

INDIAN SEAMLESS ENTERPRISES LIMITED

**21st Annual Report
2016-17**

COMPANY INFORMATION

Board of Directors	:	Mr. N. V. Karbhase - Wholetime Director Mr. Gurdip Singh Sambhi - Director Mr. R. Ramjee - Director Mr. V. G. Ravetkar - Director
Company Secretary	:	Ms. Veena Vaidya
Auditors	:	M/s. S. B. Parasnis & Co. Chartered Accountants
Bankers	:	Citibank N A IDBI Bank Ltd.
Share Transfer Agents	:	Sharex Dynamic (India) Pvt. Ltd. Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400072
Registered Office	:	Lunkad Towers, Off Nagar Road, Viman Nagar, Pune 411 014. Phone : 020 41434100 Fax : 020 26630779
CIN	:	U29000PN1995PLC090946
ISIN	:	(i) Fully Paid up Shares INE390E01019 (ii) Partly Paid up Shares IN9390E0107
Website	:	www.isel.co.in
E-mail	:	sharexindia@vsnl.com

INDIAN SEAMLESS ENTERPRISES LIMITED

Regd Office: Lunkad Towers, Off Nagar Road, Viman Nagar, Pune - 411014. Maharashtra

Phone : 020-41434100, Fax : 020-26630779,

CIN: U29000PN1995PLC090946

NOTICE

NOTICE IS HERE BY GIVEN THAT the Twenty First Annual General Meeting of the members of the Company will be held on Friday, September 29, 2017 at Hotel Hindusthan International, S. No.33/1/1, Plot No. 2H, Neco Garden Road, Viman Nagar, Pune 411014 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - (a) the Audited Financial Statements of the Company for the period ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the period ended on that date and the Reports of the Board of Directors and the Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the period ended March 31, 2017 including the Audited Consolidated Balance Sheet as at March 31, 2017 and the Consolidated Statement of Profit and Loss for the period ended on that date and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Vijaykumar G. Ravetkar (00374456) who retires by rotation and offers himself for re-appointment
3. To appoint Auditors and to fix their remuneration and in this

regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, V. K. Paradkar & Co (Firm Registration No. 120527W), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors M/s. S.B. Parasnis & Co., Chartered Accountants (Firm Registration No. 107424W), to hold office from the conclusion of 21st Annual General Meeting ('AGM') till the conclusion of 26th AGM of the Company, subject to ratification of their appointment at every AGM, at such remuneration as may be mutually decided by the Board of Directors and Auditors.”

By order of the Board of Directors

Veena Vaidya

Company Secretary

Pune, August 18, 2017

Registered office:

Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune – 411014.

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. Proxy Form duly stamped and executed in order to be effective must reach the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting('AGM').
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3(three) days of notice in writing is given to the Company.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members/ Proxy holders/ authorized representatives should bring in duly filled in attendance slip.
5. The Register of Directors and Key Managerial Persons and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
7. Due to the completion of term as per Section 139 (1) of the Companies Act, 2013, upon recommendation of Audit Committee vide their meeting dated August 18, 2017, the Board of Directors recommends the appointment of V. K. Paradkar & Co (Firm Registration No.120527W), Chartered Accountants, as Statutory Auditors of the Company in place of retiring Auditors M/s S.B. Parasnis & Co., Chartered Accountants (Firm Registration No. 107424W).

V. K. Paradkar & Co (Firm Registration No.120527W), Chartered Accountants have signified their consent vide letter dated August 16, 2017 to act as Statutory Auditors of the Company, if appointed, to hold office from the conclusion of the 21st AGM upto the conclusion of 26th AGM of the Company, subject to ratification of their appointment at every AGM.

Indian Seamless Enterprises Limited

The Board recommends the resolution at Item No. 03 of the Notice for the approval by the Members. None of the Directors are concerned or interested in this item of resolution.

The above information, though not mandatory is provided for reference of Shareholders.

8. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rules issued thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in prescribed Form No. SH-13 duly filled to Sharex Dynamic (India) Private Limited. Members holding shares in electronic form may contact their respective Depository.
9. Electronic copy of the Annual Report and the Notice of AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form for period ended on March 31, 2017 are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose, unless any Member has requested for hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report and Notice for period ended on March 31, 2017 are being sent in the permitted mode. Members may note that this Notice and Annual Report for the period ended on March 31, 2017 will also be available on the Company's website at 'www.isel.co.in'.
10. The route map showing directions to reach the venue of AGM is annexed and forms a part of the Notice.
11. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, Members are provided with the facility to cast their votes electronically, through the e-voting services provided by Central Depository Services India Limited (CDSL), on all the resolutions set forth in the Notice. The business may be transacted through electronic voting.
12. The Board of Directors have appointed Mr. Milind Kasodekar, Partner, MRM & Associates, Pune a Practicing Company Secretary (C. P. No. 1681) as Scrutinizer to scrutinize the voting by remote e-voting process (i.e. casting of votes using electronic voting system at a place other than the venue of the Meeting) and voting through Poll at AGM in a fair and transparent manner.
13. Voting rights shall be ascertained as per the provisions of Articles of Association of the Company.
14. The members who have cast their vote by remote e-voting process prior to the date of AGM may also attend the AGM but would not be entitled to cast their vote again.
15. Members can opt for only one mode of voting i.e. either by e-voting or voting through Poll at AGM. In case, Members cast their vote through both the modes, voting done by e-voting shall prevail and votes cast through Poll shall be treated as invalid.
16. The voting period begins on September 26, 2017 at 9.00 AM and ends on September 28, 2017 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off

date September 22, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. A person who is not a member as on cut off date should treat this notice for information purposes only.

17. E-Voting Facility:

The process and manner for remote e-voting are, as under :

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the Image Verification as displayed and Click on "Login".
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (As mentioned in the Attendance Slip of AGM) in the PAN field.● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB) OR Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none">● If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share

your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number ('EVSN') of Indian Seamless Enterprises Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and Windows Phone Store respectively. Please follow the instructions prompted on the mobile app while voting through your mobile.**
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance User should be created using admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power

of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact CDSL e-voting Helpdesk on 18002005533(toll free).

- 18. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 19. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against the resolution, invalid votes, if any, and whether the Resolution has/have been carried or not, to the Chairman or a person authorized by him in writing, who shall countersign the same.
- 20. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.isel.co.in and on the website of CDSL www.evotingindia.com immediately after the result is declared.
- 21. Members are further requested to :
 - Intimate changes, if any, in their registered address / bank mandate and e-mail address to the R&T Agent for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
 - Quote Ledger folio number/ DP ID/ Client ID in all the correspondence with the Company or its R & T Agent.
 - Intimate about consolidation of folios to the R&T Agent, if your shareholding is under multiple folios.
 - Bring their copies of the Annual Report and the Attendance Slips at the Annual General Meeting.
 - Note that the Company has designated an exclusive e-mail id viz. "sharexindia@vsnl.com" to enable investors to register their complaints, if any.

By order of the Board of Directors

Pune, August 18, 2017

Registered office:

Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune – 411014.

Veena Vaidya
Company Secretary

ROUTE MAP TO THE VENUE OF AGM

Hotel Hindusthan International,
S. No.33/1/1, Plot No. 2H, Neco Garden Road,
Viman Nagar, Pune 411014



IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the members from the Company's website i.e. www.isel.co.in. To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far, are requested to register their e-mail address by sending e-mail to sharex@vsnl.com with subject as 'E-mail for Green Initiative' mentioning their Folio No. / DP Id & Client Id. Members holding shares in electronic form may register / update their e-mail address with the Depository through their concerned Depository Participant(s).

Directors' Report

To,

The Members,

Indian Seamless Enterprises Limited

Your Directors present the Twenty First Annual Report together with the Audited Accounts for the financial year ended on March 31, 2017.

1. Financial Results :

(Rs. in Lakhs)

Particulars	01.04.2016 to 31.03.2017 (Twelve Months)	01.07.2015 to 31.03.2016 (Nine Months)
Gross Income	2666.98	1499.63
Profit before Finance expenses and Depreciation	1865.65	743.22
Finance Expenses	51.59	275.61
Depreciation	158.82	485.85
Profit/(Loss) before exceptional item and tax	1655.24	(18.24)
Profit/(Loss) before tax	1655.24	(18.24)
Profit/(Loss) after Tax	1555.06	(18.24)

There is no amount proposed to be transferred to reserves.

2. Dividend:

With a view to conserve the resources of the Company, your Directors do not recommend any dividend for the year ended on March 31, 2017.

3. Directors and Key Managerial Personnel:

In accordance with the provision of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vijaykumar G. Ravetkar retires by rotation and being eligible, offers himself for re-appointment.

Mr. Ratnam Ramjee and Mr. Gurdip Singh Sambhi were reappointed as Independent Directors of the Company of the Company for a period of 5(five) years in the 20th Annual General Meeting (AGM) held on December 28, 2016 and shall continue to hold office until the conclusion of 25th AGM of the Company.

Mr. N V Karbhase, Key Managerial Personnel (KMP) has been re-appointed as a Whole-Time Director of the Company for a period of 1(one year) with effect from February 1, 2017 upto January 31, 2018. Except to the above, there is no change in KMP during the year.

The Company has received declaration from Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

4. Board Meetings and Independent Directors Meeting :

The Board met 8 (eight) times on April 28, 2016, May 02, 2016, August 22, 2016, October 05, 2016, January 17, 2017, March 18, 2017, March 24, 2017 &

March 30, 2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Independent Directors met on June 22, 2017 in conformity to the stipulations provided in Schedule IV to the Act.

5. Auditors :

Due to completion of term of retiring Auditors, M/s. S.B. Parasnis & Co., as per Section 139(1) of the Companies Act, 2013; the Board of Directors have recommended the appointment of V. K. Paradkar & Co., Chartered Accountants (Firm Registration No.120527) for a period of 5 (five) years from the conclusion of 21st AGM upto the conclusion of 26th AGM of the Company, subject to ratification of their appointment at every AGM by the shareholders of the Company.

In respect of the Qualification and Emphasis of the Matter by the Auditors on the Standalone and Consolidated Financial Statements, it has been explained in the notes forming part of said Financial Statement which is self-explanatory and therefore do not call for further comments.

6. Particulars Of Employees:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Rules), 2014, duly amended in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled threats. Any shareholder interested in obtaining a copy of statement, may write to the Company Secretary at the Registered Office of the Company. The information is also available for inspection at corporate office during office hours upto the date of AGM.

7. Subsidiary and Associate Company:

As on date of this report, the Company has 2(two) Indian subsidiaries, 1(one) Indian Associate Company and 1(one) Foreign Company. A report in Form AOC-I on the performance and financial position of each of the subsidiary and associate companies is provided in the Financial Statements forming part of this Annual Report.

8. Fixed Deposits:

The Company has not accepted any deposits from the public.

9. Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors make the following statement:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates, that are reasonable and prudent so as to give a

Directors' Report (Contd.)

true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that year;

- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis;
- v) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. Extract Of Annual Return:

The extract of the Annual Return in Form MGT-9 is forming part of this Report as an **Annexure A**.

11. Conservation Of Energy, Technology Absorption:

There is no information to be provided in terms of Section 134(3)(m) of the Act and rules made thereunder.

12. Foreign Exchange Earnings And Outgo:

There are no transactions in Foreign Exchange to report.

13. Nomination and Remuneration Policy:

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a remuneration policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.

14. Particulars Of Loans,Guarantees And Investments:

Particulars of Loans, Guarantees and Investments covered under Section 186 of the Act forming part of the Notes to the Financial Statements are forming part of this Report.

15. Risk Management:

The Board has put in place suitable risk measures to mitigate risks affecting the existence of the Company.

16. Internal Financial Controls:

The Company has in place adequate internal financial controls commensurate to the size of business.

17. Audit Committee :

Pursuant to Section 177 of the Companies Act, 2013, an Audit Committee constituted by the Board of Directors consists of 3 (three) directors with independent Director forming a majority. The Audit Committee met 2(two) times during the period under review.

18. Registrar and Share Transfer Agent :

Sharex Dynamic (India) Private Limited(Sharex)continue to act as Registrar and Share Transfer Agent(RTA) to handle

queries/ correspondences related to dematerialization of shares, transfer of shares as well as other share related activities of the Company.

The shareholders may contact the RTA at following address :

Sharex Dynamic (India) Pvt. Ltd.

Unit no.1, LuthraInd.Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai – 400072 T: 2851 5606/ 5644/ 6338
F: 28512885 Web: <http://www.sharexindia.com>

19. Corporate Social Responsibility:

The Company was not required to constitute a Corporate Social Responsibility Committee during the year under review.

20. Contracts And Arrangements With Related Parties:

Particulars of contracts or arrangement with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-II is forming a part of this Report as an **Annexure B**.

21. General:

- (i) There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
- (ii) There is no change in the nature of the business of the Company.
- (iii) During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

22. Acknowledgements :

The Board of Directors of your Company place on record their gratitude and would like to thank all the stakeholders, bankers for their continued support and co-operation.

For and on behalf of Board of Directors

	N V Karbhase	V G Ravetkar
	Director	Director

Pune, August 18, 2017

Annexure 'A' to the Directors' Report

Extract of Annual Return as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U29000PN1995PLC090946
ii)	Registration Date	24/07/1995
iii)	Name of the Company	Indian Seamless Enterprises Limited
iv)	Category/ Sub-Category	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	Lunkad Towers,Viman Nagar, Off Pune Nagar Road, Pune 411014, Maharashtra Tel : 020-414341000 Fax : 020-26630779
vi)	Whether listed company	No
vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	Sharex Dynamic (India) Private Limited Unit No.1, Luthra Indl. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 Tel : 28515606/5644/6338 Fax: 28512885 Web: http://www.sharexindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Activities of Holding Company (investment)	64200	43.39
2	Wholesale trade of Metal and Metal Ores	46620	21.33
3	Management Consultancy Services	70200	34.07

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	VISHKUL LEATHER GARMENTS PRIVATE LIMITED. Lunkad Towers, Viman Nagar, Pune - 411014	U51216PN1994PTC076383	Holding	51.04	2(46)
2	ISMT LIMITED Lunkad Towers, Viman Nagar, Pune - 411014	L27109PN1999PLC016417	Associate	47.04	2(6)
3	TANEJA AEROSPACE AND AVIATION LIMITED, Belagondapalli Village, Thally Road, Denkanikotta, Belagondapalli - 635114, Tamil Nadu	L62200TZ1988PLC014460	Associate	43.98	2(6)
4	LIGHTO TECHNOLOGIES PRIVATE LIMITED, Lunkad Towers, Viman Nagar, Off Pune Nagar Road, Pune - 411014	U51909PN2007PTC130869	Subsidiary	52.01	2(87)
5	FAIR GROWTH HOLDINGS PTE. LTD. 8, Shenton Way, # 5-01, Axa Tower, Singapore - 068811	NA	Associate	33.33	2(6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)						No. of Shares held at the end of the year (March 31, 2017)						% Change during the year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
	Fully Paid Up	Partly Paid Up	Fully Paid Up	Partly Paid Up			Fully Paid Up	Partly Paid Up	Fully Paid Up	Partly Paid Up			
A. Promoters													
(1) Indian													
a) Individual/ HUF	936,198	16,153	156,177	-	1,108,528	9.72	1,025,852	16,153	66,667	-	1,108,672	9.73	0.01
b) Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	7,218,673	429,206	5,367	-	7,653,246	67.14	7220486	429914	5575	-	7,655,975	67.16	0.02
e) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	8,154,871	445,359	161,544	-	8,761,774	76.86	8,246,338	446,067	72,242		8,764,647	76.89	0.03
(2) Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	8,154,871	445,359	161,544	-	8,761,774	76.86	8,246,338	446,067	72,242		8,764,647	76.89	0.03

