

ISMT Limited

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PART I
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH,2014

Sr. No	Particulars	Stand Alone					Consolidated	
		Quarter ended 31st March, 2014	Quarter ended 31st Dec. 2013	Quarter ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
		Refer Note No 8	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1	Gross Sales/ Income from Operations	633.25	591.74	640.10	2,563.10	2,513.02	2,733.55	2,666.13
	Less : Inter Segment Transfers	206.52	211.03	204.61	880.27	745.29	880.27	745.29
	Inter Division Transfers	8.27	9.01	17.20	39.97	112.38	39.97	112.38
	Subsidiary Company Transfers	-	-	-	-	-	136.28	126.29
	Excise Duty	38.77	32.74	37.82	147.47	143.94	147.47	143.94
	(a) Net Sales / Income from Operations	379.69	338.96	380.47	1,495.39	1,511.41	1,529.56	1,538.23
	(b) Other Operating Income	14.99	16.82	17.91	65.72	80.38	66.15	82.00
	Total Income from Operations (a+b)	394.68	355.78	398.38	1,561.11	1,591.79	1,595.71	1,620.23
2	Expenses							
	(a) Consumption of Raw Materials	167.43	202.98	197.58	761.46	773.44	770.56	782.02
	(b) Purchase of stock-in-trade	0.38	-	2.15	1.78	8.21	1.78	8.21
	(c) Changes in inventories of finished goods,work-in-progress and stock-in-trade	50.62	(42.50)	(1.00)	(16.13)	(27.18)	(7.62)	(32.40)
	(d) Employee Benefits Expense	31.40	32.31	30.08	123.75	115.79	144.22	137.64
	(e) Depreciation, Amortisation and Obsolescence	25.80	25.58	24.67	102.09	95.64	108.73	101.22
	(f) Other Expenses :							
	(i) Energy	74.85	78.27	51.83	319.19	295.60	320.47	297.33
	(ii) Other Direct Expenditure	60.21	69.91	65.80	257.15	239.95	254.71	244.47
	(iii) Other Expenditure	4.72	7.04	9.94	26.61	27.28	36.24	36.31
	Total Expenses	415.41	373.59	381.05	1,575.90	1,528.73	1,629.09	1,574.80
3	Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)	(20.73)	(17.81)	17.33	(14.79)	63.06	(33.38)	45.43
4	Other Income	3.17	3.27	8.13	15.61	20.66	16.07	24.67
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(17.56)	(14.54)	25.46	0.82	83.72	(17.31)	70.10
6	Finance Costs	50.33	48.66	37.15	183.53	152.66	187.27	157.63
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(67.89)	(63.20)	(11.69)	(182.71)	(68.94)	(204.58)	(87.53)
8	Exceptional items							
	(a) Foreign Exchange (Gain) / Loss	34.55	14.69	11.02	67.52	63.85	66.82	62.31
	(b) Excess Energy Cost	(1.06)	-	-	14.60	-	14.60	-
	(c) Others (Refer Note No 7)	(79.36)	11.38	7.84	(60.18)	7.84	(60.18)	7.84
9	Profit / (Loss) from ordinary activities before tax (7- 8)	(22.02)	(89.27)	(30.55)	(204.65)	(140.63)	(225.82)	(157.68)
10	Tax Expenses - Debit / (Credit)	-	(0.93)	(10.30)	(34.36)	(40.92)	(31.61)	(33.51)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(22.02)	(88.34)	(20.25)	(170.29)	(99.71)	(194.21)	(124.17)
12	Extraordinary items	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	(22.02)	(88.34)	(20.25)	(170.29)	(99.71)	(194.21)	(124.17)
14	Share of Minority Interest	-	-	-	-	-	(0.04)	(0.09)
15	Share of Associate (Rs 0.13 Lacs)	-	-	-	-	-	-	-
16	Net Profit / (Loss) after tax and Minority Interest (13-14-15)	(22.02)	(88.34)	(20.25)	(170.29)	(99.71)	(194.17)	(124.08)
17	Paid-up Equity Share Capital (Face Value of Rs.5/- per share)	73.25	73.25	73.25	73.25	73.25	73.25	73.25
18	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year.	-	-	-	231.24	416.57	134.63	351.64
19	Earnings per share before extraordinary items)							
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(1.50)	(6.03)	(1.38)	(11.62)	(6.81)	(13.25)	(8.47)
20	Earnings per share after extraordinary items)							
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(1.50)	(6.03)	(1.38)	(11.62)	(6.81)	(13.25)	(8.47)

