ISMT LIMITED
Solutions You Can Trust

ISMT/SEC/21-22 July 12, 2021

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 Board Meeting

In pursuance of the SEBI (LODR) Regulations, 2015 (Listing Regulations) please be informed that the Board of Directors at its meeting held today i.e. Monday, July 12, 2021, inter alia, considered and approved the following :

1. The Audited Financial Results (Standalone and Consolidated) for the period ended March 31, 2021.

   Please find enclosed the aforesaid results along with Auditors Reports and Statement on Impact of Audit Qualifications as **Annexure-I.**

   The Board Meeting commenced at 1.00 P.M. and concluded at 5.45 P.M. on July 12, 2021.

Please take the above on your record and oblige.

Kindly take a note of the same.

Thanking you,

Yours faithfully,
For **ISMT Limited**

ISMT LIMITED PUNE

Chetan Nathani
Company Secretary
Encl.: As above

Independent Auditors' Report on Standalone Financial Results of the Company for the quarter and year ended March 31, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors of
ISMT Limited

Report on the audit of the Standalone financial Results

1. **Qualified Opinion**

We have audited the accompanying Statement of Standalone Financial Results of ISMT Limited ("the Company"), for the quarter and year ended March 31, 2021 ("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 amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. except for the effects/ possible effects of the matters described in "Basis for Qualified opinion" paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.

2. **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 Crore as on March 31, 2021. Taking into consideration the loss during the year ended March 31, 2021 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. Non-writing off of the same has resulted in understatement of loss for the quarter and year ended March 31, 2021 and overstatement of other equity by Rs.82.05 Crore and its consequential effect on the Earnings per Share of the company.

b) The Company, through its subsidiary, has invested Rs. 48.43 Crore in Structo Hydraulics AB Sweden (SHAB). Net receivables to the company from SHAB against the supplies made is Rs. 8.20 Crore. The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB and out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending for allotment. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. No provision for diminution in value of investment (including pending allotment) and net receivable against supplies is made by the company as explained in Note

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No.1 of the Statement. We are unable to comment on the same and ascertain its impact, if any, on net loss for the quarter and year ended March 31, 2021, carrying value of the investment and other equity as at March 31, 2021 in respect of the above matters.

c) The Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2021 is Rs. 39.53 Crore, 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 into overstatement of carrying value of non –current assets and other equity by Rs.39.53 Crore as at March 31, 2021. Refer Note No. 2(i) of the Statement.

d) The Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra for the reasons stated in Note no 2(ii) of the Statement; hence, the CPP is measured on March 31, 2021 at the carrying amount of Rs. 229.95 Crore and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the net loss for the quarter and year ended March 31, 2021, carrying value of the CPP and other equity as at March 31, 2021.

e) Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from lenders and reconciliation thereof, the Company has not provided for the overdue /penal interest and differential liabilities including such overdue /penal interest and differential liabilities arising from reconciliation of balances to the extent of available confirmation, if any, for the reasons stated in Note No. 6 of the Statement. The quantum and its impact, if any, on the net loss for the quarter and year ended March 31, 2021, carrying value of the Borrowings (i.e. Financial Liabilities) and other equity as at March 31, 2021 is unascertainable.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial results.

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Pune
Chartered Accountants

3. **Material uncertainty Related to Going Concern**

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, 2021 and in previous years and the Company's current liabilities exceeded its current assets as at March 31, 2021. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Standalone Financial Results of the Company have been prepared on a going concern basis for the reasons stated in the Note No. 7 of the Statement

Our opinion is not modified in respect of this matter.

4. **Emphasis of Matter (s):**

We draw attention to:

a) Note No.9 of the Statement, regarding remuneration to Managing Director amounting to Rs 0.32 Crore for the quarter ended March 31, 2021 and Rs 0.99 Crore for the year ended March 31, 2021 (Rs. 1.59 Crore cumulative up to March 31, 2021) is subject to approval of lenders.

b) Note No 8 of the statement, regarding impairment assessment performed by the Company in respect of its investment (including advances considered as quasi investment) in wholly owned subsidiary "Tridem Port and Power Company Private Limited" (TPPCL) of Rs 117.08 Crore in accordance with Ind AS 36 "Impairment of Assets". This assessment involves significant management judgment and estimates on the valuation methodology and various assumptions used in determination of value in use/fair value by independent valuation experts / management as more fully described in the aforesaid note. Based on management's assessment and independent valuation reports, the Company has made provision for impairment loss of Rs 58.37 Crore for the quarter and financial year ended March 31, 2021 in respect of its investment in TPPCL.

c) Note no. 10 of the Statement, regarding the uncertainties arising out of the outbreak of COVID 19 pandemic and the assessment made by the management on its operations and the financial reporting for the quarter and year ended March 31, 2021. Such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Further, we were not able to participate in the physical verification of inventory that was carried out by the management at the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence -Specific consideration for Selected items" and have obtained sufficient appropriate evidence to issue our unmodified opinion on Statement.

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Our opinion is not modified in respect of these matters.

5. Management's Responsibilities for the Standalone Financial Results

This Statement of standalone financial results have been prepared on the basis of standalone financial statements.

The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view andare free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results,

M/s. P G V & Co. Pune Chartered Accountants whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results of the Company to express an opinion on the financial results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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7. **Other Matters:**

The standalone financial results include the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us as required under the Listing Regulations.

For D N V & Co.
Chartered Accountants
Firm Registration No 102079W

CA Bharat Jain
Partner
Membership No: 100583
UDIN: 21100583AAAAFB9926
Place: Pune
Date: July 12, 2021

ISMT Limited

Regd. Office : Panama House (earlier known as 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 STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

Rs. in Crore

		Standalone				
		Quarter ended				
Sr. No	Particulars	March 31, 2021	Dec. 31, 2020	March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
		Refer Note 11	Unaudited	Refer Note 11	Audited	Audited
1	**Income**					
	Revenue from Operations					
	Sales of Products	598.11	530.37	372.07	1,681.70	1,675.09
	Less : Inter Segment Transfers	138.94	135.60	92.49	415.99	317.40
	Inter Division Transfers	10.63	16.21	12.84	48.55	78.07
	(a) Net Sales	448.54	378.56	266.74	1,217.16	1,279.62
	(b) Other Operating Revenue	5.71	6.22	5.35	17.51	24.67
	(c) Revenue From Operations - (a+b)	454.25	384.78	272.09	1,234.67	1,304.29
	(d) Other Income (Refer Note No 5)	27.46	5.94	1.62	43.63	9.70
	Total Income - (c+d)	481.71	390.72	273.71	1,278.30	1,313.99
2	**Expenses**					
	(a) Cost of Materials Consumed	269.07	206.67	182.55	683.49	706.81
	(b) Changes in inventories of finished goods, work -in -progress and stock-in-trade	4.22	13.93	(66.54)	28.92	(42.71)
	(c) Employee Benefits Expense	34.32	32.61	33.03	123.94	135.07
	(d) Finance Costs	65.40	65.88	71.26	262.21	274.27
	(e) Depreciation	14.77	15.50	16.86	61.28	62.98
	(f) Other Expenses	154.10	116.45	116.85	416.68	425.79
	Total Expenses	541.88	451.04	354.01	1,576.52	1,562.21
3	Profit / (Loss) before Exceptional Items and tax (1-2)	(60.17)	(60.32)	(80.30)	(298.22)	(248.22)
4	Exceptional items :					
	(a) Foreign Exchange (Gain) / Loss	1.32	(2.04)	(1.74)	(5.98)	(5.84)
	(b) Provision for Diminution in Value of Investment (Refer Note No. 8)	58.37	-	-	58.37	-
5	**Profit / (Loss) before tax (3- 4)**	(119.86)	(58.28)	(78.56)	(350.61)	(242.38)
6	Tax Expenses :					
	(a) Current Tax	-	-	-	-	-
	(b) Earlier years Tax	0.10	-	-	0.10	(1.95)
	(c) Deferred Tax (Refer Note No. 4)	-	-	-	-	-
7	**Profit / (Loss) after tax (5- 6)**	(119.96)	(58.28)	(78.56)	(350.71)	(240.43)
8	Other Comprehensive Income (net of tax)					
	(a) Items that will not be reclassified to Profit or Loss					
	Gain/ (Loss) on Remeasurement of Defined Benefit Plan (net of tax)	1.33	(0.27)	(1.77)	0.53	(2.69)
	(b) Items that will be reclassified to Profit or Loss	-	-	-	-	-
	Other Comprehensive Income (Net of tax) (a+b)	1.33	(0.27)	(1.77)	0.53	(2.69)
9	**Total Comprehensive Income for the period (7+8)**	(118.63)	(58.55)	(80.33)	(350.18)	(243.12)
10	Paid-up Equity Share Capital (Face Value of Rs. 5/- per share)	73.25	73.25	73.25	73.25	73.25
11	Reserves Excluding Revaluation Reserve	-	-	-	(1,676.47)	(1,329.43)
12	Earnings per share			-		
	Basic & Diluted Earnings per share of Rs.5/- each (Rs.) (not annualised)	(8.19)	(3.98)	(5.36)	(23.94)	(16.41)

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ISMT Limited

SEGMENT WISE STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021.