Indian Seamless Enterprises Limited

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)						No. of Shares held at the end of the year (March 31, 2017)						% Change during the year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
	Fully Paid Up	Partly Paid Up	Fully Paid Up	Partly Paid Up			Fully Paid Up	Partly Paid Up	Fully Paid Up	Partly Paid Up			
B. Public Shareholding													
1. Institutions													
a) Mutual Funds	7,124	-	667	-	7,791	0.07	7,124	-	-	-	7,124	0.06	(0.01)
b) Banks / FI	587,786	514	1,203	-	589,503	5.17	587,801	514	-	-	588,315	5.16	(0.01)
c) Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-
g) FIs	79	-	2,184	-	2,263	0.02	79	-	-	-	79	0.00	(0.02)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	594,989	514	4,054	-	599,557	5.26	595,004	514	-	-	595,518	5.22	(0.04)
2. Non-Institutions													
a) Bodies Corporate													
i) Indian	202,455	102,336	212,234	-	517,025	4.54	203,764	102,336	215,146	-	521,246	4.57	0.03
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals													
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	613,257	82,347	682,484	23,059	1,401,147	12.29	612,818	81,831	678,953	22,967	1,396,569	12.25	(0.04)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	82,320	-	30,402	-	112,722	0.99	82,320	-	30,402	-	112,722	0.99	0.00
c) Others (specify):-													
(1) OCBs	333	-	-	-	333	0.00	-	-	1,042	-	1,042	0.01	0.01
(2) Non-Residents	6,827	237	317	-	7,381	0.06	7,201	137	524	-	7,862	0.07	0.01
Sub-total (B)(2):-	905,192	184,920	925,437	23,059	2,038,275	17.88	906,103	184,304	926,067	22,967	2,039,441	17.89	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,500,181	185,434	929,491	23,059	2,637,832	23.14	1,501,107	184,818	926,067	22,967	2,634,959	23.11	(0.03)
C. Shares held by Custodian for GDRs & ADRs													
Public	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (C)	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9,655,052	630,793	1,091,035	23,059	11,399,606	100.00	9,747,445	630,885	998,309	22,967	11,399,606	100	0.00

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)					Shareholding at the end of the year (31.03.2017)					% Change In share holding During the year
		No. of Shares			% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares			% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
		Fully Paid Up	Partly Paid Up	Total			Fully Paid Up	Partly Paid Up	Total			
1	Vishkul Leather Garments Private Limited	5,817,636	0	5,817,636	51.03	0.00	5,819,041	92	5,819,133	51.05	0.00	0.01
2	Palatial Estates Private Limited	557,449	429,206	986,655	8.66	0.00	558,065	429,822	987,887	8.67	0.00	0.01
3	Misrilall Mines Private Limited	243,588	0	243,588	2.14	0.00	243,588	0	243,588	2.14	0.00	0.00
4	Misrilall Properties Private Limited	5,367	0	5,367	0.05	0.00	5,367	0	5,367	0.05	0.00	0.00
5	Radhika Real Estates Private Limited	600,000	0	600,000	5.26	0.00	600,000	0	600,000	5.26	0.00	0.00
6	J P Sureka	114,951	0	114,951	1.01	0.00	114,951	0	114,951	1.01	0.00	0.00
7	Savitri Devi Sureka	108,978	0	108,978	0.96	0.00	108,978	0	108,978	0.96	0.00	0.00
8	Ramesh Sureka	107,972	0	107,972	0.95	0.00	107,972	0	107,972	0.95	0.00	0.00
9	A K Jain (HUF)	96,806	344	97,150	0.85	0.00	96,806	344	97,150	0.85	0.00	0.00
10	Salil Taneja	93,342	0	93,342	0.82	0.00	93,342	0	93,342	0.82	0.00	0.00
11	Raj K Sureka	77,859	0	77,859	0.68	0.00	77,859	0	77,859	0.68	0.00	0.00
12	Sanjay Sureka	77,192	0	77,192	0.68	0.00	77,192	0	77,192	0.68	0.00	0.00
13	Tara Jain	91,481	0	91,481	0.80	0.00	91,481	0	91,481	0.80	0.00	0.00
14	B R Taneja	45,070	0	45,070	0.40	0.00	45,070	0	45,070	0.40	0.00	0.00
15	Mini Sureka	30,000	0	30,000	0.26	0.00	30,000	0	30,000	0.26	0.00	0.00
16	Shiv Kumar Jain	28,834	0	28,834	0.25	0.00	28,834	0	28,834	0.25	0.00	0.00
17	Ashok Kumar Jain	186	0	186	0.00	0.00	186	0	186	0.00	0.00	0.00
18	Akshay Jain	89,510	15,809	105,319	0.92	0.00	89,510	15,809	105,319	0.92	0.00	0.00

Annual Report 2016-17

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)					Shareholding at the end of the year (31.03.2017)					% Change In share holding During the year
		No. of Shares			% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares			% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
		Fully Paid Up	Partly Paid Up	Total			Fully Paid Up	Partly Paid Up	Total			
19	Priti Sureka	30,000	0	30,000	0.26	0.00	30,000	0	30,000	0.26	0.00	0.00
20	Rohin Sureka	15,000	0	15,000	0.13	0.00	15,000	0	15,000	0.13	0.00	0.00
21	Avishi Sureka	15,042	0	15,042	0.13	0.00	15,042	0	15,042	0.13	0.00	0.00
22	Raghav Banka	7,784	0	7,784	0.07	0.00	7,784	0	7,784	0.07	0.00	0.00
23	Rahul Banka	7,782	0	7,782	0.07	0.00	7,782	0	7,782	0.07	0.00	0.00
24	Aayushi Jain	5,464	0	5,464	0.05	0.00	5,464	0	5,464	0.05	0.00	0.00
25	Shashi Taneja	46	0	46	0.00	0.00	46	0	46	0.00	0.00	0.00
26	Renu Jain	26,551	0	26,551	0.23	0.00	26,551	0	26,551	0.23	0.00	0.00
27	Manju Banka	15,169	0	15,169	0.13	0.00	15,169	0	15,169	0.13	0.00	0.00
28	Siddharth Banka	7,500	0	7,500	0.07	0.00	7,500	0	7,500	0.07	0.00	0.00
	Total	8,316,559	445,359	8,761,918	76.86	0.00	8,318,580	446,067	8,764,647	76.89	0.00	0.02

iii. Change in Promoters' Shareholding (please specify, if there is no change) : Nil

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of the total shares of the Company
1	At the beginning of the year	8,316,559	76.86		
2	Datewise increase/decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	#	#	#	#
3	At the end of the year	8,764,647	76.89		

Following are the details of datewise shareholding change

Sr. No.	Name	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No of Shares at the beginning (01.04.2016/ end of year 31.03.2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vishkul Leather Garments Private Limited	5,817,636	51.03	01-04-2016				
				01-08-2016	92	Acquisition	5,817,728	51.03
				19-08-2016	876	Acquisition	5,818,604	51.04
				24-02-2017	321	Acquisition	5,818,925	51.04
				16-03-2017	208	Acquisition	5,819,133	51.05
		5,819,133	51.05	31-03-2017				
2	Palatial Estates Private Limited	986,655	8.66	01-04-2016				
				27-01-2017	1232	Acquisition	987,887	8.67
		987,887	8.67	31-03-2017				

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No of Shares at the beginning (01.04.2016/ end of year 31.03.2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	493,072	4.33	01.04.2016	NA	NA	NA	NA
		493,072	4.33	31.03.2017				
2	Newway Construction Limited	100,223	0	01.04.2016	NA	NA	NA	NA
		100,223	0.88	31.03.2017				
3	Himani Limited	97,156	0.85	01.04.2016	NA	NA	NA	NA
		97,156	0.85	31.03.2017				
4	Bank of India	73,074	0.64	01.04.2016	NA	NA	NA	NA
		73,074	0.64	31.03.2017				
5	Sanay Tradex Private Limited	63,318	0.56	01.04.2016	NA	NA	NA	NA
		63,318	0.56	31.03.2017				

Indian Seamless Enterprises Limited

Sr. No.	Name	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No of Shares at the beginning (01.04.2016/ end of year 31.03.2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Chandrakanta Chamanlal Oberoi	48,988 48,988	0.43 0.43	01.04.2016 31.03.2017	NA	NA	NA	NA
7	Tata Investment Corporation Limited	67,210 67,210	0.59 0.59	01.04.2016 31.03.2017	NA	NA	NA	NA
8	United India Insurance Company Limited	20,484 20,484	0.00 0.00	01.04.2016 31.03.2017	NA	NA	NA	NA
9	S K Consultants Limited	18,609 18,609	0.16 0.16	01.04.2016 31.03.2017	NA	NA	NA	NA
10	Ashwin Shantilal Mehta	18,444 18,444	0.16 0.16	01.04.2016 31.03.2017	NA	NA	NA	NA

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/ end of year (31.03.2017)	% of total shares of the company				No. of Shares	% of total shares of the company
1	N V Karbhase- Whole time Director	66 99	0.00 0.00	01.04.2016 19.08.2016 31.03.2017	33	Acquisition	99	0.00
2	Gurdip Singh Sambhi- Independent Director	0 0	0.00 0.00	01.04.2016 31.03.2017	N.A.	N.A.	N.A.	N.A.
3	Ratnam Ramjee - Independent Director	0 0	0.00 0.00	01.04.2016 31.03.2017	N.A.	N.A.	N.A.	N.A.
4	Vijaykumar Ravetkar	NA 0	NA 0.00	01.04.2016 31.03.2017	N.A.	N.A.	N.A.	N.A.
5	Veena Vaidya- Company Secretary	5 5	0.00 0.00	01.04.2016 31.03.2017	N.A.	N.A.	N.A.	N.A.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,000,000	60,542,508	-	96,542,508
ii) Interest due but not paid	-	16,410,325	-	16,410,325
iii) Interest accrued but not due	-	50,813,365	-	50,813,365
Total (i+ii+iii)	36,000,000	127,766,198	-	163,766,198
Change in Indebtedness during the financial year				
Net Addition(+)/Reduction(-)				
Net Change	(3,930,807)	19,401,663	-	15,470,856
Indebtedness at the end of the financial year				
i) Principal Amount	31,990,548	79,690,406	-	111,680,954
ii) Interest due but not paid	78,645	1,512,039	-	1,590,684
iii) Interest accrued but not due	-	65,965,416	-	65,965,416
Total (i+ii+iii)	32,069,193	147,167,861	-	179,237,054

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to the Managing Director(MD), Whole-time Directors(WTD) and/ or Manager:

(Amount in Rupees)

Sr. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		N V Karbhase WTD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,300,000	1,300,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,300,000	1,300,000
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	Total (A)	2,600,000	2,600,000
	Ceiling as per the Act*		

* Limit of remuneration shall be in terms of Schedule V to the Companies Act, 2013 and excludes contribution by the Company to Provident Fund and Superannuation Fund.

B. Remuneration to other directors:

(Amount in Rupees)

Sr. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Ratnam Ramjee	Gurdip Singh Sambhi	
1	Independent Directors			
	Fee for attending board/ committee meetings	105,000	100,000	
	Commission	0	0	
	Others, please specify	0	0	
	Total (1)	105,000	100,000	205,000
2	Other Non-Executive Directors			
	Fee for attending board / committee meetings	95,000	-	
	Commission	0	-	
	Others, please specify	0	-	
	Total (2)	95,000	-	95,000
	Total (B)=(1+2)			300,000
	Total Managerial Remuneration (A + B)			2,900,000
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD : NIL

(Amount in Rupees)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Veena Vaidya- Company Secretary	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	622,782	622,782
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	others, specify...		
5	Contribution to PF and other Funds	67,152	67,152
	Total	689,934	689,934

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

Indian Seamless Enterprises Limited

Annexure 'B' to the Directors' Report

FORM NO. AOC-II

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis :

(a)	Name of the Related Party	Vishkul Leather Garments Private Limited ('Vishkul')	
(b)	Nature of relationship	Holding Company	
(c)	Duration of the contracts/ arrangements/ transactions	During one year from the date of passing this resolution or such other period as may be decided by the Board from time to time.	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any;	Purchase of shares of ISMT Limited (a company listed at BSE and NSE) at market prices prevalent on the date of transaction, subject to adherence to SEBI Regulations. Rs. 14.37 Crore	Sale of shares of TAAL Enterprises Limited (a company listed at BSE) at market prices prevalent on the date of transaction, subject to adherence to SEBI Regulations. Rs. 14.28 Crore
(e)	Date(s) of approval by the Board, if any	17.01.2017	17.01.2017
(f)	Amount paid as advances, if any	NA	NA

For and on behalf of Board of Directors

Pune, August 18, 2017

V. G. Ravetkar
Director

N. V. Karbhase
Director

Veena Vaidya
Company Secretary

Independent Auditors' Report

To The Members of Indian Seamless Enterprises Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Indian Seamless Enterprises Limited** ("the company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the

financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis of Qualified Opinion

The Company has invested Rs. 97.15 crores in equity shares of ISMT Ltd. has been incurring cash losses and its net worth has been completely been eroded. No provision for diminution in value of Investment is made by the Company as explained in Note No. 3.09 forming part of the financial statements. We are unable to comment on the same and ascertain its impact, if any, on the financial statements in respect of the above matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2017, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2016 issued by the Central Government of India (Ministry of Corporate Affairs) in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The company has no branch offices whose accounts are audited by branch auditors.
 - (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is

Indian Seamless Enterprises Limited

disqualified as on March 31, 2017 from being appointed as a director in terms of section 164 (2) of the Act.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. Refer Note No. 3.1 disclosing Contingent Liabilities. Further, there are no pending litigations against or instituted by the Company.
 - ii. The Company does not have any long term / contracts including derivative contracts.
 - iii. The Company has provided requisite disclosures in the financial statements as to holdings as well as

dealings in Specified Bank Notes as defined in Notification S.O. 3407E dated 8th November, 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – refer note no. 3:17

For S.B. PARASNIS & CO
Firm's Registration Number 107424W
Chartered Accountants

S.B. Pararnis
Proprietor
Membership Number 8596

Pune, August 18, 2017

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on Other legal and Regulatory Requirements" of our report on even date:

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at regular interval considering the size of the company and nature of asset. As informed to us, no material discrepancies have been noticed on such verification.
- c) The Company does not have any immovable property.
- (ii) The Company does not have inventory.
- (iii) a. As per the records of the company, it has granted interest free loan of Rs. 775 lacs to ISMT Ltd., an Associate Company covered in the register maintained under section 189 of the Companies Act, 2013.
- b. There are no stipulations for the repayment of Principal and the interest thereon. Therefore, we are unable to comment on the regularity of receipt of the Principal amount and interest thereon.
- c. No Principal and Interest can be termed as overdue in the absence of time of repayment and thus we are unable to comment on the steps taken for recovery of Principal and Interest thereon.
- (iv) In our opinion and according to the information and explanations given to us, the company has given guarantees for loans taken by others from banks. The terms and conditions whereof, in our opinion, based on the management representation, are not prima-facie prejudicial to the interest of the Company.
- (v) The company has not accepted any Deposit from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost record under sub-section (l) of section 148 of the Companies Act, 2013.
- (vii) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Value added Tax, Value added tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2017 for a period of more than six months from the day they become payable.
- (viii) According to the information and explanations given to us, the company has not defaulted during the year in repayment of dues to banks and Government. The company does not have any debenture holders.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and according to the information and explanations given to us, the term loans taken by the company during the year have been utilised for the purpose for which the said loans were obtained.
- (x) To the best of our knowledge and belief and based upon the audit procedures performed by us and according to the information and explanations given to us, no fraud on or by the company by its officers or employees has been noticed or reported during the year that causes the financial statements to be materially misstated.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act except to the extent referred in Annexure III to this report.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.B. PARASNIS & CO
Firm's Registration Number 107424W
Chartered Accountants

S.B. Parasnis
Proprietor

Pune, August 18, 2017

Membership Number 8596

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indian Seamless Enterprises Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.B. PARASNIS & CO
Firm's Registration Number 107424W
Chartered Accountants

