ISMT LIMITED
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ISMT/SEC/20-21

July 31, 2020

Listing Department
BSE Ltd
PJ Towers,
Dalal Street, Fort,
Mumbai - 400 001
Scrip Code: 532479

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G Block,
BKC, Bandra (E),
Mumbai - 400 051
Symbol: ISMTLTD

Dear Sirs,

Sub: Outcome of Board Meeting

In pursuance of the SEBI (LODR) Regulations, 2015 (Listing Regulations) please be informed that the Board of Directors at its meeting held today i.e. Friday, July 31, 2020, inter alia, considered and approved the following :

1. Requests received from members of the Ashok Kumar Jain Group, Late Promoter Director of the Company to re-classify their shareholding from Promoter to Public category.

   Please find enclosed the Extract of the Board Meeting Minutes approving the aforesaid reclassification as **Annexure-I.**

2. The Audited Financial Results (Standalone and Consolidated) for the period ended March 31, 2020.

   Please find enclosed the aforesaid results along with Auditors Reports and Statement on Impact of Audit Qualifications as **Annexure-II.**

The Board Meeting commenced at 4.30 P.M. and concluded at 8.00 P.M. on July 31, 2020.

Please take the above on your record and oblige.

Thanking you,

Yours faithfully,
For **ISMT Limited**

ISMT LIMITED PUNE

Chetan Nathani
Company Secretary
Encl.: As above

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Annexure I

EXTRACT OF THE MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF ISMT LIMITED HELD ON JULY 31, 2020

To approve Re-classification request received from Promoters/ Promoter Group of the Company

The Board was informed that the Company is in receipt of letters from following members of the Ashok Kumar Jain Group, Late Promoter Director of the Company, seeking reclassification from Promoter Category to Public Category:

Name	Category	No. of shares held	% of total shares
Ms. Tara Jain	Promoter	14,14,848	0.97
M/s. Ashok Kumar Jain (HUF)	Promoter Group	25,36,181	1.73
Ms. Aayushi Jain	Promoter Group	41,424	0.03
Mr. Akshay Jain	Promoter Group	10,313	0.01
Tulika Estate & Holdings Pvt. Ltd.	Promoter Group	5,43,023	0.37
Total		**45,45,789**	**3.11**

Request letters seeking reclassification as received from the aforesaid members were placed before the Board.

The Board was informed that Mr. Ashok Kumar Jain, Promoter Director of the Company expired on April 12, 2013. Thereafter, none of his family members were appointed as Director on the Board of Directors of the Company nor did they exercised any control over the affairs of the Company.

The Board was also informed that the aforesaid members seeking reclassification have fulfilled the conditions specified under Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Regulations) and can be reclassified into Public Category subject to approval of the Board, Shareholders and the Stock Exchanges.

The Board discussed and approved the reclassification of the aforesaid Promoters/ Promoter Group based on the fact that they do not exercise any control over the affairs of the Company nor they have any kind of special rights in the Company and are also in compliance with the conditions specified under Regulation 31A of the SEBI Regulations.

CERTIFIED TO BE TRUE
For **ISMT Limited**

Chetan Nathani
Company Secretary

ISMT LIMITED PUNE

D N V & Co. Chartered Accountants

Independent Auditors' Report on Standalone Financial Results of the Company for the quarter and year ended March 31, 2020 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
ISMT Limited

Report on the audit of the Standalone financial Results

1. Qualified Opinion

We have audited the accompanying Statement of Standalone Financial Results of ISMT Limited ("the Company"), for the quarter and year ended March 31, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in "Basis for Qualified opinion" section of our report, the Statement:

a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

2. Basis for Qualified Opinion:

a) The Company has outstanding Minimum Alternate Tax (MAT) entitlement, classified as Deferred Tax Asset as per Ind AS- 12, Income Taxes, of Rs. 82.05 Crores as on March 31, 2020. Taking into consideration the loss during the year ended March 31, 2020 and carried forward losses under the Income Tax, in our opinion, it is not probable that the MAT entitlement can be adjusted within the specified period against the future taxable profits under the provisions of Income Tax Act 1961. In view of the same, in our opinion, the MAT entitlement cannot be continued to be recognised as an asset in terms of Ind AS-12. Non-writing off of the same has resulted in understatement of loss for the quarter and year ended March 31, 2020 and overstatement of other equity by Rs.82.05 Crores and its consequential effect on the Earnings per Share of the company.

b) The Company, through its subsidiary, has invested Rs. 48.43 Crores in Structo Hydraulics AB Sweden (SHAB). Net receivables to the company from SHAB against the supplies made is Rs. 15.41 Crores. The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB and out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending for allotment. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. No provision for diminution in value of investment (including pending allotment) and net receivable against supplies is made by the company as explained in Note No.1 of the Statement. We are unable to comment on the same and ascertain its impact, if

M/s. D N V & Co. Mumbai Chartered Accountants

any, on net loss for the quarter and year ended March 31, 2020, carrying value of the investment and other equity as at March 31, 2020 in respect of the above matters.

c) The Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2020 is Rs. 39.53 Crores, against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Company had appealed to Appellate Tribunal (APTEL) against the order passed by Maharashtra Electricity Regulatory Commission (MERC) and the same has been dismissed by the APTEL. The Company has preferred appeal before the Hon'ble Supreme Court against the order of APTEL. The realization of this claim is contingent and dependent upon the outcome of the decision of the Supreme Court. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with Ind AS-37, "Provisions, Contingent liabilities and Contingent assets". Recognition of the above claim has resulted into overstatement of carrying value of non –current assets and other equity by Rs.39.53 Crores as at March 31, 2020. Refer Note No. 2(i) of the Statement.

d) The Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra for the reasons stated in Note no 2(ii) of the Statement; hence, the CPP is measured on March 31, 2020 at the carrying amount of Rs. 237.29 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the net loss for the quarter and year ended March 31, 2020, carrying value of the CPP and other equity as at March 31, 2020.

e) The Company is unable to determine the recoverable value of investment (including advances) in Tridem Port and Power Company Private Limited (TPPCL), wholly owned subsidiary company, of Rs.116.69 Crores on Balance Sheet date for the reasons stated in Note No.7 of the Statement. Hence impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the net loss for the quarter and year ended March 31, 2020, carrying value of the investment and other equity as at March 31, 2020.

f) Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from lenders, the Company has not provided for the overdue /penal interest, if any, for the reasons stated in Note No.5 of the Statement. The quantum and its impact, if any, on the net loss for the quarter and year ended March 31, 2020, carrying value of the Borrowings (i.e Financial Liabilities) and other equity as at March 31, 2020 is unascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial results.

M/s. D N V & Co. Mumbai Chartered Accountants

3. Material uncertainty Related to Going Concern

The Company has accumulated losses and its net worth has been fully eroded, the company has incurred net cash loss during the year ended March 31, 2020 and in previous years and the Company's current liabilities exceeded its current assets as at March 31, 2020. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Standalone Financial Results of the Company have been prepared on a going concern basis for the reasons stated in the Note No. 6 of the Statement

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter (s):

We draw attention to:

a) Note No.8 of the Statement, regarding remuneration to Managing Director and Executive Director amounting to Rs 0.87 Crores for the quarter ended March 31, 2020 and Rs 3.41 Crores for the year ended March 31, 2020 (Rs. 9.43 Crores cumulative up to March 31, 2020) is subject to approval of lenders.

b) Note no. 10 of the Statement, regarding the uncertainties arising out of the outbreak of COVID 19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended March 31, 2020. Such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Further, we were not able to participate in the physical verification of inventory that was carried out by the management. Consequently we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence -Specific consideration for Selected items" and have obtained sufficient appropriate evidence to issue our unmodified opinion on Statement.

Our opinion is not modified in respect of these matters.

5. Management's Responsibilities for the Standalone Financial Results

This Statement of standalone financial results have been prepared on the basis of standalone financial statements.

