

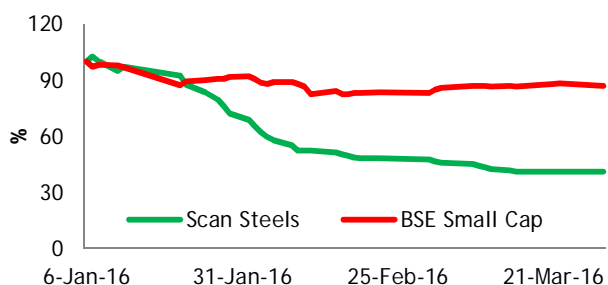


May 25, 2016

CMP	₹ 16.5
BSE Code	511672
BSE ID	SCANSTL
52wk High/Low (₹)	56.70/13.38
Average Volume (3M) [§]	27,741
Market Cap (₹ Crore)	80.5

Shareholding - Mar 2016	No.	%
Promoters	2,51,81,985	51.60
FII's	0	0.00
DII's	0	0.00
Public & Others	2,36,23,645	48.40

Stock Chart As on March 31, 2016



Common Size Analysis (%)	Q4 FY16	Q4 FY15	Q3 FY16
Cost of Material/TR	63.3	79.6	93.8
Employee Cost/TR	2.8	3.2	3.3
Other Expenses/TR	15.1	17.5	13.1
Interest Cost/TR	5.0	8.6	9.7

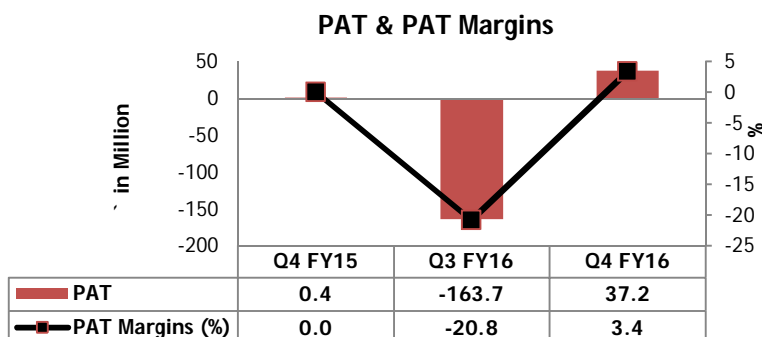
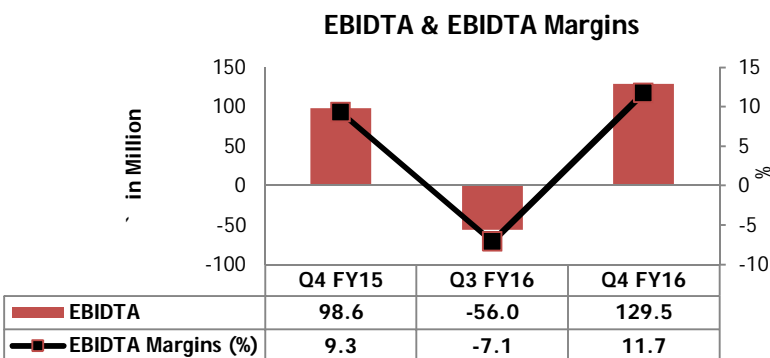
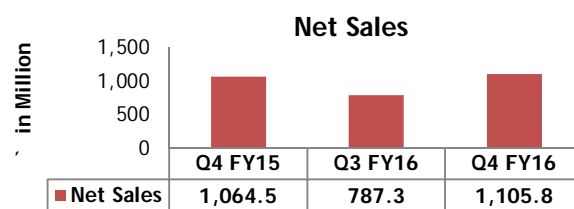
Valuation Ratios	
P/E (TTM) (x)	0.00
P/BV (TTM) (x)	0.37
EPS (Q4 FY16)	₹ (5.02)

Financial Ratios	%
EBIDTA Margin	11.7
PAT Margin	3.4
Impact Cost [^]	-

Financials and Ratios are on Standalone basis
 TR stands for Total Revenue
 TTM stands for trailing twelve months
[^]Source: BSE, for May, 2016
 § - Average Volumes (Total Shares traded) for 3 Months

