

ISMT/SEC/18-19

June 11, 2018

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 the Board Meeting

1. The Board of Directors of the Company (Board) in their meeting held on June 11, 2018, inter-alia, approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2018 which is enclosed herewith.
2. The Board has also appointed Mr. Chetan Nathani as the Company Secretary of the Company with immediate effect.

Mr. Chetan Nathani is a Member of the Institute of Company Secretaries of India, a Law graduate & holds a Master's degree in Commerce. He has over five years of experience in the field of Corporate Secretarial & has worked with reputed listed entities viz. Reliance Broadcast Network Ltd., Kinetic Engineering Ltd., KSB Pumps Ltd. & Taneja Aerospace and Aviation Ltd.

3. Further, Mr. Chetan Nathani has also been appointed as the Compliance Officer of the Company in place of Mr. Rajiv Goel with immediate effect.
4. Pursuant to Regulation 30(5) of the SEBI (LODR) Regulations, 2015, the Board has authorised the following Key Managerial Personnel to determine and disseminate the materiality of an event or information to the stock exchanges in addition to the existing:


Name	Mr. Chetan Nathani, Company Secretary
Contact details	ISMT Limited Lunkad Towers, Viman Nagar, Pune – 411 014 Ph.: + 91 020 4143 4161 E-mail: secretarial@ismt.co.in

The aforesaid Board Meeting commenced at 12:00 Noon and concluded at 6:10 p.m. on June 11, 2018.

Please take the above on your record and oblige.

Thanking you,

Yours faithfully,
For ISMT Limited


Chetan Nathani
Company Secretary
Encl.: As above



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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Rs. in Crore

Sr. No	Particulars	Standalone				Consolidated		
		Quarter ended March 31, 2018	Quarter ended Dec. 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
		Refer Note No14	Unaudited	Refer Note No14	Audited	Audited	Audited	Audited
1	Income							
	Revenue from Operations							
	Sales of Products	583.61	479.03	350.74	1,915.31	1,416.45	2,077.45	1,511.82
	Less : Inter Segment Transfers	113.24	73.76	64.07	345.94	227.92	345.94	227.92
	Inter Division Transfers	21.25	26.59	17.80	104.42	51.42	104.42	51.42
	Sale to Subsidiary Company	-	-	-	-	-	94.87	54.41
	(a) Gross Sales	449.12	378.68	268.87	1,464.95	1,137.11	1,532.22	1,178.07
	(b) Other Operating Revenue	10.35	6.12	8.05	25.30	25.18	25.69	25.65
	(c) Revenue from Operations - Net (a+b)	459.47	384.80	276.92	1,490.25	1,162.29	1,557.91	1,203.72
	(d) Other Income	2.01	4.25	3.34	10.13	8.90	10.53	9.31
	Total Revenue - (c+d)	461.48	389.05	280.26	1,500.38	1,171.19	1,568.44	1,213.03
2	Expenses							
	(a) Cost of Materials Consumed	220.71	219.83	137.08	796.52	522.96	844.77	529.63
	(b) Purchases of stock-in-trade	-	-	-	-	0.04	-	21.02
	(c) Changes in inventories of finished goods, work -in -progress and stock-in-trade	36.57	(12.64)	(6.22)	(13.01)	13.01	(15.75)	14.40
	(d) Employee Benefits Expense	31.12	32.25	28.18	126.09	110.86	137.69	122.29
	(e) Finance Costs	68.25	68.44	58.57	274.85	269.23	275.98	270.38
	(f) Depreciation	15.34	14.50	17.71	58.55	63.18	61.43	66.30
	(g) Other Expenses	144.73	126.47	110.79	504.69	472.36	511.57	471.04
	Total Expenses	516.72	448.85	346.11	1,747.69	1,451.64	1,815.69	1,495.06
3	Profit / (Loss) before exceptional item and Tax (1-2)	(55.24)	(59.80)	(65.85)	(247.31)	(280.45)	(247.25)	(282.03)
4	Exceptional item - Foreign Exchange (Gain) / Loss	(0.07)	(2.07)	(1.08)	(6.38)	(0.83)	(3.46)	(0.29)
5	Profit / (Loss) before tax (3- 4)	(55.17)	(57.73)	(64.77)	(240.93)	(279.62)	(243.79)	(281.74)
6	Tax Expenses :							
	(a) Current Tax	-	-	-	-	-	0.01	0.01
	(b) Earlier years Tax	(0.17)	-	-	(0.98)	-	(1.00)	-
	(c) Deferred Tax (Refer Note No. 6)	-	-	-	-	-	-	-
7	Profit / (Loss) after tax (5-6)	(55.00)	(57.73)	(64.77)	(239.95)	(279.62)	(242.80)	(281.75)
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	(0.02)	0.21	0.18	0.60	0.74	0.60	0.74
	(b) Items that will be reclassified to Profit or Loss							
	Foreign currency Translation Reserve	-	-	-	-	-	0.83	1.69
9	Other Comprehensive Income (Net of tax)	(0.02)	0.21	0.18	0.60	0.74	1.43	2.43
10	Total Comprehensive Income for the period (7+9)	(55.02)	(57.52)	(64.59)	(239.35)	(278.88)	(241.37)	(279.32)
	Profit / (Loss) attributable to :							
	Equity Shareholders of Parent	-	-	-	-	-	(242.78)	(281.73)
	Non Controlling Interest	-	-	-	-	-	(0.02)	(0.02)
	Other Comprehensive Income attributable to :							
	Equity Shareholders of Parent	-	-	-	-	-	1.43	2.43
	Non Controlling Interest	-	-	-	-	-	-	-
	Total Comprehensive Income attributable to :							
	Equity Shareholders of Parent	-	-	-	-	-	(241.35)	(279.30)
	Non Controlling Interest	-	-	-	-	-	(0.02)	(0.02)
11	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
12	Reserves Excluding Revaluation Reserve	-	-	-	(862.97)	(626.76)	(924.58)	(686.86)
13	Earnings per share							
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(3.75)	(3.94)	(4.42)	(16.38)	(19.09)	(16.57)	(19.23)



