

ISMt Limited

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PART I

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH,2016

Rs. in Crore

Sr. No	Particulars	Stand Alone				Consolidated		
		Quarter ended 31st March,2016	Quarter ended 31st Dec.,2015	Quarter ended 31st March,2015	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
		Refer Note No 10	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1	Gross Sales/ Income from Operations	317.81	318.54	494.02	1,331.28	2,320.15	1,412.12	2,512.91
	Less : Inter Segment Transfers	49.58	51.83	106.96	232.55	674.97	232.55	674.97
	Inter Division Transfers	5.90	6.44	6.08	24.57	38.08	24.57	38.08
	Subsidiary Company Transfers	-	-	-	-	-	57.77	174.32
	Excise Duty	27.03	24.75	30.10	105.72	144.04	105.72	144.04
	(a) Net Sales / Income from Operations	235.30	235.52	350.88	968.44	1,463.06	991.51	1,481.50
	(b) Other Operating Income	7.70	4.72	8.92	23.24	41.44	23.24	41.45
	Total Income from Operations (a+b)	243.00	240.24	359.80	991.68	1,504.50	1,014.75	1,522.95
2	Expenses							
	(a) Consumption of Raw Materials	115.15	113.37	176.32	477.62	733.10	485.06	735.50
	(b) Purchase of stock-in-trade	-	0.01	3.76	0.04	16.24	0.04	16.24
	(c) Changes in inventories of finished goods, work -in -progress and stock-in-trade	23.73	11.07	29.68	51.52	58.86	54.52	59.76
	(d) Employee Benefits Expense	27.91	25.56	25.67	106.30	120.81	120.08	135.92
	(e) Depreciation, Amortisation and Obsolescence	18.01	17.97	24.75	71.83	74.00	75.11	79.26
	(f) Other Expenses :							
	(i) Energy	42.08	47.52	59.58	189.49	303.19	190.29	304.25
	(ii) Other Direct Expenditure	28.48	27.92	52.73	113.77	202.70	112.23	202.15
	(iii) Other Expenditure	10.90	6.17	7.81	31.36	34.82	39.21	40.77
	Total Expenses	266.26	249.59	380.30	1,041.93	1,543.72	1,076.54	1,573.85
3	Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)	(23.26)	(9.35)	(20.50)	(50.25)	(39.22)	(61.79)	(50.90)
4	Other Income	6.34	1.51	3.53	12.08	11.39	12.70	16.40
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(16.92)	(7.84)	(16.97)	(38.17)	(27.83)	(49.09)	(34.50)
6	Finance Costs	77.85	70.14	62.40	280.13	235.45	282.44	239.47
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(94.77)	(77.98)	(79.37)	(318.30)	(263.28)	(331.53)	(273.97)
8	Exceptional items							
	(a) Foreign Exchange (Gain) / Loss	(4.80)	14.10	3.13	45.08	7.52	44.41	14.26
	(b) Others (Refer Note No 5)	2.15	3.88	(55.55)	9.44	(49.81)	9.44	(97.05)
9	Profit / (Loss) from ordinary activities before tax (7- 8)	(92.12)	(95.96)	(26.95)	(372.82)	(220.99)	(385.38)	(191.18)
10	Tax Expenses - Debit / (Credit)	9.39	-	-	9.39	-	9.43	(3.08)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(101.51)	(95.96)	(26.95)	(382.21)	(220.99)	(394.81)	(188.10)
12	Extraordinary items	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	(101.51)	(95.96)	(26.95)	(382.21)	(220.99)	(394.81)	(188.10)
14	Share of Minority Interest	-	-	-	-	-	(0.03)	(0.04)
15	Share of Associate (Rs NIL Lacs, Previous year Rs. 0.32 Lacs)	-	-	-	-	-	-	-
16	Net Profit / (Loss) after tax and Minority Interest (13-14-15)	(101.51)	(95.96)	(26.95)	(382.21)	(220.99)	(394.78)	(188.06)
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.	-	-	-	(343.46)	(4.23)	(403.28)	(46.72)
19	Earnings per share before extraordinary items and after Share of Minority Interest and Associates							
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(6.93)	(6.55)	(1.84)	(26.09)	(15.08)	(26.95)	(12.84)
20	Earnings per share after extraordinary items and Share of Minority Interest and Associates							
	Basic & Diluted Earnings per share of Rs.5/- each (Rs) (not annualised)	(6.93)	(6.55)	(1.84)	(26.09)	(15.08)	(26.95)	(12.84)

SEGMENT WISE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2016.