The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were

Mumbai
Chartered Accountants

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view andare free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

M/s. D N V & Co. Mumbai Chartered Accountants

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Other Matters:

The standalone financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For D N V & Co.
Chartered Accountants
Firm Registration No 102079W

M/s. D N V & Co. ★ Mumbai ★ Chartered Accountants

CA Bharat Jain
Partner
Membership No: 100583
UDIN: 20100583AAAADB5390

Place: Mumbai
Date: July 31, 2020

ISMT Limited
Regd. Office : Lunkad Towers , Viman Nagar, Pune 411 014, Maharashtra.
Phone : 020-41434100, Fax : 020-26630779, E-Mail : secretarial@ismt.co.in,
Web : www.ismt.com, CIN : L27109PN1999PLC016417

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Rs. in Crore

Sr. No	Particulars	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
		Refer Note No11	Unaudited	Refer Note No11	Audited	Audited
1	**Income**					
	Revenue from Operations					
	Sales of Products	**372.07**	**380.00**	**574.48**	**1,675.09**	**2,423.39**
	Less : Inter Segment Transfers	92.49	68.23	83.22	317.40	541.28
	Inter Division Transfers	12.84	15.49	21.08	78.07	86.67
	(a) Gross Sales	266.74	296.28	470.18	1,279.62	1,795.44
	(b) Other Operating Revenue	5.35	5.67	7.45	24.67	29.66
	(c) Revenue from Operations - Net (a+b)	**272.09**	**301.95**	**477.63**	**1,304.29**	**1,825.10**
	(d) Other Income	1.62	2.65	2.26	9.70	6.94
	Total Revenue - (c+d)	**273.71**	**304.60**	**479.89**	**1,313.99**	**1,832.04**
2	**Expenses**					
	(a) Cost of Materials Consumed	182.55	133.81	254.07	706.81	971.63
	(b) Changes in inventories of finished goods, work -in -progress and stock-in-trade	(66.54)	25.86	35.12	(42.71)	7.54
	(c) Employee Benefits Expense	33.03	33.71	35.40	135.07	132.84
	(d) Finance Costs	71.26	68.89	66.54	274.27	276.46
	(e) Depreciation	16.86	15.52	12.31	62.98	54.05
	(f) Other Expenses	116.85	87.90	123.43	425.79	600.16
	Total Expenses	**354.01**	**365.69**	**526.87**	**1,562.21**	**2,042.68**
3	Profit / (Loss) before exceptional item and Tax (1-2)	(80.30)	(61.09)	(46.98)	(248.22)	(210.64)
4	Exceptional items – a) Foreign Exchange (Gain) / Loss	(1.74)	(1.51)	2.37	(5.84)	(2.24)
	b) Depreciation on reclassification of assets held for sale	-	-	20.38	-	20.38
5	**Profit / (Loss) before tax (3- 4)**	**(78.56)**	**(59.58)**	**(69.73)**	**(242.38)**	**(228.78)**
6	Tax Expenses :					
	(a) Current Tax	-	-	-	-	-
	(b) Earlier Years Tax	-	(0.05)	-	(1.95)	-
	(c) Deferred Tax (Refer Note No. 4)	-	-	-	-	-
7	**Profit / (Loss) after tax (5-6)**	**(78.56)**	**(59.53)**	**(69.73)**	**(240.43)**	**(228.78)**
8	Other Comprehensive Income (net of tax)					
	(a) Items that will not be reclassified to Profit or Loss					
	Gain on Remeasurement of Defined Benefit Plan	(1.77)	(0.31)	(0.25)	(2.69)	(0.84)
	(b) Items that will be reclassified to Profit or Loss	-	-	-	-	-
9	Other Comprehensive Income (Net of tax)	(1.77)	(0.31)	(0.25)	(2.69)	(0.84)
10	**Total Comprehensive Income for the period (7+9)**	**(80.33)**	**(59.84)**	**(69.98)**	**(243.12)**	**(229.62)**
	Profit / (Loss) attributable to :					
11	Paid-up Equity Share Capital (Face Value of Rs. 5/- per share)	73.25	73.25	73.25	73.25	73.25
12	Reserves Excluding Revaluation Reserve	-	-	-	(1,329.43)	(1,089.45)
13	Earnings per share					
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(5.36)	(4.06)	(4.76)	(16.41)	(15.62)

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ISMT Limited

SEGMENT WISE STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020.

Rs. in Crore

Sr No	Particulars	Quarter ended			Year ended	
		March 31, 2020	Dec. 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Ref Note No 11	Unaudited	Ref Note No 11	Audited	Audited
1	**Segment Revenue**					
	a) Gross Sales – **Tube**	194.91	252.84	404.52	1,059.55	1,403.88
	Less : Inter Division	12.84	15.49	21.08	78.07	86.67
	Sub total	**182.07**	**237.35**	**383.44**	**981.48**	**1,317.21**
	b) Gross Sales – **Steel**	177.16	127.16	169.96	615.54	1,019.51
	Less : Inter Segment	92.49	68.23	83.22	317.40	541.28
	Sub total	**84.67**	**58.93**	**86.74**	**298.14**	**478.23**
2	**Total Segment Revenue**	**266.74**	**296.28**	**470.18**	**1,279.62**	**1,795.44**
	Segment Results					
	Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items,Unallocable income (net) and Tax.					
	a) Tube	(5.64)	11.14	20.53	32.78	48.53
	b) Steel *	(2.57)	(3.57)	(2.48)	(6.90)	13.57
	Total	(8.21)	7.57	18.05	25.88	62.10
	Less : Finance Costs	71.26	68.89	66.54	274.27	276.46
	: Exceptional items - Foreign Exchange (Gain) / Loss	(1.74)	(1.51)	2.37	(5.84)	(2.24)
	: Depreciation on reclassification of assets held for sale	-	-	20.38	-	20.38
	Add : Unallocable Income (Net of Unallocable Expenses)	(0.83)	0.23	1.51	0.17	3.72
	Total Profit / (Loss) Before Tax	**(78.56)**	**(59.58)**	**(69.73)**	**(242.38)**	**(228.78)**
	Less : Tax Expenses					
	Current Tax	-	-	-	-	-
	Earlier years Tax	-	(0.05)	-	(1.95)	-
	Deferred Tax (Refer Note No.4)	-	-	-	-	-
3	**Total Profit / (Loss) After Tax**	**(78.56)**	**(59.53)**	**(69.73)**	**(240.43)**	**(228.78)**
	Capital Employed					
	Segment Assets					
	a) Tube	1,370.61	1,388.63	1,463.96	1,370.61	1,463.96
	b) Steel	428.77	367.71	393.00	428.77	393.00
	c) Unallocable	631.92	692.77	613.31	631.92	613.31
	Total Assets	**2,431.30**	**2,449.11**	**2,470.27**	**2,431.30**	**2,470.27**
	Segment Liabilities					
	a) Tube	113.18	126.97	120.69	113.18	120.69
	b) Steel	64.83	52.81	59.72	64.83	59.72
	c) Unallocable	3,315.49	3,251.20	3,108.94	3,315.49	3,108.94
	Total Liabilities	**3,493.50**	**3,430.98**	**3,289.35**	**3,493.50**	**3,289.35**

*Includes profit on steel captively consumed by Tube Segment.

M/S. D N V & Co. Mumbai Chartered Accountants

ISMT LIMITED

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Rs. In Crore

	Particulars	As at March 31, 2020 Audited	As at March 31, 2019 Audited
A	**ASSETS**		
1	**Non - Current Assets**		
	a) Property, Plant and Equipment	1,341.87	1,359.58
	b) Capital Work-in-Progress	5.91	2.74
	c) Financial Assets		
	i) Investments	200.23	199.62
	ii) Trade Receivables	-	-
	iii) Loans	15.67	16.00
	iv) Other Financial Assets	7.56	8.27
	d) Deferred Tax Asset (Net)	82.05	82.05
	e) Other Non Current Assets	46.50	49.18
	Sub Total	**1,699.79**	**1,717.44**
2	**Current Assets**		
	a) Inventories	379.00	340.98
	b) Financial Assets		
	i) Trade Receivables	238.10	295.04
	ii) Cash and Cash Equivalents	28.03	30.02
	iii) Bank Balance Other than (ii) above	27.08	13.48
	iv) Loans	1.15	1.14
	v) Other Financial Assets	1.08	0.91
	c) Current Tax Assets (Net)	1.90	4.16
	d) Other Current Assets	55.17	67.10
	Sub Total	**731.51**	**752.83**
	Total Assets	**2,431.30**	**2,470.27**
B	**EQUITY AND LIABILITIES**		
	EQUITY		
	a) Equity Share Capital	73.25	73.25
	b) Other Equity	(1,135.45)	(892.33)
	Total Equity	**(1,062.20)**	**(819.08)**
	LIABILITIES		
1	**NON-CURRENT LIABILITIES**		
	a) Financial Liabilities		
	i) Borrowings	167.15	275.09
	ii) Other Financial Liabilities	4.02	-
	b) Provisions	7.40	6.66
	c) Other Non Current Liabilities	0.01	0.51
	Sub Total	**178.58**	**282.26**
2	**CURRENT LIABILITIES**		
	a) Financial Liabilities		
	i) Borrowings	1,016.16	1,058.23
	ii) Trade Payables		
	A) Dues of Micro & Small Enterprises	9.06	12.05
	B) Others	97.34	87.55
	iii) Other financial Liabilities	2,175.09	1,831.14
	b) Other Current Liabilities	14.97	15.96
	c) Provisions	2.30	2.16
	Sub Total	**3,314.92**	**3,007.09**
	TOTAL EQUITY AND LIABILITIES	**2,431.30**	**2,470.27**

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ISMT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Crore