Rs. in Crore

		Standalone				
		1	2	3	4	5
Sr No	Particulars	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Quarter ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
		Refer No 11	Unaudited	Refer No 11	Audited	Audited
1	**Segment Revenue**					
	a) Gross Sales – **Tube**	270.17	261.00	194.91	846.10	1,059.55
	Less : Inter Division	10.63	16.21	12.84	48.55	78.07
	Sub total	259.54	244.79	182.07	797.55	981.48
	b) Gross Sales – **Steel**	327.94	269.37	177.16	835.60	615.54
	Less : Inter Segment	138.94	135.60	92.49	415.99	317.40
	Sub total	189.00	133.77	84.67	419.61	298.14
	Total Segment Revenue	448.54	378.56	266.74	1,217.16	1,279.62
2	**Segment Results** Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items,Unallocable income (net) and Tax.					
	a) Tube	(2.12)	(0.81)	(5.64)	(33.18)	32.78
	b) Steel *	6.86	2.84	(2.57)	(12.12)	(6.90)
	Total	4.74	2.03	(8.21)	(45.30)	25.88
	Less : Finance Costs	65.40	65.88	71.26	262.21	274.27
	: Exceptional items - Foreign Exchange (Gain) / Loss	1.32	(2.04)	(1.74)	(5.98)	(5.84)
	: Provision for Diminution in Value of Investment (Refer Note No. 8)	58.37	-	-	58.37	-
	Add : Unallocable Income (Net of Unallocable Expenses)	0.49	3.53	(0.83)	9.29	0.17
	Total Profit / (Loss) Before Tax	(119.86)	(58.28)	(78.56)	(350.61)	(242.38)
	Less : Tax Expenses	-	-	-	-	-
	Current Tax	-	-	-	-	-
	Earlier years	0.10	-	-	0.10	(1.95)
	Deferred Tax (Refer Note No. 4)	-	-	-	-	-
	Total Profit / (Loss) After Tax	(119.96)	(58.28)	(78.56)	(350.71)	(240.43)
3	**Capital Employed**					
	Segment Assets					
	a) Tube	1,325.00	1,287.77	1,370.61	1,325.00	1,370.61
	b) Steel	459.16	420.81	428.77	459.16	428.77
	c) Unallocable	555.03	692.26	631.92	555.03	631.92
	Total Assets	2,339.19	2,400.84	2,431.30	2,339.19	2,431.30
	Segment Liabilities					
	a) Tube	113.77	115.25	113.18	113.77	113.18
	b) Steel	113.62	102.95	64.83	113.62	64.83
	c) Unallocable	3,524.18	3,476.39	3,315.49	3,524.18	3,315.49
	Total Liabilites	3,751.57	3,694.59	3,493.50	3,751.57	3,493.50

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* Includes profit on steel captively consumed by Tube Segment

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STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Rs. In Crore

Particulars	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
A ASSETS		
1 Non - Current Assets		
a) Property, Plant and Equipment	1,282.92	1,341.87
b) Capital Work-in-Progress	12.23	5.91
c) Financial Assets		
i) Investments	142.25	200.23
ii) Trade Receivables	-	-
iii) Loans	7.56	15.67
iv) Other Financial Assets	20.33	7.56
d) Deferred Tax Asset (Net)	82.05	82.05
e) Other Non Current Assets	54.83	57.57
Sub Total	**1,602.17**	**1,710.86**
2 Current Assets		
a) Inventories	351.56	379.00
b) Financial Assets		
i) Trade Receivables	284.92	238.10
ii) Cash and Cash Equivalents	30.31	28.03
iii) Bank Balance Other than (ii) above	8.55	27.08
iv) Loans	0.96	1.15
v) Other Financial Assets	10.83	1.08
c) Current Tax Assets (Net)	1.35	1.90
d) Other Current Assets	48.54	44.10
Sub Total	**737.02**	**720.44**
Total Assets	**2,339.19**	**2,431.30**
B EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share Capital	73.25	73.25
b) Other Equity	(1,485.63)	(1,135.45)
Total Equity	**(1,412.38)**	**(1,062.20)**
LIABILITIES		
1 NON-CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	65.68	167.15
ii) Other Financial Liabilities	2.38	4.02
b) Provisions	7.75	7.40
c) Other Non Current Liabilities	-	0.01
Sub Total	**75.81**	**178.58**
2 CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	998.37	1,016.16
ii) Trade Payables		
A) Dues of Micro & Small Enterprises	16.16	9.06
B) Others	114.19	97.34
iii) Other financial Liabilities	2,521.08	2,175.09
b) Other Current Liabilities	23.22	14.97
c) Provisions	2.74	2.30
Sub Total	**3,675.76**	**3,314.92**
TOTAL EQUITY AND LIABILITIES	2,339.19	2,431.30

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Rs. in Crore

		2020-21		2019-20	
i)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax		(350.61)		(242.38)
	Adjustments for :				
	Depreciation	61.28		62.98	
	Provision for Diminution in Value of Investment	58.37		-	
	Finance Costs	262.21		274.27	
	Interest Income	(6.94)		(8.38)	
	Unrealised Exchange (Gain) / Loss	(2.86)		3.88	
	Provision for Doubtful Debts (net)	2.75		-	
	Loss/ (Profit) on Sale of Assets (net) and Asset discarded	0.01		0.01	
	Provision for expected credit loss	(3.69)	371.13	-	332.76
	Operating Cash Profit before Working Capital Changes		20.52		90.38
	Adjustments for working capital changes:				
	(Increase) / Decrease in trade receivable	(44.90)		60.82	
	(Increase) / Decrease in Inventories	27.44		(38.03)	
	(Increase) / Decrease in non current financial assets others	(12.77)		0.71	
	(Increase) / Decrease in non current loans	8.11		0.33	
	(Increase) / Decrease in other non current assets	3.33		(1.27)	
	(Increase) / Decrease in current loans	0.19		(0.01)	
	(Increase) / Decrease in other current financial assets	(9.65)		0.04	
	(Increase) / Decrease in other current assets	(4.44)		10.57	
	Increase / (Decrease) in trade payables	23.89		6.68	
	Increase / (Decrease) in other current financial liabilities	13.75		(13.25)	
	Increase / (Decrease) in other current liabilities	8.25		(0.98)	
	Increase / (Decrease) in current provisions	0.44		0.14	
	Increase / (Decrease) in non current provisions	0.88	14.52	(1.95)	23.80
	Taxes (Paid) / Refund		0.45		4.20
	Net Cash flow from Operating Activities		35.49		118.38
ii)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	(15.50)		(16.84)	
	Sale of Property, Plant and Equipment	-		0.02	
	Other Bank balance not considered as cash and cash equivalent	18.52		(13.59)	
	Interest received	6.85		7.45	
	Investments	(0.39)		(0.61)	
	Net Cash used in Investing Activities		9.48		(23.57)
iii)	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Dividend Paid	-		(0.46)	
	Proceeds from /(Repayment of) Borrowings	(34.88)		(82.13)	
	Payment of Lease Liability	(2.56)		(2.62)	
	Finance Costs	(5.25)		(11.59)	
	Net Cash from Financing Activities		(42.69)		(96.80)
	Net Increase / (Decrease) in Cash and Cash Equivalents		2.28		(1.99)
	Cash and Cash Equivalents at the beginning of the year		28.03		30.02
	Cash and Cash Equivalents at the end of the year		30.31		28.03
	Net Increase / (Decrease) in Cash and Cash Equivalents		2.28		(1.99)

Note: The cash flow statement is prepared using the "indirect method" set out in Ind AS 7 - "Statement of Cash Flows".

DNV & Co. Chartered Accountants Pune

ISMT LIMITED PUNE-14

NOTES ON STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021.

