

REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of ISMT LIMITED for the period ended 30th September, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. Based on our review conducted as above and subject to:

Exchange loss in respect foreign currency transactions for the period ended 30th September, 2011 is Rs. 45.07 Crore. The Company has charged such exchange loss to Profit & Loss Account on pro-rata basis and carried forward Rs. 32.73 Crore to the remaining quarters of the financial year, which is required to be charged to Profit & Loss Account as per the Accounting Standard 11 - "The effects of changes in foreign exchange rates". Resultantly, the net profit after tax for the period is higher by Rs. 23.40 Crore.

Foreign Exchange (Gain)/ Loss of Rs. 4.93 Crore on account of receivables / payables of sales and purchases which hitherto were included in the sales and purchases has been grouped under foreign exchange gain / loss account, which is charged on pro-rata basis by the Company. This regrouping has no impact on the profit for the current period.

The Company has paid a claim of Rs. 14.87 Crore to its customer, which is accounted as claims receivable, against which the Company has lodged a claim with the insurance company. Pending settlement of claim, receivable amount is not ascertainable and therefore effect of the shortfall, if any, on the profit for the period cannot be quantified.

nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/S P.G.BHAGWAT
Firm Registration No. 101118W
Chartered Accountants

Sandeep Rao
Partner
M.No.47235
Pune
8th November, 2011

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

Sanjay Dhruva
Partner
M.No.38480
Mumbai
8th November, 2011