		2019-20		2018-19	
i)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax		(242.38)		(228.78)
	Adjustments for :				
	Depreciation	62.98		54.05	
	Depreciation on reclassification of assets held for sale	-		20.38	
	Finance Costs	274.27		276.46	
	Interest Income	(8.38)		(4.49)	
	Unrealised Exchange (Gain) / Loss	3.88		5.98	
	Provision for Doubtful Debts	-		4.86	
	Loss/ (Profit) on Sale of assets (net)	0.01		(0.01)	
	Investment write off	-		0.02	
	Provision for expected credit loss	-		0.05	
	Remeasurement of Defined Benefit Plan	(2.69)	330.07	(0.84)	356.46
	Operating Cash Profit before Working Capital Changes		87.69		127.68
	Adjustments for working capital changes:				
	(Increase) / Decrease in trade receivable	60.82		(76.34)	
	(Increase) / Decrease in Inventories	(38.03)		(7.33)	
	(Increase) / Decrease in non current financial assets others	0.71		(1.42)	
	(Increase) / Decrease in non current loans	0.33		(2.33)	
	(Increase) / Decrease in other non current assets	(1.27)		(1.11)	
	(Increase) / Decrease in current loans	(0.01)		(0.27)	
	(Increase) / Decrease in other current financial assets	0.04		0.20	
	(Increase) / Decrease in other current assets	10.57		(4.08)	
	Increase / (Decrease) in trade payables	6.68		(1.96)	
	Increase / (Decrease) in other current financial liabilities	(13.25)		12.94	
	Increase / (Decrease) in other current liabilities	(0.98)		(4.75)	
	Increase / (Decrease) in current provisions	0.14		(0.08)	
	Increase / (Decrease) in non current provisions	0.74		1.60	
			26.49		(84.93)
	Taxes (Paid) / Refund		4.20		(0.33)
	Net Cash flow from Operating Activities		118.38		42.42
ii)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	(16.84)		(7.45)	
	Sale of Property, Plant and Equipment	0.02		0.04	
	Other Bank balance not considered as cash and cash equivalent	(13.59)		5.08	
	Interest received	7.45		3.56	
	Investments	(0.61)		(7.11)	
	Net Cash used in Investing Activities		(23.57)		(5.88)
iii)	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Dividend Paid	(0.46)		(0.71)	
	Proceeds from /(Repayment of) Borrowings	(82.13)		(23.29)	
	Payment of Lease Liability	(2.62)		-	
	Interest Paid	(11.59)		(15.60)	
	Net Cash from Financing Activities		(96.80)		(39.60)
	Net Increase / (Decrease) in Cash and Cash Equivalents		(1.99)		(3.06)
	Cash and Cash Equivalents at the beginning of the year		30.02		33.08
	Cash and Cash Equivalents at the end of the year		28.03		30.02
	Net Increase / (Decrease) in Cash and Cash Equivalents		(1.99)		(3.06)

Note The cash flow statement is prepared using the "indirect method" set out in Ind AS 7 - "Statement of Cash Flows".

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NOTES ON STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020.

1. The Company through its Subsidiary Company, ISMT Enterprises S.A., Luxembourg has invested Rs. 48.43 Crore in Structo Hydraulics AB, Sweden (SHAB). The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB and out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending for allotment. The net receivables on account of sales made to SHAB as on March 31, 2020 are Rs. 15.41 Crore and the same is considered as collectible. No provision, however, has been made as required by Ind AS 36 "Impairment of Assets" in respect of diminution in the value of investment (including pending allotment) , which is in the nature of forward integration and considered Strategic, Long Term. The financial effect, if any, of the same on net loss for the quarter and year ended March 31, 2020, carrying value of investment and other equity as at March 31, 2020 is not ascertainable.

2. i) Maharashtra Electricity Regulatory Commission (MERC) had disallowed Company's petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Company filed an appeal before the Appellate Tribunal For Electricity (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated April 1, 2016. The Company's appeal, challenging the APTEL order is pending before the Hon'ble Supreme Court. The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore upto March 31, 2014, of which amount outstanding as on March 31, 2020 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

   Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured on the reporting date at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on net loss for the quarter and year ended March 31, 2020, carrying value of non-current asset and other equity as at March 31, 2020 is not ascertainable.

   ii) Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred above, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". Hence the aforesaid asset is measured as at March 31 ,2020 at the carrying amount of Rs 237.29 Crore. The financial effect, if any, of the same on net loss for the quarter and year ended March 31, 2020, carrying value of CPP and other equity as at March 31, 2020 is not ascertainable

3. As per Ind AS- 12 "Income Tax", Minimum Alternate Tax (MAT) credit (unused tax credit) is regarded as Deferred Tax Assets and the same shall be recognised to the extent that it has become probable that future taxable profit will be available against which the unused tax credit can be utilised. In view of Business uncertainties and pending debt Resolution, it is difficult for the Company to fairly ascertain the probable future taxable profit against which MAT Credit can be utilized. Accordingly, the unabsorbed MAT credit, if any, out of the total MAT Credit of Rs. 82.05 Crore as at March 31, 2020, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

4. Deferred Tax Asset in respect of carried forward losses is recognized to the extent of Deferred Tax Liability.

M/s. D N V & Co. Mumbai Chartered Accountants

5. Consequent to RBI Circular dated 12th February, 2018, the lenders had decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs) while Banks holding most of the remaining debt are also pursuing the process for assignment of debt to ARCs. Majority of the lenders of the company consisting of both ARCs and the banks have signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Company. However, the Restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID-19 outbreak. Restructuring of debt to be done on a sustainable basis could inter alia necessitate down-sizing of debt including interest and will also need to factor in the COVID impact on global and domestic economy and consequently on the business of the Company.

   Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). In view of restructuring exercise, occurrence of such interest though unascertained, however the same has been provided out of abundant precaution. The financial effect, if any of non provision of overdue / penal and compounding of interest, on loss for the quarter and year ended March 31, 2020, carrying value of the borrowings (financial liabilities) and other equity as at March 31, 2020 is not ascertainable.

6. The Company's EBIDTA and EBIDTA margin has been consistently increasing year on year from 2015-16 and the EBIDTA margin for the first nine months of the current financial year was higher than that of corresponding period in previous year. However, performance of the fourth quarter was affected due to the Covid lock down and the overall Results for the year has to be viewed against the back drop of slow down of the economy. The Company also expects to benefit from Atmanirbhar policies of the Government including continuation of Anti Dumping Duty on import of seamless tubes from China. Majority of the lenders of the Company have also signed Inter Creditor Agreement for restructuring the debt of the Company. The proposed restructuring on sustainable basis is expected to address the negative net worth of the Company thereby enlarging the business opportunities including participation in Government tenders. Accordingly the Company has continued to prepare its financial statements on 'Going Concern Basis'.

7. Tridem Port and Power Company Private Limited (TPPCL), the wholly owned subsidiary of the Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL had decided not to pursue these projects. There has been negligible interest from the potential buyers due to present power sector scenario. TPPCL has also unsuccessfully tried to sell the freehold land.

   Considering premature status of the project, prevailing power sector scenario, ongoing litigations, the various alternative usage of land of the project and inability to successfully pursue the sale of the project or its freehold land, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the amount invested in TPPCL as required by Ind AS 36 "Impairment of Assets" and hence the aforesaid asset is measured on the Balance sheet date at the carrying amount of Rs 116.69 Crore (including advances given to TPPCL of Rs. 114.11 Crores). The financial effect, if any, of the same on loss for the quarter and year ended March 31, 2020, carrying value of the investment and other equity as at March 31, 2020 is not ascertainable.

8. The Company had in the past obtained Central Government approval for payment of Managerial Remuneration from to time to time .The Companies Act, 2013 has subsequently done away with the requirement of obtaining Central Government approval and the remuneration is determined as per the approvals obtained from the shareholders. However, approval of the lenders is required and awaited until the restructuring is implemented as above. Employee Benefits Expense includes remuneration to the Managing Director and Executive Director for the quarter ended March 31, 2020 of Rs.0.87 Crore and Rs. 3.41 Crore for the year ended March 31, 2020 (Rs.9.43 Crore cumulative up to March 31, 2020) is accordingly subject to approval of lenders.

9. The Company has adopted modified retrospective approach as per Para C 8 (c) (ii) of "Ind AS 116 – Leases" to its leases, effective April 1, 2019. As on the date of initial application, the lease liability is measured at the present value of remaining lease payments of Rs 7.36 Crores and corresponding right-of -use (ROU) asset has been recognised of Rs 11.25 Crores. In standalone financial results for the quarter and year ended March 31, 2020, operating Lease expenses has changed to depreciation cost for the ROU assets and finance cost for interest accrued on lease liability.

M/s. D ... Mumbai ★ Chartered Accountants ★

The effect of adoption of Ind AS 116 on the results for the quarter and year ended March 31, 2020 is not material. To this extent, performance for the current quarter and year ended March 31, 2020 is not comparable with the previous period results.

