ISMT LIMITED

Solutions You Can Trust

ISMT/SEC/47/17-18

December 11, 2017

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001.

Scrip Code: 532479

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Symbol: ISMTLTD

Dear Sirs,

Sub: Outcome of the Board Meeting held on 11th December, 2017

We would like to inform you that the Meeting of the Board of Directors of the Company held on December 11, 2017 at 1:30 P.M. has considered the following businesses:

1. Approval of the Un-audited Financial Results for the quarter and half year ended September 30, 2017.

   In compliance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the said Results along with Limited Review Report of the Statutory Auditors of the Company.

2. Resignation of Mr. Ajit Ingle as a Nominee Director of the Company pursuant to withdrawal of his nomination by IDBI Bank Limited w.e.f. December 11, 2017.

The Board Meeting concluded at 4.50 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For ISMT Limited

Jaikishan

Jaikishan Pahlani
Company Secretary

ISMT LIMITED ★ PUNE ★

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30 ,2017

Rs. in Crore

Sr. No	Particulars	Quarter ended			Half Year ended	
		Sept. 30, 2017	June 30 , 2017	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income					
	Revenue from Operations					
	Sales of Products	443.37	409.30	370.73	852.67	719.97
	Less : Inter Segment Transfers	73.83	85.11	52.56	158.94	108.00
	Inter Division Transfers	35.49	21.09	10.91	56.58	22.21
	(a) Gross Sales	334.05	303.10	307.26	637.15	589.76
	(b) Other Operating Revenue	4.21	4.62	5.43	8.83	12.00
	(c) Revenue From Operations - (a+b)	338.26	307.72	312.69	645.98	601.76
	(d) Other Income	1.72	2.15	1.70	3.87	4.27
	Total Income - (c+d)	339.98	309.87	314.39	649.85	606.03
2	Expenses					
	(a) Cost of Materials Consumed	200.86	155.12	117.98	355.98	253.13
	(b) Purchases of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work -in - progress and stock-in-trade	(21.56)	(15.38)	31.60	(36.94)	29.64
	(d) Employee Benefits Expense	31.64	31.08	26.89	62.72	54.45
	(e) Finance Costs	69.06	69.10	69.31	138.16	141.16
	(f) Depreciation	14.50	14.21	15.09	28.71	30.22
	(g) Other Expenses	110.10	123.39	122.09	233.49	241.94
	Total Expenses	404.60	377.52	382.96	782.12	750.54
3	Profit / (Loss) before Exceptional Items and tax (1-2)	(64.62)	(67.65)	(68.57)	(132.27)	(144.51)
4	Exceptional items - Foreign Exchange (Gain) / Loss	(1.36)	(2.88)	(0.30)	(4.24)	(0.44)
5	Profit / (Loss) before tax (3- 4)	(63.26)	(64.77)	(68.27)	(128.03)	(144.07)
6	Tax Expenses :					
	(a) Current Tax	-	-	-	-	-
	(b) Income Tax of earlier years	-	(0.81)	-	(0.81)	-
	(c) Deferred Tax (Refer Note No. 6)	-	-	-	-	-
7	Profit / (Loss) after tax (5- 6)	(63.26)	(63.96)	(68.27)	(127.22)	(144.07)
8	Other Comprehensive Income (net of tax)					
	Items that will not be reclassified to Profit or Loss					
	Gain on Remeasurement of Defined Benefit Plan (net of tax)	0.41	-	0.19	0.41	0.37
9	Other Comprehensive Income (Net of tax)	0.41	-	0.19	0.41	0.37
10	Total Comprehensive Income for the period (7+9)	(62.85)	(63.96)	(68.08)	(126.81)	(143.70)
11	Paid-up Equity Share Capital (Face Value of Rs. 5/- per share)	73.25	73.25	73.25	73.25	73.25
12	Earnings per share					
	Basic & Diluted Earnings per share of Rs.5/- each (Rs.) (not annualised)	(4.32)	(4.37)	(4.66)	(8.68)	(9.83)

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ISMT Limited

SEGMENT WISE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30 , 2017.

