

INDIAN SEAMLESS ENTERPRISES LIMITED

Regd Office: Lunkad Towers, Off Nagar Road, Viman Nagar, Pune – 411014, Maharashtra
Phone:020-41434100; Fax:020-26630779; Web : www.isel.co.in
CIN: U29000PN1995PLC090946

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held on Thursday, December 27, 2018 at Hotel Hindusthan International, S. No.33/1/1, Plot No. 2H, Neco Garden Road, Viman Nagar, Pune 411014 at 10.30 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 financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss for the year 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 financial year ended March 31, 2018

including the Audited Consolidated Balance Sheet as at March 31, 2018 and the Consolidated Statement of Profit and Loss for the year ended on that date and the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. N.V. Karbhase (00228836) who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board of Directors

Radhika Shidore
Company Secretary

Pune, November 23, 2018

Registered Office:

Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune – 411 014

NOTES:

1. Members of the Company had approved the appointment of M/s. V. K. Paradkar & Co., Chartered Accountants, as the Statutory Auditors at the 21st AGM of the Company which is valid till conclusion of the 26th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
2. **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').
3. 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.
4. 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.
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. 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.
8. 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 year ended on March 31, 2018 are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, 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 year ended on March 31, 2018 are being sent in the permitted mode.

Members may note that this Notice and Annual Report for the period ended on March 31, 2018 will also be available on the Company's website at 'www.isel.co.in'.

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9. The route map showing directions to reach the venue of AGM is annexed and forms a part of the Notice.
10. In compliance with Section 108 of the Act, read with Rules made thereunder, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means and the business may be transacted through electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Ltd ('CDSL'). Please note that the voting through electronic means is optional for the Members.
11. The facility for voting through ballot paper shall be made available at AGM and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
12. Voting rights shall be ascertained as per the provisions of the Articles of Association of the Company.
13. 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.
14. 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.
15. The voting period begins on December 24, 2018 at 9.00 AM and ends on December 26, 2018 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 December 20, 2018, 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.
16. 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
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/ Members" 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)	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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 8 digits of the sequence number (refer Serial No printed on the name and address sticker/Ballot form/mail) in the PAN field.</p> <p>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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Date of Birth (DOB) OR Dividend Bank Details	<p>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.</p> <p>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 (iv).</p>

- (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. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. 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 EVSN for Indian Seamless Enterprises Limited on which you choose to vote.

- (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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed login 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 by the mobile app while voting on your mobile.**
- (xviii) **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (xviii) 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 email to helpdesk.evoting@cdslindia.com.
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 along with 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. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the AGM of the Company.
22. 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 demat 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.
 - Please update the PAN and Bank details, if not updated in case shares are held in physical form, with R&T Agent.
 - Note that as per MCA Notification dated September 10, 2018 shares in physical form will not be transferred after October 02, 2018. Hence it is advised in your interest to get your shares converted into Demat form at the earliest.
 - 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
- Radhika Shidore
Company Secretary
- Pune, November 23, 2018
- Registered Office:**
Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune – 411 014

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 Report 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 share@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).

INDIAN SEAMLESS ENTERPRISES LIMITED

**Annual Report
2017-18**

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 (upto March 26, 2018) Ms. Radhika Shidore (w.e.f. April 03, 2018)
AUDITORS	: M/s. V. K. Paradkar & 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), Mumbia - 400 072
REGISTERED OFFICE	: Lunked 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

BOARDS' REPORT

To,

The Members,
Indian Seamless Enterprises Limited

Your Directors present herewith the Twenty Second Annual Report together with the Audited Financial Statements for the financial year ended on March 31, 2018.

1. Financial Highlights:

(Rs. in Lakhs)

Particulars	As on March 31, 2018	As on March 31, 2017
Gross Income	2,861.71	3,110.09
Profit before Finance expenses and Depreciation	2,215.09	1,928.62
Finance Expenses	279.68	124.18
Depreciation	9.13	158.82
Profit/(Loss) before exceptional item and tax	1,926.27	1,645.61
Profit/(Loss) before tax	1,926.27	1,645.61
Profit/(Loss) after Tax	1,811.61	1,545.43

There is no amount proposed to be transferred to reserves.