10. Operations at all the plants of the Company were suspended from last week of March, 2020 on account of COVID-19 outbreak and subsequent lockdown. However, operations resumed at various locations, in a phased manner from April 28, 2020 onwards after obtaining necessary permissions from the local authorities. As per our current assessment, no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets is expected and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

    Though the Covid crisis will necessarily have a wide ranging impact on domestic, European and global economies, the Covid crisis is still unfolding and full assessment of the impact of the same on the Company business, SHAB's operations, CPP and on Port and Power Project (TPPCL) will be only possible once the pandemic starts settling down.

11. The figures of the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between audited figures in respect of full financial year and published year to date figures up to quarter ended December 31, 2019 and December 31, 2018 respectively.

12. The comparative figures have been regrouped and reclassified to meet the current quarter's / years classification.

13. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 31, 2020.

For ISMT Limited

Rajiv Goel
Chief Financial Officer

Place: Pune
Date: July 31, 2020

M/s. D N V & Co. Mumbai Chartered Accountants

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – *Standalone*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[See Regulation 33/52 of the SEBI (LODR) (amendment Regulations, 2016]

Rs. in Crore

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1.313.99	1,313.99
	2.	Total Expenditure	1,554.42	1,676.00
	3.	Net Profit/(Loss)	(240.43)	(362.01)
	4.	Earnings Per Share	(16.41)	(24.71)
	5.	Total Assets	2,431.30	2,309.72
	6.	Total Liabilities	3,493.50	3,493.50
	7.	Net Worth	(1,062.20)	(1,183.78)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

Note :- Impact of Audit qualification mentioned in 2(a) , 4 (a), 5 (a) and 6 (a) below has not been included above as the exact quantum of the same cannot be ascertained.

II. Audit qualification (each qualification separately):

(1)(a) Details of Audit Qualification:

The Company has outstanding Minimum Alternate Tax (MAT) entitlement, classified as Deferred Tax Asset as per Ind AS- 12, Income Taxes, of Rs. 82.05 Crores as on March 31, 2020. Taking into consideration the loss during the period ended March 31, 2020 and carried forward losses under the Income Tax, in our opinion, it is not probable that the MAT entitlement can be adjusted within the specified period against the future taxable profits under the provisions of Income Tax Act 1961. In view of the same, in our opinion, the MAT entitlement cannot be continued to be recognised as an asset in terms of Ind AS-12. Non-writing off of the same has resulted in understatement of net loss for the year ended March 31, 2020 and overstatement of other equity by Rs.82.05 Crores and its consequential effect on the Earnings per Share of the company.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14.

M/s. D N V & Co. Mumbai Chartered Accountants

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

As per Ind AS- 12 "Income Tax", Minimum Alternate Tax (MAT) credit (unused tax credit) is regarded as Deferred Tax Assets and the same shall be recognised to the extent that it has become probable that future taxable profit will be available against which the unused tax credit can be utilised. In view of Business uncertainties and pending debt Resolution, it is difficult for the Company to fairly ascertain the probable future taxable profit against which MAT credit can be utilized. Accordingly, the unabsorbed MAT credit, if any out of the total MAT credit of Rs. 82.05 Crore as at March 31, 2020, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor : Not Applicable

(i) Management's estimation on the impact of audit qualification :

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(2)(a) Details of Audit Qualification:

The Company, through its subsidiary, has invested Rs. 48.43 Crores in Structo Hydraulics AB Sweden (SHAB). Net receivables to the company from SHAB against the supplies made is Rs. 15.41 Crores. The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB and out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending for allotment. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. No provision for diminution in value of investment (including pending allotment) and net receivable against supplies is made by the company. We are unable to comment on the same and ascertain its impact, if any, on net loss for the year ended March 31, 2020, carrying value of the investment and other equity as at March 31, 2020in respect of the above matters.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14.

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable.

M/s. D N V & Co. Mumbai Chartered Accountants

(e) For Audit Qualification(s) where the impact is not quantified by the auditor :

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

The Company through its Subsidiary Company, ISMT Enterprises S.A., Luxembourg has invested Rs. 48.43 Crore in Structo Hydraulics AB, Sweden (SHAB). The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB and out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending for allotment. The net receivables on account of sales made to SHAB as on March 31, 2020 are Rs. 15.41 Crore and the same is considered as collectible. No provision, however, has been made as required by Ind AS 36 "Impairment of Assets" in respect of diminution in the value of investment (including pending allotment) , which is in the nature of forward integration and considered Strategic, Long Term. The financial effect, if any, of the same on net loss for the year ended March 31, 2020, carrying value of investment and other equity as at March 31, 2020 is not ascertainable.

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above.

(3)(a) Details of Audit Qualification:

The Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2020 is Rs. 39.53 Crores, against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Company had appealed to Appellate Tribunal (APTEL) against the order passed by Maharashtra Electricity Regulatory Commission (MERC) and the same has been dismissed by the APTEL. The Company has preferred appeal before the Hon'ble Supreme Court against the order of APTEL. The realization of this claim is contingent and dependent upon the outcome of the decision of the Supreme Court. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with Ind AS-37, "Provisions, Contingent liabilities and Contingent assets". Recognition of the above claim has resulted into overstatement of carrying value of non –current assets and other equity by Rs.39.53 Crores as at March 31, 2020.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Maharashtra Electricity Regulatory Commission (MERC) had disallowed Company's petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Company filed an appeal before the Appellate Tribunal For Electricity (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated April 1, 2016. The Company's appeal, challenging the APTEL order is pending before the Hon'ble Supreme Court.

M/s. D N V & Co. Mumbai Chartered Accountants

The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31, 2020 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured on the reporting date at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on net loss for year ended March 31, 2020, carrying value of non-current asset and other equity as at March 31, 2020 is not ascertainable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(4)(a) Details of Audit Qualification:

The Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, hence, the CPP is measured on March 31, 2020 at the carrying amount of Rs. 237.29 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on net loss for the year ended March 31 2020, carrying value of the CPP and other equity as at March 31, 2020.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2018-19

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred 3 (d) , it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets".

M/s. D N V & Co. Mumbai Chartered Accountants

Hence the aforesaid asset is measured as at March 31, 2020 at the carrying amount of Rs 237.29 Crore. The financial effect, if any, of the same on net loss for the year ended March 31, 2020, carrying value of CPP and other equity as at March 31, 2020 is not ascertainable

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above

(5)(a) Details of Audit Qualification:

The Company is unable to determine the recoverable value of investment (including advances) in Tridem Port and Power Company Private Limited (TPPCL), wholly owned subsidiary company, of Rs 116.69 Crores on Balance Sheet date. Hence impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the net loss for the year ended March 31 2020, carrying value of the investment and other equity as at March 31, 2020.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2018-19

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

Tridem Port and Power Company Private Limited (TPPCL), the wholly owned subsidiary of the Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL had decided not to pursue these projects. There has been negligible interest from the potential buyers due to present power sector scenario. TPPCL has also unsuccessfully tried to sell the freehold land.

Considering premature status of the project, prevailing power sector scenario, ongoing litigations, the various alternative usage of land of the project and inability to successfully pursue the sale of the project or its freehold land, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the amount invested in TPPCL as required by Ind AS 36 "Impairment of Assets" and hence the aforesaid asset is measured on the Balance sheet date at the carrying amount of Rs 116.69 Crore (including advances given to TPPCL of Rs. 114.11 Crores).

M/S. D N V & Co. Mumbai Chartered Accountants

The financial effect, if any, of the same on loss for the year ended March 31, 2020, carrying value of the investment and other equity as at March 31, 2020 is not ascertainable.

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above

(6)(a) Details of Audit Qualification:

Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from lenders, the Company has not provided for the overdue /penal interest, if any. The quantum and its impact, if any, on the net loss for the year ended March 31 2020, carrying value of the Borrowings (i.e. Financial Liabilities) and other equity as at March 31,2020 is unascertainable.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2016-17

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable.

(ii) If management is unable to estimate the impact, reason for the same:

Consequent to RBI Circular dated 12th February, 2018 the lenders have decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs) while Banks holding most of the remaining debt are also pursuing the process for assignment of debt to ARCs. Majority of the lenders of the company consisting of both ARCs and the banks have signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Company. However the restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID -19 outbreak. Restructuring of debt to be done on a sustainable basis could inter-alia necessitate down-sizing of debt including interest and will also need to factor in the COVID impact on global and domestic economy and consequently on the business of the Company.

M/s. D.N.V. & Co. Mumbai

Notwithstanding the pending restructuring of debt and balance confirmations from Lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). In view of restructuring exercise, occurrence of such interest though unascertained, however the same has been provided out of abundant precaution. The financial effect, if any of non provision of overdue / penal and compounding of interest, on loss for the year ended March 31, 2020, carrying value of the borrowings (i.e. financial liabilities) and other equity as at March 31, 2020 is not ascertainable.

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above.

