

ISMT/CLS/SEC/170/11-12

February 04, 2012

✓ Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, New Trading Ring
Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Dear Sir

Subject: Un-audited Financial Results along with Limited Review Report for the quarter ended December 31, 2011

The meeting of the Board of Directors of the Company was held today to consider and approve the Unaudited Financial Results for the quarter ended December 31, 2011.

In compliance with the listing agreement, we are sending herewith the said Unaudited Financial Results along with Limited Review Report for the quarter ended December 31, 2011 in the prescribed format.

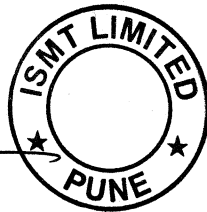
Please take the same on your record.

Thanking you.

Yours faithfully,
For ISMT Limited



Jayan Nair
Company Secretary



Encl:As above

cc : National Stock Exchange Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (E)
Mumbai 400051



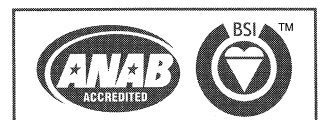
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Corporate & Registered Office

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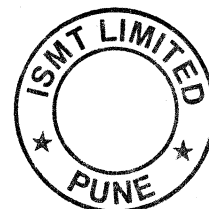
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EMS 560513

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER,2011

Rs. in Crore

Sr. No	Particulars	Quarter ended 31st Dec.,2011	Quarter ended 30th Sept.,2011	Quarter ended 31st Dec.,2010	Nine Months ended 31st Dec.,2011	Nine Months ended 31st Dec.,2010	Year ended 31st March, 2011
							Audited
1	Gross Sales/ Income from Operations	744.78	825.68	620.81	2,300.31	1,887.75	2,604.27
	Less : Inter Segment Transfers	204.99	226.42	177.56	610.98	541.33	709.10
	Inter Division Transfers	38.40	50.98	33.26	133.92	119.43	150.39
	Excise Duty	36.88	36.10	30.70	109.18	94.59	131.07
	(a) Net Sales/ Income from Operations	464.51	512.18	379.29	1,446.23	1,132.40	1,613.71
	(b) Other Operating Income	7.42	9.91	9.06	24.89	16.27	24.39
	Total Income (a+b)	471.93	522.09	388.35	1,471.12	1,148.67	1,638.10
2	Expenditure						
	(a) (Increase) / Decrease in Stock-in-trade and Work in progress	(11.80)	4.40	(18.00)	(42.05)	(74.94)	(55.25)
	(b) Consumption of Raw Materials	250.68	258.51	189.33	772.34	560.55	797.60
	(c) Direct Expenditure :						
	(i) Energy	84.54	85.64	71.80	253.57	208.38	280.98
	(ii)Other Direct Expenditure	61.37	70.67	52.01	198.28	174.92	242.90
	(d) Employees Cost	28.66	28.63	24.77	84.12	69.19	94.69
	(e) Depreciation & Amortisation	22.43	20.73	20.37	63.40	58.25	85.54
	(f) Other Expenditure	4.87	4.91	4.27	14.72	11.76	16.66
	(g)Total (a to f)	440.75	473.49	344.55	1,344.38	1,008.11	1,463.12
3	Profit from Operations before Other Income , Interest and Finance Charges (1-2)	31.18	48.60	43.80	126.74	140.56	174.98
4	Other Income	4.27	3.55	1.50	13.31	7.39	14.17
5	Profit before Interest and Finance Charges (3+4)	35.45	52.15	45.30	140.05	147.95	189.15
6	Interest and Finance Charges	31.25	25.00	23.71	82.85	65.05	90.56
7	Profit after Interest and Finance Charges but before Foreign Exchange (Gain)/ Loss and tax (5-6)	4.20	27.15	21.59	57.20	82.90	98.59
8	Foreign Exchange (Gain) / Loss	6.90	12.45	(2.94)	19.24	0.19	2.57
9	Profit from Ordinary Activities before tax (7- 8)	(2.70)	14.70	24.53	37.96	82.71	96.02
10	Tax Expenses : Current Tax (including P.Y. Rs. 9.30 crore)	8.77	3.09	4.89	16.93	16.09	18.57
	Add : MAT Credit Entitlement (including P.Y. Rs. 8.32 crore)	7.78	3.08	4.89	15.92	16.09	18.52
	Less : Deferred Tax Charge /(Credit)	(5.46)	4.20	9.95	6.13	25.61	20.61
11	Net Profit from Ordinary Activities after tax (9-10)	1.77	10.49	14.58	30.82	57.10	75.36
12	Paid-up Equity Share Capital (Face Value of Rs.5/- per share)	73.25	73.25	73.25	73.25	73.25	73.25
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year.	-	-	-	-	-	545.45
14	Earnings per share						
	Basic Earnings per share of Rs.5/- each (Rs) (not annualised)	0.12	0.72	1.00	2.10	3.90	5.14
15	Public Shareholding						
	Number of Shares	70759176	70789124	71297290	70759176	71297290	70927320
	Percentage of Shareholding	48.30%	48.32%	48.67%	48.30%	48.67%	48.41%
16	Promoters and promoter group shareholding						
	(a) Pledged / Encumbered						
	Number of Shares	NIL	NIL	375000	NIL	375000	375000
	Percentage of Shares (as a % of the total shareholding of promoter and Promoter group)	-	-	0.50%	-	0.50%	0.50%
	Percentage of Shares (as a % of the total share capital of the company)	-	-	0.26%	-	0.26%	0.26%
	(b) Non - Encumbered						
	Number of Shares	75742207	75712259	74829093	75742207	74829093	75199063
	Percentage of Shares (as a % of the total shareholding of promoter and Promoter group)	100.00%	100.00%	99.50%	100.00%	99.50%	99.50%
	Percentage of Shares (as a % of the total share capital of the company)	51.70%	51.68%	51.07%	51.70%	51.07%	51.33%