Indian Accounting Standards (IND AS)

The Company had adopted Ind AS with effect from April 01, 2017 pursuant to the Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the Financial Statements for the year ended March 31, 2018 of the Company was prepared with comparative data, in compliance with Ind AS.

2. Dividend:

Your Directors do not recommend any dividend for the year ended on March 31, 2018.

3. Directors and Key Managerial Personnel :

In accordance with the provisions of the Companies Act, 2013 ('Act') and Articles of Association of the Company, Mr. N.V. Karbhase retires by rotation and being eligible, offers himself for re-appointment.

Mr. N V Karbhase, Key Managerial Personnel (KMP) has been appointed as a Whole-Time Director of the Company from March 01, 2018 upto March 31, 2019 as approved by the shareholders in the Extra Ordinary General Meeting held on October 05, 2018.

Mrs. Veena Vaidya ceased to be the Company Secretary of the Company w.e.f March 26, 2018. Ms. Radhika Shidore has been appointed as Company Secretary of the Company w.e.f April 3, 2018.

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

The annual performance evaluation has been done by the Board of its own performance and that of its Committees and individual Directors which the Board found to be satisfactory.

4. Board Meetings and Independent Directors Meeting :

The Board met 8 (Eight) times on April 03, 2017, June 22, 2017, August 18, 2017, September 29, 2017, November 28, 2017, January 30, 2018, February 22, 2018 and March 19, 2018. The intervening gap between the Meetings is within the period prescribed under the Act.

The Independent Directors met on March 08, 2018 in conformity to the stipulations provided in Schedule IV to the Act.

5. Auditors:

Pursuant to Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Shareholders of the Company at the Annual General Meeting ('AGM') held on September 29, 2017, approved the appointment of M/s. V. K. Paradkar & Co, Chartered Accountants (Firm Registration No.120527W) as the Statutory Auditors of the Company to hold office for a period of 5 (Five) years i.e till the conclusion of 26th AGM of the Company.

Vide notification dated May 07, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of Statutory Auditor at every AGM. Accordingly no resolution is being proposed for ratification of appointment of Statutory Auditors 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 Statements 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 thereto. 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.

INDIAN SEAMLESS ENTERPRISES LIMITED

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 Associate Company. A report in Form AOC 1 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 :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 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 **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. **Policy on Directors Appointment and Criteria:**

The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters is available on the website of the Company www.isel.co.in

14. **Particulars of Loans, Guarantees and Investments:**

Particulars of Loans, Guarantees and Investments covered under Section 186 of the Act has been mentioned in the Notes to the Financial Statements forming part of this Annual 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 3 times during the period under review.

18. **Details of Frauds reported by Auditors:**

There are no frauds against the Company reported by the Auditors for the period under review.

19. **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, Luthra Ind.Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai – 400072 T: 2851 5606/ 5644/ 6338
F: 28512885 Web: <http://www.sharexindia.com>

20. **Corporate Social Responsibility:**

Pursuant to Section 135 of the Act a CSR Committee is constituted by the Board of Directors, it consists of three Directors including one Independent Director.

In view of the Average Net Profit being negative the Company was not required to spend on CSR activities in the year 2017-18.

21. 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-2 is forming a part of this Report as an **Annexure B**.

22. 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.

(iv) During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(v) Your Directors further state that the Company has complied with the applicable Secretarial Standards.