1. 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 approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB, out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending allotment. The net receivables on account of sales made to SHAB as on March 31, 2021 are Rs. 8.20 Crore and the same is considered as collectible. COVID has impacted businesses across the globe including Europe. No provision, however, has been made as required by Ind AS 36 "Impairment of Assets" in respect of diminution in the value of investment (including pending allotment) , which is in the nature of forward integration and considered Strategic, Long Term. The financial effect, if any, of the same on net loss for the quarter and year ended March 31, 2021, carrying value of investment and other equity as at March 31, 2021 is not ascertainable.

2. 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 For Electricity (APTEL) against the said order was 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, 2021 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.

   Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured as at March 31, 2021 at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on net loss for the quarter and year ended March 31, 2021, carrying value of non-current asset and other equity as at March 31, 2021 is not ascertainable.

   ii) Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred above, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". The Company has been taking adequate steps for maintaining the equipment to preserve the value. Hence the aforesaid asset is measured as at March 31, 2021 at the carrying amount of Rs 229.95 Crore. The financial effect, if any, of the same on net loss for the quarter and year ended March 31, 2021,carrying value of CPP and other equity as at March 31, 2021is not ascertainable

3. As per Ind AS- 12 "Income Taxes", 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, if any, out of the total MAT Credit of Rs. 82.05 Crore as at March 31, 2021, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

4. Deferred Tax Asset in respect of carried forward losses is recognized to the extent of Deferred Tax Liability.

M/s. D N V & Co. Pune Chartered Accountants

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5. Other income for the quarter and year ended March 31, 2021 includes: Rs. In Crore

Particulars	Quarter ended March,31,2021	Year ended March 31,2021
Provisions/Payables no longer required written back	16.60	22.08
Insurance Claim	-	4.38
Reversal of Expected Credit Loss	3.69	3.69
Refund of Managerial Remuneration	5.04	5.04

6. The lenders had in the past pursued various schemes for debt resolution as per RBI guidelines prevailing from time to time including OSDR which could not be implemented due to RBI Circular dated February 12, 2018,scrapping the various schemes dealing with stressed assets. The lenders then decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs). During the previous financial year majority of the lenders of the company consisting of both ARCs and the banks had signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Company.

   However, the Restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID-19 outbreak. The Company continued to pursue during the year for both the restructuring of the debt and the assignment of the remaining debt. The lenders at JLM have asked the Company to submit a fresh proposal after taking into account the COVID impact. The Company has submitted revised restructuring proposal to the lenders on the basis of sustainable debt including waiver of overdue / penal / compounding of interest. The Company has continued to make payments to lenders as mutually agreed. Pending Restructuring, the amounts paid are being adjusted against the principal outstanding of respective lenders and will be finally adjusted as per the terms of the restructuring.

   Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). The financial effect, if any of non provision of overdue / penal and compounding of interest, on net loss for the quarter and year ended March 31, 2021, carrying value of the borrowings (financial liabilities) and other equity as at March 31, 2021 is not ascertainable.

7. The Company is operationally profitable (positive EBIDTA) in all these years. The Company's operations and revenue during the current quarter has improved and EBIDTA for the current quarter has also increased over the preceding quarters. The Company also benefits from Atmanirbhar policies of the Government including continuation of Anti Dumping Duty on import of seamless tubes from China The Company has submitted its restructuring proposal to lenders and the_proposed restructuring on sustainable basis is inter alia expected to address the negative net worth of the Company thereby enlarging the business opportunities including participation in Government tenders. Accordingly the Company has continued to prepare its financial results on 'Going Concern Basis'.

8. 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. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL had decided not to pursue these projects. The COVID pandemic is expected to have wide ranging long term impact on project activity and greenfield projects like TPPCL's would be specifically affected.

   TPPCL has obtained project valuation report from independent valuer for determining the value of the project and recoverable amount thereof as at March 31, 2021 for assessment of impairment loss, if any, as required by Ind AS 36 "Impairment of Assets"

   Considering present status of the project, prevailing power sector scenario, long lasting impact of Covid pandemic on the project, it is not possible to reasonably or reliably determine the recoverable amount. Nevertheless after due consideration by the Board the Company notwithstanding the uncertainties has on best possible estimate basis and after considering the valuation referred to in the preceding paragraph made provision for impairment loss of Rs.58.37 Crore of the amount

M/s. D N V & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

invested in TPPCL as at March 31, 2021 as per Ind AS 36 "Impairment of Assets". The same is disclosed as "Exceptional Item "in the standalone audited financial results for the quarter and year ended March 31, 2021.

9. The Company had in the past obtained Central Government/ lenders approval for payment of Managerial Remuneration from time to time. Subsequently, the Ministry of Corporate Affairs had done away with the requirement of obtaining Central Government approval and the Managerial Remuneration is determined as per the approvals obtained from the shareholders. However, in view of prolonged delay in restructuring on account of COVID and otherwise, requisite approvals from lenders are still awaited. Pending the same, the Managing Director of the Company has in compliance of Section 197 of the Companies Act, refunded the requisite remuneration. Employee Benefits Expense includes amounts provided for remuneration to the Managing Director for the quarter ended March 31, 2021 of Rs.0.32 Crore and Rs. 0.99 Crore for the year ended March 31, 2021 (Rs.1.59 Crore cumulative up to March 31, 2021). This is subject to approval of lenders.

10. The outbreak of corona virus (COVID-19) pandemic globally has caused significant disturbance and slowdown of economic activity. The Company's operations and revenue during the current quarter has improved, yet the full impact of COVID-19 is not ascertainable. The Company continues to closely monitor the developments and possible effects that may result from current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. The full assessment of the impact of the same on the Company and SHAB's operations, CPP and on Port and Power Project (TPPCL) will be only possible once the pandemic settled down and the eventual impact may be different from the estimates made as of the date of approval of these audited standalone financial results.

11. The figures of the quarter ended March 31, 2021 and March 31, 2020 are balancing figures between audited figures in respect of full financial year and published year to date figures up to third quarter of the relevant financial year.

12. The comparative figures have been regrouped and reclassified to meet the current quarter's / years classification.

13. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 12, 2021.

ISMT LIMITED PUNE-14

For ISMT Limited

Place: Pune
Date: July 12, 2021

Rajiv Goel
Whole-time Director & Chief Financial Officer

M/s. D N V & Co. Pune Chartered Accountants

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33/52 of the SEBI (LODR) (amendment Regulations, 2016]				
				Rs. in Crore
I.	Sr. No.	Particulars	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1.	Turnover / Total income	1.278.30	1,278.30
	2.	Total Expenditure	1,629.01	1,750.59
	3.	Net Profit/(Loss)	(350.71)	(472.29)
	4.	Earnings Per Share	(23.94)	(32.24)
	5.	Total Assets	2,339.19	2,217.61
	6.	Total Liabilities	3,751.57	3,751.57
	7.	Net Worth	(1,412.38)	(1,533.96)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

Note :- Impact of Audit qualification mentioned in 2(a) , 4 (a) and 5 (a) below has not been included above as the exact quantum of the same cannot be ascertained.

II. Audit qualification (each qualification separately):

(1)(a) Details of Audit Qualification:

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 Crore as on March 31, 2021. Taking into consideration the loss during the year ended March 31, 2021 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. Non-writing off of the same has resulted in understatement of loss for the year ended March 31, 2021 and overstatement of other equity by Rs.82.05 Crore and its consequential effect on the Earnings per Share of the Company.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14.

M/s. D N V & Co. Pune Chartered Accountants

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

ISMT LIMITED PUNE-14

As per Ind AS- 12 "Income Taxes", 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, if any, out of the total MAT Credit of Rs. 82.05 Crore as at March 31, 2021, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor : Not Applicable

(i) Management's estimation on the impact of audit qualification :

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(2)(a) Details of Audit Qualification:

The Company, through its subsidiary, has invested Rs. 48.43 Crore in Structo Hydraulics AB Sweden (SHAB). Net receivables to the company from SHAB against the supplies made is Rs. 8.20 Crore. The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB and out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending for allotment. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. No provision for diminution in value of investment (including pending allotment) and net receivable against supplies is made by the company. We are unable to comment on the same and ascertain its impact, if any, on net loss for the year ended March 31, 2021, carrying value of the investment and other equity as at March 31, 2021 in respect of the above matters.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14.

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable.

M/s. D N V & Co. Pune Chartered Accountants

(e) For Audit Qualification(s) where the impact is not quantified by the auditor :

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

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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 approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB, out of which Rs. 16.75 Crore has been converted into equity and the balance of

Rs. 16.58 Crore is pending allotment. The net receivables on account of sales made to SHAB as on March 31, 2021 are Rs. 8.20 Crore and the same is considered as collectible. COVID has impacted businesses across the globe including Europe. No provision, however, has been made as required by Ind AS 36 "Impairment of Assets" in respect of diminution in the value of investment (including pending allotment) , which is in the nature of forward integration and considered Strategic, Long Term. The financial effect, if any, of the same on net loss for the year ended March 31, 2021, carrying value of investment and other equity as at March 31, 2021 is not ascertainable.