Q4 FY16 Analyst's Review

- Net Sales rose by 3.9% on a y-o-y basis to Rs. 1,105.8 million in Q4 FY16 from Rs. 1,064.5 million in Q4 FY15. It increased by 40.5% on a q-o-q basis from Rs. 787.3 million in Q3 FY16. Net Sales for the FY16 fell by 21.1% on y-o-y basis to Rs. 3,530.9 million from Rs. 4,475.5 million in FY15.
- Operating Profit increased by 31.3% on y-o-y basis to Rs. 129.5 million in Q4 FY16 from Rs. 98.6 million in Q4 FY15. The increase in Operating Profit can be attributed to higher sales & lower expenses. In line with performance at Operating level, PAT stood higher at Rs. 37.2 million in Q4 FY16 from Rs. 0.4 million in Q4 FY15.
- The Company allotted on Preferential Basis 80,00,000 Share Warrants convertible into Equity Shares of Face Value of Rs. 10 each of the Company at an Exercise Price of Rs. 50 (including a premium of Rs. 40) per Equity Share, in its Board Meeting held on 14th October, 2015 the allottees had exercised such power to convert 19,46,665 Number of Warrants into equity shares in the Board Meeting held on 8th August, 2016 & 26th February, 2016 respectively.
- State Bank of India, being the leader of consortium of banks, has treated its lending facilities to the company as Non-Performing Asset on 28th November, 2015. The reasons for non honouring commitments were insufficient cash flows due to drastic reduction in prices of steel products, cheaper imports to India and slowdown of global economy. As a result, interest on such loan of Rs. 800 million has not been provided in the financial statement for the period from 20th December, 2015 to 31st March, 2016 which has thus, impacted the profitability for the year under reporting, the said figure not being determinable as of now. Further, in relation to this one more banker has classified the lending facilities of Rs. 58.4 million as non-performing.




Financial Snapshot

Particulars	Standalone Financials (` In Millions)				
	Q4 FY 2016	Q4 FY 2015	Q3 FY 2016	y-o-y (%)	q-o-q (%)
Income Statement					
Net Sales / Income from Operations	1,105.8	1,064.5	787.3	3.9	40.5
Expenses					
Cost of material consumed	700.4	847.4	738.8	-17.3	-5.2
Change in Inventories	78.9	(101.6)	(24.5)	-177.7	-422.0
Employee Benefit Expenses	30.5	34.2	25.6	-10.8	19.1
Administrative, Manufacturing, Selling & Other Expenses	166.5	185.9	103.4	-10.4	61.0
EBIDTA	129.5	98.6	-56.0	31.3	-331.3
Depreciation & Amortization	35.3	-11.3	29.9	-412.4	18.1
Finance Costs / Interest Expense	55.1	92.0	76.5	-40.1	-28.0
Other Income	3.8	5.0	2.9	-24.0	31.0
Profit After Tax (PAT)	37.2	0.4	-163.7	9,200.0	-122.7
Key Ratios - Income Statement					
EBIDTA Margin (%)	11.7	9.3	-7.1	-	-
PAT Margins (%)	3.4	0.0	-20.8	-	-
Adjusted EPS	-5.02	0.01	-3.49	-	-

Source: Capitaline Database; Company Financials

About Us

LOTUS KNOWLWEALTH (LKW) is a **Knowledge** based company that commenced business in 1990. LKW is engaged primarily in **CAPITAL MARKET RESEARCH, INVESTMENT ADVISORY and STRATEGY services.**

GURUKSHETRA is the Research and Training arm of Lotus Knowlwealth.

LKW Investment Advisers is the **SEBI registered Investment Advisory arm of LKW.**

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Disclosure

This report has been prepared for the BSE Investor Protection initiative and all the data for this report has been sourced primarily from publicly available documents and information. LKW asserts that it makes no Investment Recommendation through the medium of this Report.

Furthermore, each member of the team involved in the preparation of this report, hereby affirms that there exists no conflict of interest.