23. Acknowledgements:

The Board of Directors of your Company places 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

V G Ravetkar
Director

N V Karbhave
Director

Pune, November 23, 2018

INDIAN SEAMLESS ENTERPRISES LIMITED

Annexure 'A' to the Boards' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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 : 020-6630779
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:-

Sl. 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	31.79
2	Wholesale trade of Metal and Metal Ores	46620	18.21
3	Management Consultancy Services	70200	47.28

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 ENTERPRISES PRIVATE LIMITED (formerly known Vishkul Leather Garments Pvt. Ltd.) 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	SUBSIDIARY	50.75	2(87)
4	LAURUS TRADECON 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	34	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, 2017)						No. of Shares held at the end of the year(March 31, 2018)						% 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	10,25,852	16,153	66,667	-	11,08,672	9.73	10,25,852	16,153	66,667	-	11,08,672	9.73	-
b) Central Government	-	-	-	-	-	-		-	-	-	-	-	
c) State Government(s)	-	-	-	-	-	-		-	-	-	-	-	-
d) Bodies Corporate	72,20,486	4,29,914	5575	-	7,55,975	67.16	72,20,765	4,29,914	5,367	-	76,56,046	67.16	(0.00)
e) Banks / FI	-	-	-	-	-	-		-	-	-	-	-	-
f) Any other	-	-	-	-	-	-		-	-	-	-	-	-
Sub-total (A) (1):-	82,46,338	4,46,067	72,242	-	87,64,647	76.89	82,46,617	4,46,067	72,034	-	87,64,718	76.89	(0.00)
(2) Foreign	-	-	-	-	-	-		-	-	-			
Sub-total (A) (2):-	-	-	-	-	-	-		-	-	-			
Total shareholding of Promoter (A)=(A) (1)+(A)(2)	82,46,338	4,46,067	72,242	-	87,64,647	76.89	82,46,617	4,46,067	72,034	-	87,64,718	76.89	(0.00)
B. Public Shareholding													
1. Institutions													
a) Mutual Funds	7,124	-	-	-	7,124	0.06	7,124	-	-	-	7,124	0.06	-
b) Banks / FI	73,731	-	-	-	73,731	0.65	73,731	-	-	-	73,731	0.65	-
c) Central Government	-	-	-	-	-	-		-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-		-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-		-	-	-	-	-	-
f) Insurance Companies	5,14,070	514	-	-	5,14,584	-	5,14,070	514	-	-	5,14,584	4.51	(4.51)
g) FIs	79	-	-	-	79	0.00	79	-	-	-	79	0.00	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-		-	-	-			-
i) Others (specify)								-	-	-			
Sub-total (B)(1):-	5,95,004	514	-	-	5,95,518	5.22	5,95,004	514	-	-	5,95,518	5.22	-
2. Non-Institutions													
a) Bodies Corporate													
i) Indian	2,03,764	1,02,336	2,15,146	-	5,21,246	4.57	2,03,663	1,02,302	10,360	-	3,16,325	2.77	1.80
ii) Overseas	-	-	-	-	-	-		-	-	-	-		-
b) Individuals													
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6,12,818	81,831	6,78,953	22,967	13,96,569	12.25	6,15,481	81,865	7,08,506	22,967	14,28,819	12.53	(0.28)

INDIAN SEAMLESS ENTERPRISES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)						No. of Shares held at the end of the year(March 31, 2018)						% 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			
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	82,320	-	30,402	-	1,12,722	0.99	82,320	-	2,03,889	-	2,86,209	2.51	(1.52)
c) Others (specify):-								-		-	-		
c)(1) OCBs	-	-	1,042	-	1,042	0.01		-		-	-		0.01
c)(2) Non-Residents	7,201	137	524	-	7,862	0.07	6,214	137	1,666	-	8,017	0.07	(0.00)
Sub-total (B)(2):-	9,06,103	1,84,304	9,26,067	22,967	20,39,441	17.89	9,07,678	1,84,304	9,24,421	22,967	20,39,370	17.89	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15,01,107	1,84,818	9,26,067	22,967	26,34,959	23.11	15,02,682	1,84,818	9,24,421	22,967	26,34,888	23.11	0.00
C. Shares held by Custodian for GDRs & ADRs													
Public	-	-	-	-	-	-							
Sub-total (C)	-	-	-	-	-	-							
Grand Total (A+B+C)	97,47,445	6,30,885	9,98,309	22,967	1,13,99,606	100.00	97,49,299	6,30,885	9,96,455	22,967	1,13,99,606	100.00	-