S.B. Parasnis
Proprietor
Pune, August 18, 2017
Membership Number 8596

Financial Statements

Indian Seamless Enterprises Limited

Balance Sheet as at March 31, 2017

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
i) Share Capital	1.1	110,726,800	110,726,800
ii) Reserves & Surplus	1.2	<u>736,258,427</u>	<u>580,751,627</u>
		846,985,227	691,478,427
NON-CURRENT LIABILITIES			
i) Long Term Borrowings	1.3	-	917,806
ii) Other Long Term Liabilities	1.4	78,772,600	46,024,632
iii) Long Term Provisions	1.5	<u>4,003,142</u>	<u>1,916,300</u>
		82,775,742	48,858,738
CURRENT LIABILITIES			
i) Short Term Borrowings	1.6	31,990,548	36,000,000
ii) Trade Payables	1.7	-	70,608,690
iii) Other Current Liabilities	1.8	<u>254,194,322</u>	<u>337,652,350</u>
		286,184,870	444,261,040
TOTAL		<u>1,215,945,839</u>	<u>1,184,598,205</u>
ASSETS			
NON-CURRENT ASSETS			
i) Fixed Assets	1.9		
a) Tangible Assets		<u>521,643</u>	<u>93,963,826</u>
		521,643	93,963,826
ii) Non-Current Investment	1.10	1,105,292,163	972,091,949
iii) Other Non Current Assets	1.11	<u>77,500,000</u>	<u>77,500,000</u>
		1,182,792,163	1,049,591,949
CURRENT ASSETS			
i) Trade Receivables	1.12	1,280,807	17,909,599
ii) Cash and Bank Balances	1.13	6,490,766	6,689,952
iii) Other Current Assets	1.14	<u>24,860,460</u>	<u>16,442,879</u>
		32,632,033	41,042,430
TOTAL		<u>1,215,945,839</u>	<u>1,184,598,205</u>
Significant Accounting Policies	2		
Notes to Accounts	3		

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

For and on behalf of the Board of Directors

S.B.PARASNIS
PROPRIETOR
M. No. 8596

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

Pune, August 18, 2017

Statement of Profit and Loss for the year ended March 31, 2017 (Amount in Rupees)

Particulars	Note No.	2016-17 For the Year March 31, 2017 12 Months	2015-16 For the period - March 31, 2016 9 Months
INCOME			
Revenue from Operations			
Sales -Trading	1.15	65,004,513	62,861,891
Other Income	1.16	107,489,074	65,979,460
Profit on Sale of Assets-Net	1.17	94,204,069	21,122,000
Total		<u>266,697,656</u>	<u>149,963,351</u>
EXPENSES			
Cost of Goods Traded	1.18	63,100,675	62,385,205
Employee Cost	1.19	7,335,163	3,922,228
Finance Cost	1.20	5,158,836	27,561,313
Depreciation	1.21	15,882,324	48,584,508
Administrative/other Expenses	1.22	9,696,243	9,333,915
Total		<u>101,173,241</u>	<u>151,787,169</u>
Profit /(Loss) Before Tax		165,524,415	(1,823,818)
Exceptional Items		-	-
Profit /(Loss) after Exceptional Items		165,524,415	(1,823,818)
Current Year Tax -		34,300,000	1,879,000
MAT Credit -Current Year		(22,404,000)	-
MAT Credit -Previous Year- (Refer Note No.3.16)		(1,878,385)	-
Profit / (Loss) for the Year		<u>155,506,800</u>	<u>(3,702,818)</u>
Earning per equity Share (Face value of Rs 10/- each) (Refer Note No. 3.14)		13.64	(0.32)
Significant Accounting Policies	2		
Notes to Accounts	3		

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

S.B.PARASNIS
PROPRIETOR
M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

Indian Seamless Enterprises Limited

Cash Flow Statement for the period ended March 31, 2017

(Amount in Rupees)

Particulars	2016-17	2015-16 9 Months
Cash Flow from Operating Activities		
Net Profit before Tax	165,524,415	(1,823,818)
Adjustment for:-		
Depreciation, Amortisation & Obsolescence	15,882,324	48,584,508
Loss on Sale of Assets	38,014,861	
Finance Cost	5,158,836	27,561,313
Interest Income	(711,623)	
Profit on sale of Investment	(132,218,930)	(21,122,000)
Dividend received	(9,825)	(27,050)
	<u>(73,884,357)</u>	<u>54,996,771</u>
OperatingCash Profit before Working Capital Changes	91,640,058	53,172,953
Trade & Other Receivables	(1,806,404)	(20,417,563)
Trade Payables & Other Liabilities	(158,408,583)	29,182,050
	<u>(160,214,987)</u>	<u>8,764,487</u>
Net Cash Flow from operating Activities	(68,574,929)	61,937,440
Cash Flw from Investing Activities		
Dividend Received	9,825	27,050
Interest Received	711,623	-
Sale of Machinery	39,545,000	-
Sale of Investment	142,755,130	77,822,000
Investment made	(143,736,412)	(405,000)
Net Cash used in Investment Activities	39,285,166	77,444,050
Cash Flow from Financing Activities		
Interest Paid	(4,826,426)	(16,834,026)
Proceeds from/ (Repayment of) Borrowings	33,917,003	(117,975,366)
Net Cash used in Financing Activities	29,090,577	(134,809,392)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(199,186)	4,572,098
Cash & Cash Equivalents at the beginning of the Year	<u>6,689,952</u>	<u>2,117,854</u>
Cash & Cash Equivalents at the end of the Year	<u>6,490,766</u>	<u>6,689,952</u>
Net Increase(Decrease) in Cash & Cash Equivalents	(199,186)	4,572,098

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

S.B.PARASNIS
PROPRIETOR
M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

Notes to Financial Statements for the year ended March 31, 2017

1.1 SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorized		
1,20,00,000 (Previous Year 1,20,00,000) Equity Shares of Rs.10/- each	120,000,000	120,000,000
	<u>120,000,000</u>	<u>120,000,000</u>
Issued, Subscribed and Paid up:		
1,13,99,606 (Previous Year 1,13,99,606) Equity Shares of Rs 10/- each fully paid	113,996,060	113,996,060
Less Calls in Arrears	3,269,260	3,269,260
	<u>110,726,800</u>	<u>110,726,800</u>

The Company has only one class of issued shares having par value of Rs. 10 /- each. Holder of equity shares is entitled to one Vote per Share

Calls Unpaid by Directors & Officers- NIL

The reconciliation of number of shares outstanding and the amount of share capital is set-out below.

Particulars	As at March 31, 2017		As at March 31, 2016	
	Equity Shares Number	Rupees	Equity Shares Number	Rupees
Shares outstanding at the beginning of the year	10,745,754	110,726,800	10,745,754	110,726,800
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Calls Unpaid	653,852	3,269,260	653,852	3,269,260
Shares outstanding at the end of the year	11,399,606	113,996,060	11,399,606	113,996,060

Details of shareholders holding more than 5% Equity Shares (fully paid up) in the Company

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Vishkul Leather Garments Pvt. Ltd.	5,819,041	51.04%	5,817,636	51.03%
Palatial Estates Private Limited	558,065	4.89%	557,449	4.89%
Radhika Real Estates Pvt. Ltd.	600,000	5.26%	600,000	5.26%

Indian Seamless Enterprises Limited

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

1.2 RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium		
Opening Balance	482,365,890	482,365,890
Additions	- 482,365,890	- 482,365,890
General Reserve		
Opening Balance	186,913,620	186,913,620
Additions- Adjustments to carrying cost of Assets	- 186,913,620	- 186,913,620
Surplus		
At the beginning of the year	(88,527,883)	(84,825,065)
Add : Profit / (Loss) for the year	155,506,800 66,978,917	(3,702,818) (88,527,883)
	<u>736,258,427</u>	<u>580,751,627</u>

1.3 LONG TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
UNSECURED LOANS :		
Sales Tax Deferral Liability	-	917,806
(Refer Note No. 3.5)		
	<u>-</u>	<u>917,806</u>

1.4 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Inter Corporate Deposits	78,772,600	46,024,632
	<u>78,772,600</u>	<u>46,024,632</u>

1.5 LONG TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits		
Gratuity	3,529,804	1,548,323
Leave Encashment	473,338	367,977
	<u>4,003,142</u>	<u>1,916,300</u>

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

1.6 SHORTTERMBORROWINGS

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
SECURED LOAN		
Term Loan	31,990,548	36,000,000
(Refer Note No. 3.3)		
	<u>31,990,548</u>	<u>36,000,000</u>

1.7 TRADEPAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016
a) Micro, Small and Medium Enterprises	-	-
b) Others	-	70,608,690
	<u>-</u>	<u>70,608,690</u>

1.8 OTHERCURRENTLIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
a) Current Maturities of Long-Term Debt		
Sales Tax Deferral Liability (Refer Note No.3.5)	917,807	13,600,070
b) Advance from Customer	146,991,325	240,500,000
c) Other Liabilities	88,659,730	83,552,280
d) Provision for Tax (Net of payment)	17,625,460	-
	<u>254,194,322</u>	<u>337,652,350</u>

1.9 FIXEDASSETS

Sr. No.	Particulars	ORIGINAL COST				DEPRECIATION AND AMORTISATION				NET BOOK VALUE	
		As at April 01, 2016	Additions	Deletion	As at March 31, 2017	As at April 01, 2016	Charge For The Year	Adjust- on sale	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
	Tangible Assets:										
a	Plant and - Machinery	218910137	-	218910137	-	125676310	15673966	(141350276)	-	-	93233826
b	Vehicles	6603289	-	-	6603289	5873288	208358	-	6081646	521643	730000
	Total	225513426	-	218910137	6603289	131549598	15882324	(141350276)	6081646	521643	93963826
	Previous Year	301861015	-	(76347589)	225513426	159312681	11968204	(39,731,285)	131549600	93963826	142548334

Indian Seamless Enterprises Limited

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

1.10 NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	Face Value	As at 31-03-2017		As at 31-03-2016	
		No of Shares	Cost Rs.	No of Shares	Cost Rs.
INVESTMENT-LONG TERM					
Quoted/Unquoted					
Investments (At Cost)					
Long term (Quoted)					
in fully paid Equity Shares (Trade)					
ISMT Ltd	5	68,917,858	971,502,115	55,533,788	827,765,701
Taneja Aerospace & Aviation Ltd.	5	10,964,620	121,993,265	10,964,620	121,993,265
TAAL Enterprises Limited	10	612,577	8,503,211	1,370,577	19,039,411
Maharashtra Seamless Ltd	5	10	-	10	-
Oil Country Tabular Ltd	10	5	-	5	-
Gandhi Special Tubes Ltd	5	200	-	200	-
Unquoted					
Cosmos Co-op Bank Ltd	100	1,000	-	1,000	-
Shares in Wholly Owned Subsidiary Companies					
Lighto Technologies Pvt Ltd	10	280,741	2,942,410	280,741	2,942,410
Shares in Associate Companies :					
Fair Growth Holding Pte Ltd	SGD1	12,000	351,162	12,000	351,162
(Refer Note No. 3.9)	Total		1,105,292,163		972,091,949

1.11 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Loans & Advances		
Others - Associate Company (Refer Note No. 3.11)	77,500,000	77,500,000
	<u>77,500,000</u>	<u>77,500,000</u>

1.12 TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Considered Good	1,280,807	17,909,599
	<u>1,280,807</u>	<u>17,909,599</u>

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

1.13 CASH AND BANK BALANCES

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents		
Balance with Banks	6,477,495	6,683,828
Cash on Hand	13,271	6,124
	<u>6,490,766</u>	<u>6,689,952</u>

1.14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
Advances recoverable in Cash or Kind	578,075	300,000
MAT Credit Receivable	24,282,385	-
Taxes paid (net of provisions)	-	16,142,879
	<u>24,860,460</u>	<u>16,442,879</u>

Indian Seamless Enterprises Limited

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

1.15 REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Sales - Trading	65,004,513	62,861,891
	<u>65,004,513</u>	<u>62,861,891</u>

1.16 OTHER INCOME

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Dividend	9,825	27,050
Professional Fees (Net) (Tax deducted at Source Rs. 8,317,235/- Previous Year Rs. 6,468,102/-)	103,815,011	63,738,410
Lease Income (Tax Deducted at Source- Rs. 66,738/- Previous Year Rs. 66,420/-)	2,952,000	2,214,000
Interest on Income Tax refund	711,623	-
Excess provision written back	615	-
	<u>107,489,074</u>	<u>65,979,460</u>

1.17 PROFIT ON SALE OF ASSETS

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Profit on Sale of Shares	132,218,930	21,122,000
Loss on Sale of Machinery	(38,014,861)	-
	<u>94,204,069</u>	<u>21,122,000</u>

1.18 COST OF GOODS TRADED

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Opening Stock	-	-
Add:		
Purchases	63,100,675	62,385,205
Less Closing Stock	-	-
	<u>63,100,675</u>	<u>62,385,205</u>

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

1.19 EMPLOYEE BENEFITS EXPENSES

(Amount in Rupees)

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Salaries, Wages, Bonus and Allowances	4,745,697	3,398,529
Contribution to Provident Fund and Other Funds	2,497,117	522,519
Staff Welfare Expenses	92,349	1,180
	<u>7,335,163</u>	<u>3,922,228</u>

1.20 FINANCE COSTS

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Interest	4,701,108	22,701,429
Cash Discount	457,728	413,180
Finance Charges	-	4,446,704
	<u>5,158,836</u>	<u>27,561,313</u>

1.21 DEPRECIATION & OBSOLESCENCE

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
i) Depreciation for the year	15,882,324	11,968,204
ii) Loss on Obsolescence of Assets	-	36,616,304
	<u>15,882,324</u>	<u>48,584,508</u>

1.22 ADMINISTRATIVE EXPENSES

Particulars	For the Year ended March 31, 2017 12 Months	For the Period ended March 31, 2016 9 Months
Rates ,Taxes & fees	116,069	46,713
Insurance	53,314	24,373
Travelling Expenses	326,705	277,130
Professional & Legal Fess	7,930,499	8,211,832
Miscellaneous Expenses (Refer Note N0. 3.13)	1,269,656	773,867
	<u>9,696,243</u>	<u>9,333,915</u>

Indian Seamless Enterprises Limited

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES

1. General

- I. These accounts are prepared on the historical cost basis and on the accounting principles of going concern.
- II. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. Revenue Recognition

- i. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis. Sales are net of cash discount and sales tax. Dividends received by company are accounted on receipt basis.
- ii. Export Incentives are accounted on accrual basis.
- iii. Professional fees are shown at net of Service Tax.
- iv. Revenue arising from Operating Lease is recognised on a Straight Line Basis.

3. Fixed Assets

Fixed Assets transferred to and vested in the company have been recorded at their acquisition cost. Fixed Assets purchased during the year are valued at cost of acquisition.

4. Depreciation

- a) Depreciation on Plant & Machinery is provided on as per useful life specified in part "C" of Schedule II of the Companies Act, 2013 on Straight Line Method.
- b) Depreciation on Vehicle is provided as per the useful life specified in Part "C" of the Schedule II of the Companies Act, 2013 on Written Down Value Method.
- c) In case of additions to and deletion from fixed assets, depreciation is charged on a pro-rata basis from the date of addition/till the date of deletion.

5. Inventories

Closing Stock of Finished Goods is valued at cost or net realisable value whichever is less.

6. Investments:

- a. Investments transferred to and vested in the company have been recorded at acquisition cost. Investments purchased during the year are valued at cost of acquisition.
- b. Investments in Subsidiary and Associate Companies are of strategic importance to the company and therefore the Company does not consider it necessary to provide decrease in the book value of such investments, if any till such relationship continues with the investee Company.

7. Transactions in Foreign Currencies:

The transactions in foreign currency are accounted at the equivalent rupee value on the date of the transactions. Foreign currency assets and liabilities outstanding at the close of the year are expressed in Indian currency at the rate of exchange prevailing at the close of the year. Resultant gain or loss is accounted during the year.

8. Retirement Benefits :

Provision for Gratuity and Leave Encashment has been made on the assumption that such benefits are payable to employees at the end of the accounting year.

