

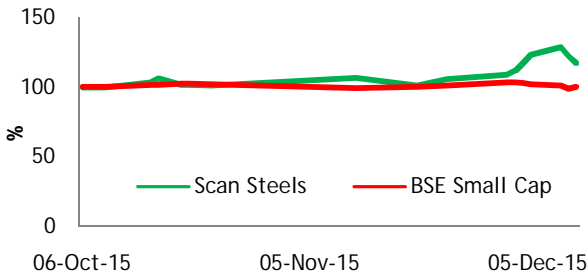


March 3, 2016

<b>CMP</b>	₹ 16.55
BSE Code	511672
BSE ID	SCANSTL
52wk High/Low (₹)	56.70/16.55
Average Volume (3M) <sup>s</sup>	757
Market Cap (₹ Crore)	80.8

Shareholding - Dec 2015	No.	%
Promoters	2,51,81,985	53.74
FII's	0	0.00
DII's	0	0.00
Public & Others	2,16,76,980	46.26

**Stock Chart** As on December 31, 2015



Common Size Analysis (%)	Q3 FY16	Q3 FY15	Q2 FY16
Cost of Material/TR	93.8	64.3	92.6
Employee Cost/TR	3.3	1.7	3.9
Other Expenses/TR	13.1	12.9	17.7
Interest Cost/TR	9.7	7.5	10.6

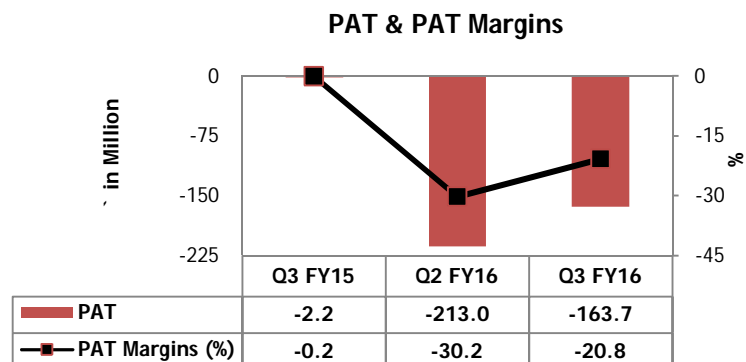
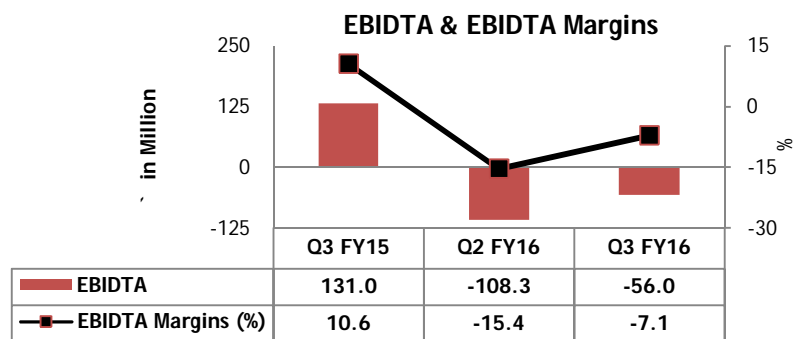
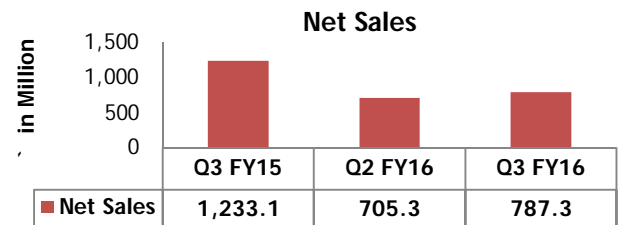
Valuation Ratios	
P/E (TTM) (x)	0.00
P/BV (TTM) (x)	0.33
EPS (Q3 FY16)	₹ (3.49)