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at beginning of the year(April 1, 2017)					Shareholding at the end of the year(March 31, 2018)					
		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	% change in share holding during the year
		Fully Paid Up	Partly Paid Up	Total			Fully Paid Up	Partly Paid Up	Total			
1	Vishkul Enterprises Private Limited (formerly known as Vishkul Leather Garments Pvt. Ltd.)	58,19,041	92	58,19,133	51.05	0.00	58,19,112	92	58,19,204	51.05	0.00	0.00
2	Palatial Estates Private Limited	5,58,065	4,29,822	9,87,887	8.67	0.00	7,43,905	2,43,982	9,87,887	8.67	0.00	0.00
3	Misrilal Mines Private Limited	2,43,588	0	2,43,588	2.14	0.00	2,43,588	0	2,43,588	2.14	0.00	0.05
4	Misrilal Properties Private Limited	5,367	0	5,367	0.05	0.00	5,367	0	5,367	0.05	0.00	-0.05
5	Radhika Real Estates Private Limited	6,00,000	0	6,00,000	5.26	0.00	6,00,000	0	6,00,000	5.26	0.00	0.00
6	J P Sureka	1,14,951	0	1,14,951	1.01	0.00	1,14,951	0	1,14,951	1.01	0.00	0.00
7	Savitri Devi Sureka	1,08,978	0	1,08,978	0.96	0.00	1,08,978	0	1,08,978	0.96	0.00	0.00
8	Ramesh Sureka	1,07,972	0	1,07,972	0.95	0.00	1,07,972	0	1,07,972	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 (HUF)	43,990	0	43,990	0.39	0.00	43,990	0	43,990	0.39	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	1,05,319	0.92	0.00	89,510	15,809	1,05,319	0.92	0.00	0.00
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	Baldevraj Topanram Taneja	1,080	0	1,080	0.01	0.00	1,080	0	1,080	0.01	0.00	0.00
23	Raghav Banka	7,784	0	7,784	0.07	0.00	7,784	0	7,784	0.07	0.00	0.00

Sl No.	Shareholder's Name	Shareholding at beginning of the year(April 1, 2017)					Shareholding at the end of the year(March 31, 2018)					
		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	% change in share holding during the year
		Fully Paid Up	Partly Paid Up	Total			Fully Paid Up	Partly Paid Up	Total			
24	Rahul Banka	7,782	0	7,782	0.07	0.00	7,782	0	7,782	0.07	0.00	0.00
25	Aayushi Jain	5,464	0	5,464	0.05	0.00	5,464	0	5,464	0.05	0.00	0.00
26	Shashi Taneja	46	0	46	0.00	0.00	46	0	46	0.00	0.00	0.00
27	Renu Jain	26,551	0	26,551	0.23	0.00	26,551	0	26,551	0.23	0.00	0.00
28	Manju Banka	15,169	0	15,169	0.13	0.00	15,169	0	15,169	0.13	0.00	0.00
29	Siddharth Banka	7,500	0	7,500	0.07	0.00	7,500	0	7,500	0.07	0.00	0.00
	Total	83,18,580	4,46,067	87,64,647	76.89	0.00	83,18,651	4,46,067	87,64,718	76.89	0.00	0.00

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

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	87,64,647	51.05		
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	87,64,718	51.05		

Following are the details of datewise shareholding change

Sr. No	Name	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of Shares at the beginning (01.04.2017/ end of year 31.03.2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	VISHKUL ENTERPRISES PRIVATE LIMITED (formerly known Vishkul Leather Garments Pvt. Ltd.)	58,19,041	51.05	01.04.2017				
				07.04.2017	71	Buy	58,19,112	51.046
				31.03.2018			58,19,112	51.046