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SEGMENT WISE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018.

Rs. in Crore

Sr No	Particulars	Standalone					Consolidated	
		Quarter ended		Year ended			Year ended	
		March 31, 2018	Dec. 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Ref Note No 14	Unaudited	Ref Note No 14	Audited	Audited	Audited	Audited	
1	Segment Revenue							845.19
a)	Gross Sales – Tube	327.56	290.15	211.82	1,108.68	749.82	1,270.82	51.42
	Less : Inter Division	21.25	26.59	17.80	104.42	51.42	104.42	54.41
	: Sale to Subsidiary Companies	-	-	-	-	-	94.87	-
	Sub total	306.31	263.56	194.02	1,004.26	698.40	1,071.53	739.36
b)	Gross Sales – Steel	256.05	188.88	138.92	806.63	666.63	806.63	666.63
	Less : Inter Segment	113.24	73.76	64.07	345.94	227.92	345.94	227.92
	Sub total	142.81	115.12	74.85	460.69	438.71	460.69	438.71
		449.12	378.68	268.87	1,464.95	1,137.11	1,532.22	1,178.07
2	Total Segment Revenue							
	Segment Results							
	Profit / (Loss) after Depreciation and Before Finance Costs							(43.34)
	& Exceptional items, Unallocable income (net) and Tax.							25.90
		1.55	(0.59)	(4.39)	(10.18)	(45.41)	(9.08)	(17.44)
a)	Tube	10.36	5.89	(5.02)	29.62	25.90	29.62	270.38
b)	Steel *	11.91	5.30	(9.41)	19.44	(19.51)	20.54	(0.29)
	Total	68.25	68.44	58.57	274.85	269.23	275.98	5.79
	Less : Finance Costs	(0.07)	(2.07)	(1.08)	(6.38)	(0.83)	(3.46)	8.19
	: Exceptional items - Foreign Exchange (Gain) / Loss	1.10	3.34	2.13	8.10	8.29	8.19	-
	Add : Unallocable Income							
	(Net of Unallocable Expenses)	(55.17)	(57.73)	(64.77)	(240.93)	(279.62)	(243.79)	(281.74)
	Total Profit / (Loss) Before Tax							0.01
	Less : Tax Expenses				(0.98)		(1.00)	
	Current Tax	(0.17)	-	-	-	-	-	-
	Earlier years Tax	-	-	-	-	-	-	-
	Deferred Tax (Refer Note No. 6)	(55.00)	(57.73)	(64.77)	(239.95)	(279.62)	(242.80)	(281.75)
3	Total Profit / (Loss) After Tax							
	Capital Employed							
	Segment Assets							
a)	Tube	1,402.89	1,413.46	1,432.79	1,402.89	1,432.79	1,442.22	1,447.19
b)	Steel	403.22	399.70	387.72	403.22	387.72	403.22	387.72
c)	Unallocable	635.50	636.38	624.80	635.50	624.80	585.48	608.16
	Total Assets	2,441.61	2,449.54	2,445.31	2,441.61	2,445.31	2,430.92	2,443.07
	Segment Liabilities							
a)	Tube	114.70	120.85	102.85	114.70	102.85	130.75	125.92
b)	Steel	57.22	99.91	86.47	57.22	86.47	57.22	86.47
c)	Unallocable	2,859.15	2,763.22	2,606.10	2,859.15	2,606.10	2,889.13	2,635.48
	Total Liabilities	3,031.07	2,983.98	2,795.42	3,031.07	2,795.42	3,077.10	2,847.87