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above.

(3)(a) Details of Audit Qualification:

The Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2021 is Rs. 39.53 Crore, 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 into overstatement of carrying value of non –current assets and other equity by Rs.39.53 Crore as at March 31, 2021.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

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 For Electricity (APTEL) against the said order was 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, 2021 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.

Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured as at March 31, 2021 at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on net loss for the year ended March 31, 2021, carrying value of non-current asset and other equity as at March 31, 2021 is not ascertainable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

M/s. D N V & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(4)(a) Details of Audit Qualification:

The Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra. Hence, the CPP is measured on March 31, 2021 at the carrying amount of Rs. 229.95 Crore and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on net loss for the year ended March 31 2021, carrying value of the CPP and other equity as at March 31, 2021.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2018-19

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". The Company has been taking adequate steps for maintaining the equipment to preserve the value. Hence the aforesaid asset is measured as at March 31, 2021 at the carrying amount of Rs 229.95 Crore. The financial effect, if any, of the same on net loss for the year ended March 31, 2021, carrying value of CPP and other equity as at March 31, 2021 is not ascertainable.

M/s. D N V & Co. Pune Chartered Accountants

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above

ISMT LIMITED PUNE-14

(5)(a) Details of Audit Qualification:

Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from lenders and reconciliation thereof, the Company has not provided for the overdue /penal interest and differential liabilities including such overdue /penal interest and differential liabilities arising from reconciliation of balances to the extent of available confirmation, if any. The quantum and its impact, if any, on the net loss for the year ended March 31 2021, carrying value of the Borrowings (i.e. Financial Liabilities) and other equity as at March 31,2021 is unascertainable.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2016-17

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable.

(ii) If management is unable to estimate the impact, reason for the same:

The lenders had in the past pursued various schemes for debt resolution as per RBI guidelines prevailing from time to time including OSDR which could not be implemented due to RBI Circular dated February 12, 2018,scrapping the various schemes dealing with stressed assets. The lenders then decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs). During the previous financial year majority of the lenders of the company consisting of both ARCs and the banks had signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Company.

However, the Restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID-19 outbreak. The Company continued to pursue during the year for both the restructuring of the debt and the assignment of the remaining debt. The lenders at JLM have asked the Company to submit a fresh proposal after taking into account the COVID impact. The Company has submitted revised restructuring proposal to the lenders on the basis of sustainable debt including waiver of overdue / penal / compounding of interest. The Company has continued to make payments to lenders as mutually agreed. Pending Restructuring, the amounts paid are being adjusted against the principal outstanding of respective lenders and will be finally adjusted as per the terms of the restructuring.

M/s. D N & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). The financial effect, if any of non provision of overdue / penal and compounding of interest, on loss for the year ended March 31, 2021, carrying value of the borrowings (financial liabilities) and other equity as at March 31, 2021 is not ascertainable.

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above.

III Signatories:

For ISMT Limited

R.
POORNAL
INGAM

Digitally signed by R. POORNALINGAM
DN: c=IN, o=Personal,
2.5.4.20=c26a9353b58ca737c611d99bb6fa79264c67f1ba97a3c96a4fb766c7cd02892d, postalCode=600020, st=Tamil Nadu,
serialNumber=30c6b665ce903b0426b531ebd71939fa6f52559638502793e4db58cb8be95482, cn=R. POORNALINGAM
Date: 2021.07.12 18:10:16 +05'30'

B.R Taneja	Rajiv Goel	R Poornalingam
Managing Director	Whole-time Director & Chief Financial Officer	Audit Committee Chairman

Pune: July 12, 2021

ISMT LIMITED PUNE-14

Statutory Auditors

For D N V & Co.
Firm Registration No. 102079W
Chartered Accountants

M/s. D N V & Co. Pune Chartered Accountants

CA Bharat Jain
Partner
Membership No. 100583
Pune: July 12, 2021.

Independent Auditors' Report on the Consolidated Annual Financial Results of the Company for the quarter and year ended March 31, 2021 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
ISMT Limited

Report on the Audit of Consolidated Annual Financial Results

1. **Qualified Opinion**

We have audited the accompanying Statement of Consolidated Annual Financial Results of ISMT Limited ("the Parent Company") and its Subsidiaries (the Parent Company and Its subsidiaries together referred to as ("the ISMT Group"), for the quarter and year ended March 31, 2021 ("the Statement") being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate standalone financial statements and the other financial information of subsidiaries referred to in paragraph below, the Statement:

a) Includes financial results of the following subsidiaries:

Name of Entity	Relationship
I. ISMT Enterprises S.A Luxembourg	Subsidiary Company
II. Indian Seamless Inc. USA.	Subsidiary Company
III. Structo Hydraulics AB Sweden	Subsidiary Company
IV. Tridem Port and Power Company Private Limited.,	Subsidiary Company
V. ISMT Europe AB Sweden,	Subsidiary of Structo Hydraulics AB Sweden
VI. Nagapattinam Energy Private Limited.	Subsidiary of Tridem Port and Power Company Private Limited
VII. Best Exim Private Limited.,	Subsidiary of Nagapattinam Energy Private Limited
VIII. Success Power and Infraprojects Private Limited,	Subsidiary of Nagapattinam Energy Private Limited
IX. Marshal Microware Infrastructure Development Company Private Limited.,	Subsidiary of Nagapattinam Energy Private Limited
X. PT ISMT Resources - Indonesia, Indian Seamless Inc. USA.	Subsidiary of Tridem Port and Power Company Private Limited

b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

M/s. DNV & Co. Pune Chartered Accountants

c) except for the effects /possible effects of the matters described in "Basis for Qualified opinion" paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of consolidated net loss and other comprehensive income and other financial information of the ISMT Group for the quarter and year ended March 31, 2021.

2. 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 Crore as on March 31,2021. Taking into consideration the loss during the year ended March 31, 2021 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. Non-writing off of the same has resulted in understatement of consolidated net loss for the quarter and year ended March 31, 2021 and overstatement of other equity by Rs. 82.05 Crore and its consequential effect on the Earnings per Share of the group.

b) The Parent Company, through its subsidiary, had made investment in Structo Hydraulics AB Sweden (SHAB) and recognised Goodwill on consolidation of Rs 23.48 Crore. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. No provision for impairment has been made in respect of Goodwill on Consolidation by the Group in accordance with Ind AS 36 "Impairment of Assets" for the reasons stated in Note No. 1 of the Statement. We are unable to comment on the same and ascertain its impact, if any, on consolidated net loss for the quarter and year ended March 31, 2021, carrying value of Goodwill on Consolidation and other equity as on that date in respect of the above matters.

c) The Parent Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2021 is Rs. 39.53 Crore, 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 carrying value of non –current assets and other equity by Rs. 39.53 Crore as at March 31, 2021. Refer Note No. 2 (i) of the Statement.

d) The Parent Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra for the reasons stated in Note No 2 (ii) of the Statement; hence, the CPP is measured on March 31,2021 at the carrying amount of Rs. 229.95 Crore and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the consolidated net loss for the quarter and year ended March 31,2021, carrying value of the CPP and other equity as at March 31, 2021.

e) Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from lenders and reconciliation thereof, the Parent Company has not provided for the overdue /penal interest and differential liabilities including such overdue /penal interest and differential liabilities arising from reconciliation of balances to the extent of available confirmation, if any, for the reason stated in Note No. 5 of the Statement. The quantum and its impact, if any, on the consolidated net loss for the quarter and year ended March 31,2021 carrying value of the Borrowings (i.e Financial Liabilities) and other equity as at March 31, 2021 is unascertainable.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the ISMT Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirement that are relevant to our audit of the Consolidated Annual Financial Results under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other Auditors in term of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

3. Material uncertainty Related to Going Concern

The ISMT Group has accumulated losses and its net worth has been fully eroded, the ISMT Group has incurred net cash loss during the year ended March 31, 2021 and in previous years and the ISMT Group's current liabilities exceeded its current assets as at March 31, 2021. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the ISMT Group's ability to continue as a going concern. However, the Consolidated annual financial results of the ISMT Group have been prepared on a going concern basis for the reasons stated in the Note No.7 of the Statement.