III Signatories:

For ISMT Limited

R.POORNALINGAM

B.R Taneja
Managing Director
Pune: July 31, 2020

Rajiv Goel
Chief Financial Officer

R Poornalingam
Audit Committee Chairman

Statutory Auditors

For D N V & Co.
Firm Registration No. 102079W
Chartered Accountants

M/s. D N V & Co. Mumbai Chartered Accountants

CA Bharat Jain
Partner
Membership No. 100583
Mumbai: July 31, 2020.
UDIN : 20100583AAAADB5390

Independent Auditors' Report on the Consolidated Annual Financial Results of the Company for the quarter and year ended March 31, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ISMT Limited

Report on the Audit of Consolidated Annual Financial Results

1. **Qualified Opinion**

We have audited the accompanying Statement of Consolidated Annual Financial Results of ISMT Limited ("the Parent Company") and its Subsidiaries (the Parent Company and Its subsidiaries together referred to as ("the ISMT Group"), for the quarter and year ended March 31, 2020 ("the Statement") being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the matters described in "Basis for Qualified opinion" section of our report and based on the consideration of the reports of the other auditors on separate standalone financial statements and the other financial information of subsidiaries referred to in paragraph below, the Statement:

a) Includes financial results of the following subsidiaries:

Name of Entity	Relationship
I. ISMT Enterprises S.A Luxembourg	Subsidiary Company
II. Indian Seamless Inc. USA.	Subsidiary Company
III. Structo Hydraulics AB Sweden	Subsidiary Company
IV. Tridem Port and Power Company Private Limited.,	Subsidiary Company
V. ISMT Europe AB Sweden,	Subsidiary of Structo Hydraulics AB Sweden
VI. Nagapattinam Energy Private Limited.	Subsidiary of Tridem Port and Power Company Private Limited
VII. Best Exim Private Limited.,	Subsidiary of Nagapattinam Energy Private Limited
VIII. Success Power and Infraprojects Private Limited,	Subsidiary of Nagapattinam Energy Private Limited
IX. Marshal Microware Infrastructure Development Company Private Limited.,	Subsidiary of Nagapattinam Energy Private Limited
X. PT ISMT Resources - Indonesia, Indian Seamless Inc. USA.	Subsidiary of Tridem Port and Power Company Private Limited

b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

M/s. D N V & Co. Mumbai Chartered Accountants

c) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of consolidated net loss and other comprehensive income and other financial information of the ISMT Group for the quarter and year ended March 31, 2020.

2. Basis for Qualified Opinion

a) The Parent Company has outstanding Minimum Alternate Tax (MAT) entitlement, classified as Deferred Tax Asset as per Ind AS- 12, Income Taxes, of Rs. 82.05 Crores as on March 31,2020. Taking into consideration the loss during the year ended March 31, 2020 and carried forward losses under the Income Tax, in our opinion, it is not probable that the MAT entitlement can be adjusted within the specified period against the future taxable profits under the provisions of Income Tax Act 1961. In view of the same, in our opinion, the MAT entitlement cannot be continued to be recognised as an asset in terms of Ind AS-12. Non-writing off of the same has resulted in understatement of consolidated net loss for the quarter and year ended March 31, 2020 and overstatement of other equity by Rs. 82.05 Crores and its consequential effect on the Earnings per Share of the company.

b) The Parent Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2020 is Rs. 39.53 Crores, against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Parent Company had appealed to Appellate Tribunal (APTEL) against the order passed by Maharashtra Electricity Regulatory Commission (MERC) and the same has been dismissed by the APTEL. The Parent Company has preferred appeal before the Hon'ble Supreme Court against the order of APTEL. The realization of this claim is contingent and dependent upon the outcome of the decision of the Supreme Court. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with Ind AS-37, "Provisions, Contingent liabilities and Contingent assets". Recognition of the above claim has resulted in overstatement of carrying value of non –current assets and other equity by Rs. 39.53 Crores as at March 31, 2020. Refer Note No. 1(i) of the Statement.

c) The Parent Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra for the reasons stated in Note No 1(ii) of the Statement; hence, the CPP is measured on March 31,2020 at the carrying amount of Rs. 237.29 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the consolidated net loss for the quarter and year ended March 31,2020 , carrying value of the CPP and other equity as at March 31, 2020

d) The ISMT Group is unable to determine the recoverable value of thermal power project and captive port (TPP) at Tamilnadu for the reasons stated in Note No.6 of the Statement. Hence, the TPP is measured on March 31, 2020 at the carrying amount of Rs. 104.56 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the consolidated net loss for the quarter and year ended March 31,2020 , carrying value of the TPP and other equity as at March 31, 2020.

e) Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from majority of lenders, the Parent Company has not provided for the overdue /penal interest, if any for the reason stated in Note No.4 of the Statement. The quantum and its impact, if any, on the consolidated net loss for the quarter and year ended March 31,2020 carrying value of the Borrowings (i.e Financial Liabilities) and other equity as at March 31, 2020 is unascertainable.

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We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the ISMT Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirement that are relevant to our audit of the Consolidated Annual Financial Results under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other Auditors in term of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

3. Material uncertainty Related to Going Concern

The ISMT Group has accumulated losses and its net worth has been fully eroded, the ISMT Group has incurred net cash loss during the year ended March 31, 2020 and in previous years and the ISMT Group's current liabilities exceeded its current assets as at March 31, 2020. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the ISMT Group's ability to continue as a going concern. However, the Consolidated annual financial results of the ISMT Group have been prepared on a going concern basis for the reasons stated in the Note No.5 of the Statement.

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter :

We draw attention to:

a) Note No.7 of the Statement, regarding remuneration to Managing Director and Executive Director of the Parent Company amounting to Rs 0.87 Crores for the quarter ended March 31, 2020 and Rs 3.41 Crores for the year ended March 31, 2020 (Rs. 9.43 Crores cumulative up to March 31, 2020) is subject to approval of lenders.

b) Note No.9 of the Statement, regarding the uncertainties arising out of the outbreak of COVID 19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended March 31, 2020. Such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Further, we were not able to participate in the physical verification of inventory of the Parent Company that was carried out by the management. Consequently we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence -Specific consideration for Selected items" and have obtained sufficient appropriate evidence to issue our unmodified opinion on Statement.

Our opinion is not modified in respect of these matters.

5. Board of Director's Responsibilities for the Consolidated Annual Financial Results

This Statement of consolidated Annual financial results have been prepared on the basis of consolidated Annual financial statements.

The Parent Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Annual Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the ISMT Group in accordance with recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the ISMT Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the ISMT Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Annual Financial Results by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the respective Board of Directors of the companies included in the ISMT Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the ISMT Group are responsible for overseeing the financial reporting process of the ISMT Group.

6. Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the ISMT Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ISMT Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the ISMT Group to express an opinion on the Consolidated Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Annual Financial Results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Annual Financial Results.

We communicate with those charged with governance of the Parent Company and such otherentities included in the Consolidated Annual Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

7. Other Matters

a) The consolidated annual financial results include the audited financial results of eight (8) subsidiaries, whose financial statements/ financial results/ financial information reflect ISMT Group's share of total assets of Rs. 293.39 Crores as at March 31, 2020, ISMT Group's share of total revenue of Rs. 22.00 Crores and Rs. 104.98 Crores and ISMT Group's share of total net profit /(loss) after tax (including due to exchange translation) of (Rs. 6.89) Crores and (Rs 9.64) Crores for the quarter and year ended March 31, 2020 respectively and net cash outflow of Rs 10.75 Crores for the year ended on that date, as considered in the consolidated annual financial results. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely

D N V & Co. Mumbai Chartered Accountants on the report of such auditors and the procedures performed by us are as stated in paragraph above.

b) The consolidated annual financial results includes the unaudited financial results in respect of two (2) subsidiary located outside India, whose financial statements/ financial results/ financial information reflect ISMT Group's share of total assets of Rs. 65.43 Crores as at March 31, 2020, ISMT Group's share of total revenue of Rs. 0.16 Crores and Rs. 0.16 Crores and ISMT Group's share of total net profit /(loss) after tax (including due to exchange translation) of (Rs. 1.44) Crores and (Rs 1.61) Crores for the quarter and year ended March 31, 2020 respectively and net cash outflow of Rs 0.11 Crores for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial statements/financial results/financial information are certified by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiaries, is based solely on such financial results/financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, these financial results/financial statements/financial information are not material to the Group.

   In case of subsidiaries located outside India, these financial results/financial statements/financial information have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by their respective independent auditors. The Parent Company's management has converted these financial results/financial statements/financial information of such subsidiaries to the Indian GAAP and the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us in the above paragraph and our audit of the conversion adjustments made.

   Our opinion on the Statement is not modified in respect of above matters with regards to our reliance on the work done and the reports of the other auditors as referred in para (a) above and and the financial results/financial statements/financial information certified by the management as referred in (b) above

c) The Consolidated annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For D N V & Co.

