

PART I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

Sr. No	Particulars	Rs. In Crore			
		Quarter ended 30th June, 2014	Quarter ended 31st March, 2014	Quarter ended 30th June, 2013	Year ended 31st March, 2014
		Unaudited	Refer Note No. 9	Unaudited	Audited
1	Gross Sales/ Income from Operations	623.43	633.25	623.44	2,563.10
	Less : Inter Segment Transfers	199.54	206.52	208.66	880.27
	Inter Division Transfers	9.90	8.27	12.79	39.97
	Excise Duty	40.06	38.77	35.66	147.47
	(a) Net Sales/ Income from Operations	373.93	379.69	366.33	1,495.39
	(b) Other Operating Income	12.97	14.99	19.77	65.72
	Total Income from Operations (a+b)	386.90	394.68	386.10	1,561.11
2	Expenses				
	(a) Consumption of Raw Materials	166.60	167.43	179.37	761.46
	(b) Purchase of stock-in-trade	0.51	0.38	0.26	1.78
	(c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	39.67	50.62	(0.80)	(16.13)
	(d) Employee Benefits Expense	31.86	31.40	29.56	123.75
	(e) Depreciation, Amortisation and Obsolescence	16.36	25.80	24.85	102.09
	(f) Other Expenses :				
	(i) Energy	76.16	74.85	76.53	319.19
	(ii) Other Direct Expenditure	46.44	60.21	55.76	257.15
	(iii) Other Expenditure	8.70	4.72	7.11	26.61
	Total Expenses	386.30	415.41	372.64	1,575.90
3	Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)	0.60	(20.73)	13.46	(14.79)
4	Other Income	2.86	3.17	4.52	15.61
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	3.46	(17.56)	17.98	0.82
6	Finance Costs	52.22	50.33	39.67	183.53
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(48.76)	(67.89)	(21.69)	(182.71)
8	Exceptional item - Foreign Exchange (Gain)/ Loss				
	(a) Foreign Exchange (Gain)/ Loss	7.15	34.55	7.06	67.52
	(b) Excess Energy Cost	-	(1.06)	-	14.60
	(c) Others	1.97	(79.36)	4.18	(60.18)
9	Profit / (Loss) from ordinary activities before tax (7- 8)	(57.88)	(22.02)	(32.93)	(204.65)
10	Tax Expenses	-	-	(11.79)	(34.36)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(57.88)	(22.02)	(21.14)	(170.29)
12	Extraordinary items	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	(57.88)	(22.02)	(21.14)	(170.29)
14	Paid-up Equity Share Capital (Face Value of Rs.5/- per share)	73.25	73.25	73.25	73.25
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year.	-	-	-	231.24
16	Earnings per share before extraordinary items)				
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(3.95)	(1.50)	(1.44)	(11.62)
17	Earnings per share after extraordinary items)				
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(3.95)	(1.50)	(1.44)	(11.62)

PART - II

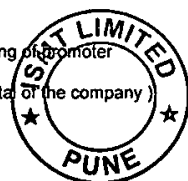
A SELECT INFORMATION FOR THE QUARTER ENDED 30 TH JUNE, 2014.

PARTICULARS OF SHAREHOLDING

1	Public Shareholding				
	Number of Shares	69951572	69941572	70130712	69941572
	Percentage of Shareholding	47.75%	47.74%	47.87%	47.74%
2	Promoters and promoter group shareholding				
	(a) Pledged / Encumbered				
	Number of Shares	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	76549811	76559811	76370671	76559811
	Percentage of Shares (as a % of the total shareholding of promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of the total share capital of the company)	52.25%	52.26%	52.13%	52.26%

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

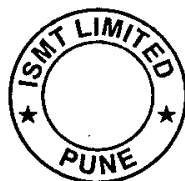


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SEGMENT WISE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 TH JUNE, 2014.

Rs. in Crore

Sr No	Particulars	1	2	4	
		Quarter ended 30th June,2014	Quarter ended 31st March,2014	Quarter ended 30th June,2013	Year ended 31 st March, 2014
		Unaudited	Refer Note No. 9	Unaudited	Audited
1 Segment Revenue					
a) Gross Sales – Tube		293.15	307.68	288.56	1,204.94
Less : Inter Division		9.90	8.27	12.79	39.97
Excise Duty		24.95	25.59	21.87	93.12
Sub total		258.30	273.82	253.90	1,071.85
b) Gross Sales – Steel		330.28	325.57	334.88	1,358.16
Less : Inter Segment		199.54	206.52	208.66	880.27
Excise Duty		15.11	13.18	13.79	54.35
Sub total		115.63	105.87	112.43	423.54
Total Net Sales/ Income from Operations		373.93	379.69	366.33	1,495.39
2 Segment Results					
Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional item- Foreign Exchange (Gain) / Loss ,Unallocable income (net) and Tax.					
a) Tube		(5.41)	(16.49)	4.80	(10.75)
b) Steel *		10.40	(3.66)	1.51	(18.47)
Total		4.99	(20.15)	6.31	(29.22)
Less : Finance Costs		52.22	50.33	39.67	183.53
: Exceptional item - Foreign Exchange (Gain) / Loss		7.15	34.55	7.06	67.52
- Excess Energy Cost		-	(1.06)	-	14.60
- Others		1.97	(79.36)	4.18	(60.18)
Add : Unallocable Income (Net of Unallocable Expenses)		(1.53)	2.59	11.67	30.04
Total Profit / (Loss) Before Tax		(57.88)	(22.02)	(32.93)	(204.65)
Less : Tax Expenses		-	-	(11.79)	(34.36)
Total Profit / (Loss) After Tax		(57.88)	(22.02)	(21.14)	(170.29)
3 Capital Employed (Segment Assets – Segment Liabilities)					
a) Tube		1,335.24	1,390.85	1,472.98	1,390.85
b) Steel		(53.98)	52.60	41.97	52.60
c) Unallocable		(1,038.85)	(1,138.96)	(1,105.21)	(1,138.96)