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter :

We draw attention to:

a) Note No. 9 of the Statement, regarding remuneration to Managing Director of the Parent Company amounting to Rs 0.32 Crore for the quarter ended March 31, 2021 and Rs 0.99 Crore for the year ended March 31, 2021 (Rs. 1.59 Crore cumulative up to March 31, 2021) is subject to approval of lenders.

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b) Note No. 8 of the Statement, regarding impairment assessment performed by the Group in respect of its investment in thermal power project and captive port (TPPCL) at Tamilnadu of Rs 104.56 Crore in accordance with Ind AS 36 "Impairment of Assets". This assessment involves significant management judgment and estimates on the valuation methodology and various assumptions used in determination of value in use/fair value by independent valuation experts / management as more fully described in the aforesaid note. Based on management's assessment and independent valuation reports determining recoverable value of the project, the Group has made provision for impairment loss of Rs 58.37 Crore for the quarter and year ended March 31, 2021 in respect of TPPCL project.

c) Note No. 10 of the Statement, regarding the uncertainties arising out of the outbreak of COVID 19 pandemic and the assessment made by the group management on its operations and the financial reporting for the quarter and year ended March 31, 2021. Such an assessment and the outcome of the pandemic, as made by the group management, is dependent on the circumstances as they evolve in the subsequent periods. Further, we were not able to participate in the physical verification of inventory of the Parent Company that was carried out by the management at the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence -Specific consideration for Selected items" and have obtained sufficient appropriate evidence to issue our unmodified opinion on Statement.

Our opinion is not modified in respect of these matters.

5. Board of Director's Responsibilities for the Consolidated Annual Financial Results

This Statement of consolidated Annual financial results have been prepared on the basis of consolidated Annual financial statements.

The Parent Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Annual Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the ISMT Group in accordance with recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the ISMT Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the ISMT Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Annual Financial Results by the Directors of the Parent Company, as aforesaid.

M/s. ... & Co. Pune Chartered Accountants

In preparing the Consolidated Annual Financial Results, the respective Board of Directors of the companies included in the ISMT Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the ISMT Group are responsible for overseeing the financial reporting process of the ISMT Group.

6. **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the ISMT Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ISMT Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the ISMT Group to express an opinion on the Consolidated Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Annual Financial Results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Annual Financial Results.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Annual Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

7. Other Matters

a) The consolidated annual financial results include the audited financial results of eight (8) subsidiaries, whose financial statements/ financial results/ financial information reflect ISMT Group's share of total assets of Rs. 181.90 Crore as at March 31, 2021, ISMT Group's share of total revenue of Rs. 21.06 Crore and Rs. 68.70 Crore and ISMT Group's share of total net profit /(loss) after tax (including due to exchange translation) of (Rs. 80.54) Crore and (Rs 84.00) Crore for the quarter and year ended March 31, 2021 respectively and net cash outflow of Rs 22.46 Crore for the year ended on that date, as considered in the consolidated annual financial results. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

M/s. D N V & Co. Pune Chartered Accountants

b) The consolidated annual financial results include the unaudited financial results in respect of two (2) subsidiary located outside India, whose financial statements/ financial results/ financial information reflect ISMT Group's share of total assets of Rs. 66.42 Crore as at March 31, 2021, ISMT Group's share of total revenue of Rs. Nil Crore and Rs. Nil Crore and ISMT Group's share of total net profit /(loss) after tax (including due to exchange translation) of (Rs. 1.35) Crore and (Rs 1.57) Crore for the quarter and year ended March 31, 2021 respectively and net cash inflow of Rs 0.01 Crore for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial statements/financial results/financial information is certified by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiaries, is based solely on such financial results/financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, these financial results/financial statements/financial information are not material to the Group.

In case of subsidiaries located outside India, these financial results/financial statements/financial information have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by their respective independent auditors. The Parent Company's management has converted these financial results/financial statements/financial information of such subsidiaries to the Indian GAAP and the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us in the above paragraph and our audit of the conversion adjustments made.

Our opinion on the Statement is not modified in respect of above matters with regards to our reliance on the work done and the reports of the other auditors as referred in para (a) above and and the financial results/financial statements/financial information certified by the management as referred in (b) above

c) The Consolidated annual financial results include the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us as required under the Listing Regulations.

For D N V & Co.
Chartered Accountants
Firm Registration No 102079W

M/s. D N V & Co. Pune Chartered Accountants

CA Bharat Jain
Partner
Membership No: 100583
UDIN: 21100583AAAAFC8309
Place: Pune
Date: July 12, 2021

ISMT Limited
Regd. Office : Panama House (earlier known as Lunkad Towers) , Viman Nagar, Pune 411 014, Maharashtra.
Phone : 020-41434100, Fax : 020-26630779, E-Mail : secretarial@ismt.co.in,
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STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31 ,2021

Rs. in Crore

		Consolidated				
		Quarter ended				
Sr. No	Particulars	March 31, 2021	Dec. 31, 2020	March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
		Refer Note-11	Unaudited	Refer Note-11	Audited	Audited
1	**Income**					
	Revenue from Operations					
	Sales of Products	**613.40**	**544.38**	**390.95**	**1,736.63**	**1,775.73**
	Less : Inter Segment Transfers	138.94	135.60	92.49	415.99	317.40
	Inter Division Transfers	10.63	16.21	12.84	48.55	78.07
	Sale to Subsidiary Company	10.58	14.91	14.92	37.95	79.86
	(a) Net Sales	**453.25**	**377.66**	**270.70**	**1,234.14**	**1,300.40**
	(b) Other Operating Revenue	5.76	6.25	5.54	17.61	24.96
	(c) Revenue From Operations - (a+b)	**459.01**	**383.91**	**276.24**	**1,251.75**	**1,325.36**
	(d) Other Income (Refer Note No. 6)	28.54	7.30	3.02	47.87	11.62
	Total Income - (c+d)	**487.55**	**391.21**	**279.26**	**1,299.62**	**1,336.98**
2	**Expenses**					
	(a) Cost of Materials Consumed	270.72	203.05	182.92	692.01	715.47
	(b) Changes in inventories of finished goods, work -in -progress and stock-in-trade	5.17	14.26	(65.29)	30.14	(42.89)
	(c) Employee Benefits Expense	36.71	35.59	35.90	133.66	146.86
	(d) Finance Costs	65.51	66.00	71.41	262.65	274.89
	(e) Depreciation	15.40	16.25	17.26	64.00	65.56
	(f) Other Expenses	146.04	117.67	117.56	410.14	428.28
	Total Expenses	**539.55**	**452.82**	**359.76**	**1,592.60**	**1,588.17**
3	Profit / (Loss) before Exceptional Items and tax (1-2)	(52.00)	(61.61)	(80.50)	(292.98)	(251.19)
4	Exceptional items -					
	(a) Foreign Exchange (Gain) / Loss	1.73	(3.92)	(1.39)	(8.93)	(8.87)
	(b) Provision for Impairment in Vale of Project (Refer Note No. 8)	58.37	-	-	58.37	-
5	**Profit / (Loss) before tax (3- 4)**	**(112.10)**	**(57.69)**	**(79.11)**	**(342.42)**	**(242.32)**
6	Tax Expenses :					
	(a) Current Tax	-	-	-	-	-
	(b) Earlier years Tax	0.10	-	-	0.10	(1.95)
	(c) Deferred Tax (Refer Note No.4)	-	-	-	-	-
7	**Profit / (Loss) after tax (5- 6)**	**(112.20)**	**(57.69)**	**(79.11)**	**(342.52)**	**(240.37)**
8	Other Comprehensive Income (net of tax)					
	(a) Items that will not be reclassified to Profit or Loss					
	Gain/ (Loss) on Remeasurement of Defined Benefit Plan (net of tax)	1.33	(0.27)	(1.77)	0.53	(2.69)
	(b) Items that will be reclassified to Profit or Loss					
	Foreign Currency Translation Reserve	(1.74)	0.04	0.69	(1.56)	(1.60)
	Other Comprehensive Income (Net of tax) (a+b)	(0.41)	(0.23)	(1.08)	(1.03)	(4.29)
9	**Total Comprehensive Income for the period (7+8)**	**(112.61)**	**(57.92)**	**(80.19)**	**(343.55)**	**(244.66)**
	Profit / (Loss) attrributable to :					
	Equity Shareholders of Parent	(112.20)	(57.69)	(79.11)	(342.51)	(240.43)
	Non Controlling Interest	-	-	-	(0.01)	0.06
	Other Comprehensive Income attributable to :					
	Equity Shareholders of Parent	(0.40)	(0.24)	(1.07)	(1.04)	(4.28)
	Non Controlling Interest	(0.01)	0.01	(0.01)	0.01	(0.01)
	Total Comprehensive Income attributable to :					
	Equity Shareholders of Parent	(112.60)	(57.93)	(80.18)	(343.55)	(244.71)
	Non Controlling Interest	(0.01)	0.01	(0.01)	-	0.05
10	Paid-up Equity Share Capital (Face Value of Rs. 5/- per share)	73.25	73.25	73.25	73.25	73.25
11	Reserves Excluding Revaluation Reserve	-	-	-	(1,725.37)	(1,385.65)
12	Earnings per share					
	Basic & Diluted Earnings per share of Rs 5/- each (Rs.) (not annualised)	(7.66)	(3.94)	(5.40)	(23.38)	(16.41)

Pune

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ISMT Limited

SEGMENT WISE CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31 ,2021.