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

Sr. No.	Name of Shareholder	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017/ end of year 31.03.2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	4,93,072	4.33	01.04.2017	NA	NA	NA	NA
		4,93,072	4.33	31.03.2018				
2	Newway Construction Limited	1,00,223	0.88	01.04.2017				
				07.04.2017	1,00,223	Buy	2,00,446	1.76
				09.06.2017	(1,00,223)	Sold	1,00,223	0.88
3	Himani Limited	1,00,223	0.88	31.03.2018				
		97,156	0.85	01.04.2017	NA	NA	NA	NA
4	Bank of India	97,156	0.85	31.03.2018				
		73,078	0.64	01.04.2017	NA	NA	NA	NA
5	Tata Investment Corporation Limited	73,078	0.64	31.03.2018				
		67,210	0.59	01.04.2017	NA	NA	NA	NA
6	Sanay Tradex Private Limited	67,210	0.59	31.03.2018				
		63,318	0.56	01.04.2017	NA	NA	NA	NA
7	Chandrakanta Chamanlal Oberoi	63,318	0.56	31.03.2018				
		48,988	0.43	01.04.2017	NA	NA	NA	NA
8	United India Insurance Company Limited	48,988	0.43	31.03.2018				
		20,484	0.00	01.04.2017	NA	NA	NA	NA
9	S K Consultants Limited	20,484	0.00	31.03.2018				
		18,609	0.16	01.04.2017	NA	NA	NA	NA
10	Ashwin Shantilal Mehta	18,609	0.16	31.03.2018				
		18,444	0.16	01.04.2017	NA	NA	NA	NA
		18,444	0.16	31.03.2018				

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/ Decrease in Shareholding	Reasons	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year 31.03.2018)	% of total shares of the company				No. of shares	% of total shares of the company
1	N V Karbhase- Whole time Director	99	0.00	01.04.2017	N.A.	N.A.	N.A.	N.A.
		99	0.00	31.03.2018				
2	Gurdip Singh Sambhi- Independent Director	0	0.00	01.04.2017	N.A.	N.A.	N.A.	N.A.
		0	0.00	31.03.2018				
3	Ratnam Ramjee - Independent Director	0	0.00	01.04.2017	N.A.	N.A.	N.A.	N.A.
		0	0.00	31.03.2018				
4	Vijaykumar Ravetkar	0	0.00	01.04.2017	N.A.	N.A.	N.A.	N.A.
		0	0.00	31.03.2018				
*5	Veena Vaidya- Company Secretary	5	0.00	01.04.2017	N.A.	N.A.	N.A.	N.A.
		5	0.00	31.03.2018				

* Veena Vaidya resigned as Company Secretary w.e.f 26.03.2018

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				0
i) Principal Amount	31990548	78772600	0	110763148
ii) Interest due but not paid	78645	67477455	0	67556100
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	32069193	146250055	0	178319248
Change in Indebtedness during the financial year				0
Addition (+) / Reduction (-)	17930807	15227400	0	33158207
Net Change				
Indebtedness at the end of the financial year			0	0
i) Principal Amount	50000000	161477455	0	211477455
ii) Interest due but not paid	208048	11490861	0	11698909
iii) Interest accrued but not due			0	0
Total (i+ii+iii)	50208048	172968316		223176364

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

Sl. 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	15,60,000	15,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,47,753	15,47,753
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	Total (A)	31,07,753	31,07,753
	Ceiling as per the Act *		

* Limit of remuneration is as per the Schedule V to the Companies Act, 2013 and excludes contribution by the Company to Provident Fund and Superannuation Fund.

The remuneration pertains to the period from April 2017 to January 2018.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director		Total Amount
1	Independent Directors	Ratnam Ramjee	Gurdip Singh Sambhi	
	Fee for attending board/ committee meetings	70,000	55,000	1,25,000
	Commission	0	0	-
	Others, please specify	0	0	-
	Total (1)	70,000	55,000	1,25,000

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2	Other Non-Executive Directors	Vijaykumar Ravetkar		
	Fee for attending board / committee meetings	65,000		65,000
	Commission	0		-
	Others, please specify	0		-
	Total (2)	65,000		65,000
	Total (B)=(1+2)			1,90,000
	Total Managerial Remuneration(A+B)			1,90,000
	Overall Ceiling as per the Act			