9. Taxation -

- i. Provision for Current Tax is made after taking into consideration prevailing provisions of the Income Tax Act, 1961.
- ii. Deferred Tax is measured based on the Tax rates and the Tax Laws enacted or substantially enacted at the Balance Sheet date.
- iii. As a matter of Prudent Accounting Policy the Company has not recognized in the accounts deferred tax assets on account of business losses as per Income Tax Act 1961.
- iv. Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

10. Treatment of Contingent Liabilities:

Contingent Liabilities are not provided and are disclosed in notes on accounts.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

3. NOTESTOACCOUNTS

1. Contingent liabilities not provided for:
 - I. Corporate Guarantees given in connection with Banking facilities / Term Loan granted to Subsidiary / Associate companies Rs. 59,200,000/- (Previous year Rs. 59,200,000/-)
 - II. Sales Tax Deferral liabilities assigned to third parties Rs. 11,952,989/- (Previous year Rs. 45,529,593/-).
2. Calls in arrears is on 653,852 Equity Shares (Previous year 6,53,852 Equity Shares)
3. Short Term Loan of Rs. 31,990,548/- is secured by way of hypothecation of Plant & Machinery of the Company. It is further secured by way of pledge of 200,00,000 Equity Shares held in the ISMT Ltd and Corporate Guarantee by third parties.
4. In the opinion of the Board of Directors the Current Assets, Loans and Advances are approximately of the value stated, if realised in ordinary course of business.
5. Gross Value of Sales Tax Deferral Liability taken on assignment is Rs. 917,806/- (Previous Year Rs. 14,517,876/-). Net Present Value Rs. 917,806/- (Previous Year Rs 14,517,876/-). Due within Year Rs. 917,806/- (Previous Year Rs. 13,660,070/-) has been shown in Other Current Liabilities.
6. Professional fees earned are net of Service Tax of Rs. 15,527,013/-(Previous year Rs. 9,074,808/-) and Lease Income is net of MVAT Rs. 384,852/- (Previous year Rs. 276,750/-)
7. There are no Micro, Small and Medium Enterprise suppliers as defined under the provisions of “ Micro, Small Medium Enterprises Development Act, 2006”. There are no dues to such suppliers as on March 31, 2017.
8. Expenditure in Foreign Currency Rs.Nil (Previous year Nil) and Earning in foreign Currency Rs- Nil (Previous year Earnings Nil)
9. The Management considers all the investments as long-term investments.

Aggregate Cost & Market Value of Investments-

Particulars	March 31, 2017 Rupees	March 31, 2016 Rupees
Aggregate Cost of Quoted Investments	110,19,98,591	949,758,966
Aggregate Market Value of Quoted Investments	147,89,45,950	1,000,786,767
Aggregate Cost of Unquoted Investments	32,93,572	22,332,983

ISMT Ltd continued to incur losses during the current year on account of adverse market conditions in both domestic and export market which resulted into the erosion of Net Worth. Further, subsidiary of the company Lighto Technologies Private Ltd has also incurred cash losses on account of highly competitive business environment resulting into full erosion of Net Worth.

The management is of the opinion that investment in Associate Companies are strategic and long term and even though the net worth of ISMT Ltd and Lighto Technologies Pvt Ltd is completely eroded, no provision for diminution in the value of investment is considered necessary.

5,00,000 Equity Shares held in Taneja Aerospace and Aviation Ltd have been pledged for securing the loan granted by bank to associate company- Lighto Technology Pvt Ltd.

3,50,00,000 Equity Shares held in ISMT Ltd have been pledged for securing the loan granted by banks to ISMT Ltd. (under Corrective Action Plan (CAP).

10 Related Party Disclosure as required by Accounting Standard 18 is as under-

- A) Key Management Personnel- Mr N.V. Karbhase- Whole Time Director.
- B) Vishkul Leathers Garments Private Ltd. (Vishkul) Holding Company
- C) Lighto Technologies Private Ltd - Subsidiary Company.
- D) Associate Companies-
 - 1) ISMT Ltd
 - 2) Taneja Aerospace & Aviation Ltd
 - 3) TAAL Enterprises Ltd
 - 4) Tridem Port & Power Company Pvt Ltd
 - 5) Fair Growth Holding Pte Ltd

Indian Seamless Enterprises Limited

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

E) Details of Transactions-

I) Key Management Personnel

Remuneration for the year Rs. 29,66,003/- (Previous Year Rs. 31,81,825/-)

II) Subsidiary & Associate Companies-

(Amount in Rupees)

Details of Transactions	Subsidiary Companies		Associate Companies	
	2016-17	2015-16	2016-17	2015-16
Purchase of Finished Goods	-	-	63,100,675	62,385,205
Lease Rent Received	-	-	2,952,000	2,214,000
Purchase of shares of ISMT Ltd	-	-	143,734,306	
Sale of Shares of TAAL Enterprises Ltd	-	-	142,755,130	
Outstanding as at Balance Sheet Date				
Trade Payable	-	-	-	70,608,690
Corporate Guarantee	59,200,000	59,200,000	-	-

A) Transactions entered with Associate Companies-

1) ISMT Ltd

- a) Purchases of Seamless Tubes.
- b) Lease Rent received on Plant & Machinery.
- c) Trade Payable- Rs. NIL/- (Previous Year Rs. 70,608,690/-)

2) Lighto Technologies Pvt Ltd-

Corporate Guarantee given in connection with Banking Facilities- Rs. 59,200,000/- (Previous Year- Rs. 59,200,000/-)

3) Vishkul Leathers Garments Private Ltd (Vishkul)

Company sold 758,000 shares held in TAAL Enterprises Ltd to Vishkul and also purchased 13,383,870 Shares of ISMT Ltd held by Vishkul.

11. The Company has given Unsecured Loan to ISMT Ltd under Corrective Action Plan (CAP) and pending restructuring, the company has not provided interest on the said loan.
12. As per Accounting Standard 17, the Company has 4 segment- Trading, Investment, Leasing & Services-
 - i) Revenue & Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue & Expenses which relate to enterprise as a whole and are not allocable to segment on the reasonable basis have been disclosed as un-allocable.
 - ii) Segment Assets & Segment Liabilities represents assets & liabilities in respective segments. Assets and Liabilities which cannot be allocated to a segment on a reasonable basis have been disclosed as un-allocable Assets/ Liabilities.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

iii)

(Amount in Rupees)

	2016-17						2015-16					
	Trading	Investment	Leasing	Services	Unallocable	Total	Trading	Investment	Leasing	Services	Unallocable	Total
Segment Revenue	65,004,513	132,228,755	2,952,000	103,815,011	712,238	304,712,517	62,861,891	21,149,050	2,214,000	63,738,410	(12,731,373)	149,963,351
Segment Results Before Finance Costs & Tax	1,903,838	132,228,755	(50,736,827)	98,467,178	(11,179,693)	170,683,251	476,686	21,149,050	(46,157,778)	63,000,910		25,737,495
Less : Finance Costs	-	-	-	-	-	5,158,836	-	-	-	-	-	27,561,313
Profit Before Exceptional Item & Tax	-	-	-	-	-	165,524,415	-	-	-	-	-	(1,823,818)
Profit before Tax	-	-	-	-	-	165,524,415	-	-	-	-	-	(1,823,818)
Less : Tax Expense	-	-	-	-	-	10,017,615	-	-	-	-	-	1,879,000
Profit After Tax	-	-	-	-	-	155,506,800	-	-	-	-	-	(3,702,818)
Other Information												
Total Segment Assets		1,105,292,163		1,558,882	109,094,794	1,215,945,839	17,313,945	972,091,949	93,233,827	595,654	101,362,830	1,184,598,205
Total Segment Liabilities	547,650,000		5,723,428	8,367,098	300,105,085	368,960,611	107,873,689		394,088	222,860	384,629,140	493,119,777

Indian Seamless Enterprises Limited

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

13. Miscellaneous Expenses include-

Particulars	2016-17 Rupees	2015-16 Rupees
Printing & Stationery	32,685	128,814
Audit fees	2,58,750	194,063
Profession Tax	2,500	-
Repairs Maintenance – Others	310,206	80,022
Postage & Telephone Expenses	420,677	174,908
Miscellaneous Expenses	11,699	10,600
Office and General Expenses	135,561	104,120
Subscription	63,025	51,525
Computer Maintain Charges	5000	-
Books & Periodicals	13,284	18,902
Advertisement	16,269	10,913
Total	1,269,656	773,867

14. Earnings per Share-

Particulars	2016-17 Rupees	2015-16 Rupees
i) Profit After Tax	155,506,800	(3,702,818)
ii) Net Profit for the year attributable to Equity Share Holders	155,506,800	(3,702,818)
iii) Weighted Average number of Equity shares	1,13,99,606	1,13,99,906
iv) Earnings per Share (Rs) (Basic & diluted)	13.64	(0.32)

15. Particulars in respect of Loans & Advances in the nature of Loans.

Particulars	Maximum Out Standing Balance as at 31-03-2017	31-03-2017	Maximum Out-standing during the Year 31-03-2016	31-03-2016
	Rupees	Rupees	Rupees	Rupees
Associate Company ISMT Limited	77,500,000	77,500,000	77,500,000	77,500,000

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**16. Provision for Taxation**

The company has changed the Accounting Policy during the year and accounted MAT credit of Rs.18,78,385/- for the previous year and to that extent profit after tax for the year has been overstated.

17. Disclosure regarding pursuant to circular no. G.S.R. 308 E dated March 30, 2017 issued by Ministry of Corporate Affairs –

Particulars	Specified Bank Notes	Other denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	-	3822	3822
Add Permitted Receipts	-	30000	30000
Less Permitted Payments	-	6294	6294
Less amount deposited in Bank	-	-	-
Closing Balance Cash in Hand as on December 30, 2016	-	27528	27528

18. Figures have been rounded off to the nearest rupee.**19. Figures of the Previous Year have been regrouped wherever necessary to conform to the current year's classification.**

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

S.B.PARASNIS
PROPRIETOR
M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

Independent Auditor's Report

To The Members of Indian Seamless Enterprises Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Indian Seamless Enterprises Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its Associates comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements, in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls and checks relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) and (b) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Subsidiary Company: Lighto Technologies Private Limited

1. The net worth of the Company is completely eroded and is incurring substantial cash losses. The Company despite of negative net worth has prepared accounts based on going concern.
2. In the absence of confirmation from debtors we cannot ascertain the quantum of provision required to be made towards doubtful recoveries from debtors and we are therefore unable to comment on the same.

As per the other Auditor's Report on Consolidated Financial Statements of Associate Company- ISMT Limited

1. The Holding Company has outstanding Minimum Alternate Tax (MAT) entitlement of Rs. 82.05 Crores as on March 31, 2017. Taking into consideration the loss during the current financial year and carried forward losses under the Income Tax Act, 1961, in our opinion, there is no convincing evidence 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 "Guidance note on accounting for credit available in respect of MAT under the Income Tax Act, 1961". Non-writing off of the same has resulted in understatement of loss for the year and overstatement of the reserves by Rs.82.05 Crores and its consequential effect on the Earnings per Share of the Group. Refer Note No. 3.3(iv) forming part of the consolidated financial statements
2. The Holding Company had recognized claim in earlier years, of which outstanding balance as on March 31, 2017 is Rs. 39.53 Crores against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Holding 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 Holding Company has filed an appeal, challenging the APTEL order, before the Hon'ble Supreme

Court and the same has been admitted by the Supreme Court on August 1, 2016. The 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 AS-29, Provisions, Contingent Liabilities and Contingent Assets. Recognition of the above claim has resulted in overstatement of Reserves by Rs.39.53 Crores. Refer Note No. 3.3(ii) forming part of the consolidated financial statements.

3. Pending approval / sanction of the debt resolution by the lenders, the Holding Company has not provided for the overdue /penal/compounding of interest .The quantum and its impact on the financial statements, if any, is unascertainable. Refer Note No. 3.3 (vi) forming part of the consolidated financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects **of the matters described in the Basis for Qualified Opinion paragraph above on the Group's Loss or Reserves**, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate companies as noted below, and the other financial statements of the components, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates, as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of the matter

We draw attention to the following matter referred to in the notes forming part of the Consolidated Financial Statements:

As per the other Auditor's Report on Consolidated Financial Statements of Associate Company- ISMT Limited

1. Note No. 3.3(iii) in the consolidated financial statement explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs 240.80 Crores as on 31st March 2017 of 40 MW Captive Power Project(CPP) at Chandrapur, Maharashtra, which is non-operational for last three years and is held for disposal.
2. The Group has accumulated losses and its net worth has been fully eroded, the Company has incurred net cash loss during the current and previous year and the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty about the Group's ability to continue as a going concern. However, the consolidated financial statements of the Group have been prepared on a going concern basis for the reasons stated in the Note No. 3.3 (v) forming part of the consolidated financial statements.
3. Note No. 3.3.(vii) regarding remuneration to Managing Director and Executive Director of the Holding Company amounting to Rs. 1.92 Crores for the financial year 2016-17 (Rs. 2.26 Crores cumulative up to 31st March 2017) is subject to

approval of the Central Government.

4. Note No. 3.3 (viii) in the consolidated financial statement explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs 104.60 Crores as on 31st March 2017 of thermal power project along with its captive port, which is discontinued and is held for sale.

As per the other Auditor's Report on Consolidated Financial Statements of Associate Company – Taneja Aerospace and Aviation Limited ("TAAL")

1. The Holding Company has outstanding MAT Credit Entitlement amounting to Rs. 146.38 Lakhs as on March 31, 2017 (Previous Year Rs. 146.38 Lakhs), which in the opinion of the management, based on the projected future taxable profits, will be utilized within the stipulated time period prescribed as per the provisions of Income Tax Act. 1961. However, we are unable to comment on the projections, recoverability of MAT Credit Entitlement outstanding as at March 31, 2017 and its consequential impact on the Consolidated Statement of Profit and Loss for the year ended March 31, 2017 and on the Reserves as on that date -Refer Note No. 3.5.

As per the other Auditor's Report on Consolidated Financial Statements of Associate Company – TAAL Enterprises Limited ("TEL") and Taneja Aerospace and Aviation Limited ("TAAL")

We draw attention to Note 3.6 to the consolidated financial statements which states that during the current year, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited (a related entity of the Holding Company) in trust for and on behalf of the Holding Company, including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Holding Company.

Our opinion is not qualified in respect of above matters.

Other Matter

- a. The consolidated financial statements also includes the Company's share of net Loss of Rs 20,90,82,635/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditor's whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as its relates to aforesaid associate, is based solely on the reports of the other auditors.
- b. The consolidated financial statements also includes the Company's share of net gain of Rs 53,650/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. The financial statements are unaudited and have been certified and furnished to us by the Management and our opinion on the consolidated

Indian Seamless Enterprises Limited

financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, the financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and except for the possible effects of the matters described in the Basis for Qualified opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, except for the possible effects of the matters described in the Basis for Qualified opinion paragraph above, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Group and its associates have no branch offices whose accounts are audited by branch auditors.
 - d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - e. In our opinion, except for the possible effects of the matters described in the Basis for Qualified opinion paragraph above, the aforesaid Consolidated Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. The matters described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - g. On the basis of the written representations received from the directors of the Holding company and Subsidiary Company as on 31st March, 2017 and taken on record by

the Board of Directors of the Holding company and Subsidiary Company and the report of the other statutory auditors of Associates Companies incorporated in India, none of the director of the Group Companies and its Associate Companies incorporated in India are disqualified as on 31st March, 2017 from being appointed as director in terms of section 164(2) of the Act.

- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in “Annexure – I”.
- j. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group and its Associate Companies. Refer Note No.3.1 forming part of the Consolidated Financial Statements.
 - (ii) The Group and its Associate Companies did not have any material foreseeable losses on long-term contracts including derivative contracts for which provisions was required
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its Associate Companies incorporated in India.
 - (iv) The consolidated financial statement has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation and the reports of the other auditors we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 3.15.