Chartered Accountants

Firm Registration No 102079W

CA Bharat Jain

Partner

Membership No: 100583

UDIN: 20100583AAAADC8865

Place: Mumbai

Date: July 31, 2020

ISMT Limited
Regd. Office : Lunkad Towers , Viman Nagar, Pune 411 014, Maharashtra.
Phone : 020-41434100, Fax : 020-26630779, E-Mail : secretarial@ismt.co.in,
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STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Rs. In Crore

		Consolidated				
		Quarter ended				
Sr. No	Particulars	March 31, 2020	December 31, 2019	March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
		Refer Note-10	Unaudited	Refer Note-10	Audited	Audited
1	**Income**					
	Revenue from Operations					
	Sales of Products	390.95	398.44	603.57	1,775.73	2,577.79
	Less : Inter Segment Transfers	92.49	68.23	83.22	317.40	541.28
	Inter Division Transfers	12.84	15.49	21.08	78.07	86.67
	Sale to Subsidiary Company	14.92	15.66	28.53	79.86	126.92
	(a) Gross Sales	270.70	299.06	470.74	1,300.40	1,822.92
	(b) Other Operating Revenue	5.54	5.69	7.55	24.96	30.71
	(c) Revenue from Operations - Net (a+b)	276.24	304.75	478.29	1,325.36	1,853.63
	(d) Other Income	3.02	2.83	2.59	11.62	7.39
	Total Revenue - (c+d)	279.26	307.58	480.88	1,336.98	1,861.02
2	**Expenses**					
	(a) Cost of Materials Consumed	182.92	135.11	248.76	715.47	977.65
	(b) Changes in inventories of finished goods, work -in -progress and stock-in-trade	(65.29)	25.26	36.42	(42.89)	10.37
	(c) Employee Benefits Expense	35.90	37.10	38.36	146.86	144.58
	(d) Finance Costs	71.41	69.03	67.27	274.89	277.86
	(e) Depreciation	17.26	16.29	12.92	65.56	56.89
	(f) Other Expenses	117.56	89.25	125.93	428.28	605.38
	Total Expenses	359.76	372.04	529.66	1,588.17	2,072.73
3	Profit / (Loss) before exceptional item and Tax (1-2)	(80.50)	(64.46)	(48.78)	(251.19)	(211.71)
4	Exceptional items – a) Foreign Exchange (Gain) / Loss	(1.39)	(10.94)	11.86	(8.87)	4.92
	b) Depreciation on reclassification of assets held for sale	-	-	20.38	-	20.38
5	**Profit / (Loss) before tax (3- 4)**	(79.11)	(53.52)	(81.02)	(242.32)	(237.01)
6	Tax Expenses :					
	(a) Current Tax	-	-	-	-	-
	(b) Earlier Years Tax	-	(0.05)	-	(1.95)	-
	(c) Deferred Tax (Refer Note No.3)	-	-	-	-	-
7	**Profit / (Loss) after tax (5-6)**	(79.11)	(53.47)	(81.02)	(240.37)	(237.01)
8	Other Comprehensive Income (net of tax)					
	(a) Items that will not be reclassified to Profit or Loss					
	Gain on Remeasurement of Defined Benefit Plan	(1.77)	(0.31)	(0.25)	(2.69)	(0.84)
	(b) Items that will be reclassified to Profit or Loss					
	Foreign Currency Translation Reserve	0.69	(6.21)	3.90	(1.60)	14.30
9	Other Comprehensive Income (Net of tax)	(1.08)	(6.52)	3.65	(4.29)	13.46
10	**Total Comprehensive Income for the period (7+9)**	(80.19)	(59.99)	(77.37)	(244.66)	(223.55)
	Profit / (Loss) attributable to :					
	Equity Shareholders of Parent	(79.11)	(53.46)	(81.01)	(240.43)	(237.00)
	Non Controlling Interest	-	(0.01)	(0.01)	0.06	(0.01)
	Other Comprehensive Income attributable to :					
	Equity Shareholders of Parent	(1.07)	(6.52)	3.65	(4.28)	13.41
	Non Controlling Interest	(0.01)	-	-	(0.01)	0.05
	Total Comprehensive Income attributable to :					
	Equity Shareholders of Parent	(80.18)	(59.98)	(77.38)	(244.71)	(223.59)
	Non Controlling Interest	(0.01)	(0.01)	0.01	0.05	0.04
11	Paid-up Equity Share Capital (Face Value of Rs. 5/- per share)	73.25	73.25	73.25	73.25	73.25
12	Reserves Excluding Revaluation Reserve	-	-	-	(1,385.65)	(1,144.38)
13	Earnings per share					
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(5.40)	(3.65)	(5.53)	(16.41)	(16.18)

Mumbai
Chartered Accountants

ISMT Limited

SEGMENT WISE CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020.

Rs. in Crore

Sr No	Particulars	Consolidated				
		Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
		Refer Note-10	Unaudited	Refer Note-10	Audited	Audited
1	**Segment Revenue**					
	a) Gross Sales – **Tube**	213.79	271.28	433.61	1,160.19	1,558.28
	Less : Inter Division	12.84	15.49	21.08	78.07	86.67
	: Sale to Subsidiary Companies	14.92	15.66	28.53	79.86	126.92
	Sub total	**186.03**	**240.13**	**384.00**	**1,002.26**	**1,344.69**
	b) Gross Sales – **Steel**	177.16	127.16	169.96	615.54	1,019.51
	Less : Inter Segment	92.49	68.23	83.22	317.40	541.28
	Sub total	**84.67**	**58.93**	**86.74**	**298.14**	**478.23**
2	**Total Segment Revenue**	**270.70**	**299.06**	**470.74**	**1,300.40**	**1,822.92**
	Segment Results Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items,Unallocable income (net) and Tax.					
	a) Tube	(6.48)	8.61	19.75	30.13	49.25
	b) Steel *	(2.57)	(3.57)	(2.48)	(6.90)	13.57
	Total	(9.05)	5.04	17.27	23.23	62.82
	Less : Finance Costs	71.41	69.03	67.27	274.89	277.86
	: Exceptional items - Foreign Exchange (Gain) / Loss	(1.39)	(10.94)	11.86	(8.87)	4.92
	: Depreciation on reclassification of assets held for sale	-	-	20.38	-	20.38
	Add : Unallocable Income (Net of Unallocable Expenses)	(0.04)	(0.47)	1.22	0.47	3.33
	Total Profit / (Loss) Before Tax	**(79.11)**	**(53.52)**	**(81.02)**	**(242.32)**	**(237.01)**
	Less : Tax Expenses					
	Current Tax	-	-	-	-	-
	Earlier years Tax	-	(0.05)	-	(1.95)	-
	Deferred Tax (Refer Note No.3)	-	-	-	-	-
3	**Total Profit / (Loss) After Tax**	**(79.11)**	**(53.47)**	**(81.02)**	**(240.37)**	**(237.01)**
	Capital Employed					
	Segment Assets					
	a) Tube	1,395.56	1,413.01	1,493.90	1,395.56	1,493.90
	b) Steel *	428.77	367.71	393.00	428.77	393.00
	c) Unallocable	423.36	635.25	556.00	423.36	556.00
	Total Assets	**2,247.69**	**2,415.97**	**2,442.90**	**2,247.69**	**2,442.90**
	Segment Liabilities					
	a) Tube	124.49	188.95	131.38	124.49	131.38
	b) Steel	64.83	52.81	59.72	64.83	59.72
	c) Unallocable	3,172.75	3,208.37	3,121.52	3,172.75	3,121.52
	Total Liabilities	**3,362.07**	**3,450.13**	**3,312.62**	**3,362.07**	**3,312.62**

* Includes profit on steel captively consumed by Tube Segment

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ISMT LIMITED

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Rs. In Crore

Particulars	Consolidated	
	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
ASSETS		
Non - Current Assets		
a) Property, Plant and Equipment	1,385.07	1,404.83
b) Capital Work-in-Progress	94.17	91.01
c) Goodwill on Consolidation	37.67	37.67
d) Financial Assets		
i) Trade Receivables	-	-
ii) Loans	15.72	16.05
iii) Other Financial Assets	7.56	8.27
e) Deferred Tax Asset (Net)	82.05	82.05
f) Other Non Current Assets	47.19	49.51
Sub Total	**1,669.43**	**1,689.39**
Current Assets		
a) Inventories	388.22	349.98
b) Financial Assets		
i) Trade Receivables	198.74	249.53
ii) Cash and Cash Equivalents	52.97	65.81
iii) Bank Balance Other than (ii) above	27.08	13.48
iv) Loans	1.15	1.14
v) Other Financial Assets	1.08	0.92
c) Current Tax Assets (Net)	2.46	4.73
d) Other Current Assets	57.47	67.91
Sub Total	**729.17**	**753.50**
Total Assets	**2,398.60**	**2,442.89**
EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share Capital	73.25	73.25
b) Other Equity	(1,187.87)	(942.86)
c) Non Controlling Interest	0.24	(0.11)
Total Equity	**(1,114.38)**	**(869.72)**
LIABILITIES		
NON-CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	167.23	277.48
ii) Other Financial Liabilities	4.02	-
b) Provisions	8.48	7.76
c) Other Non Current Liabilities	0.01	0.51
Sub Total	**179.74**	**285.75**
CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	1,022.69	1,066.85
ii) Trade Payables		
- Dues of Micro & Small Enterprises	9.06	12.05
- Dues of Creditors other than micro & Samll Enterprises	99.36	89.45
iii) Other financial Liabilities	2,182.25	1,838.23
b) Other Current Liabilities	17.55	18.10
c) Provisions	2.33	2.18
Sub Total	**3,333.24**	**3,026.86**
TOTAL EQUITY AND LIABILITIES	2,398.60	2,442.89