Rs. in Crore

		Consolidated				
		1	2	3	4	5
Sr No	Particulars	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Quarter ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
		Refer Note-11	Unaudited	Refer Note-11	Audited	Audited
1	**Segment Revenue**					
	a) Gross Sales – **Tube**	285.46	275.00	213.79	901.03	1,160.19
	Less : Inter Division	10.63	16.21	12.84	48.55	78.07
	: Sale to Subsidiary Company	10.58	14.91	14.92	37.95	79.86
	Sub total	**264.25**	**243.88**	**186.03**	**814.53**	**1,002.26**
	b) Gross Sales – **Steel**	327.94	269.38	177.16	835.60	615.54
	Less : Inter Segment	138.94	135.60	92.49	415.99	317.40
	Sub total	**189.00**	**133.78**	**84.67**	**419.61**	**298.14**
	Total Segment Revenue	**453.25**	**377.66**	**270.70**	**1,234.14**	**1,300.40**
2	**Segment Results** Profit / (Loss) after Depreciation and Before Finance Costs & Exceptional items,Unallocable income (net) and Tax.					
	a) Tube	(0.59)	(2.34)	(6.48)	(34.14)	30.13
	b) Steel *	6.86	2.84	(2.57)	(12.12)	(6.90)
	Total	6.27	0.50	(9.05)	(46.26)	23.23
	Less : Finance Costs	65.51	66.00	71.41	262.65	274.89
	: Exceptional items					
	- Foreign Exchange (Gain) / Loss	1.73	(3.92)	(1.39)	(8.93)	(8.87)
	-Provision for Impairment in Value of Project (Refer Note No. 8)	58.37	-	-	58.37	-
	Add : Unallocable Income (Net of Unallocable Expenses)	7.24	3.89	(0.04)	15.93	0.47
	Total Profit / (Loss) Before Tax	**(112.10)**	**(57.69)**	**(79.11)**	**(342.42)**	**(242.32)**
	Less : Tax Expenses					
	Current Tax	-	-	-	-	-
	Earlier years	0.10	-	-	0.10	(1.95)
	Deferred Tax (Refer Note No. 4)	-	-	-	-	-
	Total Profit / (Loss) After Tax	**(112.20)**	**(57.69)**	**(79.11)**	**(342.52)**	**(240.37)**
3	**Capital Employed**					
	Segment Assets					
	a) Tube	1,351.80	1,316.25	1,395.56	1,351.80	1,395.56
	b) Steel	459.16	420.81	428.77	459.16	428.77
	c) Unallocable	496.91	634.24	423.36	496.91	423.36
	Total Assets	**2,307.87**	**2,371.30**	**2,247.69**	**2,307.87**	**2,247.69**
	Segment Liabilities					
	a) Tube	122.73	131.81	124.49	122.73	124.49
	b) Steel	113.62	102.95	64.83	113.62	64.83
	c) Unallocable	3,529.45	3,481.87	3,172.75	3,529.45	3,172.75
	Total Liabilites	**3,765.80**	**3,716.63**	**3,362.07**	**3,765.80**	**3,362.07**

M/s. D N V & Co. Chartered Accountants Pune

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* Includes profit on steel captively consumed by Tube Segment

ISMT Limited

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs. In Crore

		Consolidated	
	Particulars	As at March 31, 2021 Audited	As at March 31, 2020 Audited
A	**ASSETS**		
1	**Non - Current Assets**		
	a) Property, Plant and Equipment	1,326.74	1,385.07
	b) Capital Work-in-Progress	42.12	94.17
	c) Goodwill on Consolidation	37.67	37.67
	d) Financial Assets		
	i) Trade Receivables	-	-
	ii) Loans	7.60	15.72
	iii) Other Financial Assets	20.33	7.56
	e) Deferred Tax Asset (Net)	82.05	82.05
	f) Other Non Current Assets	54.84	58.26
	Sub Total	**1,571.35**	**1,680.50**
2	**Current Assets**		
	a) Inventories	357.40	388.22
	b) Financial Assets		
	i) Trade Receivables	273.86	198.74
	ii) Cash and Cash Equivalents	32.79	52.97
	iii) Bank Balance Other than (ii) above	8.55	27.08
	iv) Loans	0.96	1.15
	v) Other Financial Assets	10.83	1.08
	c) Current Tax Assets (Net)	2.03	2.46
	d) Other Current Assets	50.10	46.40
	Sub Total	**736.52**	**718.10**
	Total Assets	**2,307.87**	**2,398.60**
B	**EQUITY AND LIABILITIES**		
	EQUITY		
	a) Equity Share Capital	73.25	73.25
	b) Other Equity	(1,531.42)	(1,187.87)
	Equity attributable to Parent	(1,458.17)	(1,114.62)
	Non Controlling Interest	0.24	0.24
	Total Equity	**(1,457.93)**	**(1,114.38)**
	LIABILITIES		
1	**NON-CURRENT LIABILITIES**		
	a) Financial Liabilities		
	i) Borrowings	65.68	167.23
	ii) Other Financial Liabilities	2.38	4.02
	b) Provisions	8.86	8.48
	c) Other Non Current Liabilities	-	0.01
	Sub Total	**76.92**	**179.74**
2	**CURRENT LIABILITIES**		
	a) Financial Liabilities		
	i) Borrowings	1,002.30	1,022.69
	ii) Trade Payables		
	- Dues of Micro & Small Enterprises	16.16	9.06
	- Dues of Creditors other than Micro & Small Enterprises	116.57	99.36
	iii) Other financial Liabilities	2,525.13	2,182.25
	b) Other Current Liabilities	25.95	17.55
	c) Provisions	2.77	2.33
	Sub Total	**3,688.88**	**3,333.24**
	TOTAL EQUITY AND LIABILITIES	**2,307.87**	**2,398.60**

M/s. D N V & Co. ★ Pune ★ Chartered Accountants

ISMT LIMITED ★ PUNE-14 ★

ISMT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Rs. in Crore

		2020-21		2019-20	
i)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax		(342.42)		(242.32)
	Adjustments for :				
	Depreciation	64.00		65.56	
	Provision for impairment in Value of Project	58.37		-	
	Finance Costs	262.65		274.89	
	Interest Income	(6.94)		(8.38)	
	Unrealised Exchange (Gain) / Loss / Foreign Currency Translation Reserve	(7.62)		1.61	
	Provision for Doubtful Debts	2.75		-	
	Loss/ (Profit) on Sale of assets (net) and asset discarded	0.01		(1.17)	
	Provision for expected credit loss	(3.77)		-	
			369.45		332.51
	Operating Cash Profit before Working Capital Changes		27.03		90.19
	Adjustments for :				
	(Increase) / Decrease in trade receivable	(73.04)		54.69	
	(Increase) / Decrease in Inventories	30.82		(38.24)	
	(Increase) / Decrease in non current loans	8.11		0.28	
	Decrease /(Increase) in non current financial assets others	(12.77)		0.71	
	(Increase) / Decrease in other non current assets	4.03		2.24	
	(Increase) / Decrease in current loans	0.19		(0.01)	
	(Increase) / Decrease in other current financial assets	(9.65)		0.08	
	(Increase) / Decrease in other current assets	(3.71)		5.18	
	Increase / (Decrease) in trade payables	24.18		6.80	
	Increase / (Decrease) in other current financial liabilities	11.14		(14.32)	
	Increase / (Decrease) in other current liabilities	8.41		(0.56)	
	Increase / (Decrease) in current provisions	0.44		0.15	
	Increase / (Decrease) in non current provisions	0.91		(1.96)	
			(10.94)		15.04
	Taxes (Paid) / Refund		0.33		4.23
	Net Cash flow from Operating Activities		16.42		109.46
ii)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	(15.68)		(16.93)	
	Sale of Property, Plant and Equipment	-		1.46	
	Decrease / (Increase) in other bank balances	18.52		(13.59)	
	Interest Received	6.85		7.45	
	Net Cash used in Investing Activities		9.69		(21.61)
iii)	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Dividend Paid	-		(0.46)	
	Proceeds from /(Repayment of) Borrowings	(37.81)		(86.05)	
	Payment of Lease Liabilities	(2.56)		(2.62)	
	Finance Costs	(5.92)		(11.56)	
	Net Cash from Financing Activities		(46.29)		(100.69)
	Net Increase / (Decrease) in Cash and Cash Equivalents		(20.18)		(12.84)
	Cash and Cash Equivalents at the beginning of the year		52.97		65.81
	Cash and Cash Equivalents at the end of the year		32.79		52.97
	Net Increase / (Decrease) in Cash and Cash Equivalents		(20.18)		(12.84)

Note: The consolidated cash flow statement is prepared using the "indirect method" set out in Ind AS 7 - "Statement of Cash Flows".