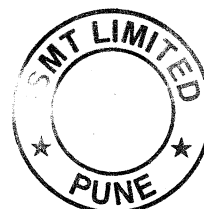


SEGMENT WISE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER ,2011.

Rs. in Crore

Sr No	Particulars	Quarter ended 31st Dec.,2011	Quarter ended 30th Sept.,2011	Quarter ended 31st Dec.,2010	Nine Months ended 31st Dec.,2011	Nine Months ended 31st Dec.,2010	Year ended 31st March, 2011
Audited							
1	Segment Revenue						
	a) Gross Sales – Tube	402.54	456.60	326.31	1,242.90	974.33	1,345.71
	Less : Inter Segment	15.73	17.62	8.98	47.09	29.49	39.08
	Inter Division	38.40	50.98	33.26	133.92	119.43	150.39
	Excise Duty	22.58	21.06	18.15	62.98	56.22	75.38
	Sub total	325.83	366.94	265.92	998.91	769.19	1,080.86
	b) Gross Sales – Steel	342.24	369.08	294.50	1,057.41	913.42	1,258.56
	Less : Inter Segment	189.26	208.80	168.58	563.89	511.84	670.02
	Excise Duty	14.30	15.04	12.55	46.20	38.37	55.69
	Sub total	138.68	145.24	113.37	447.32	363.21	532.85
	Total Net Sales/ Income from Operations	464.51	512.18	379.29	1,446.23	1,132.40	1,613.71
2	Segment Results						
	(Profit after Depreciation & Before Interest and Finance Charges, Foreign Exchange (Gain) / Loss, Unallocable income (net) and Tax.						
	a) Tube	24.95	35.40	26.35	88.36	83.02	106.95
	b) Steel *	7.42	16.07	17.63	45.25	61.57	81.64
	Total	32.37	51.47	43.98	133.61	144.59	188.59
	Less :Interest & Finance Charges	31.25	25.00	23.71	82.85	65.05	90.56
	Foreign Exchange (Gain) / Loss	6.90	12.45	(2.94)	19.24	0.19	2.57
	Add : Unallocable Income (Net of Unallocable Expenses)	3.08	0.68	1.32	6.44	3.36	0.56
	Total Profit Before Tax	(2.70)	14.70	24.53	37.96	82.71	96.02
	Less : Current Tax (including P.Y. Rs. 9.30 crore)	8.77	3.09	4.89	16.93	16.09	18.57
	Add : MAT Credit Entitlement (including P.Y. Rs. 8.32 crore)	7.78	3.08	4.89	15.92	16.09	18.52
	Less : Deferred Tax Charge /(Credit)	(5.46)	4.20	9.95	6.13	25.61	20.61
	Total Profit After Tax	1.77	10.49	14.58	30.82	57.10	75.36
3	Capital Employed						
	(Segment Assets – Segment Liabilities)						
	a) Tube	1,395.59	1,328.49	1,417.44	1,395.59	1,417.44	1,225.78
	b) Steel	170.12	197.02	103.92	170.12	103.92	87.54
	c) Unallocable	(997.35)	(881.13)	(884.89)	(997.35)	(884.89)	(694.62)