Rs. in Crore

Sr No	Particulars	1 Quarter ended September 30,2017	2 Quarter ended June 30,2017	3 Quarter ended September 30,2016	4 Half Year ended September 30 ,2017	5 Half Year ended September 30 ,2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	**Segment Revenue**					
	a) Gross Sales -- **Tube**	265.28	225.69	185.30	490.97	362.41
	Less : Inter Division	35.49	21.09	10.91	56.58	22.21
	Sub total	**229.79**	**204.60**	**174.39**	**434.39**	**340.20**
	b) Gross Sales – **Steel**	178.09	183.61	185.43	361.70	357.56
	Less : Inter Segment	73.83	85.11	52.56	158.94	108.00
	Sub total	**104.26**	**98.50**	**132.87**	**202.76**	**249.56**
	Total Segment Revenue	**334.05**	**303.10**	**307.26**	**637.15**	**589.76**
2	**Segment Results**					
	Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items,Unallocable income (net) and Tax.					
	a) Tube	(5.82)	(5.32)	(12.27)	(11.14)	(28.52)
	b) Steel *	9.06	4.31	9.90	13.37	20.67
	Total	3.24	(1.01)	(2.37)	2.23	(7.85)
	Less : Finance Costs	69.06	69.10	69.31	138.16	141.16
	: Exceptional items - Foreign Exchange (Gain) / Loss	(1.36)	(2.88)	(0.30)	(4.24)	(0.44)
	Add : Unallocable Income (Net of Unallocable Expenses)	1.20	2.46	3.11	3.66	4.50
	Total Profit / (Loss) Before Tax	**(63.26)**	**(64.77)**	**(68.27)**	**(128.03)**	**(144.07)**
	Less : Tax Expenses	-	-	-	-	-
	Current Tax	-	-	-	-	-
	Income Tax of earlier years	-	(0.81)	-	(0.81)	-
	Deferred Tax (Refer Note No. 6)	-	-	-	-	-
	Total Profit / (Loss) After Tax	**(63.26)**	**(63.96)**	**(68.27)**	**(127.22)**	**(144.07)**
3	**Capital Employed**					
	Segment Assets					
	a) Tube	1,434.14	1,442.36	1,436.46	1,434.14	1,436.46
	b) Steel	400.90	385.93	414.21	400.90	414.21
	c) Unallocable	642.88	625.16	615.88	642.88	615.88
	Total Assets	**2,477.92**	**2,453.45**	**2,466.55**	**2,477.92**	**2,466.55**
	Segment Liabilities					
	a) Tube	141.25	124.96	100.07	141.25	100.07
	b) Steel	96.77	74.60	111.23	96.77	111.23
	c) Unallocable	2,716.81	2,667.96	2,462.61	2,716.81	2,462.61
	Total Liabilites	**2,954.83**	**2,867.52**	**2,673.91**	**2,954.83**	**2,673.91**

* Includes profit on steel captively consumed by Tube Segment

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ISMT LIMITED

STATEMENT OF ASSETS AND LIABILITIES

Rs. In Crore

Particulars	As at 30th September,2017 Unaudited
A ASSETS	
1 Non - Current Assets	
a) Property, Plant and Equipment	1,192.10
b) Capital Work-in-Progress	5.44
c) Financial Assets	
i) Investments	191.55
ii) Loans	0.59
iii) Others	0.04
d) Deferred Tax Asset (Net)	82.05
e) Other Non Current Assets	3.30
Sub Total	**1,475.07**
2 Current Assets	
a) Inventories	363.53
b) Financial Assets	
i) Trade Receivables	192.87
ii) Cash and Cash Equivalents	11.73
iii) Bank Balance Other than (ii) above	37.40
iv) Loans	14.31
v) Others	0.30
c) Current Tax Assets (Net)	4.82
d) Other Current Assets	125.79
Sub Total	**750.75**
3 Assets classified as held for sale	252.10
Total Assets	**2,477.92**
B EQUITY AND LIABILITIES	
EQUITY	
a) Equity Share Capital	73.25
b) Other Equity	(550.17)
Total Equity	**(476.92)**
LIABILITIES	
1 NON-CURRENT LIABILITIES	
a) Financial Liabilities	
i) Borrowings	508.82
ii) Others	1.82
b) Provisions	6.64
c) Deferred Tax Liabilities (net)	-
d) Other Non Current Liabilities	3.30
Sub Total	**520.58**
2 CURRENT LIABILITIES	
a) Financial Liabilities	
i) Borrowings	1,051.50
ii) Trade Payables	155.97
iii) Other financial Liabilities	1,148.47
b) Other Current Liabilities	75.86
c) Provisions	2.46
Sub Total	**2,434.26**
TOTAL EQUITY AND LIABILITIES	**2,477.92**