M/s. ... & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

NOTES ON CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021.

1. The Parent Company, through its subsidiary, has invested in Structo Hydraulics AB Sweden (SHAB) and recognised Goodwill on Consolidation of Rs 23.48 Crore in the Consolidated financial statement. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. COVID has impacted businesses across the globe including Europe. However, no provision for impairment has been made in respect of Goodwill on Consolidation by the Group, being this investment is in the nature of forward integration and considered Strategic, Long Term. The financial effect, if any, of the same on consolidated net loss for the quarter and year ended March 31, 2021, carrying value of Goodwill on Consolidation and other equity as at March 31, 2021 is not ascertainable.

2. i) Maharashtra Electricity Regulatory Commission (MERC) had disallowed Parent 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 Parent Company filed an appeal before the Appellate Tribunal For Electricity (APTEL) against the said order was dismissed by the APTEL vide their order dated April 1, 2016. The Parent Company's appeal, challenging the APTEL order is pending before the Hon'ble Supreme Court. The Parent Company had accrued EBA benefit aggregating to Rs. 49.97 Crore upto March 31, 2014, of which amount outstanding as on March 31, 2021 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.

   Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured as at March 31, 2021 at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on the consolidated net loss for the quarter and year ended March 31, 2021, carrying value of non-current asset and other equity as at March 31, 2021 is not ascertainable.

   ii) Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred above, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". The Parent Company has been taking adequate steps for maintaining the equipment to preserve the value. Hence the aforesaid asset is measured as at March 31, 2021 at the carrying amount of Rs 229.95 Crore. The financial effect, if any, of the same on the consolidated net loss for the quarter and year ended March 31, 2021, carrying value of CPP and other equity as at March 31, 2021 is not ascertainable

3. As per Ind AS- 12 "Income Taxes", 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 Parent Company to fairly ascertain the probable future taxable profit against which MAT Credit can be utilized. Accordingly, the unabsorbed MAT credit, if any, out of the total MAT Credit of Rs. 82.05 Crore as at March 31, 2021, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Parent Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

4. Deferred Tax Asset in respect of carried forward losses is recognized to the extent of Deferred Tax Liability.

5. The lenders of Parent Company had in the past pursued various schemes for debt resolution as per RBI guidelines prevailing from time to time including OSDR which could not be implemented due to RBI Circular dated February 12, 2018,scrapping the various schemes dealing with stressed assets. The lenders of the Parent Company then decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs).

M/s. D N V & Co. Chartered Accountants Pune

ISMT LIMITED PUNE-14

During the previous financial year majority of the lenders of the Parent Company consisting of both ARCs and the banks had signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Parent Company.

However, the Restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID-19 outbreak. The Parent Company continued to pursue during the year for both the restructuring of the debt and the assignment of the remaining debt. The lenders of the Parent Company at JLM have asked the Parent Company to submit a fresh proposal after taking into account the COVID impact. The Parent Company has submitted revised restructuring proposal to the lenders on the basis of sustainable debt including waiver of overdue / penal / compounding of interest. The Parent Company has continued to make payments to lenders as mutually agreed. Pending Restructuring, the amounts paid are being adjusted against the principal outstanding of respective lenders and will be finally adjusted as per the terms of the restructuring.

Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). The financial effect, if any of non provision of overdue / penal and compounding of interest, on the consolidated net loss for the quarter and year ended March 31, 2021, carrying value of the borrowings (financial liabilities) and other equity as at March 31, 2021 is not ascertainable.

6. Other income for the quarter and year ended March 31, 2021 includes: Rs. In Crore

Particulars	Quarter ended March,31,2021	Year ended March 31,2021
Provisions/Payables no longer required written back	16.60	22.08
Insurance Claim	-	4.38
Reversal of Expected Credit Loss	3.69	3.69
Refund of Managerial Remuneration	5.04	5.04

7. The Group is operationally profitable (positive EBIDTA) in all these years. The Group's operations and revenue during the current quarter has improved and EBIDTA for the current quarter has also increased over the preceding quarters. The Group also benefits from Atmanirbhar policies of the Government including continuation of Anti Dumping Duty on import of seamless tubes from China The Parent Company has submitted its restructuring proposal to lenders and the proposed restructuring on sustainable basis is inter alia expected to address the negative net worth of the Group thereby enlarging the business opportunities including participation in Government tenders. Accordingly the Group has continued to prepare its financial results on 'Going Concern Basis'.

8. Tridem Port and Power Company Private Limited (TPPCL), the wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL had decided not to pursue these projects. The COVID pandemic is expected to have wide ranging long term impact on project activity and greenfield projects like TPPCL's would be specifically affected.

TPPCL has obtained project valuation report from independent valuer for determining the value of the project and recoverable amount thereof as at March 31, 2021 for assessment of impairment loss, if any, as required by Ind AS 36 "Impairment of Assets"

Considering present status of the project, prevailing power sector scenario, long lasting impact of Covid pandemic on the project, it is not possible to reasonably or reliably determine the recoverable amount. Nevertheless after due consideration by the Board the Parent Company notwithstanding the uncertainties has on best possible estimate basis and after considering the valuation referred to in the preceding paragraph made provision for impairment loss of Rs.58.37 Crore of the amount invested in TPPCL Project as at March 31, 2021 as per Ind AS 36 "Impairment of Assets". The same is disclosed as "Exceptional Item "in the audited consolidated financial results for the quarter and year ended March 31, 2021.

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ISMT LIMITED PUNE-14

9. The Parent Company had in the past obtained Central Government/ lenders approval for payment of Managerial Remuneration from time to time. Subsequently, the Ministry of Corporate Affairs had done away with the requirement of obtaining Central Government approval and the Managerial Remuneration is determined as per the approvals obtained from the shareholders. However, in view of prolonged delay in restructuring on account of COVID and otherwise, requisite approvals from lenders are still awaited. Pending the same, the Managing Director of the Company has in compliance of Section 197 of the Companies Act, refunded the requisite remuneration. Employee Benefits Expense includes amounts provided for remuneration to the Managing Director for the quarter ended March 31, 2021 of Rs.0.32 Crore and Rs. 0.99 Crore for the year ended March 31, 2021 (Rs.1.59 Crore cumulative up to March 31, 2021). This is subject to approval of lenders of Parent Company.

10. The outbreak of corona virus (COVID-19) pandemic globally has caused significant disturbance and slowdown of economic activity. The Group's operations and revenue during the current quarter has improved, yet the full impact of COVID-19 is not ascertainable. The Group continues to closely monitor the developments and possible effects that may result from current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. The full assessment of the impact of the same on the Group's operations, CPP and on Port and Power Project (TPPCL) will be only possible once the pandemic settled down and the eventual impact may be different from the estimates made as of the date of approval of these audited consolidated financial results.

11. The figures of the quarter ended March 31, 2021 and March 31, 2020 are balancing figures between audited figures in respect of full financial year and published year to date figures up to third quarter of the relevant financial year.

12. The Consolidated financial results of the Company and its subsidiaries (the Group) have been prepared as per Ind AS 110 on "Consolidated Financial Statements".

13. The comparative figures have been regrouped and reclassified to meet the current quarter's / years classification.

14. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 12, 2021.