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

Sl. 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	6,46,254	646,254
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as a % of Profit	-	-
5	Contribution to PF and other Funds	70,855	70,855
	Total	7,17,109	7,17,109

* Veera Vaidya resigned as Company Secretary w.e.f.26.03.2018

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure 'B' to the Boards' 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 arm's 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 ENTERPRISES PRIVATE LTD. (formerly known as Vishkul Leather Garments Pvt. Ltd.)	
(b)	Nature of relationship	Holding Company	
(c)	Duration of the contracts/ arrangements/ transactions	During one year from the date of passing the resolution dated April 03, 2017 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 Taneja Aerospace and Aviation Limited (a company listed at BSE) at market prices prevalent on the date of transaction, subject to adherence to SEBI Regulations. Rs. 9.62 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.13.12 Crore
(e)	Date(s) of approval by the Board, if any	22.06.2017	22.06.2017
(f)	Amount paid as advances, if any	NA	NA

For and on behalf of Board of Directors

V. G. Ravetkar
Director

N. V. Karbhase
Director

Radhika Shidore
Company Secretary

Pune, November 23, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Seamless Enterprises Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **Indian Seamless Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit & Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 of the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

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

Basis of Qualified Opinion

The Company has invested Rs. 97.15 crores in equity shares of ISMT Ltd. ISMT Ltd has been incurring cash losses and its net worth has been completely eroded. No provision for diminution in value of Investment has been made by the Company as explained in Note No. 4.8 forming part of the Standalone Ind AS 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 effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Standalone Ind AS 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, including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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 ("the Order") issued by the Central Government in terms of sub-section 11 of Section 143 of the Act, we give in the '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 & Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (e) Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph above in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (f) on the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 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 Auditor's 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 4.1 disclosing Contingent Liabilities. Further, there are no pending litigations against or instituted by the Company.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company.
- iv. The disclosures as regards holding and dealing in Specified Bank Notes as defined in Notification no.S.O.3407 (E) of November 8,2016, of the Ministry of Finance during the period November 8,2016 to December 30,2016, have not been made not being applicable for the period under report.

For V.K.Paradkar & CO
Chartered Accountants
Firm Registration Number: 120527W

V.K.Paradkar
Proprietor
Membership Number: 17151

Place : Pune

Date : November 23, 2018

INDIAN SEAMLESS ENTERPRISES LIMITED

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Indian Seamless Enterprises Limited on the Standalone Ind AS financial statements as of and for the year ended 31st March, 2018]

- 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 intervals 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. We have reviewed the terms and conditions of guarantees so given on the basis of management representation and, on the basis of our review the terms and conditions governing the guarantees are, prima facie, not prejudicial to the interests of the Company.
- v. The Company has not accepted any deposits. Hence the provisions stated in paragraph 3 (v) of the order are not applicable to the Company.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.
- vii. a) 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 all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts in respect of such statutory dues which have remained outstanding as at March 31, 2018 for a period of more than six months from the day they become payable.
- b) According to information and explanation given to us, there are no disputed dues with statutory authorities which have not been deposited on account of disputes.
- 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 and 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 them. 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 V.K.Paradkar & CO
Chartered Accountants
Firm Registration Number: 120527W

V.K.Paradkar
Proprietor
Membership Number: 17151

Place : Pune
Date : November 23, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Indian Seamless Enterprises Limited on the Standalone Ind AS financial statements for the year ended March 31, 2018])

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 31st March, 2018 in conjunction with our audit of the Standalone Ind AS 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 ("ICAI"). 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 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 ICAI 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 were 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 the 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, 2018 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 V.K.Paradkar & CO