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NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

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. 3.08 Crore for the quarter ended September 30, 2017 and of Rs. 4.85 Crore for the half year ended September 30, 2017 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 had given a corporate guarantee / Stand by Letter of Credit of Rs. 33.33 Crore (USD 5 million) in respect of loans availed by SHAB and the same has been invoked by the lender of SHAB. The Company is seeking requisite approvals from the regulatory authorities for treating the said payment as equity investment in SHAB, which is considered as investment on adoption of Ind AS. The receivable on account of sales made to SHAB is Rs. 64.37 Crore against which a provision for doubtful debts has been made of Rs. 50.39 Crore upto September 30, 2017 and the net balance as on September 30, 2017 of Rs.13.98 Crore is collectible. No provision, however, has been made in respect of diminution in the value of investment made in ISMT Enterprises S.A., 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. Thereafter, the Company filed an appeal, challenging the APTEL order, before the Hon'ble Supreme Court and the same has been admitted by the Supreme Court on August 1, 2016. The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore upto March 31, 2014, of which amount outstanding as on September 30, 2017 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 net realisable value of the CPP is not less than its carrying amount of Rs. 252.10 Crore.

4. Employee Benefits Expense includes remuneration payable to the Managing Director and Executive Director for the quarter ended September 30, 2017 of Rs. 0.75 Crore and cumulatively amounting to Rs. 2.95 Crore up to September 30, 2017, which 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 re-structuring proposal under consideration, it is not possible for the Company to fairly ascertain adequacy/ inadequacy of future taxable profit against which MAT Credit can be utilized. Accordingly, the unabsorbed MAT credit of Rs. 82.05 Crores as at September 30, 2017, 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 2016-17 (as per previous GAAP) had come down to Rs. 288.44 Crore against loss of Rs.382.21 Crore of financial year 2015-16. The loss for the current period ended September 30, 2017 has further come down to Rs.126.81 Crore against a loss of Rs.143.70 Crore of previous period ended September 30, 2016. 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 contributing to reduced losses. The Company has, therefore, continued to prepare its financial statements on 'Going Concern basis.'

8. The Company and the lenders are exploring various options for debt resolution and 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,

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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 107.99 Crore (including advances given to TPPCL of Rs. 105.41 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 above results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) to the extent applicable. The Company has adopted Ind AS for the first time beginning April 1, 2017 with transition date April 1, 2016.

11. The auditors have carried out limited review of the above results for the quarter ended September 30, 2017. Ind AS compliant financial results for the quarter ended September 30, 2016 have not been subjected to limited review. However, the management has exercised necessary due diligence to ensure that the financial results for the said quarter provide a true and fair view of the affairs of the Company.

12. The reconciliation between net profit/(loss) for the quarter and half year ended September 30, 2016 reported earlier as per previous Indian GAAP and the recasted above as per Ind AS is as under:

Rs. in Crore

Particulars	Quarter ended September 30,2016	Half Year ended September 30,2016
Net Profit / (Loss) as per previous Indian GAAP	**(72.01)**	**(149.11)**
Add/(Less): Adjustment pursuant to adoption of Ind AS		
Fair value of Sales tax deferral Loan (Net)	(0.14)	(0.28)
ECL Provision on Trade Receivables	2.17	1.87
Fair valuation of Financial Liabilities- Loan (Net)	0.02	0.04
Reversal of Depreciation on Assets held for sale	1.88	3.78
Actuarial Gain or Loss on post employment defined benefit plan	(0.19)	(0.37)
Deferred tax impact on above adjustment (Refer Note No. 6)	(1.29)	(1.73)
Less: Deferred Tax Assets (adjusted to the extent of Deferred Tax Liability)- (Refer Note No. 6)	1.29	1.73
Net Profit / (Loss) for the period as per Ind AS (A)	**(68.27)**	**(144.07)**
Other Comprehensive Income (OCI) (net of tax)		
Actuarial Gain or Loss on Post employment defined benefit plan	0.19	0.37
Total Other Comprehensive Income (B)	**0.19**	**0.37**
Deferred tax impact on above adjustment	(0.06)	(0.12)
Less: Deferred Tax Assets (adjusted to the extent of Deferred Tax Liability)- (Refer Note No. 6)	0.06	0.12
Total Comprehensive Income as per Ind AS (A+B)	**(68.08)**	**(143.70)**

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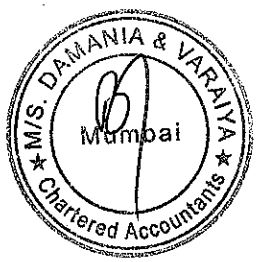
13. Revenue from operations for the quarter ended September 30, 2017 is net of Goods and Service Tax (GST).However Revenue from operations till the period ended June 30, 2017 and other comparative periods are gross of Excise Duty. Hence the Revenue from operations for the quarter and half year ended September 30, 2017 are not comparable with the figures of the previous periods.

14. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on December 11, 2017.

For ISMT Limited

Rajiv Goel
Whole-time Director &
Chief Financial Officer

Place: Pune
Date: December 11, 2017



LIMITED REVIEW REPORT

To,
The Board of Directors,
ISMT Limited.

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of ISMT Limited ("the Company"), for the quarter and half year ended September 30, 2017 ("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, ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', ('the Standard'), 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Basis for qualified Conclusion:

1] 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 September 30, 2017. Taking into consideration the loss during the period ended September 30, 2017 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 quarter and half year ended September 30, 2017 and overstatement of the reserves by Rs.82.05 Crores.

2] The company, through its subsidiary, has invested Rs. 48.43 Crores in Structo Hydraulics AB Sweden (SHAB). Net receivable, after taking into consideration the provision made against the same, to the company from SHAB against the supplies made is Rs. 13.98 Crores and guarantee/Stand by Letter of Credit given by the company in respect of loans availed by SHAB was Rs. 33.33 Crores. The said guarantee/ Stand by Letter of Credit has been invoked by the lenders of SHAB and the Company is seeking requisite approvals from the regulatory authorities for treating the said payment as equity investment in SHAB, which is considered

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as Investment on adoption of Ind AS. 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 unaudited financial results in respect of the above matters.

3] The company had recognized claim in earlier years, of which outstanding balance as on September 30, 2017 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 Reserves by Rs.39.53 Crores. Refer Note No. 3.

4] 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 unaudited financial results is unascertainable. Refer Note No. 8.

Based on our review conducted as above,with the exception of the matter described in the Basis for Qualified Conclusion Paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

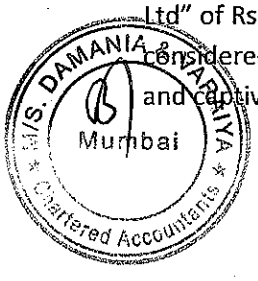
Emphasis of Matters:

Further, without qualifying our Review Report, we draw attention to;

1) The company has accumulated losses and its net worth has been fully eroded, the company has incurred net cash loss during the period ended September 30, 2017 and previous years and the company's current liabilities exceeded its current assets as at September 30, 2017. 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.

2) Note No 4, regarding remuneration payable to Managing Director and Executive Director amounting to Rs 0.75 Crores for the quarter ended September 2017 and cumulative up to September 30, 2017 amounting to Rs 2.95 Crores is subject to approval of Central Government.

3) 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" of Rs 107.99 Crores (including advances given to TPPCL of Rs 105.41 Crore 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.

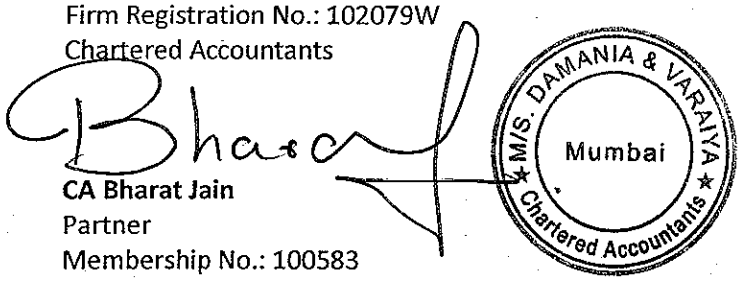


4) Note No. 3 (ii), explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs 252.10 Crores as on September 30, 2017 of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, which is non-operational for last 3 year and is held for sale.

Other Matter:

The standalone financial results for the quarter ended June 30, 2017 prepared in accordance with Ind AS were reviewed by erstwhile Joint auditors who had expressed qualified conclusion on these financial results vide their reports dated September 13, 2017, which have been relied upon by us.

For Damania & Varaiya
Firm Registration No.: 102079W
Chartered Accountants



CA Bharat Jain
Partner
Membership No.: 100583

Place: Mumbai
Date: December 11, 2017