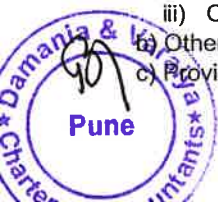


ISMT LIMITED

STATEMENT OF ASSETS AND LIABILITIES

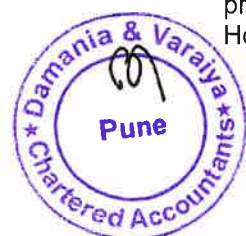
Rs. In Crore

Particulars	Standalone		Consolidated	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Audited	Audited	Audited	Audited
A ASSETS				
1 Non - Current Assets				
a) Property, Plant and Equipment	1,164.61	1,206.64	1,186.56	1,231.44
b) Capital Work-in-Progress	2.28	17.29	2.28	17.29
c) Goodwill on Consolidation	-	-	37.67	37.67
d) Financial Assets				
i) Investments	192.53	191.43	0.02	0.02
ii) Loans	13.67	10.64	13.67	10.64
iii) Other Financial Assets	-	0.04	-	0.04
e) Deferred Tax Asset (Net)	82.05	82.05	82.05	82.05
f) Other Non Current Assets	5.47	4.83	5.85	5.39
Sub Total	1,460.61	1,512.92	1,328.10	1,384.54
2 Current Assets				
a) Inventories	333.64	322.64	345.63	333.54
b) Financial Assets				
i) Trade Receivables	225.31	195.06	225.99	197.70
ii) Cash and Cash Equivalents	21.96	16.14	24.72	19.08
iii) Bank Balance Other than (ii) above	29.69	32.25	29.69	32.25
iv) Loans	0.86	1.56	0.86	1.56
v) Other Financial Assets	0.91	1.15	0.96	1.20
c) Current Tax Assets (Net)	3.83	9.53	4.55	9.98
d) Other Current Assets	110.80	105.80	111.79	110.34
Sub Total	727.00	684.13	744.19	705.65
3 Non Current Assets classified as held for sale	254.00	248.26	358.63	352.88
Total Assets	2,441.61	2,445.31	2,430.92	2,443.07
B EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share Capital	73.25	73.25	73.25	73.25
b) Other Equity	(662.71)	(423.36)	(719.27)	(477.92)
c) Non Controlling Interest	-	-	(0.16)	(0.13)
Total Equity	(589.46)	(350.11)	(646.18)	(404.80)
LIABILITIES				
1 NON-CURRENT LIABILITIES				
a) Financial Liabilities				
i) Borrowings	401.71	624.71	402.86	628.15
ii) Other Financial Liabilities	-	-	6.88	7.70
b) Other Liabilities	2.07	4.10	2.07	4.10
c) Provisions	5.06	5.96	6.04	7.04
Sub Total	408.84	634.77	417.85	646.99
2 CURRENT LIABILITIES				
a) Financial Liabilities				
i) Borrowings	1,066.01	1,058.65	1,086.39	1,075.76
ii) Trade Payables	101.81	128.94	107.94	141.41
iii) Other financial Liabilities	1,432.72	957.72	1,441.40	962.04
iv) Other Current Liabilities	19.45	12.36	21.26	18.67
c) Provisions	2.24	2.98	2.26	3.00
Sub Total	2,622.23	2,160.65	2,659.25	2,200.88
TOTAL EQUITY AND LIABILITIES	2,441.61	2,445.31	2,430.92	2,443.07



NOTES ON AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018.