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ISMT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Crore

		2019-20		2018-19	
i)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax		(242.32)		(237.01)
	Adjustments for :				
	Depreciation	65.56		56.89	
	Depreciation on reclassification of Assets	-		20.38	
	Finance Costs	274.89		277.86	
	Interest Income	(8.38)		(4.49)	
	Unrealised Exchange (Gain) / Loss / Foreign Currency Translation Reserve	1.61		10.39	
	Provision for Doubtful Debts	-		5.53	
	Loss/ (Profit) on Sale of assets (net)	(1.17)		(0.01)	
	Investment written off	-		0.02	
	Provision for expected credit loss	-		(0.46)	
	Remeasurement of Defined Benefit Plan	(2.69)		(0.84)	
			329.82		365.27
	Operating Cash Profit before Working Capital Changes		87.50		128.26
	Adjustments for :				
	(Increase) / Decrease in trade receivable	54.69		(30.30)	
	(Increase) / Decrease in Inventories	(38.24)		(4.35)	
	(Increase) / Decrease in non current financial assets others	0.28		(2.33)	
	Decrease /(Increase) in non current financial assets others	0.71		(1.42)	
	(Increase) / Decrease in other non current assets	2.24		(1.05)	
	(Increase) / Decrease in current loans	(0.01)		(0.27)	
	(Increase) / Decrease in other current financial assets	0.08		0.20	
	(Increase) / Decrease in other current assets	5.18		(3.89)	
	Increase / (Decrease) in trade payables	6.80		(6.19)	
	Increase / (Decrease) in other non current financial liabilities	-		(6.88)	
	Increase / (Decrease) in other current financial liabilities	(14.32)		9.84	
	Increase / (Decrease) in other current liabilities	(0.56)		(3.36)	
	Increase / (Decrease) in current provisions	0.73		1.72	
	Increase / (Decrease) in non current provisions	0.14		(0.08)	
			17.72		(48.36)
	Taxes (Paid) / Refund		4.23		(0.19)
	Net Cash flow from Operating Activities		109.45		79.71
ii)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	(16.92)		(7.38)	
	Sale of Property, Plant and Equipment	1.46		0.04	
	Decrease / (Increase) in other bank balances	(13.59)		5.08	
	Interest Received	7.45		2.84	
	Net Cash used in Investing Activities		(21.60)		0.58
iii)	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Dividend Paid	(0.46)		(0.71)	
	Proceeds from /(Repayment of) Borrowings	(86.05)		(32.61)	
	Payment of Lease Liabilities	(2.62)		-	
	Interest Paid	(11.56)		(17.00)	
	Net Cash from Financing Activities		(100.69)		(50.32)
	Net Increase / (Decrease) in Cash and Cash Equivalents		(12.84)		29.97
	Cash and Cash Equivalents at the beginning of the year		65.81		35.84
	Cash and Cash Equivalents at the end of the year		52.97		65.81
	Net Increase / (Decrease) in Cash and Cash Equivalents		(12.84)		29.97

Note: The consolidated cash flow statement is prepared using the "indirect method" set out in Ind AS 7 - "Statement of Cash Flows".

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NOTES ON CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020.

1. i) Maharashtra Electricity Regulatory Commission (MERC) had disallowed Parent Company's petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Parent Company filed an appeal before the Appellate Tribunal For Electricity (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated April 1, 2016. The Parent Company's appeal, challenging the APTEL order is pending before the Hon'ble Supreme Court. The Parent Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31, 2020 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

   Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured on the reporting date at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on consolidated net loss for the quarter and year ended March 31, 2020, carrying value of non-current asset and other equity as at March 31, 2020, is not ascertainable.

   ii) Considering prevailing uncertainties of running the 40 MW Captive Power Project (CPP) of the Parent Company at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred above, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". Hence the aforesaid asset is measured as at March 31, 2020 at the carrying amount of Rs 237.29 Crore. The financial effect, if any, of the same on consolidated net loss for the quarter and year ended March 31, 2020, carrying value of the CPP and other equity as at March 31, 2020 is not ascertainable.

2. As per Ind AS- 12 "Income Tax", Minimum Alternate Tax (MAT) credit (unused tax credit) is regarded as Deferred Tax Assets and the same shall be recognised to the extent that it has become probable that future taxable profit will be available against which the unused tax credit can be utilised. In view of Business uncertainties and pending debt Resolution, it is difficult for the Parent Company to fairly ascertain the probable future taxable profit against which MAT Credit can be utilized. Accordingly, the unabsorbed MAT credit, if any, out of the total MAT Credit of Rs. 82.05 Crore as at March 31, 2020, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Parent Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

3. Deferred Tax Asset in respect of carried forward losses is recognized to the extent of Deferred Tax Liability.

4. Consequent to RBI Circular dated 12th February, 2018, the lenders of Parent Company had decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs) while Banks holding most of the remaining debt are also pursuing the process for assignment of debt to ARCs. Majority of the lenders of the Parent Company consisting of both ARCs and the banks have signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Parent Company. However, the Restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID-19 outbreak. Restructuring of debt to be done on a sustainable basis could inter alia necessitate down-sizing of debt including interest and will also need to factor in the COVID impact on global and domestic economy and consequently on the business of the Parent Company.

   Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). In view of restructuring exercise, occurrence of such interest though unascertained, however the same has been provided out of abundant precaution. The financial effect of non provision of overdue / penal and compounding of interest, if any, on consolidated net loss for the quarter and year ended March 31, 2020, carrying value of the borrowings (financial liabilities) and other equity as at March 31, 2020 is not ascertainable.

M/s. D N V & Co. Mumbai Chartered Accountants

5. The Group's EBIDTA and EBIDTA margin has been consistently increasing year on year from 2015-16 and the EBIDTA margin for first 9 months of the current financial year was higher than that of corresponding period in previous year. However, performance of the fourth quarter was affected due to the Covid lock down and the overall Results for the year has to be viewed against the back drop of slow down of the economy. The Group Company also expects to benefit from Atmanirbhar policies of the Government including continuation of Anti Dumping Duty on import of seamless tubes from China. Majority of the lenders of the Parent Company have also signed Inter Creditor Agreement for restructuring the debt of the Parent Company. The proposed restructuring on sustainable basis is expected to address the negative net worth of the Group thereby enlarging the business opportunities including participation in Government tenders. Accordingly the Group has continued to prepare its financial statements on 'Going Concern Basis'.

6. Tridem Port and Power Company Private Limited (TPPCL), the wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL had decided not to pursue these projects. There has been negligible interest from the potential buyers due to present power sector scenario. TPPCL has also unsuccessfully tried to sell the freehold land.

   Considering premature status of the project, prevailing power sector scenario, ongoing litigations, the various alternative usage of land of the project and inability to successfully pursue the sale of the project or its freehold land, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the amount invested in project as required by Ind AS 36 "Impairment of Assets" and hence the aforesaid asset is measured on the Balance sheet date at the carrying amount of Rs 104.56 Crore. The financial effect, if any, of the same on consolidated net loss for the quarter and year ended March 31, 2020, carrying value of the asset including capital work in progress and other equity as at March 31, 2020 is not ascertainable.

7. The Parent Company had in the past obtained Central Government approval for payment of Managerial Remuneration from to time to time .The Companies Act, 2013 has subsequently done away with the requirement of obtaining Central Government approval and the remuneration is determined as per the approvals obtained from the shareholders. However, approval of the lenders is required and awaited until the restructuring is implemented as above. Employee Benefits Expense includes remuneration to the Managing Director and Executive Director for the quarter ended March 31, 2020 of Rs.0.87 Crore and Rs. 3.41 Crore for the year ended March 31, 2020 (Rs.9.43 Crore cumulative up to March 31, 2020) is accordingly subject to approval of lenders.