Rs. In Crore

Sr No	Particulars	Stand Alone					Consolidated	
		1	2	3	4	5	6	7
		Quarter ended 31st March, 2016	Quarter ended 31st Dec., 2015	Quarter ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
	Refer Note No 10	Unaudited	Unaudited	Audited	Audited	Audited	Audited	
1 Segment Revenue								
a) Gross Sales – Tube		172.33	155.62	271.84	644.85	1,099.60	725.69	1,292.36
Less : Inter Division		5.90	6.44	6.08	24.57	38.08	24.57	38.08
Sales to Subsidiary Company		-	-	-	-	-	57.77	174.32
Excise Duty		15.73	12.23	17.02	53.84	82.19	53.84	82.19
Sub total		150.70	136.95	248.74	566.44	979.33	589.51	997.77
b) Gross Sales – Steel		145.48	162.92	222.18	686.43	1,220.55	686.43	1,220.55
Less : Inter Segment		49.58	51.83	106.96	232.55	674.97	232.55	674.97
Excise Duty		11.30	12.52	13.08	51.88	61.85	51.88	61.85
Sub total		84.60	98.57	102.14	402.00	483.73	402.00	483.73
Total Net Sales/ Income from Operations		235.30	235.52	350.88	968.44	1,463.06	991.51	1,481.50
2 Segment Results								
Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items ,Unallocable income (net) and Tax.								
a) Tube		(22.54)	(9.28)	(15.90)	(66.11)	(45.76)	(77.03)	(52.01)
b) Steel *		3.94	2.89	(1.39)	29.61	21.97	29.61	21.97
Total		(18.60)	(6.39)	(17.29)	(36.50)	(23.79)	(47.42)	(30.04)
Less : Finance Costs		77.85	70.14	62.40	280.13	235.45	282.44	239.47
: Exceptional item - Foreign Exchange (Gain) / Loss		(4.80)	14.10	3.13	45.08	7.52	44.41	14.26
- Others (Refer Note No. 5)		2.15	3.88	(55.55)	9.44	(49.81)	9.44	(97.05)
Add : Unallocable Income (Net of Unallocable Expenses)		1.68	(1.45)	0.32	(1.67)	(4.04)	(1.67)	(4.46)
Total Profit / (Loss) Before Tax		(92.12)	(95.96)	(26.95)	(372.82)	(220.99)	(385.38)	(191.18)
Less : Tax Expenses - Debit / (Credit)		9.39	-	-	9.39	-	9.43	(3.08)
Total Profit / (Loss) After Tax		(101.51)	(95.96)	(26.95)	(382.21)	(220.99)	(394.81)	(188.10)
Less : Share of Minority Interest		-	-	-	-	-	(0.03)	(0.04)
: Share of Associate (Rs. NIL, Previous Year Rs. 0.32 Lacs)		-	-	-	-	-	-	-
Profit / (Loss) After Minority Interest		(101.51)	(95.96)	(26.95)	(382.21)	(220.99)	(394.78)	(188.06)
3 Capital Employed								
(Segment Assets – Segment Liabilities)								
a) Tube		1,287.40	1,325.97	1,380.03	1,287.40	1,380.03	1,299.30	1,426.61
b) Steel		287.18	282.38	118.33	287.18	118.33	287.18	118.33
c) Unallocable		(1,638.25)	(1,570.51)	(1,219.65)	(1,638.25)	(1,219.65)	(1,703.75)	(1,301.18)

* Includes profit on steel captively consumed by Tube Segment

ISMT LIMITED

STATEMENT OF ASSETS AND LIABILITIES

Rs. In Crore

Particulars	Stand Alone		Consolidated	
	As at	As at	As at	As at
	31 st Mar, 2016	31 st Mar, 2015	31 st Mar, 2016	31 st Mar, 2015
	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	(136.92)	205.45	(190.52)	170.51
Sub -Total Shareholders' funds	(63.67)	278.70	(117.27)	243.76
2 Non - Current Liabilities				
a) Long Term Borrowings	819.51	967.17	850.25	1,008.94
b) Long Term Provisions	6.54	6.34	7.96	7.84
Sub - Total - Non Current Liabilities	826.05	973.51	858.21	1,016.78
3 Current Liabilities				
a) Short Term Borrowings	888.13	458.38	907.76	483.07
b) Trade Payables				
Payables to Micro and Small Enterprises	0.03	0.10	0.03	0.10
Other Payables	218.09	477.12	219.75	479.60
c) Other Current Liabilities	573.38	510.05	580.05	532.85
d) Short Term Provisions	2.87	3.21	2.88	3.23
Sub -Total - Current Liabilities	1,682.50	1,448.86	1,710.47	1,498.85
TOTAL EQUITY AND LIABILITIES	2,444.88	2,701.07	2,451.41	2,759.39
B ASSETS				
1 Non - Current Assets				
a) Fixed Assets	1,524.41	1577.38	1,657.87	1,714.48
b) Goodwill on Consolidation	-	-	37.67	37.68
c) Non-Current Investment	52.79	52.79	-	0.04
d) Long Term Loans and Advances	129.70	111.34	8.41	10.29
e) Other Non Current Assets	83.18	92.57	83.23	92.64
Sub - Total - Non - Current Assets	1,790.08	1,834.08	1,787.18	1,855.13
2 Current Assets				
a) Inventories	331.25	410.00	343.18	427.39
b) Trade Receivables	153.69	176.14	147.11	191.49
c) Cash and Bank Balances	33.46	119.14	35.05	120.98
d) Short Term Loans and Advances	31.52	22.48	31.77	22.88
e) Other Current Assets	104.88	139.23	107.12	141.52
Sub - Total - Current Assets	654.80	866.99	664.23	904.26
Total Assets	2,444.88	2,701.07	2,451.41	2,759.39