1. The Company had exercised the option as per Para 46A inserted in the AS-11 for treatment of exchange difference on long term monetary liabilities and opted to avail exemption as per para D13AA of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Accordingly, Exchange Loss of Rs. 4.97 Crore for the quarter ended March 31, 2018 and Exchange Loss of Rs. 5.48 Crore for the year ended March 31, 2018 (including assets held for sale) has been adjusted to the respective fixed assets.
2. 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 the approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB on account of payment towards invocation of guarantee by lender of SHAB, which is considered as investment on adoption of Ind AS and the Company is taking steps for implementation of the same. The net receivables on account of sales made to SHAB as on March 31, 2018 are Rs.15.43 Crore and the same is considered as collectible. No provision, however, has been made in respect of diminution in the value of investment, which is in the nature of forward integration and considered Strategic and Long Term.
3. 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 (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, 2018 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.
ii) In view of the above the Company has not been able to operate the 40 MW Captive Power Plant (CPP) and is held for sale. In the opinion of the management, the Company expects to realise not less than its carrying amount of Rs. 254.00 Crore as on March 31, 2018.
4. Employee Benefits Expense includes remuneration payable to the Managing Director and Executive Director for the quarter ended March 31, 2018 of Rs. 0.80 Crore and Rs. 3.15 Crore for the year ended March 31, 2018 (Rs.4.39 Crore cumulative up to March 31, 2018) is subject to approval of the Central Government.
5. 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 of Rs. 82.05 Crores as at March 31, 2018, if any, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years.
6. Deferred Tax Asset in respect of carried forward losses is recognized to the extent of Deferred Tax Liability.
7. As a result of various measures taken by the Company, net loss for the financial year 2017-18 had come down to Rs. 239.35 Crore against loss of Rs.278.88 Crore of financial year 2016-17. The levy of anti-dumping duty by the Government of India on import of tubes from China effective February 17, 2017, an increasing trend in international oil prices and a gradual pick-up in demand are some of the factors resulting in increasing in Revenue and EBIDT. The Company has, therefore, continued to prepare its financial statements on 'Going Concern basis.'
8. The Company and its lenders had been exploring various options including OSDR for Debt Resolution. Subsequent to RBI circular dated February 12, 2018 the lenders have decided to explore assignment of debt as a Resolution Plan. Pending the same, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis. However no overdue / penal and compounding of interest, if any, has been provided.



9. 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. However, on account of subsequent adverse developments, the Company had decided not to pursue these projects. No provision has, however, been considered necessary for the amount invested of Rs 108.97 Crore (including advances given to TPPCL of Rs. 106.39 Crore being considered as investment on adoption of Ind AS), since in the opinion of the management, the Company expects to realise not less than the amount invested/advanced.
10. The Company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with recognition and measurement principle of Ind-AS prescribed under section 133 of the Companies Act 2013 read with the various rules there under . The date of transition of Ind-AS is April 1, 2106. The impact of transition has been accounted for in opening other equity and the comparative periods have been restated accordingly.
11. The reconciliation between net profit/(loss) for the quarter and year ended March 31, 2017 reported earlier as per previous Indian GAAP and the recasted above as per Ind AS is as under:

Rs. in Crore

Particulars	Standalone		Consolidated
	Quarter ended March 31,2017	Year ended March 31,2017	Year ended March 31,2017
Net Profit / (Loss) as per previous Indian GAAP	(65.79)	(288.44)	(290.60)
<u>Add/(Less): Adjustment pursuant to adoption of Ind AS</u>			
Fair value of Sales tax deferral Loan (Net)	(0.16)	(0.58)	(0.58)
ECL Provision on Trade Receivables	(0.45)	2.61	2.61
Fair valuation of Financial Liabilities- Loan (Net)	0.04	0.10	0.10
Fair valuation of Financial Assets (Net)	-	(0.02)	(0.03)
Reversal of Depreciation on Assets held for sale	1.77	7.45	7.48
Re-measurement Gains/(Losses) on defined benefit plan	(0.18)	(0.74)	(0.74)
Others	-	-	0.01
Deferred tax impact on above adjustment	(0.35)	(3.05)	(3.07)
Less: Deferred Tax Assets (adjusted to the extent of Deferred Tax Liability)- (Refer Note No. 6)	0.35	3.05	3.07
Net Profit / (Loss) for the period as per Ind AS (A)	(64.77)	(279.62)	(281.75)
Other Comprehensive Income (OCI) (net of tax)			
Re-measurement Gains/(Losses) on defined benefit plan	0.18	0.74	0.74
Foreign Currency Translation Reserve	-	-	1.69
Deferred tax impact on above adjustment	(0.06)	(0.26)	(0.26)
Less: Deferred Tax Assets (adjusted to the extent of Deferred Tax Liability)- (Refer Note No. 6)	0.06	0.26	0.26
Total Other Comprehensive Income (B)	0.18	0.74	2.43
Total Comprehensive Income as per Ind AS (A+B)	(64.59)	(278.88)	(279.32)



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12. Reconciliation of Equity as reported earlier as per previous Indian GAAP and the equity as per Ind AS is as per the table below.

Rs. in Crore

Particulars	As at March 31, 2017	
	Standalone	Consolidated
Total equity (Shareholders Funds) as per Previous GAAP	(352.11)	(406.15)
Adjustments:		
Fair value of Sales tax deferral Loan (Net)	(0.58)	(0.58)
ECL Provision on Trade Receivables	(5.10)	(5.70)
Fair valuation of Financial Liabilities- Loan	0.28	0.28
Fair valuation of Financial Assets	(0.05)	(0.05)
Reversal of Depreciation on Assets held for sale	7.45	7.48
Others	-	(0.08)
Deferred tax on above adjustment	0.43	0.43
Deferred Tax Assets (adjusted to the extent of Deferred Tax Liability)	(0.43)	(0.43)
Total Adjustment to Equity	2.00	1.35
Total Equity as per Ind AS	(350.11)	(404.80)

13. Revenue from operations for the quarter ended December 31, 2017, quarter ended March 31, 2018 and for the year ended March 31, 2018 is net of Goods and Service Tax (GST). However Revenue from operations for the comparative periods are gross of Excise Duty. Accordingly, Revenue from operations for the current years quarters and year ended March 31, 2018 are not comparable with the figures of the previous periods.
14. The figures of the quarter ended March 31, 2018 and March 31, 2017 are balancing figures between audited figures in respect of full financial year and published year to date figures up to quarter ended December 31, 2017 and December 31, 2016 respectively.
15. The comparative figures have been regrouped and reclassified to meet the current quarter's / years classification,
16. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 11, 2018.

For ISMT Limited

Rajiv Goel
Chief Financial Officer

Place: Pune
Date: June 11, 2018

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Auditors' Report on Quarter and Annual Standalone Financial Results of ISMT Limited
pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ISMT Limited
Pune, India.

1. We have audited the accompanying Statement of Standalone Financial Results of ISMT Limited ("the Company") for the quarter and year ended March 31, 2018 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which has been initialed by us for the purpose of identification.
2. This Statement is the responsibility of the Company's Management and has been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on June 11, 2018, has been compiled from the related standalone Ind AS annual financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") , prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, auditors consider internal controls relevant to entity's preparation and fair presentation of the statement in order to design the audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Statement.

