Review- Sep' FY14**
**Total revenue fell on a Y-o-Y basis but gained on a Q-o-Q basis**

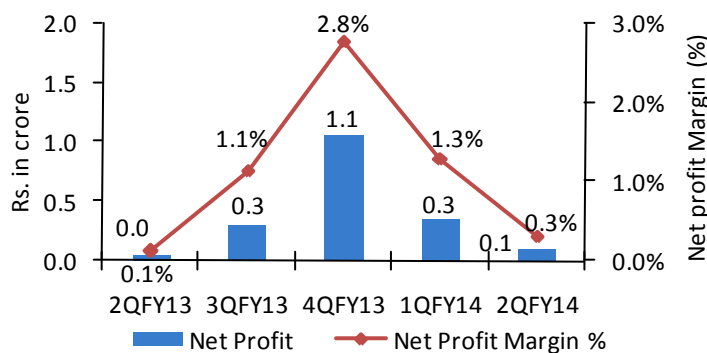
The company reported total revenue of Rs. 31.2 crore for 2QFY14 against Rs. 37.4 crore a year ago, down 16.7%. However, on a Q-o-Q basis, it gained by 15.8%.


**EBITDA Margin witnessed a tepid growth on a Y-o-Y basis**

The EBITDA Margin stood at 1.6% in 2QFY14 compared to 1.2% in 2QFY13. Fall in Cost of Goods Sold and employee cost outweighed rise in other operating expenses as a part of total revenue, resulting in rise of operating margin on an annual basis.


**Net Profit Margin inched up (Y-o-Y)**

The Net Profit Margin inched up during the quarter following marginal rise in operating profit margin. Fall in depreciation cost outweighed the rise in financial charges as a part of total revenue, which further supported the margin.



**Summary Financials\***

Particulars (Rs. crore)	2QFY14	2QFY13	1QFY14	Y-o-Y %	Q-o-Q %	TTM	FY13	FY12
Net Sales	30.3	36.4	25.7	-16.7%	18.1%	117.8	127.1	116.4
Other Op. Revenue	0.9	1.1	1.3	-16.9%	-30.8%	4.1	4.3	3.6
<b>Total Revenue</b>	<b>31.2</b>	<b>37.4</b>	<b>26.9</b>	<b>-16.7%</b>	<b>15.8%</b>	<b>121.9</b>	<b>131.4</b>	<b>120.0</b>
Cost of Goods Sold	(22.0)	(34.4)	(24.2)	-36.1%	-9.3%	-102.6	-117.7	-105.6
<b>Gross Profit</b>	<b>9.2</b>	<b>3.1</b>	<b>2.7</b>	<b>201.5%</b>	<b>240.2%</b>	<b>19.3</b>	<b>13.7</b>	<b>14.5</b>
Employee Costs	(0.3)	(0.4)	(0.2)	-32.4%	18.7%	-1.2	-1.6	-1.6
Other Expenditure	(8.4)	(2.2)	(1.3)	283.7%	571.6%	-13.8	-8.5	-9.2
<b>EBITDA</b>	<b>0.5</b>	<b>0.5</b>	<b>1.2</b>	<b>10.2%</b>	<b>-58.8%</b>	<b>4.3</b>	<b>3.7</b>	<b>3.7</b>
Depreciation	(0.1)	(0.3)	(0.1)	-63.6%	1.6%	-0.6	-1.0	-0.8
<b>EBIT</b>	<b>0.4</b>	<b>0.2</b>	<b>1.1</b>	<b>145.2%</b>	<b>-64.5%</b>	<b>3.7</b>	<b>2.7</b>	<b>2.9</b>
Interest	(0.2)	(0.1)	(0.7)	80.2%	-71.4%	-1.3	-0.8	-0.9
Other Income	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Exceptional Items	0.0	0.0	0.0	-	-	0.0	0.0	0.0
<b>Profit before Tax</b>	<b>0.2</b>	<b>0.1</b>	<b>0.4</b>	<b>279.2%</b>	<b>-53.6%</b>	<b>2.3</b>	<b>1.9</b>	<b>2.0</b>
Income Tax	(0.1)	(0.0)	(0.1)	\$	26.8%	-0.5	-0.3	-0.6
<b>Profit after Tax</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>111.6%</b>	<b>-73.1%</b>	<b>1.8</b>	<b>1.6</b>	<b>1.4</b>
Extra Ordinary Items	0.0	0.0	0.0	-	-	0.0	0.0	0.0
<b>Net Profit</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>111.6%</b>	<b>-73.1%</b>	<b>1.8</b>	<b>1.6</b>	<b>1.4</b>
Rep. Basic EPS	0.06	0.03	0.21	-	-	1.08	0.96	0.67
Rep. Diluted EPS	0.06	0.03	0.21	-	-	1.08	0.96	0.67
Equity Capital	16.5	16.5	16.5	-	-	16.5	16.5	16.5
Face value	10	10	10	-	-	10	10	10

Source: Company Financials, ICRA Online Research TTM-Trailing twelve months \* All figures are on standalone basis

PL: Profit to loss, LP: Loss to profit NA-De-growth due to loss in both the year; \$: Percent Change is huge due to base effect.

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