NOTES ON AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2016

1. The Company had adopted the Hedge Accounting policy and principles set out in Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement. As a result of non fulfillment of Hedge effectiveness, Foreign Exchange Gain / (Loss) including exchange difference recognized as an adjustment to interest cost on designated borrowings in foreign currency and highly probable forecast transactions of revenue streams has been charged to the statement of Profit and Loss. Such Loss for the current quarter of Rs. 0.08 Crore and for the year of Rs 22.49 Crore has been charged to the statement of Profit and Loss.
2. The Company had exercised the option as per Para 46 A inserted in the 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, 2016, Exchange Loss capitalized is Rs.1.14 Crore. Exchange Loss in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) of Rs.10.09 Crore has been charged to Statement of Profit and Loss on account of repayment / conversion of Foreign Currency Loans into Rupee Loans in 31st December, 2105 and accordingly balance in FCMITDA as on 31st March, 2016 is Rs.NIL.
3. 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 33.16 Crore (USD 5 million) in respect of loans availed by SHAB, of which an amount of Rs.16.58 Crore (USD 2.50 million) has been invoked by the lender of SHAB and the Company is seeking requisite approvals from the regulatory authorities for treating the said payment as equity investment in SHAB. The receivable on account of sales made to SHAB is Rs. 57.33 Crore against which a provision for doubtful debts is made of Rs. 47.24 Crore in financial year 2014-15 and the net balance of Rs.10.09 Crore is collectible. No provision however has been made in respect of temporary 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.
4. Maharashtra Electricity Regulatory Commission (MERC) had disallowed Company's petition regarding non implementation of Energy Banking Agreement (EBA) vide its orders dated 20th June, 2014 and 12th January,2015. The Company had appealed to Appellate Tribunal (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated 1st April, 2016. Based on legal advice, the Company will file an appeal against the order of APTEL in the Supreme Court. The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to 31st March, 2014, of which amount outstanding as on 31st March, 2016 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 facility. There was no further accrual during the current financial year on account of temporary suspension of operation of power plant.
5. Exceptional item - Others Include: a) Legal and other related expenses incurred on International Arbitration for the current quarter is Rs.1.40 Crore and for the year is Rs. 6.52 Crore b) Financial restructuring expenses of Rs. 0.75 Crores for the current quarter and Rs. 2.92 Crores for the year.
6. Employee Benefits Expense includes remuneration payable to Managing Director and Executive Director for the current quarter and year ended 31st March, 2016 of Rs.0.39 Crore and Rs.1.02 Crore respectively which is subject to approval of Central Government.
7. The Company has Minimum Alternate Tax (MAT) credit entitlement, which is allowed to be carried forward for a period of ten years under the Income Tax Act,1961 from the year in which MAT was paid and would lapse thereafter. Accordingly, the unabsorbed MAT credit as on 31st March, 2016 of Rs. 9.39 Crore lapsed during the year, is charged to the statement of Profit and Loss and the balance unabsorbed MAT credit as on 31st March, 2016 of Rs. 82.05 Crore shall be provided in the statement of Profit and Loss to the extent of lapse of MAT credit in the respective years.
8. Tubes sales volume continues to suffer on account of import of tubes from China. However, the Government has now imposed provisional anti-dumping duty on 17th May, 2016 for a period of six months.
9. Consequent upon erosion of more than 50 % of Peak Net Worth of the Company as at 31st March, 2015, the Company had reported the same to Board of Industrial and Financial Restructuring on 19th November, 2015. The Company has continued to incur losses during current year on account of adverse market conditions in both domestic and export markets. A provisional anti- dumping duty is already been levied by Government on import of tubes from China. The Company is taking

various corrective steps – All round reduction in fixed and variable costs; Restructuring of its debts in line with the available cash flows and sale of non- core assets. The Company has therefore continued to prepare its financial statements on Going Concern basis.

10. The Joint Lenders Forum (JLF) of the Company, at its meeting held on 5th January, 2016 had finalised a Restructuring Package, to be implemented after approval of the respective lenders.
11. The figures of the last quarter of year ended 31st March, 2016 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.
12. The consolidated financial statements have been prepared in accordance with AS 21.
13. 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 27th May, 2016.

For ISMT Limited



Rajiv Goel
Chief Financial Officer

Place: Pune
Date: 27th May, 2016