4. 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, 2018. Taking into consideration the loss during the period ended March 31, 2018 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



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Branch: Pune

asset in terms of Ind AS-12 and "Guidance note on accounting for credit available in respect of MAT under the Income Tax Act, 1961". Non-writing off of the same has resulted in understatement of loss for the quarter and year ended March 31, 2018 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 (net of write offs) to the company from SHAB against the supplies made is Rs. 15.43 Crores and payment made towards invocation of guarantee given by the company in respect of loans availed by SHAB is Rs. 33.33 Crores (USD 5 Million). The Company has received the approval from regulatory authorities for treating the said payment against invocation as equity investment in SHAB (considered as investment on adoption of Ind AS) and the Company is taking steps for implementation of the same. SHAB has been incurring cash losses and its net worth is also eroded. No provision for diminution in value of investment and net receivable against supplies is made by the company as explained in Note No.2. We are unable to comment on the same and ascertain its impact, if any, on the audited financial results in respect of the above matters.
- c) The company had recognized claim in earlier years, of which outstanding balance as on March 31, 2018 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 in overstatement of other equity by Rs.39.53 Crores. Refer Note No. 3(i).
- d) Pending approval / sanction of the debt restructuring scheme by the lenders, the Company has not provided for the overdue /penal interest .The quantum and its impact, if any, on the audited financial results is unascertainable. Refer Note No. 8.

5. Qualified opinion:

Based on our audit conducted as stated above, In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the Statement:

- are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI circular No CIR/CFD/FAC/62/2016 dated July 5 , 2016; and
- give a true and fair view in conformity with the aforesaid Ind AS and Other Accounting principles generally accepted in India, of the net loss, total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2018.

6. Emphasis of Matter:

We draw attention to the following matters in the Notes to the Statement:

- Note No 4, regarding remuneration payable to Managing Director and Executive Director amounting to Rs 0.80 Crores for the quarter ended March 31, 2018 and Rs 3.15 for the year ended March 31, 2018 (Rs. 4.39 Crores cumulative up to March 31, 2018) is subject to approval of Central Government.



- b) 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, 2018 and previous years and the company's current liabilities exceeded its current assets as at March 31, 2018. These conditions indicate the existence of a material uncertainty about the company's ability to continue as a going concern. However, the financial results of the company have been prepared on a going concern basis for the reasons stated in the Note No. 7.
- c) Note No. 9, explaining reason for non-provision for diminution, if any, in the value of investment in wholly owned subsidiary Company "Tridem Port and Power Company Pvt. Ltd"(TPPCL) of Rs. 108.97 Crores (including advances given to TPPCL of Rs. 106.39 Crores being considered as Investment on adoption of Ind AS) for setting up a thermal power project and captive port, which is discontinued and is held for sale.
- d) Note No. 3 (ii), explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs. 254.00 Crores as on March 31, 2018 of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, which is non-operational for last 3 year and is held for sale.

Our opinion is not modified in respect of these matters.

7. Other Matters:

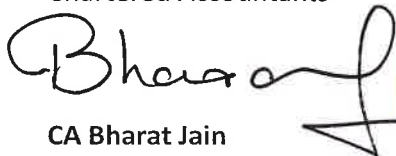
- a) The Statement includes the results for the Quarter ended March 31, 2018, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.
- b) The comparative financial information of the Company for the quarter and year ended March 31, 2017, included in the Statement, are based on the previously issued standalone financial results for the said period prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and other accounting principles generally accepted in India, audited by the predecessor auditors whose audit report for the year ended March 31, 2017 dated May 30, 2017 expressed an modified opinion on those financial results. The adjustments to those financial information for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of these other matters.

For DAMANIA & VARAIYA

Firm's Registration Number 102079W

Chartered Accountants



CA Bharat Jain

Partner

Membership Number 100583

Pune: June 11, 2018.



Auditors' Report on the Consolidated Financial Results of ISMT Limited

Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ISMT Limited
Pune, India

1. We have audited the accompanying Statement of Consolidated Financial Results of ISMT Limited ("the Parent Company") and its Subsidiaries (the Parent Company and Its subsidiaries together referred to as "the Group"), for the year ended March 31, 2018 ("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 modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which has been initialed by us for the purpose of identification.
2. This Statement is the responsibility of the Parent Company's Management and has been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on June 11, 2018, has been compiled from the related annual consolidated financial statements prepared in accordance with Indian Accounting Standards ("Ind AS"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, auditors consider internal controls relevant to entity's preparation and fair presentation of the statement in order to design the audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Statement.