PART - II
A SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31st MARCH,2014.
PARTICULARS OF SHAREHOLDING

1	Public Shareholding							
	Number of Shares	69941572	70130612	70150712	69941572	70150712	69941572	70150712
	Percentage of Shareholding	47.74%	47.87%	47.88%	47.74%	47.88%	47.74%	47.88%
2	Promoters and promoter group shareholding							
	(a) Pledged / Encumbered							
	Number of Shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Percentage of Shares (as a % of the total shareholding of promoter and Promoter group)	-	-	-	-	-	-	-
	Percentage of Shares (as a % of the total share capital of the company)	-	-	-	-	-	-	-
	(b) Non - Encumbered							
	Number of Shares	76559811	76370771	76350671	76559811	76350671	76559811	76350671
	Percentage of Shares (as a % of the total shareholding of promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of the total share capital of the company)	52.26%	52.13%	52.12%	52.26%	52.12%	52.26%	52.12%

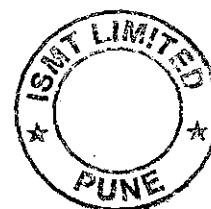
B INVESTOR COMPLAINTS

Pending at the beginning of the quarter	NIL
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	NIL



Sr No	Particulars	Stand Alone					Consolidated	
		1	2	3	4	5	6	7
		Quarter ended 31st March, 2014 <small>Refer Note No 8</small>	Quarter ended 31st Dec., 2013 Unaudited	Quarter ended 31st March, 2013 Unaudited	Year ended 31st March, 2014 Audited	Year ended 31st March, 2013 Audited	Year ended 31st March, 2014 Audited	Year ended 31st March, 2013 Audited
1 Segment Revenue								
a) Gross Sales – Tube	307.68	284.77	318.44	1,204.94	1,297.88	1,375.39	1,450.99	
Less : Inter Division	8.27	9.01	17.20	39.97	112.38	39.97	112.38	
Sales to Subsidiary Company	-	-	-	-	-	136.28	126.29	
Excise Duty	25.59	21.29	24.10	93.12	87.37	93.12	87.37	
Sub total	273.82	254.47	277.14	1,071.85	1,098.13	1,106.02	1,124.95	
b) Gross Sales – Steel	325.57	306.97	321.66	1,358.16	1,215.14	1,358.16	1,215.14	
Less : Inter Segment	206.52	211.03	204.61	880.27	745.29	880.27	745.29	
Excise Duty	13.18	11.45	13.72	54.35	56.57	54.35	56.57	
Sub total	105.87	84.49	103.33	423.54	413.28	423.54	413.28	
Total Net Sales/ Income from Operations	379.69	338.96	380.47	1,495.39	1,511.41	1,529.56	1,538.23	
2 Segment Results								
Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items ,Unallocable income (net) and Tax.								
a) Tube	(16.49)	(7.11)	(19.82)	(10.75)	16.21	(28.88)	2.59	
b) Steel *	(3.66)	(16.37)	7.80	(18.47)	17.78	(18.47)	17.78	
Total	(20.15)	(23.48)	(12.02)	(29.22)	33.99	(47.35)	20.37	
Less : Finance Costs	50.33	48.66	37.15	183.53	152.66	187.27	157.63	
: Exceptional item - Foreign Exchange (Gain) / Loss	34.55	14.69	11.02	67.52	63.85	66.82	62.31	
- Excess Energy Cost	(1.06)	-	-	14.60	-	14.60	-	
- Others (Refer Note No. 7)	(79.36)	11.38	7.84	(60.18)	7.84	(60.18)	7.84	
Add : Unallocable Income (Net of Unallocable Expenses)	2.59	8.94	37.48	30.04	49.73	30.04	49.73	
Total Profit / (Loss) Before Tax	(22.02)	(89.27)	(30.55)	(204.65)	(140.63)	(225.82)	(157.68)	
Less : Tax Expenses - Debit / (Credit)	-	(0.93)	(10.30)	(34.36)	(40.92)	(31.61)	(33.51)	
Total Profit / (Loss) After Tax	(22.02)	(88.34)	(20.25)	(170.29)	(99.71)	(194.21)	(124.17)	
Less : Share of Minority Interest	-	-	-	-	-	(0.04)	(0.09)	
: Share of Associate (Rs. 0.13 Lacs)	-	-	-	-	-	-	-	
Profit / (Loss) After Minority Interest	(22.02)	(88.34)	(20.25)	(170.29)	(99.71)	(194.17)	(124.08)	
3 Capital Employed								
(Segment Assets – Segment Liabilities)								
a) Tube	1,390.85	1,465.63	1,403.33	1,390.85	1,403.33	1,418.88	1,451.60	
b) Steel	52.60	73.15	107.41	52.60	107.41	52.60	107.41	
c) Unallocable	(1,138.96)	(1,261.97)	(1,020.92)	(1,138.96)	(1,020.92)	(1,254.30)	(1,128.03)	