For S.B. PARASNIS & CO
Firm’s Registration Number 107424W
Chartered Accountants

S.B. Parasnisi
Proprietor
Membership Number 8596

Pune, August 18, 2017

Annexure I to the Independent Auditor's Report

(Referred to in paragraph 1(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Indian Seamless Enterprises Limited** ("the Holding Company") and its Subsidiary Company and Associate Companies incorporated in India as of 31st March, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its Subsidiary Company and Associate Companies is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company and Associate Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting base on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement o the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over Financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Holding Company:

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Subsidiary Company: Lighto Technologies Private Limited

The Company is in business of trading lighting equipments and provide management consultancy services. The Company is not having documented formal process of Risk assessment and related controls relating to business processes but all the possible risk are adequately mitigated through effective control by personal supervision of Board of Directors.

In our opinion, Considering operations and achievement of the

Indian Seamless Enterprises Limited

objectives of the control criteria and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

In the opinion of other auditor's of the Associate Company – Taneja Aerospace and Aviation Limited

Qualified Opinion:

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017 with reference to the Holding Company:

The Holding Company does not obtain periodical statement of accounts from customers and reconcile the same with books of account. Additionally, it does not have an appropriate internal control system for accounting of customer receipts against particular invoices which could impact the accuracy of the ageing report, periodical reconciliation of accounts receivables prepared by the Holding Company and ascertaining outstanding trade receivable balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects /possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company and the material weaknesses does not affect our opinion on the consolidated financial statements of the Holding Company.

In the opinion of other auditor's of the Associate Company – TAAL Enterprises Limited and ISMT Limited

In our opinion, the Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the qualified opinion reported above by Auditor's of Subsidiary and Associate Company in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company for the period ended 31st March, 2017, and these qualified opinion does not affect our opinion on the said consolidated financial statements of the Holding Company.

Other Matter:

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and 3 Associate companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For S.B. PARASNIS & CO
Firm's Registration Number 107424W
Chartered Accountants

S.B. Parasnis
Proprietor
Pune, August 18, 2017
Membership Number 8596

Consolidated
Financial
Statements

Indian Seamless Enterprises Limited

Consolidated Balance Sheet as at March 31, 2017

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
i) Share Capital	1.1	110,726,800	110,726,800
ii) Reserves & Surplus	1.2	(152,561,038)	(45,591,708)
		<u>(41,834,238)</u>	<u>65,135,092</u>
MINORITY INTEREST		-	-
NON CURRENT LIABILITIES			
i) Long Term Borrowings	1.3	-	917,806
ii) Other Long Term Liabilities	1.4	78,772,600	46,024,632
iii) Long Term Provisions	1.5	4,003,142	1,916,299
		<u>82,775,742</u>	<u>48,858,737</u>
CURRENT LIABILITIES			
i) Short Term Borrowings	1.6	71,443,239	129,106,126
ii) Trade Payables	1.7		
(a) Total outstanding dues to micro and small enterprises; and		-	-
(b) Total outstanding dues to creditors other than micro and small enterprises		63,847,190	144,820,611
iii) Other Current Liabilities	1.8	381,517,724	443,721,976
iv) Short term Provision	1.9	67,646	67,646
		<u>516,875,799</u>	<u>717,716,359</u>
TOTAL		<u><u>557,817,303</u></u>	<u><u>831,710,188</u></u>
ASSETS			
NON-CURRENT ASSETS			
i) Fixed Assets	1.10		
a) Property, Plant and Equipments		2,421,246	96,694,982
b) Intangible Assets		94,046	363,340
Goodwill on Consolidation		8,356,362	8,356,362
ii) Non-Current Investment	1.11	380,891,441	503,448,099
iii) Long Term Loans and Advances	1.12	77,500,000	77,500,000
		<u>469,263,095</u>	<u>686,362,783</u>
CURRENT ASSETS			
i) Stock in trade	1.13	1,645,766	49,332,957
ii) Trade Receivables	1.14	50,900,748	69,524,044
iii) Cash and Bank Balances	1.15	7,630,367	6,740,826
iv) Short Term Loans & Advances	1.16	381,000	381,000
v) Other Current Assets	1.17	27,996,327	19,368,578
		<u>88,554,208</u>	<u>145,347,405</u>
TOTAL		<u><u>557,817,303</u></u>	<u><u>831,710,188</u></u>
Significant Accounting Policies	2		
Notes to Accounts	3		

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

For and on behalf of the Board of Directors

S.B.PARASNIS
PROPRIETOR
M. No. 8596

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

Pune, August 18, 2017

Consolidated Statement of Profit and Loss for the year ended March 31, 2017 (Amount in Rupees)

Particulars	Note No.	2016-17 For the Year March 31, 2017 12 Months	2015-16 For the period - March 31, 2016 9 Months
INCOME			
Revenue from Operations	1.18	71,434,507	62,861,891
Other Income	1.19	162,499,542	65,979,460
Profit on sale of Investments		135,707,737	21,122,000
Total		<u>369,641,786</u>	<u>149,963,351</u>
EXPENSES			
Purchase of Traded Goods		2,225,100	-
Cost of Goods Traded		63,100,675	62,385,205
Changes in Inventories of Stock in Trade		47,687,191	-
Employee Cost	1.20	11,756,632	3,922,228
Finance Cost	1.21	14,183,323	27,561,313
Depreciation	1.22	16,983,171	48,584,508
Administrative/Other Expenses	1.23	51,411,730	9,333,915
Total		<u>207,347,822</u>	<u>151,787,169</u>
Profit / (Loss) Before Tax, Minority Interest and share of profit/ (loss) of associates		162,293,965	(1,823,818)
Tax expense			
Current Tax		34,300,000	1,879,000
Current Year - MAT		(22,404,000)	-
Previous Year - MAT		<u>(1,878,385)</u>	<u>-</u>
Profit / (Loss) after Tax but before Minority Interest and share of profit/ (loss) of associates		152,276,350	(3,702,818)
Less: Minority Share of Interest		(3,225,244)	-
Add: Share of Associates (Refer Note No. 3.16)		<u>(209,028,985)</u>	<u>(1,125,788,824)</u>
Profit/(Loss) for the year		<u>(53,527,391)</u>	<u>(1,129,491,642)</u>
Earning per equity Share (Face value of Rs 10/- each) (Refer Note No. 3.13)		(4.70)	(99.08)
Significant Accounting Policies	2		
Notes to Accounts	3		

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

S.B.PARASNIS
PROPRIETOR
M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar
Director
DIN 00374456

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

N. V. Karbhase
Director
DIN 00228836

Indian Seamless Enterprises Limited

Consolidated Cash Flow Statement for the year ended March 31, 2017

(Amount in Rupees)

Particulars	2016-17 12 Months	2015-16 9 Months
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	162,293,965	(1,823,818)
Adjustments for :		
Depreciation , Amortisation and Obsolescence	16,983,171	48,584,508
Finance Cost	14,183,323	27,561,313
Interest Income	(818,497)	-
Dividend Income	(9,825)	(27,050)
Loss on sale of Assets	38,014,861	-
Income from Share Trading	(4,364,900)	-
Lease Rent Income	(2,952,000)	(2,214,000)
Sundry Balance Written Back	(6,590,185)	-
Loss/(Profit) on sale of investments	(135,707,737)	(21,122,000)
	<u>(81,261,789)</u>	<u>52,782,771</u>
Operating Cash Profit before Working Capital Changes	81,032,175	50,958,953
Adjustments for :		
Trade and Other Receivables	15,707,657	(13,993,914)
Inventories (Increase) / Decrease	47,687,191	-
Trade Payables and Other Liabilities	(101,370,879)	86,712,723
Taxes Paid	(1,395,127)	(6,423,649)
Net Cash flow from Operating Activities	41,661,017	117,254,113
B CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Investment	142,755,130	77,822,000
Purchase of Investment	(143,736,412)	-
Sale of Fixed Assets	39,545,000	-
Amount paid for acquisition of Equity Shares in Subsidiary	-	(405,000)
Income from Share Trading	4,364,900	-
Interest Income	818,497	-
Lease Rent Income	2,952,000	2,214,000
Dividend Income	9,825	27,050
Net Cash used in Investing Activities	46,708,940	79,658,050
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from /(Repayment of) Borrowings	(71,262,956)	(167,145,301)
Interest Paid	(13,850,913)	(27,561,313)
Net Cash from Financing Activities	(85,113,869)	(194,706,614)
Net Increase / (Decrease) in Cash and Cash Equivalents	3,256,088	2,205,549
Cash and Cash Equivalents at the beginning of the year (Refer Note No.1)	4,374,279	2,117,855
Add: On account of acquisition of Subsidiary Company	-	50,874
Cash and Cash Equivalents at the end of the year (Refer Note No.1)	7,630,367	4,374,279
Net Increase / (Decrease) in Cash & Cash Equivalents	3,256,088	2,205,549
Notes:		
1 The cash and cash equivalents in the cash flow statement comprise of the following Balance Sheet amounts:	As at 31st March, 2017	As at 31st March, 2016
(a) Cash on hand	14,439	18,704
(b) Balance with Banks (in current accounts)	7,615,928	6,722,122
(c) Bank book overdrawn balance	-	(2,366,547)
	<u>7,630,367</u>	<u>4,374,279</u>

As per our report of even date

For S.B PARASNIS & Co

Chartered Accountants

FRN 107424 W

S.B.PARASNIS

PROPRIETOR

M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar

Director

DIN 00374456

N. V. Karbhase

Director

DIN 00228836

Veena Vaidya

Company Secretary

M. No. F8951

Pune, August 18, 2017

Notes to Consolidated Financial Statements for the year ended March 31, 2017

1.1 SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorized		
1,20,00,000 (Previous Year 1,20,00,000) Equity Shares of Rs.10/- each	120,000,000	120,000,000
	<u>120,000,000</u>	<u>120,000,000</u>
Issued, Subscribed and Paid up:		
1,13,99,606 (Previous Year 1,13,99,606) Equity Shares of Rs 10/- each fully paid	113,996,060	113,996,060
Less Calls in Arrears	3,269,260	3,269,260
	<u>110,726,800</u>	<u>110,726,800</u>

- (a) The Company has only one class of issued shares having par value of Rs. 10 /- each. Holder of equity shares is entitled to one Vote per Share
- (b) Calls Unpaid by Directors & Officers- NIL
- (c) **The reconciliation of number of shares outstanding and the amount of share capital is set-out below.**

Particulars	As at March 31, 2017		As at March 31, 2016	
	Equity Shares Number	Rupees	Equity Shares Number	Rupees
Shares outstanding at the beginning of the year	10,745,754	110,726,800	10,745,754	110,726,800
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Calls Unpaid	653,852	3,269,260	653,852	3,269,260
Shares outstanding at the end of the year	11,399,606	113,996,060	11,399,606	113,996,060

- (d) **Details of shareholders holding more than 5% Equity Shares (fully paid up) in the Company**

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Vishkul Leather Garments Pvt. Ltd.	5,819,041	51.04%	5,817,636	51.03%
Palatial Estates Private Limited	558,065	4.89%	557,449	4.89%
Radhika Real Estates Pvt. Ltd.	600,000	5.26%	600,000	5.26%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.2 RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	
Capital Reserve			
Opening Balance	72,798,985	24,855,272	
Add: Additions during the year	-	55,128	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	249	
Less: Adjustment on account of derecognition of Associate Company	(47,918,825)	-	
Add: Adjustment on account of Scheme of Demerger in Associate Company	-	47,888,336	72,798,985
Revaluation Reserves			
Opening Balance	806,306,555	819,010,407	
Add: Additions during the year	(14,983,203)	(12,708,209)	
Less: Movement of Reserves restricted to the extent of investment value in Associate Company (Refer Note no 3.16)	14,983,203	-	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	4,357	806,306,555
Capital Redemption Reserve			
Opening Balance	261,727,717	261,727,717	
Add: Additions during the year	-	-	261,727,717
Amalgamation Reserves			
Opening Balance	3,967,804	15,994,367	
Add: Additions during the year	(15,890,081)	(12,025,889)	
Less: Movement of Reserves restricted to the extent of investment value in Associate Company (Refer Note no 3.16)	15,890,081	-	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	(674)	3,967,804
Reserves for Contingencies			
Opening Balance	3,540,132	3,540,173	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	(41)	3,540,132
Securities Premium			
Opening Balance	653,792,358	652,169,430	
Add: Additions during the year	-	7,971,673	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	(92,686)	
Less: Adjustment on account of derecognition of Associate Company	1,847,311	-	
Add: Adjustment on account of Scheme of Demerger in Associate Company	-	(6,256,059)	653,792,358
General Reserve			
Opening Balance	1,654,248,828	1,628,753,267	
Add: Additions during the year	30,873,283	25,449,309	
Less: Movement of Reserves restricted to the extent of investment value in Associate Company (Refer Note no 3.16)	(30,873,283)	-	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	46,252	1,654,248,828
Foreign Currency Translation Reserves			
Opening Balance	(75,767,079)	(69,042,282)	
Add: Additions during the year	6,419,551	(16,592,555)	
Less: Movement of Reserves restricted to the extent of investment value in Associate Company (Refer Note No 3.16)	(6,663,581)	-	
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	32,980	
Less: Adjustment on account of derecognition of Associate Company	(10,112,961)	-	
Add: Adjustment on account of Scheme of Demerger in	-	9,834,778	(75,767,079)

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.2 RESERVES AND SURPLUS (Contd.)

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Associate Company		
Hedging Reserve Accounts		
Opening Balance	700,000	(85,499,755)
Add: Additions during the year	- 700,000	86,199,755 700,000
Foreign Currency Monetary Item Translation Difference Accounts		
Opening Balance	-	(27,065,359)
Add: Additions during the year	- -	27,065,359 -
Surplus		
At the beginning of the year	(3,426,907,010)	(2,129,176,100)
Add : Pre Acquisition Reserve on acquisition of Subsidiary	-	(77,523,273)
Less: Adjustment on account of derecognition of Associate Company	(451,769)	-
Less: Movement of Reserves restricted to the extent of investment value in Associate Company (Refer Note No 3.16)	6,663,581	-
Add: Adjustment on account of Scheme of Demerger in Associate Company	-	(11,851,820)
Add : Profit / (Loss) for the year	(53,527,391)	(1,129,491,642)
Less: Share of Loss of Minority Interest absorbed	3,225,244	78,864,174
Closing Balance	(3,477,447,833)	(3,426,907,008)
Total	(152,561,038)	(45,591,708)

1.3 LONG TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
UNSECURED LOANS :		
Sales Tax Deferral Liability (Refer Note No 3.10)	-	917,806
Total	-	917,806

1.4 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Inter Corporate Deposits	78,772,600	46,024,632
	78,772,600	46,024,632

1.5 LONG TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits		
Gratuity	3,529,804	1,548,322
Leave Encashment	473,339	367,977
Total	4,003,142	1,916,299

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.6 SHORTTERMBORROWINGS

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
SECURED LOAN		
Term Loan (Refer Note - a)	31,990,548	36,000,000
Working Capital - Rupee Loan from Bank (Refer Note - b)	39,452,691	46,681,425
UNSECURED LOAN		
Loan from Others	-	46,424,701
Total	71,443,239	129,106,126

- **Holding Company**

- (a) Term Loan is secured by way of hypothecation of Plant & Machinery and carries interest @ 21% p.a. It is further secured by way of pledge of 200,00,000 Equity Shares held in the ISMT Ltd and Corporate Guarantee by third party.

- **Subsidiary Company - Lighto Technologies Private Limited**

- b) Working capital loan from bank is secured by way of hypothecation of inventory, Book-debts and all current assets of Subsidiary Company, Corporate Guarantee of Holding Company and pledging of 5,00,000 shares of Taneja Aerospace and Aviation Limited held by the holding company.