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5. 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, 2018. Taking into consideration the loss during the period ended March 31, 2018 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 and "Guidance note on accounting for credit available in respect of MAT under the Income Tax Act, 1961". Non-writing off of the same has resulted in understatement of loss for the year ended March 31, 2018 and overstatement of other equity by Rs.82.05 Crores and its consequential effect on the Earnings per Share of the Group.
- b) The Parent Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2018 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 other equity by Rs.39.53 Crores. Refer Note No. 3 (i).
- c) Pending approval / sanction of the debt resolution by the lenders, the Parent Company has not provided for the overdue /penal/compounding of interest. The quantum and its impact on the Statement, if any, is unascertainable. Refer Note No. 8 forming part of the Statement.

6. Qualified opinion:

Based on our audit conducted as stated above, In our opinion and to the best of our information and according to the explanations given to us and after consideration of the reports of the other auditors on separate financial statements / consolidated financial statement and the other financial information of subsidiaries referred to in paragraph below except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the Statement:

- i. Include the year to date financial results of the following entities:

List of Subsidiaries:

ISMT Enterprises S.A Luxembourg, Structo Hydraulics AB Sweden, ISMT Europe AB Sweden, Tridem Port and Power Company Pvt. Ltd., Nagapattinam Energy Pvt. Ltd., Best Exim Pvt. Ltd., Success Power and Infraprojects Pvt. Ltd. , Marshal Microware Infrastructure Development Company Pvt. Ltd., PT ISMT Resources, Indonesia, Indian Seamless Inc., USA .

are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ; and



- ii. give a true and fair view in conformity with the aforesaid Ind AS and Other Accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information of the Group for the year ended March 31, 2018.

7. Emphasis of Matters:

We draw attention to the following matters in the Notes to the Statement:

- a) Note No. 4 regarding remuneration to Managing Director and Executive Director of the Parent Company amounting to Rs 3.15 Crores for the financial year 2017-2018 (Rs. 4.39 Crores cumulative up to March 31, 2018) is subject to approval of Central Government.
- b) The Statement which indicates that the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net cash loss during the current and previous year and the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty about the Group's ability to continue as a going concern. However, the consolidated financial statements of the Group have been prepared on a going concern basis for the reasons stated in the Note No 7.
- c) Note No. 9 in the Statement explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs 104.63 Crores as on March 31, 2018 of thermal power project along with its captive port, which is discontinued and is held for sale.
- d) Note No.3 (ii) in the Statement explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs 254.00 Crores as on March 31, 2018 of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, which is under suspended operations and is held for sale.

Our opinion is not modified in respect of these matters.

8. Other Matters:

- a) We did not audit the financial statements / financial information of eight subsidiaries included in the consolidated year to date results, whose financial statements reflect total assets of Rs. 373.92 Crores as at March 31, 2018, as well as the total revenue of Rs. 188.57 Crores for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the year to date financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
- b) We did not audit the financial statements/financial information of two subsidiaries whose financial statements/financial information reflect total assets of Rs. 1.45 Crores as at March 31, 2018 as well as the total revenues of Rs 0.40 Crores for the year ended on that date. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the year to date financial results, in so far as it relates to the aforesaid subsidiaries is based



solely on such unaudited financial statements / financial information. In our opinion and according to explanations given by management, these financial statements/ financial information are not material to the Group.

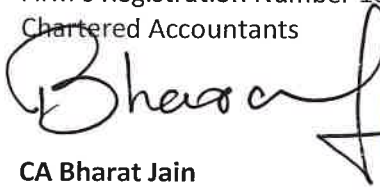
- c) The comparative financial information of the Company for year ended March 31, 2017, included in the Statement, are based on the previously issued consolidated financial results for the said period prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and other accounting principles generally accepted in India, audited by the predecessor auditors, whose audit report for the year ended March 31, 2017 dated May 30, 2017 expressed an modified opinion on those consolidated financial results. The adjustments to those financial information for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of these other matters.

For DAMANIA & VARAIYA

Firm's Registration Number 102079W

Chartered Accountants



CA Bharat Jain

Partner

Membership Number 100583

Pune : June 11 ,2018