Financial Ratios	%
EBIDTA Margin	(7.1)
PAT Margin	(20.8)
Impact Cost <sup>^</sup>	-

Financials and Ratios are on Standalone basis  
TR stands for Total Revenue  
TTM stands for trailing twelve months  
<sup>^</sup>Source: BSE, for March, 2016  
\$ - Average Volumes (Total Shares traded) for 3 Months

**Q3 FY16 Analyst's Review**

- Net Sales fell by 36.2% on a y-o-y basis to Rs. 787.3 million in Q3 FY16 from Rs. 1,233.1 million in Q3 FY15. It increased by 11.6% on a q-o-q basis from Rs. 705.3 million in Q2 FY16.
- Material Cost forming 93.8% of Net Sales decreased by 6.8% y-o-y to Rs. 738.8 million in Q3 FY16 from Rs.792.4 million in Q3 FY15. Employee Benefit Expenses increased to Rs. 25.6 million in Q3 FY16 from Rs. 20.7 million in Q3 FY15. Other Expenses decreased by 34.9% on a y-o-y basis to Rs. 103.4 million in Q3 FY16 from Rs. 158.8 million in Q3 FY15.
- Operating Loss stood at Rs.56 million in Q3 FY16 as compared to an Operating Profit of Rs. 131 million in Q3 FY15. Net Loss stood at Rs.163.7 million in Q3 FY16 as against a Net Loss of Rs. 2.2 million in Q3 FY15.
- The Company allotted 80,00,000 Warrants convertible into Equity Shares of face value of Rs. 10 each to other than Promoters for cash at an issue price of Rs. 50 each (including premium of Rs. 40).The allottees exercised power to convert 9,06,666 and 15,99,999 number of warrants into equity shares.
- State Bank of India, being the leader of consortium, has treated its lending facilities to the company as Non-Performing Asset on 28<sup>th</sup> November, 2015. The reasons for non honoring 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 28<sup>th</sup> November, 2015 to 31<sup>st</sup> December, 2015 which has thus, impacted the profitability for the quarter under reporting.




**Financial Snapshot**

Particulars	Standalone Financials ( In Millions)				
	Q3 FY 2016	Q3 FY 2015	Q2 FY 2016	y-o-y (%)	q-o-q (%)
<b>Income Statement</b>					
<b>Net Sales / Income from Operations</b>	787.3	1,233.1	705.3	-36.2	11.6
<b>Expenses</b>					
Cost of material consumed	738.8	792.4	652.9	-6.8	13.2
Change in Inventories	(24.5)	130.2	8.2	-118.8	-398.9
Employee Benefit Expenses	25.6	20.7	27.4	23.7	-6.6
Administrative, Manufacturing, Selling & Other Expenses	103.4	158.8	125.1	-34.9	-17.3
<b>EBIDTA</b>	<b>-56.0</b>	<b>131.0</b>	<b>-108.3</b>	-142.7	-48.3
Depreciation & Amortization	29.9	47.1	29.9	-36.5	0.0
Finance Costs / Interest Expense	76.5	92.7	74.7	-17.5	2.4
Other Income	2.9	5.6	3.0	-48.2	-3.3
<b>Profit After Tax (PAT)</b>	<b>-163.7</b>	<b>-2.2</b>	<b>-213.0</b>	7,340.9	-23.1
<b>Key Ratios - Income Statement</b>					
EBIDTA Margin (%)	-7.1	10.6	-15.4	-	-
PAT Margins (%)	-20.8	-0.2	-30.2	-	-
<b>Adjusted EPS</b>	-3.49	-0.06	-4.80	-	-

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.**

**Contact Us**

Email: [enquiry@lotusknowlwealth.com](mailto:enquiry@lotusknowlwealth.com)

Tel: 022- 4010 5482 | 4010 5483

Website: [www.lkwindia.com](http://www.lkwindia.com)

**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.