ISMT LIMITED PUNE-14

For ISMT Limited

Rajiv Goel
Whole-time Director & Chief Financial Officer

Place: Pune
Date: July 12, 2021

M/s. D N V & Co. Pune Chartered Accountants

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33/52 of the SEBI (LODR) (amendment Regulations, 2016]				
				(Rs. in Crore)
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,299.62	1,299.62
	2.	Total Expenditure	1,642.14	1,763.72
	3.	Net Profit/(Loss)	(342.52)	(464.10)
	4.	Earnings Per Share	(23.38)	(31.68)
	5.	Total Assets	2,307.87	2,186.29
	6.	Total Liabilities	3,765.80	3,765.80
	7.	Net Worth	(1,457.93)	(1,579.51)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

Note: - Impact of Audit qualification mentioned in 2(a), 4(a) and 5(a) below has not been included above as the exact quantum of the same cannot be ascertained.

II. Audit qualification (each qualification separately):

(1)(a) Details of Audit Qualification:

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 31,2021. Taking into consideration the loss during the year ended March 31, 2021 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. Non-writing off of the same has resulted in understatement of consolidated net loss for the year ended March 31, 2021 and overstatement of other equity by Rs. 82.05 Crores and its consequential effect on the Earnings per Share of the group.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14.

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

As per Ind AS- 12 "Income Taxes", 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 Parent Company to fairly ascertain the probable future taxable profit against which MAT Credit can be utilized.

M/s. DNV & Co. Chartered Accountants

ISMT LIMITED PUNE-14

Accordingly, the unabsorbed MAT credit, if any, out of the total MAT Credit of Rs. 82.05 Crore as at March 31, 2021, shall be charged in the Consolidated Statement of Profit and Loss to the extent it lapses in the respective years and subject to review of the same once the Parent Company opts for options permitted under section 115BAA of the Income Tax Act, 1961.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor : Not Applicable

(i) Management's estimation on the impact of audit qualification :

(ii) If management is unable to estimate the impact, reason for the same:

(iii) Auditor's Comments on (i) or (ii) above:

(2)(a) Details of Audit Qualification:

The Parent Company, through its subsidiary, had made investment in Structo Hydraulics AB Sweden (SHAB) recognised Goodwill on Consolidation of Rs 23.48 Crore. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. No provision for impairment has been made in respect of Goodwill on Consolidation by the Group in accordance with Ind AS 36 "Impairment of Assets". We are unable to comment on the same and ascertain its impact, if any, on consolidated net loss for the year ended March 31, 2021, carrying value of Goodwill on Consolidation and other equity as on that date in respect of the above matters.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing first time in financial year 2020-21

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

The Parent Company, through its subsidiary, has invested in Structo Hydraulics AB Sweden (SHAB) and recognised Goodwill on Consolidation of Rs 23.48 Crore in the Consolidated financial statement. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. COVID has impacted businesses across the globe including Europe. However, no provision for impairment has been made in respect of Goodwill on Consolidation by the Group, being this investment is in the nature of forward integration and considered Strategic, Long Term. The financial effect, if any, of the same on consolidated net loss for the year ended March 31, 2021, carrying value of Goodwill on Consolidation and other equity as at March 31, 2021 is not ascertainable

(e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification :

(ii) If management is unable to estimate the impact, reason for the same:

M/s. D N V & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

(iii) Auditor's Comments on (i) or (ii) above:

(3)(a) Details of Audit Qualification:

The Parent Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2021 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 carrying value of non –current assets and other equity by Rs.39.53 Crores as at March 31, 2021.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2013-14

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Maharashtra Electricity Regulatory Commission (MERC) had disallowed Parent 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 Parent Company filed an appeal before the Appellate Tribunal For Electricity (APTEL) against the said order was dismissed by the APTEL vide their order dated April 1, 2016. The Parent Company's appeal, challenging the APTEL order is pending before the Hon'ble Supreme Court. The Parent Company had accrued EBA benefit aggregating to Rs. 49.97 Crore upto March 31, 2014, of which amount outstanding as on March 31, 2021 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.

Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured as at March 31, 2021 at the carrying amount of Rs.39.53 Crore. The financial effect, if any, of the same on the Consolidated net loss for the year ended March 31, 2021, carrying value of non-current asset and other equity as at March 31, 2021 is not ascertainable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification :
(ii) If management is unable to estimate the impact, reason for the same:
(iii) Auditor's Comments on (i) or (ii) above:

M/s. DMV & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

(4)(a) Details of Audit Qualification:

The Parent Company is unable to determine the recoverable value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra. Hence, the CPP is measured on March 31,2021 at the carrying amount of Rs. 229.95 Crores and impairment loss, if any, is not recognised as required by Ind AS 36 "Impairment of the Assets". In view of the aforesaid, we are unable to determine the impact of the same, if any, on the consolidated net loss for year ended March 31,2021 , carrying value of the CPP and other equity as at March 31, 2021.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification: appearing since financial year 2018-19.

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reason for the same:

Considering prevailing uncertainties of operating the 40 MW Captive Power Plant (CPP) at Chandrapur, Maharashtra or disposing it as going concern or otherwise and pending outcome of supreme court decision as referred above, it is not possible to reasonably or reliably determine the recoverable amount and consequently to ascertain whether there is any impairment of the CPP as required by Ind AS 36 "Impairment of Assets". The Parent Company has been taking adequate steps for maintaining the equipment to preserve the value. Hence the aforesaid asset is measured as at March 31, 2021 at the carrying amount of Rs 229.95 Crore. The financial effect, if any, of the same on the consolidated net loss for the year ended March 31, 2021, carrying value of CPP and other equity as at March 31, 2021 is not ascertainable.

M/s. D N V & Co. Pune Chartered Accountants

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above

(5)(a) Details of Audit Qualification:

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Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from lenders and reconciliation thereof, the Parent Company has not provided for the overdue /penal interest and differential liabilities including such overdue /penal interest and differential liabilities arising from reconciliation of balances to the extent of available confirmation, if any. The quantum and its impact, if any, on the consolidated net loss for the year ended March 31,2021 carrying value of the Borrowings (i.e. Financial Liabilities) and other equity as at March 31, 2021 is unascertainable.

(b) Type of Audit Qualification : Qualified Opinion

(c) Frequency of qualification : appearing since financial year 2016-17

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable.

(ii) If management is unable to estimate the impact, reason for the same:

The lenders of Parent Company had in the past pursued various schemes for debt resolution as per RBI guidelines prevailing from time to time including OSDR which could not be implemented due to RBI Circular dated February 12, 2018,scrapping the various schemes dealing with stressed assets. The lenders of the Parent Company then decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 74 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARCs).During the previous financial year majority of the lenders of the Parent Company consisting of both ARCs and the banks had signed Inter Creditor Agreement as per the RBI guidelines for restructuring the debt of the Parent Company.

However, the Restructuring and assignment of further debt could not be concluded due to the implementation of countrywide lockdown on account of COVID-19 outbreak. The Parent Company continued to pursue during the year for both the restructuring of the debt and the assignment of the remaining debt. The lenders of the Parent Company at JLM have asked the Parent Company to submit a fresh proposal after taking into account the COVID impact. The Parent Company has submitted revised restructuring proposal to the lenders on the basis of sustainable debt including waiver of overdue / penal / compounding of interest. The Parent Company has continued to make payments to lenders as mutually agreed. Pending Restructuring, the amounts paid are being adjusted against the principal outstanding of respective lenders and will be finally adjusted as per the terms of the restructuring.

Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). The financial effect, if any of non provision of overdue / penal and compounding of interest, on the consolidated net loss for the year ended March 31, 2021, carrying value of the borrowings (financial liabilities) and other equity as at March 31, 2021 is not ascertainable.

M/s. D N V & Co. Pune Chartered Accountants

ISMT LIMITED PUNE-14

(iii) Auditor's Comments on (i) or (ii) above: Not ascertainable as explained in the qualification stated above.

III Signatories:

For ISMT Limited

R. POORNALINGAM

Digitally signed by R. POORNALINGAM
DN: c=IN, o=Personal,
2.5.4.20=c26a9353b58ca737c611d99bb6fa79264c67f1ba97a3c96a4fb766c7cd02892d, postalCode=600020, st=Tamil Nadu,
serialNumber=30c6b665ce903b0426b531ebd71939fa6f52559638502793e4db58cb8be95482, cn=R. POORNALINGAM
Date: 2021.07.12 17:47:57 +05'30'

B.R Taneja	Rajiv Goel	R Poornalingam
Managing Director	Whole-time Director & Chief Financial Officer	Audit Committee Chairman

Pune: July 12, 2021

ISMT LIMITED * PUNE

Statutory Auditors

For D N V & Co.
Firm Registration No. 102079W
Chartered Accountants

M/s. D N V & Co. * Pune * Chartered Accountants

CA Bharat Jain
Partner
Membership No. 100583
Pune: July 12, 2021