

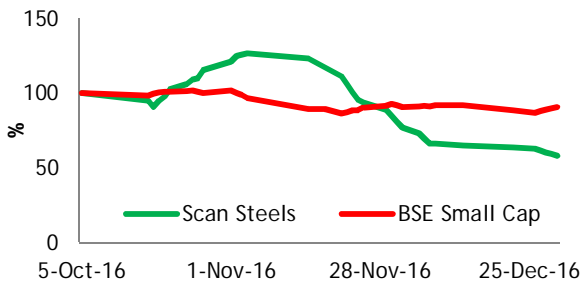


March 3, 2017

CMP	₹ 8.58
BSE Code	511672
BSE ID	SCANSTL
52wk High/Low (₹)	30.00/8.58
Average Volume (3M) ^s	14,961
Market Cap (₹ Crore)	43.4

Shareholding - Dec 2016	No.	%
Promoters	2,51,81,985	49.83
FIIIs	0	0.00
DIIIs	0	0.00
Public & Others	2,53,56,978	50.17

Stock Chart As on December 31, 2016



Common Size Analysis (%)	Q3 FY17	Q3 FY16	Q2 FY17
Cost of Material/TR	68.6	93.8	76.6
Employee Cost/TR	3.1	3.3	3.7
Other Expenses/TR	18.2	13.1	22.0
Interest Cost/TR	3.0	9.9	3.5

Valuation Ratios	
P/E (TTM) (x)	0.00
P/BV (TTM) (x)	0.17
EPS (Q3 FY17)	₹ (0.18)

Financial Ratios	%
EBIDTA Margin	6.8
PAT Margin	(1.0)
Impact Cost [^]	-

Financials and Ratios are on Standalone basis

TR stands for Total Revenue

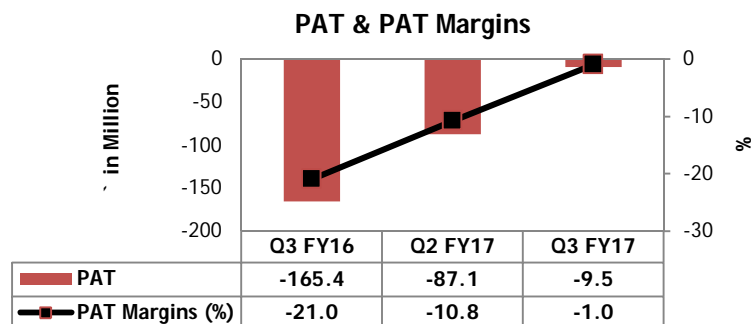
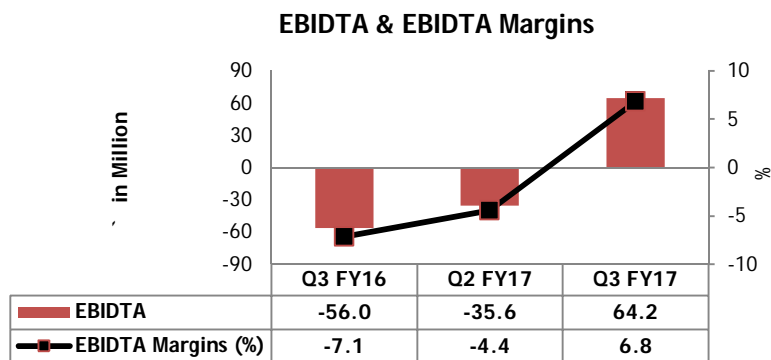
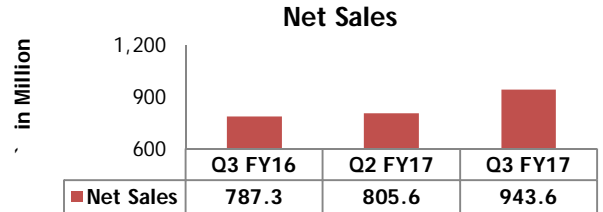
TTM stands for trailing twelve months

[^]Source: BSE, for March, 2017

\$ - Average Volumes (Total Shares traded) for 3 Months

Q3 FY17 Analyst's Review

- Net Sales rose by 19.9% on a y-o-y basis to Rs. 943.6 million in Q3 FY17 from Rs. 787.3 million in Q3 FY16. It rose by 17.1% on a q-o-q basis from Rs. 805.6 million in Q2 FY17.
- Material Cost forming 68.6% of Net Sales decreased by 12.4% y-o-y to Rs. 647.1 million in Q3 FY17 from Rs. 738.8 million in Q3 FY16. Other Expenses increased to Rs. 172.1 million in Q3 FY17 from Rs. 103.4 million in Q3 FY16. Interest Cost declined to Rs. 27.9 million in Q3 FY17 from Rs. 78.2 million in Q3 FY16. The Company reported an Operating Profit of Rs. 64.2 million in Q3 FY17 as compared to a loss of Rs. 56 million in Q3 FY16. Net Loss stood at Rs. 9.5 million in Q3 FY17 as against a loss of Rs. 165.4 million in Q3 FY16.
- 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 Q3 FY17 which has thus, impacted the profitability for the period under reporting, the said figure not being determinable as of now. Further, other consortium members such as Central Bank of India during April, 2016 and Punjab National Bank during May, 2016 have declared loan disbursed by them amounting to Rs. 58.4 million and Rs. 280 million respectively as non-performing. As a result, interest component on such loan has not been provided in the financial statement for Q3 FY17. The said figure not being determinable as of now excepting Rs. 3.3 million treated as interest expense for the month of April, 2016 in respect of loan of Punjab National Bank, the above has an impact on the profitability of the quarter under reporting.




Financial Snapshot

Particulars	Standalone Financials (` In Millions)				
	Q3 FY 2017	Q3 FY 2016	Q2 FY 2017	y-o-y (%)	q-o-q (%)
Income Statement					
Net Sales / Income from Operations	943.6	787.3	805.6	19.9	17.1
Expenses					
Cost of material consumed	647.1	738.8	617.1	-12.4	4.9
Change in Inventories	31.3	(24.5)	16.7	-227.8	87.4
Employee Benefit Expenses	28.9	25.6	30.0	12.9	-3.7
Administrative, Manufacturing, Selling & Other Expenses	172.1	103.4	177.4	66.4	-3.0
EBIDTA	64.2	-56.0	-35.6	-214.6	-280.3
Depreciation & Amortization	52.9	29.9	30.0	76.9	76.3
Finance Costs / Interest Expense	27.9	78.2	27.9	-64.3	0.0
Other Income	2.3	2.9	4.4	-20.7	-47.7
Profit After Tax (PAT)	-9.5	-165.4	-87.1	-94.3	-89.1
Key Ratios - Income Statement					
EBIDTA Margin (%)	6.8	-7.1	-4.4	-	-
PAT Margins (%)	-1.0	-21.0	-10.8	-	-
Adjusted EPS	-0.18	3.53	-1.78	-	-

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.