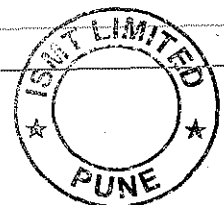
* Includes profit on steel captively consumed by Tube Segment



STATEMENT OF ASSETS AND LIABILITIES

Rs. In Crore

Particulars	Stand Alone		Consolidated	
	As at 31 st Mar, 2014	As at 31 st Mar, 2013	As at 31 st Mar, 2014	As at 31 st Mar, 2013
	Audited	Audited	Audited	Audited
A EQUITY AND LIABILITIES				
1 Shareholders' Funds				
a) Share Capital	73.25	73.25	73.25	73.25
b) Reserves & Surplus	231.24	416.57	143.93	357.64
Sub -Total Shareholders' funds	304.49	489.82	217.18	430.89
2 Minority Interest				
	-	-	-	0.09
3 Non - Current Liabilities				
a) Long Term Borrowings	738.64	731.87	759.74	739.23
b) Deferred Tax Liabilities (Net)	-	34.36	3.10	34.74
c) Long Term Provisions	6.33	6.02	8.34	8.35
Sub - Total - Non Current Liabilities	744.97	772.25	771.18	782.32
4 Current Liabilities				
a) Short Term Borrowings	464.13	321.84	540.22	400.41
b) Trade Payables	590.42	639.96	591.91	638.53
c) Other Current Liabilities	639.04	588.40	624.57	568.63
d) Short Term Provisions	1.47	1.79	1.48	1.81
Sub -Total - Current Liabilities	1,695.06	1,551.99	1,758.18	1,609.38
TOTAL EQUITY AND LIABILITIES	2,744.52	2,814.06	2,746.54	2,822.68
B ASSETS				
1 Non - Current Assets				
a) Fixed Assets	1339.81	1387.71	1,459.50	1,504.16
b) Goodwill on Consolidation	-	-	37.65	31.90
c) Non-Current Investment	52.75	52.75	0.05	0.05
d) Long Term Loans and Advances	10.71	12.07	36.53	44.63
e) Other Non Current Assets	92.57	92.87	92.65	92.97
Sub - Total - Non - Current Assets	1,495.84	1,545.40	1,626.38	1,673.71
3 Current Assets				
a) Inventories	472.13	507.85	494.25	538.40
b) Trade Receivables	371.69	400.06	299.45	336.06
c) Cash and Bank Balances	128.99	74.37	147.81	75.70
d) Short Term Loans and Advances	130.25	157.69	30.17	64.62
e) Other Current Assets	145.62	128.69	148.48	134.19
Sub - Total - Current Assets	1,248.68	1,268.66	1,120.16	1,148.97
Total Assets	2,744.52	2,814.06	2,746.54	2,822.68