* Includes profit on steel captively consumed by Tube Segment



NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st December, 2011

- 1 a) During the current quarter and nine months ended as on 31st December, 2011 the Company has utilised Rs.8.75 Crore out of the proceeds from Foreign Currency Convertible Bonds towards object of the issue.
b) On 1st December, 2011 the Company has redeemed 0%, FCCB Bonds of USD 20 Million along with the redemption premium and the same has been pro-rated over the quarters.
- 2 The Company has changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign currency borrowings by following and appropriate hedge accounting policy and applying the principles set out in AS – 30 Financial Instruments : Recognition and Measurement. The Company has w.e.f. 1st April, 2011 designated borrowings in foreign currency, other than those utilised for capital expenditure, as hedge instrument to hedge its foreign currency risks of highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the current quarter and nine months ended 31st December, 2011, the net exchange difference loss on foreign currency borrowings amounting to Rs.38.30 Crore and Rs. 67.67 Crore (includes Rs.29.37 Crore for first two quarters) respectively has been recognised in Hedge Reserve. As a result, the charge on account of exchange difference loss for the quarter and nine months ended 31st December, 2011 is lower by similar amounts and therefore previous period and previous year figures are not comparable.

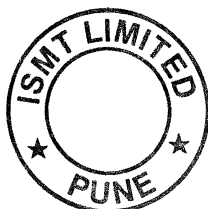
Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs amending the Accounting Standard 11, the Company has exercised the option as per Para 46 A inserted in the standard for long term monetary liabilities. Consequently, on long term Monetary Liabilities, other than covered under Hedge accounting and utilised for capital expenditure, an amount of Rs.6.97 Crore is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on 31st December, 2011 and will be amortised over the life of the monetary liabilities. As a result of above change, exchange difference loss amounting to Rs.3.61 Crore for the current quarter (Rs.6.97 Crore for nine months ended 31st December, 2011) has not been charged to profit and loss account during respective periods.

Due to above changes, profit (net of tax) for the current quarter and nine months ended 31st December, 2011 is overstated by Rs.27.91 Crore and Rs.50.42 Crore respectively.

- 3 The Company's 40 MW Captive Power Plant has been successfully synchronized during the current quarter.
- 4 Based on the advice on treatment of Amalgamation Reserve created in terms of the Scheme of Arrangement, sanctioned by the Hon'ble High Court, Bombay, the Company has adjusted depreciation of Rs.1.69 Crore and Rs.5.07 Crore during current quarter and for nine months ended 31st December, 2011 respectively against the Amalgamation Reserve.
- 5 In terms of the eligibility of the Company under the Package Scheme of Incentive 2007, Mega Project Incentive has been treated as income following " Income Approach " in terms of Accounting Standard – 12, " Accounting for Government Grants ". However, based on the legal advice the same has been considered as capital receipt for the purpose of taxation.
- 6 As at the beginning of the Quarter, 2 investor complaints were pending. 3 investor complaints were received during the quarter and all the 5 complaints were redressed during the quarter. There were no complaints pending at the end of the quarter ended 31st December, 2011.
- 7 The insurance claim lodged during the quarter ended 30th September, 2011 has been accounted on accrual basis and a note to this effect was given in the previous quarterly results. The limited review report for the previous and current quarter has been qualified with respect to above note and the Company expects that the said claim would be settled by the insurance Company and there would be no material difference in the settlement of the claim.
- 8 The comparative figures are regrouped and reclassified to meet the current quarter's classification.