* Includes profit on steel captively consumed by Tube Segment

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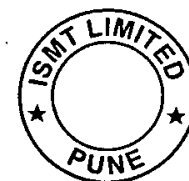
NOTES ON UN AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2014

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 30th June, 2014, the Company has carried Exchange Loss of Rs 5.53 Crore to Hedge Reserve Account and charged Exchange Loss of Rs 11.80 Crore to Statement of Profit and Loss from Hedge Reserve Account. Balance in Hedge Reserve Accounts as on 30th June, 2014 is Rs. 14.46 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 30th June, 2014, Exchange Gain capitalized is Rs. 0.85 Crore and Exchange Gain recognized in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is Rs. 0.003 Crore and Exchange Loss of Rs. 0.41 Crore transferred to Statement of Profit and Loss from FCMITDA. Balance in FCMITDA as on 30th June, 2014 is Rs. 9.37 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.1.11 Crore during current quarter ended 30th June, 2014 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 as on June, 30th 2014 on account of supplies by the company to SHAB is Rs. 45.99 Crore. SHAB has incurred cash losses 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. Upon petition filed by the Company regarding non implementation of Energy Banking Agreement (EBA) dated 7th May, 2010, Maharashtra Electricity Regulatory Commission (MERC) granted partial relief to the Company by its order dated 20th June, 2014. The company being aggrieved by the said order has filed a Review application before MERC on 9th July, 2014 to reconsider its decision on various grounds. Based on Legal advice, the Company, pending final disposal of the review application had accrued the EPA benefit aggregating to Rs. 49.97 Crores till 31st March, 2014 representing excess energy charges paid to MSEDCL on account of non availability of banking facility. There was no further accrual during the quarter on account of temporary suspension of operation of power plant.
6. Pending an independent ascertainment of useful life of fixed assets, the Company has reworked depreciation with reference to the useful lives of Fixed Assets prescribed by Schedule II of the Companies Act 2013, due to which there is a lower charge of depreciation of Rs. 10.69 Crore in the current quarter ended 30th June, 2014. In respect of assets where life is already exhausted, carrying value as at April, 01, 2014 of Rs. 9.76 Crore has been adjusted to Reserves.
7. In the opinion of the management, the outstanding MAT Entitlement as at 30th June 2014 of Rs. 91.44 Crore is expected to be utilized within the stipulated time period prescribed as per the provisions of Income Tax Act, 1961. Nevertheless, any amount lapsing in future due to insufficient taxable profits shall be fully provided in the respective years of lapsing.
8. The Company had not sought Open Access for wheeling of power from its Captive Power Plant with effect from April 01, 2014, since the operations of the Captive Power Plant have been temporarily suspended.
9. The figures of the last quarter of previous year 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 respective financial year.
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 13th August, 2014.

Place: Faridabad
Date: 13th August, 2014

For ISMT Limited
sd/-
Rajiv Goel
Chief Financial Officer



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REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of ISMT LIMITED for the period ended 30th June, 2014 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:

1] The company has outstanding MAT entitlement of Rs.91.44 Crores as on 30th June 2014, which in the opinion of the management, will be utilized within the stipulated time period prescribed as per the provisions of Income Tax Act, 1961 or charged to respective year's statement of Profit and Loss in case of inadequacy of taxable profits. Considering the uncertainties around the assumptions used for projections of future taxable profits and its consequential effect on utilization of MAT Credit Entitlement, we are unable to comment on the recoverability of Mat Credit Entitlement outstanding as at 30th June 2014 and its consequential impact on the statement of profit and Loss for the quarter ended 30th June 2014 and on the Reserves of the company as on that date. Refer Note Number No.7 forming part the Unaudited financial results;

2] The company, through its subsidiary, has invested Rs. 48.43 Crores in Structo Hydraulics AB Sweden (SHAB). Net receivable to the company from SHAB against supplies made is Rs 45.99 Crores and guarantee given by the company in respect of loans availed by SHAB is Rs. 18.03 Crores. The company has been incurring cash losses and the net worth of the company is also eroded. In the opinion of the management the investment is strategic and long term and the diminution in value of Investment is temporary and the debtors are collectible and no provisioning is required against the same. We are unable to comment on the same and ascertain its impact, if any, on the financial statements in respect of the above matters. Refer Note Number No.4 forming part the Unaudited financial results;

3] The company has recognized claim made of Rs. 49.97 Crores up to 31st March 2014 against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The realization of this claim is contingent and dependent upon the outcome of the decision of the Review Application petition filed with Maharashtra Electricity Regulatory Commission, Mumbai (MERC). In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with AS-29, Provisions, Contingent liabilities and Contingent assets. Recognition of the above claim has resulted in overstatement of Reserves by Rs. 49.97 Crores. Refer Note No. 5 forming part the Unaudited financial results.

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

Sdf-

Sandeep Rao
Partner
M.No.47235
Pune
13th August, 2014

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

Sdf-

J.K.Shah
Partner
M.No.3662
Mumbai
13th August, 2014