1.7 TRADEPAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016
a) Amount due from Micro, Small and Medium Enterprises	-	-
b) Others	63,847,190	144,820,611
Total	63,847,190	144,820,611

1.8 OTHERCURRENTLIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
a) Current Maturities of Long-Term Debt		
- Sales Tax Deferral Liability (Refer Note No 3.10)	917,807	13,600,070
b) Interest payable	67,556,100	67,223,690
c) Advance from Customer	255,132,643	307,405,000
d) Bank book overdrawn balances	-	2,366,547
e) Statutory Dues Payable	19,227,528	15,249,561
f) Provision for Tax (Net of taxes paid)	14,334,601	-
g) Deposits Repayable in Cash or Kind	3,650,000	14,150,000
h) Other Liabilities	20,699,045	23,727,108
Total	381,517,724	443,721,976

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.9 SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits		
Gratuity	36,239	36,239
Leave Encashment	31,407	31,407
Total	67,646	67,646

1.10 FIXED ASSETS

Sr. No.	Particulars	ORIGINAL COST					DEPRECIATION AND AMORTISATION					NET BOOK VALUE	
		As at April 01, 2016	Additions on acquisition of Subsidiary	Additions	Desposals	As at March 31, 2017	As at April 01, 2016	Additions on acquisition of Subsidiary	Charge For The Year	Deletion	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
	Property, Plant & Equipments												
a	Plant and Machinery	218,910,137	-	-	218,910,137	-	125,676,310	-	15,673,966	141,350,276	-	-	93,233,827
b	Vehicles	6,603,289	-	-	-	6,603,289	5,873,290	-	208,358	-	6,081,648	521,641	729,999
c	Computers	1,557,819	-	-	-	1,557,819	1,407,243	-	92,441	-	1,499,684	58,135	150,576
d	Office Equipment	828,112	-	-	-	828,112	745,810	-	48,929	-	794,738	33,373	82,302
e	Electrical Installations	1,317,963	-	-	-	1,317,963	971,581	-	123,270	-	1,094,851	223,112	346,382
f	Furniture and Fixtures	4,475,436	-	-	-	4,475,436	2,874,831	-	466,582	-	3,341,414	1,134,022	1,600,605
g	Leasehold Improvements	1,003,304	-	-	-	1,003,304	452,012	-	100,330	-	552,342	450,962	551,292
	Total	234,696,060	-	-	218,910,137	15,785,923	138,001,077	-	16,713,876	141,350,276	13,364,677	2,421,246	96,694,982
	Previous Year	301,861,015	9,182,634	-	76,347,589	234,696,060	159,312,681	6,451,477	11,968,204	39,731,285	138,001,077	96,694,982	142,548,334
	Intangibles Assets												
	Goodwill	1,025,171	-	-	-	1,025,171	820,416	-	204,755	-	1,025,171	-	204,755
	Softwares	322,701	-	-	-	322,701	164,115	-	64,540	-	228,655	94,046	158,586
	Total	1,347,872	-	-	-	1,347,872	984,531	-	269,295	-	1,253,826	94,046	363,341
	Previous Year	-	1,347,872	-	-	1,347,872	-	984,532	-	-	984,532	363,340	-
	Total	236,043,932	-	-	218,910,137	17,133,795	138,985,609	-	16,983,171	141,350,276	14,618,504	2,515,291	97,058,323
	Previous Year	301,861,015	10,530,506	-	76,347,589	236,043,932	159,312,681	7,436,009	11,968,204	39,731,285	138,985,609	97,058,323	142,548,334

1.11 NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31-03-2017			As at 31-03-2016	
	Face Value	No of Shares	Cost Rs.	No of Shares	Cost Rs.
INVESTMENT-LONG TERM					
Investments (At Cost)					
Long term (Quoted)					
in fully paid Equity Shares (Trade)					
Maharashtra Seamless Ltd	5	10	-	10	-
Oil Country Tabular Ltd	10	5	-	5	-
Gandhi Special Tubes Ltd	5	200	-	200	-
Unquoted					
Cosmos Co-op Bank Ltd	100	1,000	-	1,000	-
Shares in Associate Companies					
ISMT Ltd (refer note 3.16)	5	68,918,158	-	55,534,088	74,889,633
Taneja Aerospace & Aviation Ltd.	5	11,010,337	371,994,604	11,010,337	369,448,503
Fair Growth Holding Pte Limited	SGD1	12,000	165,316	12,000	144,217
TAAL Enterprises Limited (Refer Note No 3.16)	10	618,292	8,731,521	1,376,292	58,965,746
Total			380,891,441		503,448,099

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.12 LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Loan and Advances		
Others - Associate Company	77,500,000	77,500,000
Total	77,500,000	77,500,000

1.13 STOCK IN TRADE

Particulars	As at March 31, 2017	As at March 31, 2016
Stock of Traded Goods	1,645,766	49,332,957
Total	1,645,766	49,332,957

1.14 TRADE RECEIVABLES

(Unsecured, Considered good)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months	49,619,941	41,266,948
Other Receivables	1,280,807	28,257,096
Total	50,900,748	69,524,044

1.15 CASH AND BANK BALANCES

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents		
Balance with Banks	7,615,928	6,722,122
Cash on Hand	14,439	18,704
Total	7,630,367	6,740,826

1.16 SHORT TERM LOANS & ADVANCES

(Unsecured, Considered good)

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposit	381,000	381,000
Total	381,000	381,000

1.17 OTHER CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
Advances recoverable in Cash or Kind or for value to be received	2,998,558	434,642
Taxes paid (net of provisions)	-	18,570,275
MAT Credit Entitlement	24,282,385	-
Balance with government authorities	715,384	363,661
Total	27,996,327	19,368,578

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.18 REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	For the Year ended March 31, 2017	For the Period ended March 31, 2016
Sales of Products		
Sale of Traded Goods	71,434,507	62,861,891
Total	<u>71,434,507</u>	<u>62,861,891</u>

1.19 OTHER INCOME

Particulars	For the Year ended March 31, 2017	For the Period ended March 31, 2016
Dividend Income	9,825	27,050
Professional Fees	147,535,855	63,738,410
Interest Income	818,497	-
Lease Rent Income	2,952,000	2,214,000
Sundry Balance Written Back	6,590,185	-
Income from Share Trading	4,364,900	-
Other Income	228,280	-
Total	<u>162,499,542</u>	<u>65,979,460</u>

1.20 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2017	For the Period ended March 31, 2016
Salaries, Wages, Bonus and Allowances	9,147,978	3,498,385
Contribution to Provident Fund and Other Funds	2,497,117	422,663
Staff Welfare Expenses	111,537	1,180
Total	<u>11,756,632</u>	<u>3,922,228</u>

1.21 FINANCE COST

Particulars	For the Year ended March 31, 2017	For the Period ended March 31, 2016
Interest Expenses	10,591,475	22,701,429
Cash Discount	-	413,180
Finance Charges	3,591,848	4,446,704
Total	<u>14,183,323</u>	<u>27,561,313</u>

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1.22 DEPRECIATION & OBSOLESCENCE

(Amount in Rupees)

Particulars	For the Year ended March 31, 2017	For the Period ended March 31, 2016
Depreciation expenses	16,983,171	11,968,204
Loss on Obsolescence of Assets	-	36,616,304
Total	16,983,171	48,584,508

1.23 ADMINISTRATIVE / OTHER EXPENSES

Particulars	For the Year ended March 31, 2017	For the Period ended March 31, 2016
Rates ,Taxes & fees	1,192,941	46,713
Advertisement expense	760,327	-
Loss on sale of Fixed Assets	38,014,861	-
Insurance	100,768	24,373
Travelling Expenses	462,660	277,130
Legal and Professional Fees	8,348,261	8,211,832
Miscellaneous Expenses	2,531,912	773,867
Total	51,411,730	9,333,915

NOTE NO. 2: SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements relate to Indian Seamless Enterprises Limited “the Holding Company”, its Subsidiary (collectively referred herein under as the ‘Group’) and its Associates. The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) on an accrual basis under the historical cost convention in compliance with Accounting Standards as specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013.

ii) Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 on “Consolidated Financial Statements” on the following principles:-

- The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at closing exchange rates prevailing at the end of the year. All resulting exchange differences arising on consolidation are accumulated in foreign currency translation reserve until the disposal of net investments.
- The excess of cost to the Holding Company of its investments in the subsidiary companies over its share of equity in the subsidiary companies, at the date on which the investments in the subsidiary companies are made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Holding Company, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves and Surplus’, in the consolidated financial statements.
- Minority interest in the net income of consolidated subsidiaries for the reporting period has been identified and adjusted against the income of the group in order to arrive at net income attributable to the group. Minority interest in the net assets of the consolidated subsidiaries have been identified and presented in the consolidated financial statement separately from liabilities and the equity of Holding Company.
- The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company’s separate financial statements except otherwise stated elsewhere in this schedule.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

- f) Investment in Associate Company has been accounted under the equity method as per (AS 23)—“Accounting for Investments in Associates in consolidated financial statements”.
- g) The Holding Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Holding Company and its associate to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates Profit or Loss through its reserves for the balance based on available information.
- h) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- i) Notes of these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the group. Recognizing this purpose, the holding company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to Financial Statements, which in the opinion of the management, could be better viewed, when referred from the individual financial statements of the Companies.
- j) Accounting policies followed by the subsidiary and associate companies, which are not in line with holding company, are disclosed separately.

- iii) The consolidated Financial Statements present the consolidated accounts of Indian Seamless Enterprises Limited with its subsidiary and Share of Profit / (Loss) of Associates.

Sr No		Name of the Company	Country of incorporation	Nature of relationship	Effective Ownership interest (%)	Financial Year ended
1	@	Lighto Technologies Pvt. Ltd.	India	Subsidiary	52.01%	31 st March
2	\$*	Fair Growth Holding Pvt. Ltd.	Singapore	Associate	33.33%	31 st March
3	*	ISMT Ltd	India	Associate	47.04%	31 st March
4	*	Taneja Aerospace & Aviation Ltd	India	Associate	44.16%	31 st March
5	*	TAAL Enterprises Limited #	India	Associate	19.84%	31 st March

@ Audited by us

\$ Compiled by the Management as on March 31, 2017

* Audited by other auditors

Associate company upto 25th January, 2017.

iv) Revenue Recognition

- a) Sales are recognized when the significant risks and rewards of ownership of goods have been passed to the buyer. Sales are net of sales tax and sales returns.
- b) Professional Fees are shown net of service tax.
- c) Revenue arising from operating lease is recognised on a straight line basis.
- d) Dividend received are accounted on receipt basis.
- e) Export Incentives are accounted on accrual basis.
- f) Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.
- g) **Associate Company - Taneja Aerospace and Aviation Limited :**
 - Revenue from long-term fixed price contracts to manufacture aero structures, spares, etc. is recognised under proportionate completion method and the stage of completion for this purpose is determined based on technical estimate of actual work completed.
 - Rental Income from Hanger Utilisation is accounted based on agreement/ contract entered into with the third party on accrual basis.
 - Charter Income from aircraft given on charter is booked on the basis of contracts with customers and on completion of actual flying hours of the aircraft. The revenue is recognised net of service tax.
 - Training Fees received, being non-refundable, is accounted in the year of receipt.
 - Revenue from long term fixed price contracts for supply of certain sets of components and assemblies is recognised on the basis of proportionate completion method and billed in terms of agreement with and certification by the customer. Cost of processing incurred on sets of components which are not billable is included in work in progress.

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

h) Associate Company : TAAL Enterprise Limited :

1. Charter Income from aircraft given on charter is booked on the basis of contracts with customers and on completion of actual flying hours of the aircraft. The revenue is recognised net of service tax
2. Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognised net of service tax.
3. "Unbilled receivables" included in other current asset represent cost and earning in excess of billings as at the balance sheet date.

v) Property, Plant and Equipment

- a) Property, Plant and Equipment are stated at their original cost of acquisition including taxes, duties, freight, other incidental expenses related to acquisition and installation of the concerned assets and excludes refundable taxes and duties.
- b) All incidental expenses and indirect expenses incurred during project implementation, for the project as well as trial run expenses are treated as expenditure during construction and are capitalized.
- c) Property, Plant and Equipment under construction and not ready for intended use, as on the balance sheet date, are disclosed as Capital Work-in-Progress
- d) Subsequent expenditure relating to Property, Plant and Equipment is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- e) Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

f) Associates Company - Taneja Aerospace and Aviation Limited :

Property, Plant and Equipment are stated at their original cost of acquisition or construction except in case of certain assets which have been revalued, at its revalued amount, less accumulated depreciation and impairment loss, if any.

Considering the nature of business activity, Runway has been treated as Plant and Equipment and depreciation has been provided accordingly.

Assets received on amalgamation are recorded at its fair value

g) Associate Company - TAAL Enterprises Limited :

Property, Plant and Equipment received from Taneja Aerospace and Aviation Limited pursuant to the scheme of Demerger are recorded at their book values as on the appointed date.

vi) Depreciation

Holding Company:

- a) Depreciation on Plant & Machinery is provided on as per useful life specified in part "C" of Schedule II of the Companies Act, 2013 on Straight Line Method.
- b) Depreciation on Vehicle is provided as per the useful life specified in Part "C" of the Schedule II of the Companies Act, 2013 on Written Down Value Method.
- c) In case of additions to and deletion from Property, Plant and Equipment, depreciation is charged on a pro-rata basis from the date of addition/till the date of deletion.

d) Associate Company – ISMT Limited :

1. Leasehold land – Cost of Leasehold Land / Revalued cost of Leasehold Land amortized over lease period.
2. Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.
3. Depreciation on Building and Plant & Machinery of Captive Power Plant is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.
4. Depreciation on Furniture & Fixtures, Office Equipment and vehicle is provided as per the useful life specified Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method.

5. Subsidiary Companies :

Structo Hydraulics AB:

Depreciations are done linearly over the assets estimated useful life, since it reflects the expected usage of assets future economic benefits. The depreciation is recognized as an expense in the income statement.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

The following depreciation periods are applied:

Tangible Assets: -

Buildings	45 years
Equipments, Tools, Fixtures & Fittings	3-5 years
Plant & Machinery and Equipment	3-30 years

Structo (UK) Limited:

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer Equipment and Furniture – 33% on reducing balance.

ISMT Europe AB:

Depreciation according to plan is based on the original purchase value and estimated economic life. A write-down is made in case of permanent decrease in value.

Tangible Assets: -

Computer Hardware and Software	5 years
Equipment	5 years

Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited:

Depreciation on Furniture & Fixtures, Office Equipment is provided as per useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on straight line method.

e) **Associates Company – Taneja Aerospace and Aviation Limited**

Depreciation is provided on Straight Line Method for Building, Plant and Equipment and Computer Hardware and on Written Down Value Method on all other assets, based on the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on addition to Property, Plant and Equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/deletion of Property, Plant and Equipment is provided for up to the date of sale, deduction or discard of Property, Plant and Equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Based on the technical evaluation which considered the nature and usage of the assets, the operating conditions of the assets, anticipated technological changes and maintenance support etc., useful life of the following asset class is estimated to be higher than that prescribed in the said Act:

Sr. No.	Asset Class	Useful life estimated by the Management
1	Plant and Equipment	15-48 years

f) **Associates Company – TAAL Enterprises Limited**

1. Depreciation is provided on Straight Line Method on Computer Equipment and on Written Down Value Method on Office Equipment and Furniture and Fixtures, based on the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on addition to Property, Plant and Equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/deletion of Property, Plant and Equipment is provided for up to the date of sale, deduction or discard of Property, Plant and Equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2. Subsidiary Company : TAAL Tech India Private Limited:

Depreciation is provided on Written Down Value Method based on the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalisation, whichever is shorter.

vii) **Intangibles**

- Intangible assets are stated at costs less accumulated amortisation.
- The cost relating to intangible assets are capitalised and amortised over the period of 5 years which is based on their estimated useful life.

c) **Associate Company – ISMT Limited**

Subsidiary Company - Structo Hydraulics AB:

Goodwill is amortised over a period of 10 years.

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

d) **Associate Company – TAAL Enterprises Limited**

Subsidiary Company – TAAL Tech India Private Limited:

Intangibles assets are amortised over a period of three financials year starting with the year in which these assets are procured.

viii) **Leased assets**

The group is following the accounting policies in respect of Leases transaction as referred below unless stated otherwise:

a) **Associate Company – ISMT Limited**

1. Finance Lease :

Lease rentals in respect of finance lease are segregated into cost of the Assets and finance components by applying an implicit internal rate of return. The cost component is amortised over the useful life of the Asset and the finance component is recognised in the Statement of Profit and Loss.