The auditors have conducted a " Limited Review " of the financial results for the quarter ended 31st December, 2011. The above results were reviewed by the Audit committee and have been taken on record by the Board of Directors at the meeting held on 4th February, 2012.

For ISMT Limited



Sd/-
Rajiv Goel

Chief Financial Officer

Place : Pune
Date : 4th February, 2012

REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of ISMT LIMITED for the period ended 31st December, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. Based on our review conducted as above and subject to:

Premium paid on redemption of Foreign Currency Convertible Bonds (FCCB), net of adjustment with security premium, of Rs.4.94 Crore is accounted for on pro-rata basis resulting in short charge to profit and loss account by Rs. 3.57 Crore. Due to this, profit (net of tax) for the current quarter and nine months ended 31st December, 2011 is overstated by Rs. 2.41 Crore.

The Company has paid a claim of Rs. 14.87 Crore to its customer, which is accounted as claims receivable, against which the Company has lodged a claim with the insurance company. Pending settlement of claim, receivable amount is not ascertainable and therefore effect of the shortfall, if any, on the profit for the period cannot be quantified.

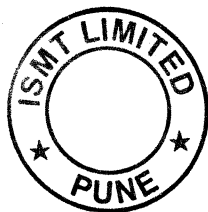
nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/S P.G.BHAGWAT
Firm Registration No. 101118W
Chartered Accountants

sd/-
Sandeep Rao
Partner
M.No.47235
Pune
4th February, 2012

For J.K.Shah & Co.
Firm Registration No. 109606W
Chartered Accountants

sd/-
Sanjay Dhruva
Partner
M.No.38480
Mumbai
4th February, 2012



ISMT LIMITED

Solutions You Can Trust

PRESS RELEASE : ISMT Limited announces Q3 FY 2011-12 Results.

Pune, 4th February, 2012: ISMT Limited, a leading Seamless Tube and Alloy Steel Manufacturer, announced its unaudited results for the 3rd Quarter of FY 2011-12 in its Board Meeting held on 4th February 2012.

KEY HIGHLIGHTS : Q3 FY 2011-12:

PARTICULARS	Q3 FY 11-12	Q3 FY 10-11	% Change (Y-O-Y)	9 Mths FY 11-12	9 Mths FY 10-11	% Change (Y-O-Y)
Income from Operations	471.93	388.35	22%	1471.12	1148.67	28%
Exports Sales	112.02	78.20	43%	385.91	239.63	61%
EBIDTA	57.88	65.67	-12%	203.45	206.21	-1%
EBIDTA %	12.2%	16.8%		13.7%	17.8%	
Profit Before Tax & FX gain/loss	4.20	21.59	-81%	57.20	82.90	-31%
Net Profit	1.77	14.58	-88%	30.82	57.10	-46%
Cash Accruals	27.16	37.07	-27%	112.97	125.07	-10%

(Rs. In Crores)

1. Income from Operations higher by 22% over Q3 FY 11 resulting largely from higher Tube Exports and higher Realisations.
2. Export Sales grew by 43% over Q3 FY 11.
3. Healthy growth witnessed in Domestic Hydraulics segment and in Exports in Mining Segment.
4. Lag in passing on Raw Material Price Increase and Higher Energy Cost impacted margins.
5. Profitability impacted on account of increase in overall interest rates and FX rate volatility.
6. USD 20 Million outstanding FCCB's successfully redeemed.
7. 40 MW Captive Power Plant successfully synchronised with the grid on 31st December 2011.

About ISMT Limited: ISMT Limited is a leading manufacturer of Seamless Tubes and Alloy Steel. Company caters to a diversified industry segment viz. Power, Oil & Gas Exploration, Automotive, Bearing, Construction Equipment and Projects. Company has manufacturing facilities at Jejuri, Ahmednagar & Baramati in India and Overseas Subsidiary by name of Structo Hydraulics AB in Sweden.



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