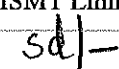


NOTES ON AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH, 2014

1. The Company had adopted the Hedge Accounting policy and principles set out in Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement. During the quarter ended 31st March, 2014, the Company has carried Exchange Gain of Rs 18.39 Crore to Hedge Reserve Account and charged Exchange Loss of Rs 31.53 Crore to Statement of Profit and Loss from Hedge Reserve Account. Balance in Hedge Reserve Accounts as on 31st March, 2014 is Rs. 20.73 Crore.
2. The Company has exercised the option as per Para 46 A inserted in the Accounting Standard (AS-11) for treatment of exchange difference on long term monetary liabilities, other than covered under the Hedge accounting. Accordingly during the quarter ended 31st March, 2014, Exchange Gain capitalized is Rs. 10.57 Crore and Exchange Gain recognized in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is Rs. 1.15 Crore and Exchange Loss of Rs. 0.28 Crore transferred to Statement of Profit and Loss from FCMITDA. Balance in FCMITDA as on 31st March, 2014 is Rs. 9.78 Crore.
3. 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.1.71 Crore and Rs.6.72 Crore during current quarter and year ended 31st March, 2014 respectively against the Amalgamation Reserve.
4. The Company has invested Rs.48.43 Crore in its subsidiary ISMT Enterprises, Luxembourg, which in turn holds 100 % investment in Structo Hydraulics AB, Sweden (SHAB). The company has given a corporate guarantee of Rs 18.03 Crores (USD 3 Million) for loan availed by SHAB. The net recoverable on account of supplies by the company to SHAB is Rs. 53.85 Crore. SHAB has incurred cash losses in current year and the net worth of SHAB is eroded. The management is of the opinion that the investment made in ISMT Enterprises group is strategic and as a forward integration in the value chain of core business of the company and the diminution in value of investment is temporary in nature, as such no provision for the same is considered necessary.
5. Employee Benefits Expense include remuneration paid to Executive Directors for the year amounting to Rs. 1.40 Crores and cumulative Rs. 3.12 Crore, which is in excess of limit specified under Schedule XIII to The Companies Act, 1956, is subject to approval of Central Government.
6. Upon petition filed by the Company regarding non implementation of Energy Banking Agreement (EBA) dated 7th May, 2010, Maharashtra Electricity Regulatory Commission (MERC) had passed an interim order dated 13th May, 2013 inter alia restoring the banking. This order was challenged by Maharashtra State Electricity Distribution Company Limited (MSEDCL) on grounds of jurisdiction before the Appellate Tribunal for Electricity after being turned down by High Court at Bombay, which the Tribunal had remanded back to MERC after setting aside the above order. MERC has now passed an order dated 3rd December, 2013, confirming that they have jurisdiction to stipulate banking. Based on Legal advice, the Company, pending final disposal of the petition, has continued to accrue Banking Credit as per EBA of Rs.4.97 Crore and Rs.20.03 Crore during current quarter and for the year ended 31st March, 2014 respectively (Cumulative up to 31st March, 2014 Rs. 49.97 Crore) representing excess energy charges paid to MSEDCL on account of non availability of banking facility.
7. Exceptional item – Others include:
 - a) Legal and other related expenses incurred for International Arbitration for the current quarter Rs. 1.28 Crore and for the year Rs. 3.27 Crore.
 - b) Write off of Insurance claim for the current quarter Nil and for the year Rs. 2.45 Crore.
 - c) During the quarter ending 31st March 2014 the company has received payment of Rs. 134.05 Crore in relation to an Arbitration case initiated by the company against one of its equipment suppliers. The company has adjusted Rs. 34.01 Crore, being relevant excess costs incurred during the year and Rs. 34.14 Crore on account of Legal and other expenses incurred against the settlement amount. The net balance amount of Rs. 65.90 Crore is disclosed as a credit under "Exceptional Items". Out of relevant excess costs of Rs. 34.01 Crore, amount of Rs.19.27 Crore was disclosed under respective expenses during the first three quarters of the year. (first quarter Rs.4.77 Crore, second quarter Rs.6.24 Crore and third quarter Rs.8.26 Crore).
8. The figures of the last quarter of year ended 31st March, 2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
9. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21.
10. The comparative figures are regrouped and reclassified to meet the current quarter's classification.

The above results were reviewed by the Audit committee and have been taken on record by the Board of Directors at their meeting held on 28th May, 2014.

For ISMT Limited


Rajiv Goel
Chief Financial Officer

Place: Pune
Date: 28th May, 2014