2. Operating Lease:

Lease rentals in respect of operating lease are charged to Statement of Profit and Loss as per the terms of the lease agreement.

b) **Associate Company – Taneja Aerospace and Aviation Limited and TAAL Enterprise Limited**

Lease arrangements where risks and rewards incident to ownership of an asset substantially vests with the lessor are classified as operating lease. Operating lease payments are recognised as an expense in the consolidated statement of Profit and Loss on a Straight Line basis over the lease terms.

ix) **Inventories**

a) Stock of Finished Goods is valued at cost or net realisable value, whichever is less.

b) **Subsidiary Company : Lighto Technologies Private Limited**

1. Traded goods are valued at cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

2. Inventories include goods in transit under the appropriate heads.

c) **Associate Company : -ISMT Limited**

Classification:

Scrap generated from Tube Segment is classified as raw material as the same is mostly used by Steel Segment.

Valuation:

1. Raw Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.

2. Semi-finished and finished goods are valued at lower of cost or net realisable value. Cost includes raw material on weighted average basis, labour cost, manufacturing expenses, production overheads and depreciation.

3. Stores, Spares and Coal are valued at cost determined on weighted average basis, except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

4. Inventories include goods in transit under the appropriate heads.

Subsidiary Companies:

Structo Hydraulic AB :

Inventory is valued at the lower of original cost and net realizable value. Obsolescence risk has been considered. The original costs are estimated according to weighted average prices. The purchase cost regarding the company's own manufacturing semi-finished and finished products consists of direct manufacturing costs and reasonable overheads for indirect manufacturing costs.

ISMT Europe AB and Indian Seamless Inc. USA :

Inventory is valued at the lower of original cost on a first in first out principle and market value respectively. Obsolescence risks have been considered.

d) **Associate Company: - Taneja Aerospace and Aviation Limited**

1. Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

2. Stock of certain aero structures, components, work in progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of percentage of work completed.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

3. In determining the cost of raw materials, components, stores, spares and loose tools, the first in first out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
4. Cost of certain aero structures, work in progress and finished goods include material cost, labour costs and appropriate factory overheads.
5. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.
6. Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

x) Employee Benefits: -

- a) Provision for Gratuity and Leave Encashment has been made on the assumption that such benefits are payable to employees at the end of the accounting year.

b) Associate Company : - ISMT Limited, Taneja Aerospace and Aviation Limited and TAAL Enterprises Limited**1. Defined Contribution Plan**

The Company makes defined contribution to Provident Fund and Superannuation Schemes, which are recognized in the Statement of Profit and Loss on accrual basis.

2. Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act (funded), long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences, which are provided on actual basis. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligations is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

3. Associate Company : - ISMT Limited**Subsidiary Companies**Structo Hydraulic AB and ISMT Europe AB

The Company makes defined contribution to the Insurance Company as a social security benefit, which is recognized in the Statement of Profit and Loss on accrual basis.

Tridem Port & Power Company Pvt. Limited

Liabilities in respect of retirement benefits to employees such as Leave Encashment and Gratuity are provided on accrual basis

xi) Research and Development**Associate Company – ISMT Limited**

Research and Development costs (Other than costs of Property, Plant and Equipment acquired) are charged to the Statement of Profit and Loss in the year in which they are incurred.

xii) Investments

- a) Investments transferred to and vested in the company have been recorded at acquisition cost. Investments purchased during the year are valued at cost of acquisition.
- b) Investments in Subsidiary and Associate Companies are of strategic importance to the company and therefore the Company does not consider it necessary to provide decrease in the book value of such investments, if any till such relationship continues with the investee Company.
- c) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.
- d) Long term investments are valued at cost of acquisition. Provision for diminution in value of Long Term investments is made only if such a decline is other than temporary in the opinion of the Management.

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

xiii) Foreign Currency transactions

- a) Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) Conversion: At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.
- c) Exchange Differences: All exchange differences arising on settlement/conversion of foreign currency transactions are recognized as income or expense in the Consolidated Statement of Profit and Loss in the year in which they arise.
- d) Non-monetary items such as investments are carried at the historical cost using the exchange rate on the date of the transaction.
- e) In respect of forward exchange contracts, the difference between the forward rate and the spot rate is recognized income or expense over the contract period. Gains or losses on cancellation or renewal of forward exchange contracts are recognized as income or expenses.

f) Associate Company : -ISMT Ltd

1. The Company designates borrowing in foreign currency other than those utilized for capital expenditure and identified Long Term Loans as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealized exchange gains or losses on transactions related to foreign currency borrowing which qualify as effective hedge are recognized in the Hedging Reserve Account.
2. Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the Balance Sheet date. Pursuant to the notification of the Companies (Accounting Standards) (Second Amendments) Rules, 2011 on December 29, 2011, which amended Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, the exchange differences relating to long term monetary items are dealt with in the following manner:
 - Exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of capital asset are add to / deducted from the cost of the asset.
 - Exchange differences relating to long term monetary items, arising during the year, in so far as they relate to identified Long Term Loans, are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized to the profit and loss account over balance life of the long term monetary item, however the period of amortization does not extend beyond March 31, 2020.

xiv) Miscellaneous Expenditure

Associate Company : ISMT Limited

- a) Preliminary expenses in the nature of public issue expenses and expenses in respect of increase in authorized capital are amortized over a period of ten years.
- b) Loan processing fees are amortised over the Loan period.

xv) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized as a part of the cost of such assets, upto the date the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xvi) Income Tax

- a) Tax expenses comprise of current and deferred tax.
- b) Provision for current income tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- c) Deferred tax on timing differences is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets are recognised only to the extent that there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- d) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Associate Companies and Subsidiary of Associate Companies (Incorporated Outside India):

Tax expenses have been accounted for on the basis of tax laws prevailing in respective Country.

xvii) Government Incentives

Associate Company : ISMT Limited

Mega Project Incentives are recognized in the Statement of Profit and Loss in accordance with the provisions of the Package

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Scheme of Incentives 2007 and the eligibility certificate issued by the Government of Maharashtra.

xviii) Segment Reporting:

As per Accounting Standard 17, The Group has considered business segment as the primary segment for disclosure. The Group Business activity has been collectively organised into following business segments namely:

- a) Trading
- b) Investment,
- c) Leasing and
- d) Services.

Segments have been identified and reported taking into account the nature of the product and services, the organisational structure and internal financial reporting system.

Revenue & Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue & Expenses which relate to enterprise as a whole and are not allocable to segment on the reasonable basis have been disclosed as un-allocable.

Segment Assets & Segment Liabilities represents assets & liabilities in respective segments. Assets & Liabilities which cannot be allocated to a segment on a reasonable basis have been disclosed as un-allocable Assets/ Liabilities.

xix) Earnings per share:

The Basic Earnings Per Share ("EPS") is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by weighted average number of shares outstanding during the year. The Holding Company does not have any dilutive potential equity shares hence the Diluted EPS is the same as Basic EPS.

xx) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

Further, if at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to maximum of depreciable historical cost.

xxi) Aircraft Purchase Option**Associate Company : TAAL Enterprises Limited**

Aircraft purchase options are recorded at cost on the date of acquisition. Aircraft purchase option is amortised over its estimated useful life of 120 months or the legal life, whichever is lower with a mid-quarter convention.

xxii) Contingencies and Events Occurring after the Date of Balance Sheet

- a) Accounting for contingencies arising out of contractual obligation, are made only on the basis of mutual acceptances.
- b) Material events occurring after the date of Balance Sheet up to the date of adoption of the accounts are considered in preparation and presentation of the consolidated financial statements.

xxiii) Contingent Liabilities

- a) A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.
- b) Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be continued only by the occurrence or non-occurrence of future events not wholly within the control of the Group.
- c) When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- d) Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

NOTE NO.3 NOTES TO ACCOUNTS

Notes which are necessary for presenting a true and fair view of the Consolidated Financial Statement are included as an integral part of the Consolidated Accounts.

3.1 CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)

Amount in Rupees

Particulars	As on March 31, 2017	As on March 31, 2016
i) Contingent Liabilities :		
Holding Company :		
a) Corporate Guarantees	59,200,000	59,200,000
b) Deferred Sales Tax Liabilities assigned to third parties	11,952,989	45,529,593
Associate Company :		
a) Claims against the Company not acknowledged as debt		
Custom Duty	62,267,000	62,267,000
Service Tax	12,437,000	20,461,000
Sales Tax	150,600,000	136,000,000
Income tax disputed by the Company	7,000,000	46,944,760
Excise Duty	290,456,000	301,447,000
Others	1,553,100,000	1,557,200,000
b) Corporate Guarantees *	-	165,800,000
c) Bills discounted on behalf of third party	157,400,000	671,800,000
ii) Commitments :		
Associate Company:		
Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	53,000,000	142,400,000
Others:		
Letter of credit	2,505,000	7,185,000
Bank Guarantees	117,548,000	120,250,000
Indemnity issued to customers	31,500,000	62,700,000
Guarantee given to bank on behalf of others @	108,768,000	108,768,000

Associate Company - ISMT Limited

* Given on behalf of Structo Hydraulics AB, Sweden of Rs.Nil (Previous Year of Rs.16.58 Crore (USD 2.50 Million) in respect of loan availed.

Associate Company - Taneja Aerospace and Aviation Limited

@ Given on behalf of TAAL Tech India Private Limited of Rs. 760 Lakhs (Previous Year Rs. 760 Lakhs) and First Airways Inc., USA of Rs. 327.68 Lakhs [USD 4.94 Lakhs] (Previous Year Rs. 327.68 Lakhs [USD 4.94 Lakhs] in respect of loans availed by them.

3.2 Calls in arrears is on 6,53,852 Equity Shares (Previous year 6,53,852 Equity Shares).

3.3 Associate Company : ISMT Limited

i) The company has Considered the uncertainty related to realisation, the following items are not considered to accrue till they are settled / sanctioned / received as the case may be: a) Insurance claims except specific claims stated separately b) Interest

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

on receivables c) Electricity Refund (Additional Supply Charges).

- ii) Maharashtra Electricity Regulatory Commission (MERC) had disallowed Company's petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Company filed an appeal before the Appellate Tribunal (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated April 1, 2016 . Thereafter, the Company filed an appeal, challenging the APTEL order, before the Hon'ble Supreme Court and the same has been admitted by the Supreme Court on August 1, 2016. The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31,2017 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non availability of banking facility. There was no further accrual since April 1, 2014 on account of suspension of operation of power plant.
- iii) In view of the above, the Company has not been able to operate the 40 MW Captive Power Plant (CPP) and is held for sale. In the opinion of the management, the net realisable value of the CPP is not less than its carrying amount of Rs. 240.80 Crore.
- iv) The Company has unabsorbed Minimum Alternate Tax (MAT) credit entitlement as at March 31,2017 of Rs. 82.05 Crore, which is allowed to be carried forward for a period of fifteen years under the Income Tax Act ,1961 from the year in which MAT was paid and would lapse thereafter. Accordingly, the unabsorbed MAT credit shall be provided in the statement of Profit and Loss to the extent it lapses in the respective years.
- v) As a result of various corrective steps taken in the past, the Group's net loss for the year has come down from 394.78 Crore to Rs. 290.58 Crore. Further there have been other significant developments including levy of long term anti-dumping duty by the Government of India effective February 17, 2017 on import of tubes from China and increase in oil prices. The Group has, therefore, continued to prepare its financial statements on Going Concern basis.
- vi) The lenders of the Company are evaluating various options for debt resolution through its Joint Lenders Forum and pending the same, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis. However, no overdue/penal/ compounding of interest, if any, has been provided.
- vii) Salaries, Wages, Bonus and Allowances includes remuneration payable to Managing Director and Executive Director of Holding Company amounting to Rs. 1.92 Crore (Previous Year of Rs. 1.02 Crore) is subject to approval of Central Government.
- viii) 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 along with its captive port in Tamil Nadu. However, on account of subsequent adverse developments, the group has decided not to pursue these projects. No provision has,however,been considered necessary for the amount invested in Fixed Assets including Capital Work-in-Progress Rs.104.60 Crore of the said project, since in the opinion of the management, the group expects to realise not less than its carrying amount of assets.

3.4 Subsidiary Company : Lighto Technologies Private Limited

- i) In view of the market volatility the Company has provided for reduction in selling prices of the inventory.
- ii) The Company is in the process of reconciling its accounts with certain major customers and suppliers and pending such reconciliation no provision has been made for doubtful debts or for various claims by such customers.
- iii) The Company is accounting other commission and expenses of C&F agent, stockiest prorated to the receipt of due amount from customers to ensure better control on recoveries.
- iv) Balance of creditors are subject to confirmation
- v) Interest on letter of credit and claims by parties will be accounted on settlement with the parties
- vi) The business environment has become extremely competitive and challenging in the short run. The Company is taking suitable corrective steps.

3.5 Associate Company : Taneja aerospace and Aviation Ltd (TAAL)

In the opinion of the management, based on the projected future taxable profits, the outstanding MAT Credit Entitlement of Rs. 146.38/- Lakhs as at March 31, 2017 (Previous Year Rs. 146.38/- Lakhs) will be utilized within the stipulated time period prescribed as per the provisions of Income Tax Act, 1961. However, in case of inadequate profit, difference will be charged to respective years Statement of Profit and Loss.

3.6 Associate Company : TAAL Enterprises Limited (TEL) and Taneja aerospace and Aviation Ltd (TAAL)

- (a) In terms of the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited ("the Holding Company"), TAAL has demerged its Air Charter Business including investment in First Airways Inc., USA and Engineering Design Services Business conducted

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

through TAAL Tech India Private Limited into the Holding Company. Pursuant to the Scheme as sanctioned by the Hon'ble High Court of Madras vide order dated 22nd June 2015, received on 23rd July 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Holding Company on a going concern basis with effect from 1st October 2014 being the appointed date. The certified copy of the said order of the Hon'ble High Court of Madras has been filed with the Registrar of Companies, Chennai on 21st August 2015 and as such the Scheme has become effective from that date.

- (b) As per Clause 9.2 of the Scheme of Arrangement as approved/sanctioned by the Honourable High Court of Madras, Taneja Aerospace and Aviation Limited (TAAL) will carry on the business and activities relating to the demerged charter business for and on account of and in trust for TAAL Enterprises limited (TEL) until the time TEL obtains the requisite statutory licenses required for carrying on the demerged charter business.

The said licenses are yet to be obtained and accordingly the demerged carter business has continued to be operated by TAAL in trust for and on behalf of TEL including banking transactions, statutory compliances and all other commercial activities.