8. The Group has adopted modified retrospective approach as per Para C 8 (c) (ii) of "Ind AS 116 – Leases" to its leases, effective April 1, 2019. As on the date of initial application, the lease liability is measured at the present value of remaining lease payments of Rs 7.36 Crores and corresponding right-of-use (ROU) asset has been recognised of Rs 11.25 Crores. In consolidated financial results for the quarter and year ended March 31, 2020, operating Lease expenses has changed to depreciation cost for the ROU assets and finance cost for interest accrued on lease liability. The effect of adoption of Ind AS 116 on the consolidated financial results for the quarter and year ended March 31, 2020 is not material. To this extent, performance for the current quarter and year ended March 31, 2020 is not comparable with the previous period results.

9. Operations at all the plants of the Parent Company were suspended from last week of March, 2020 on account of COVID-19 outbreak and subsequent lockdown. However, operations resumed at various locations, in a phased manner from April 28, 2020 onwards after obtaining necessary permissions from the local authorities. The operations at Structo Hydraulics AB ,Sweden (SHAB) have also shut down/ scaled down over various periods and is being operated as per the local guidelines. As per our current assessment, no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets is expected and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

   Though the Covid crisis will necessarily have a wide ranging impact on domestic, European and global economies, the Covid crisis is still unfolding and full assessment of the impact of the same on the Parent Company and SHAB's operations, CPP of the Parent Company and on Port and Power Project (TPPCL) will be only possible once the pandemic starts settling down.

M/s. D N V & Co. Mumbai Chartered Accountants

10. The figures of the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between audited figures in respect of full financial year and published year to date figures up to quarter ended December 31, 2019 and December 31, 2018 respectively.

11. The Consolidated financial results of the Company and its subsidiaries (the Group) have been prepared as per Ind AS 110 on "Consolidated Financial Statements".

12. The comparative figures have been regrouped and reclassified to meet the current quarter's / years classification.

13. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 31, 2020.

For ISMT Limited

Rajiv Goel
Chief Financial Officer

Place: Pune
Date: July 31, 2020

M/s. D N V & Co. Mumbai Chartered Accountants

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[See Regulation 33/52 of the SEBI (LODR) (amendment) Regulations, 2016]

Rs. in Crore

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,336.98	1,336.98
	2.	Total Expenditure	1,577.35	1,698.93
	3.	Net Profit/(Loss)	(240.37)	(361.95)
	4.	Earnings Per Share	(16.41)	(24.71)
	5.	Total Assets	2,398.60	2,277.02
	6.	Total Liabilities	3,512.98	3,512.98
	7.	Net Worth	(1,114.38)	(1,235.96)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

Note :- Impact of Audit qualification mentioned in 3 (a), 4 (a) and 5 (a) below has not been included above as the exact quantum of the same cannot be ascertained.

II. Audit qualification (each qualification separately):

(1)(a) Details of Audit Qualification:

The Parent Company has outstanding Minimum Alternate Tax (MAT) entitlement, classified as Deferred Tax Asset as per Ind AS- 12, Income Taxes, of Rs. 82.05 Crores as on March 31, 2020. Taking into consideration the loss during the year ended March 31, 2020 and carried forward losses under the Income Tax, in our opinion, it is not probable that the MAT entitlement can be adjusted within the specified period against the future taxable profits under the provisions of Income Tax Act 1961. In view of the same, in our opinion, the MAT entitlement cannot be continued to be recognised as an asset in terms of Ind AS-12. Non-writing off of the same has resulted in understatement of consolidated net loss for the year ended March 31, 2020 and overstatement of other equity by Rs.82.05 Crores and its consequential effect on the Earnings per Share of the Group.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14.

M/s. D N V & Co. Mumbai Chartered Accountants

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

As per Ind AS- 12 "Income Tax", Minimum Alternate Tax (MAT) credit (unused tax credit) is regarded as Deferred Tax Assets and the same shall be recognised to the extent that it has become probable that future taxable profit will be available against which the unused tax credit can be utilised. In view of Business uncertainties and pending debt Resolution, it is difficult for the Parent Company to fairly ascertain the probable future taxable profit against which MAT Credit can be utilized. Accordingly, the unabsorbed MAT credit, if any out of the total MAT credit of Rs. 82.05 Crore as at March 31, 2020, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Parent Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor : Not Applicable

(i) Management's estimation on the impact of audit qualification :

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(2)(a) Details of Audit Qualification:

The Parent Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2020 is Rs. 39.53 Crores, against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Parent Company had appealed to Appellate Tribunal (APTEL) against the order passed by Maharashtra Electricity Regulatory Commission (MERC) and the same has been dismissed by the APTEL. The Parent Company has preferred appeal before the Hon'ble Supreme Court against the order of APTEL. The realization of this claim is contingent and dependent upon the outcome of the decision of the Supreme Court. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with Ind AS-37, "Provisions, Contingent liabilities and Contingent assets". Recognition of the above claim has resulted in overstatement of carrying value of non –current assets and other equity by Rs.39.53 Crores as at March 31, 2020.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14

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(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Maharashtra Electricity Regulatory Commission (MERC) had disallowed Company's petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Parent Company filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated April 1, 2016. The Parent Company's appeal, challenging the APTEL order is pending before the Hon'ble Supreme Court. The Parent Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31, 2020 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured on the reporting date at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on consolidated net loss for the year ended March 31, 2020, carrying value of non- current assets and other equity as at March 31, 2020, is not ascertainable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(3)(a) Details of Audit Qualification:

The Parent Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, hence, the CPP is measured on March 31, 2020 at the carrying amount of Rs. 237.29 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on consolidated net loss for the year ended March 31 2020, carrying value of the CPP and other equity as at March 31, 2020.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification: appearing since financial year 2018-19.

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

M/s. D N V & Co. Mumbai Chartered Accountants

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) of the Parent Company at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred 2(d) above, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". Hence the aforesaid asset is measured as at March 31 ,2020 at the carrying amount of Rs 237.29 Crore. The financial effect, if any, of the same on consolidated net loss for the year ended March 31, 2020, carrying value of CPP and other equity as at March 31, 2020 is not ascertainable

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above

(4)(a) Details of Audit Qualification:

The ISMT Group is unable to determine the recoverable value of thermal power project and captive port (TPP) at Tamilnadu. Hence, the TPP is measured on March 31, 2020 at the carrying amount of Rs. 104.56 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on consolidated net loss for year ended March 31 2020, carrying value of the TPP and other equity as at March 31, 2020.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification: appearing since financial year 2018-19.

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

Tridem Port and Power Company Private Limited (TPPCL), the wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced.

M/s. D N V & Co. Mumbai Chartered Accountants

However, on account of subsequent adverse developments, the TPPCL had decided not to pursue these projects. There has been negligible interest from the potential buyers due to present power sector scenario. TPPCL has also unsuccessfully tried to sell the freehold land.

Considering premature status of the project, prevailing power sector scenario, ongoing litigations, the various alternative usage of land of the project and inability to successfully pursue the sale of the project or its freehold land, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the amount invested in project as required by Ind AS 36 "Impairment of Assets" and hence the aforesaid asset is measured on the Balance sheet date at the carrying amount of Rs 104.56 Crore. The financial effect, if any, of the same on consolidated net loss for year ended March 31, 2020, carrying value of the asset including capital work in progress and other equity as at March 31, 2020 is not ascertainable

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above

(5)(a) Details of Audit Qualification:

Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from majority of lenders, the Parent Company has not provided for the overdue /penal interest, if any. The quantum and its impact, if any, on the consolidated net loss for the year ended March 31 2020, carrying value of the Borrowings (i.e Financial Liabilities) and other equity as at March 31,2020 is unascertainable.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2016-17

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable.

(iii) If management is unable to estimate the impact, reason for the same:

Consequent to RBI Circular dated 12th February, 2018, the lenders had decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs) while Banks holding most of the remaining debt are also pursuing the process for assignment of debt to ARCs. Majority of the lenders of the Parent company consisting of both ARCs and the banks have signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Parent Company.

M/S. D N V & Co. Mumbai Chartered Accountants

However, the restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID -19 outbreak. Restructuring of the debt to be done on a sustainable basis could inter-alia necessitate down-sizing of debt including interest and will also need to factor in the COVID impact on global and domestic economy and consequently on the business of the Parent Company.

Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). In view of restructuring exercise, occurrence of such interest though unascertained, however the same has been provided out of abundant precaution. The financial effect, if any of non provision of overdue / penal and compounding of interest, on consolidated net loss for the year ended March 31, 2020, carrying value of the borrowings (i.e. financial liabilities) and other equity as at March 31,2020 is not ascertainable.

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above.

III Signatories:

For ISMT Limited

R.POORNALINGAM

B.R Taneja	Rajiv Goel	R Poornalingam
Managing Director	Chief Financial Officer	Audit Committee Chairman
Pune: July 31, 2020		

Statutory Auditors

For D N V & Co.
Firm Registration No. 102079W
Chartered Accountants

M/s. D N V & Co. Mumbai Chartered Accountants

CA Bharat Jain
Partner
Membership No. 100583
Mumbai: July 31, 2020.
UDIN : 20100583AAAADC8865