- 3.7** 5,00,000 Equity Shares held in Taneja Aerospace and Aviation Ltd have been pledged for securing the loan granted by bank to associate company- Lighto Technology Pvt Ltd.
- 3.8** 3,50,00,000 Equity Shares held in ISMT Ltd have been pledged for securing the loan granted by banks to ISMT Ltd. (under Corrective Action Plan(CAP)).
- 3.9** The company has changed the Accounting Policy during the year and accounted MAT of Rs 18,78,385/- for the previous year and to the that extent profit after tax has been overstated.
- 3.10** Gross Value of Sales Tax Deferral Liability taken on assignment by the Company is Rs. 9,17,806/- (Previous Year Rs. 1,45,17,876/-) and Net Present Value Rs. 9,17,806/- (Previous Year Rs. 1,45,17,875/-). Sales Tax Deferral Liability due within Year is Rs 9,17,806/- (Previous Year Rs 1,36,60,070/-) has been shown in Other Current Liabilities.
- 3.11** i) Related party Disclosure as required by Accounting Standard 18 is as under : -
- | | | |
|-----------------------------|--|-----------------------|
| a) Key Management Personnel | i) Mr. N.V.Karbhase | - Whole time Director |
| | ii) Rajiv Goel | - Director |
| b) Ultimate Holding Company | i) Vishkul Leather Garments Private Limited | |
| c) Subsidiary Company | i) Lighto Technologies Private Limited (w.e.f 30th March 2016) | |
| d) Associate Companies | i) ISMT Ltd | |
| | ii) Taneja Aerospace and Aviation Limited | |
| | iii) TAAL Enterprises Limited | |
| | iv) Fair Growth Holdings PTE Limited | |
| e) Details of Transaction | i) Key Management Personnel | |
| | Remuneration paid for the year Rs 29,66,003/- | |
| | (Previous Year Rs. 31,81,825/-) | |
| | ii) Subsidiary Company - Corporate Guarantee given of Rs 5,92,00,000/- | |
| | (Previous Year Rs 5,92,00,000/-) | |
| | iii) Associate Companies as follows: | |

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

(Amount in Rupees)

Details of Transactions	Ultimate Holding Company		Associate Companies	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Purchases of finished Goods	-	-	63,100,675	62,385,205
Lease Rent Received	-	-	2,952,000	2,214,000
Purchase of Shares of ISMT Limited	143,734,306	-	-	-
Sales of Shares of TAAL Enterprises Ltd	142,755,130	-	-	-
Outstanding as at Balance Sheet date				
Payables	-	-	40,614,927	126,962,857
Unsecured Loan Given	-	-	77,500,000	77,500,000

- a) Purchases of Finished goods from ISMT Ltd Rs. 6,31,00,675/- (Previous Year Rs. 6,23,85,205/-).
- b) Lease rent received from ISMT Ltd Rs. 29,52,000/- (Previous Year Rs.22,14,000/-)
- c) Holding Company sold 7,58,000 shares held in TAAL Enterprises Ltd to Vishkul Leather Garments Private Limited
- d) Interest paid to Taneja Aerospace and Aviation Limited Rs. Nil (Previous Year Rs. 32,59,815/-) .
- e) Holding Company purchased 1,33,83,870 Shares of ISMT Ltd held by Vishkul Leather Garments Private Limited.

3.12 Segment Disclosures

The Group has disclosed business segment as the primary segment. The Group Business activity has been collectively organised into following business segments namely:a) Tradingb) Investment, c) Leasing and d) Services.

Segments have been indentified and reported taking into account the nature of the product and services, the organisational structure and internal financial reporting system.

Revenue & Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue & Expenses which relate to enterprise as a whole and are not allocable to segment on the reasonable basis have been disclosed as un-allocable.

Segment Assets & Segment Liabilities represents assets & liabilities in respective segments. Assets & Liabilities which cannot be allocated to a segment on a reasonable basis have been disclosed as un-allocable Assets/ Liabilities.

Primary Segment

(Amount in Rupees)

Particulars	2016-17					
	Trading	Investment	Leasing	Services	Unallocable	Total
Segment Revenue	71,434,507	135,717,562	2,952,000	147,535,855	12,001,862	369,641,786
Segment Results						
Profit /(Loss) before Finance Cost, Depreciation and Tax	(45,076,142)	135,717,562	(50,736,827)	137,095,895	109,931	177,110,419
Less : Finance Costs	-	-	-	-	-	14,183,323
Less: Unallocable Expenses	-	-	-	-	-	633,132
Profit /(Loss) before Tax	-	-	-	-	-	162,293,965
Less: Tax Expenses	-	-	-	-	-	10,017,615
Profit after Tax	-	-	-	-	-	152,276,350
Less: Share of Minority Interest	-	-	-	-	-	(3,225,244)
Add: Share of Associate Profit / (Loss)	-	-	-	-	-	(209,028,985)
Profit / (Loss) for the year	-	-	-	-	-	(53,527,391)
Other Information						
Total Segment Assets	45,302,444	380,891,441	-	14,172,261	109,094,794	549,460,940
Add: Goodwill on Consolidation	-	-	-	-	-	8,356,362
Total Segment Assets	-	-	-	-	-	557,817,302
Total Segment Liabilities	239,292,605	-	5,723,428	15,077,731	339,557,776	599,651,541
Segment Depreciation & Obsolescence	1,100,847	-	15,673,966	-	208,358	16,983,171

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

(Amount in Rupees)

Particulars	2015-16					
	Trading	Investment	Leasing	Services	Unallocable	Total
Segment Revenue	62,861,891	21,149,050	2,214,000	63,738,410	-	149,963,351
Segment Results						
Profit /(Loss) before Finance Cost	476,686	21,149,050	(46,157,778)	63,000,910	(12,731,373)	25,737,495
Depreciation and Tax						
Less : Finance Costs	-	-	-	-	-	27,561,313
Profit /(Loss) before Tax	-	-	-	-	-	(1,823,818)
Less: Tax Expenses	-	-	-	-	-	1,879,000
Profit after Tax	-	-	-	-	-	(3,702,818)
Add: Share of Associate Profit / (Loss)	-	-	-	-	-	(1,125,788,824)
Profit / (Loss) for the year	-	-	-	-	-	(1,129,491,642)
Other Information						
Total Segment Assets	118,261,346	503,448,099	93,233,827	595,654	107,814,900	823,353,826
Add: Goodwill on Consolidation	-	-	-	-	-	8,356,362
						831,710,188
Total Segment Liabilities	248,990,611	-	394,088	222,860	516,967,538	766,575,097
Segment Depreciation & Obsolescence	-	-	48,371,778	-	212,730	48,584,508

3.13 Earnings per Share

Particulars	31st March 2017	31st March 2016
i) Profit / (Loss) After Tax	(53,527,391)	(1,129,491,642)
ii) Net Profit / (Loss) for the year attributable to Equity Share Holders	(53,527,391)	(1,129,491,642)
iii) Weighted Average Number of Equity Shares	11,399,606	11,399,606
iv) Earnings Per Share (Rs.) (Basic and Diluted)	(4.70)	(99.08)

3.14 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	As at March 31, 2017		As at March 31, 2016	
	USD	Rs.	USD	Rs.
Trade Payable	114,773.71	7,441,927	114,773.71	7,613,273
Total	114,773.71	7,613,273	114,773.71	11,318,571

3.15 Disclosure in respect of Specified Bank Notes (SBNs)

The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 is provided in the table below:

Particulars	SBN	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	-	4,990	4,990
Add: Permitted Receipts	-	30,000	30,000
Less: Permitted payments	-	6,294	6,294
Less: Amount deposited in Bank	-	-	-
Closing Cash in hand as on 30.12.2016	-	28,696	28,696

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

3.16 Investments in Associates

The particulars of investment in the Associates as per equity method of accounting under AS 23 as under

(Amount in Rupees)

Particulars	ISMT Ltd		Taneja Aerospace and Aviation Ltd	
	Mar 31, 2017 #	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Ownership Interest	47.04%	37.91%	44.16%	44.16%
Opening Value of investments	74,889,633	1,101,276,161	369,448,503	381,223,479
Add : Share of Profit/(Loss) for the year	(22,52,89,627) #	(1,122,530,061)	2,546,101	(3,021,413)
Add : Share in other Reserves	6,663,580	96,121,825	-	8,828,389
Add : Purchase of additional shares	143,736,414	-	-	-
Add: Addition in value of investment due acquisition of Subsidiary Company	-	21,708	-	1,457,458
Less: Effect of Demerger of TAAL and TAAL Enterprise Limited	-	-	-	19,039,410
Closing Carrying Amount of Investments @	-	74,889,633	371,994,604	369,448,503
@ includes Goodwill on acquisition of Associates	-	519,396,761	(6,244,921)	(6,244,921)

Being share of loss exceeds the carrying amount of the investment in ISMT Limited as appearing in consolidated financial statements and hence the group discontinues recognising its share of further losses / movement in other reserves and the investment is reported at nil value.

(Amount in Rupees)

Particulars	TAAL Enterprises Limited		Fair Growth Holding Pte. Ltd	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Ownership Interest	19.84%	44.16%	33.33%	33.33%
Opening Value of investments	58,965,746	-	144,217	-
Add: Effect of Demerger of TAAL and TAAL Enterprise Limited	-	19,039,410	-	-
Add : Pre-acquisition Reserves on acquisition of shares	-	39,610,685	-	-
Add : Share of Profit/(Loss) for the year	13,660,891	(359,101)	53,650	166,809
Add : Share in other Reserves	(211,479)	441,891	(32,551)	22,466
Add: Addition in value of investment due acquisition of shares	-	232,861	-	-
Less: Derecognition of reserves on loss of control*	(23,787,556)	-	-	-
Less: Sale of Associate Shares *	(39,896,081)	-	-	-
Less: Loss of earlier year recouped	-	-	-	(45,058)
Closing Carrying Amount of Investments @	8,731,521	58,965,746	165,316	144,217
@ includes (Capital Reserves) on acquisition of Associates	-	(990,731)	Nil	Nil

* The Company has diluted its stake in TAAL Enterprises Limited (TEL) from 44.16% to 19.84% by sale of equity shares as on 25th January 2017 to Vishkul Leather Garments Private Limited and hence TEL is not an associate company and accordingly investments in TEL is measured at cost.

Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

3.17 EMPLOYEE BENEFITS

The Company has provided for both gratuity and leave encashment on actual basis rather than actuarial basis.

3.18 Previous Year figures have been regrouped and reclassified wherever necessary to conform to the Current Year Classification. Financials of previous year are for the period 1st July 2015 to 31st March 2016 and hence previous year figures are not comparable with current year figures.

3.19 Additional Information as required under Schedule III to the Companies Act,2013 of enterprises consolidated as subsidiary/ associate

Sr. No	Name of the Enterprise	Net Assets i.e.Total Assets minus Total Liabilities		Share in Profit /(Loss)	
		As % of Consolidated Net Assets	Amount in Rs	As % of Consolidated Profit/(Loss)	Amount in Rs
I	Holding Company				
1	Indian Seamless Enterprise Limited	2,024.62	846,985,227	290.52	155,506,800
II	Indian Subsidiary				
1	Lighto Technologies Pvt Ltd	(408.87)	(171,048,820)	(12.55)	(6,719,258)
III	Minority Interest in Subsidiaries	-	-	(6.03)	(3,225,244)
IV	Associate (Investment as per Equity method)				
	Indian Associate				
1	ISMT Ltd	-	-	(420.89)	(225,289,627)
2	Taneja Aerospace & Aviation Ltd	889.21	371,994,604	4.76	2,546,101
3	TAAL Enterprises Limited (Refer Note 3.16)	-	-	25.52	13,660,891
	Foreign Associate				
1	Fair growth Holding Pte. Ltd	0.40	165,316	0.10	53,650

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

S.B.PARASNIS
PROPRIETOR
M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

Form AOC - I

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ASSOCIATES
AS PER SECTION 129(3) OF COMPANIES ACT 2013

PART 'A' SUBSIDIARY COMPANIES

Sr No	Name of Subsidiary Company	Reporting Currency	Share capital	Reserves and Surplus	Total Assets	Total Liabilities #	Investments (Excluding investment in Subsidiary)	Turnover/ total Income	Profit/ (Loss) Before taxation	Provision for Taxation	Profit/ (loss) after Taxation	Proposed Dividend	% of Share holding (Effective)
1	Lighto Technologies Pvt Ltd	INR	5,397,410	(176,446,230)	59,642,110	230,690,930	1,726,287	61,440,462	(6,719,258)	-	(6,719,258)	-	52.01%

Excluding Share Capital and Reserves and Surplus

PART 'B' ASSOCIATE COMPANY

Sr No	Name of the Enterprise	ISMT Ltd (Refer note No 3)	Taneja Aeraspace & Aviation Limited	TAAL Enterprises Limited	Fair growth Holdings Pte. Ltd (Refer Note no 4)
1	Latest audited Balance Sheet Date	31/03/2017	31/03/2017	31/03/2017	31/03/2017
2	Shares of Associate held by the Company on the year end				
	a) Number	68,918,158	11,010,337	618,292	12,000
	b) Amounts of Investment (In Rs.)	-	371,994,604	8,731,521	165,316
	c) % of holding	47.04%	44.16%	19.84%	33.63%
3	Net worth attributable to shareholding as per Latest audited Balance Sheet (In Rs.)	(4,061,500,000)	856,682,141	172,303,926	495,977
4	Profit / (Loss) for the year considered in Consolidation (In Rs.)	(225,289,627)	2,546,101	13,660,891	53,650
5	Not Considered in Consolidation	(920,414,286)	-	-	-
6	Description of how there is significant influence	Note - 1	Note - 2	Note - 1	Note - 1
7	Reason why the Associate is not consolidated	N.A.	N.A.	N.A.	N.A.

Note :

- 1) The Company directly hold investment of more than 20%.
- 2) Holding Company has diluted its stake in TAAL Enterprises Limited (TEL) from 44.16% to 19.84% by sale of equity shares as on 25th January 2017.
- 3) Being share of loss exceeds the carrying amount of the investment in ISMT Limited as appearing in consolidated financial statements and hence the group discontinues recognising its share of further losses / movement in other reserves and the investment is reported at nil value.
- 4) Management certified financial statements are considered for consolidated financial statements.

As per our report of even date
For S.B PARASNIS & Co
Chartered Accountants
FRN 107424 W

S.B.PARASNIS
PROPRIETOR
M. No. 8596

Pune, August 18, 2017

For and on behalf of the Board of Directors

V. G. Ravetkar
Director
DIN 00374456

N. V. Karbhase
Director
DIN 00228836

Veena Vaidya
Company Secretary
M. No. F8951

Pune, August 18, 2017

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INDIAN SEAMLESS ENTERPRISES LIMITED

Regd Office: Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune - 411014. Maharashtra
Phone : 020-41434100, Fax : 020-26630779,

CIN: U29000PN1995PLC090946

21st Annual General Meeting

PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of
the Companies (Management and Administration) Rules, 2014]*

Name of the Member (s) :			
Registered address :			
E-mail Id :			
Folio No/ Client Id		DP ID	

I/We, being the Member (s), holding shares of the above named Company, hereby appoint :

- (1) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- (2) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- (3) Name _____ Address _____
E-mail ID _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the Company, to be held on Friday, September 29, 2017 at **“Hotel Hindusthan International, S. No. 33/1/1, Plot No. 2H, Neco Garden Road, Viman Nagar, Pune 411014”** at 11.00 A.M. and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional – See Note 2)	
		For	Against
	Ordinary Business		
1.	To receive, consider and adopt		
	i. the Audited Financial Statement of the Company for the period ended on March 31, 2017 together with the Reports of the Directors and the Auditors thereon.		
	ii. the Audited Consolidated Financial Statements of the Company for the period ended on March 31, 2017 including the Audited Consolidated Balance Sheet as at March 31, 2017 and the Consolidated Statement of Profit and Loss for the period ended on that date and the Report of the Auditors thereon.		
2.	Re-appointment of Mr. Vijaykumar G. Ravetkar as Director.		
3.	Appointment of Statutory Auditors.		

Signed this day of 2017.

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Re 1/-
Revenue
Stamp

Indian Seamless Enterprises Limited

Note :

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the Resolutions and Notes, please refer to the notice of the Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

INDIAN SEAMLESS ENTERPRISES LIMITED

Regd Office: Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune - 411014. Maharashtra
Phone : 020-41434100, Fax : 020-26630779,

CIN: U29000PN1995PLC090946

21st Annual General Meeting

ATTENDANCE SLIP

Name and Address of the Shareholder :

Folio No. / DP Id & Client Id :

Number of Shares held :

Name of the attending Shareholder/ Proxy :
(IN BLOCK LETTERS)

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **21st Annual General Meeting** of the Company being held on Friday, September 29, 2017 at Hotel Hindustan International, S. No.33/1/1, Plot No. 2H, Neco Garden Road, Viman Nagar, Pune 411014 at 11.00 A.M.

Member's/Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	# DEFAULT PAN

Since, you have not registered/ updated your PAN with the Company/ Depository Participant, please use the number mentioned in above column under PAN field to login for e-Voting.

If you have already registered/ updated your PAN with the Company/ Depository Participant use the actual PAN issued by Income Tax department.

Note: For detailed e-voting instructions, please refer "Notice" enclosed herewith under "E-Voting facility".

Book - Post

If undelivered please return to :

INDIAN SEAMLESS ENTERPRISES LIMITED

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Viman Nagar, Pune - 411014. Maharashtra