Chartered Accountants

Firm Registration Number: 120527W

V.K.Paradkar

Proprietor

Membership Number: 17151

Place : Pune

Date : November 23, 2018

INDIAN SEAMLESS ENTERPRISES LIMITED

Balance Sheet as at March 31, 2018

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant & Equipments	1.1	9,581,010	521,643	93,963,825
(b) Financial Assets				
i) Investments	1.2	1,193,538,014	1,105,362,713	972,133,753
ii) Loans	1.3	60,192,113	53,046,720	46,749,555
iii) Other Financial Assets	1.4	14,520,030	21,780,045	29,040,060
(c) Deferred Tax Assets(Net)	1.5	54,041,777	24,282,385	-
		1,331,872,944	1,204,993,506	1,141,887,193
CURRENT ASSETS				
(a) Financial Assets				
i) Trade Receivables	1.6	18,203,211	1,280,807	17,909,599
ii) Cash and Cash Equivalents	1.7	9,833,927	6,490,767	6,689,953
iii) Other Financial Assets	1.8	329,540	300,000	300,000
b) Current Tax Assets (Net)	1.9	-	-	16,142,879
c) Other Current Assets	1.10	291,804	278,075	-
		28,658,482	8,349,649	41,042,431
TOTAL		1,360,531,426	1,213,343,155	1,182,929,624
EQUITY & LIABILITIES				
EQUITY				
(a) Equity Share Capital	1.11	111,656,000	110,726,800	110,726,800
(b) Other Equity	1.12	923,172,451	733,655,742	579,083,046
		1,034,828,451	844,382,542	689,809,846
LIABILITIES				
NON CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	1.13	-	-	917,806
ii) Other Financial Liabilities	1.14	94,000,000	78,772,600	46,024,632
(b) Provisions	1.15	4,344,020	4,003,142	1,916,300
		98,344,020	82,775,742	48,858,738
CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	1.16	50,000,000	31,990,548	36,000,000
ii) Trade Payables	1.17	-	-	70,608,690
iii) Other Financial Liabilities	1.18	95,522,911	83,360,306	94,336,441
(b) Current Tax Liabilities (Net)	1.19	23,555,373	17,625,460	-
(b) Other Current Liabilities	1.20	58,280,671	153,208,557	243,315,910
		227,358,955	286,184,871	444,261,040
TOTAL		1,360,531,426	1,213,343,155	1,182,929,624
Significant Accounting Policies	3			
Notes to Accounts	4			

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151

V. G. Ravetkar
Director
DIN:00374456

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Place : Pune
Date : November 23, 2018

Place :Pune
Date : November 23, 2018

Statement of Profit and Loss for the year ended March 31, 2018

(Amount in Rupees)

	Particulars	Note No.	As at March 2018	As at March 2017
I	Revenue from Operations	1.21	187,424,414	168,819,524
II	Other Income	1.22	98,746,499	142,190,158
III	TOTAL INCOME (I+II)		286,170,913	311,009,682
IV	EXPENSES			
	Purchases of Stock in Trade		50,329,206	63,100,675
	Employee Benefits Expenses	1.23	5,913,876	7,335,163
	Finance Cost	1.24	27,968,336	12,418,851
	Depreciation & Amortization Expenses	1.1	913,380	15,882,324
	Other Expenses	1.25	8,418,585	47,711,104
	TOTAL EXPENSES (IV)		93,543,383	146,448,117
V	PROFIT/(LOSS) BEFORE TAX (III - IV)		192,627,530	164,561,565
VI	TAX EXPENSES			
	Current Year Tax		41,225,000	34,300,000
	MAT Credit- Current Year		(29,759,392)	(22,404,000)
	MAT Credit -Previous Year		-	(1,878,385)
VII	PROFIT/(LOSS) FOR THE YEAR (V - VI)		181,161,922	154,543,950
VIII	OTHER COMPREHENSIVE INCOME			
	a) Items that will not be reclassified to Profit and Loss			
	i) Net Gain / (Loss) on Fair Valuation of Equity Instruments through OCI		(8,013)	28,746
	(ii) Income Tax effect on above		-	-
	Total Other Comprehensive Income		(8,013)	28,746
IX	TOTAL COMPREHENSIVE INCOME (VII + VIII)		181,153,909	154,572,696
X	Earning per Equity Share(Face Value of Rs 10/- each)		25.98	13.56
	Significant Accounting Policies	3		
	Notes to Accounts	4		

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151

V. G. Ravetkar
Director
DIN:00374456

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Place : Pune
Date : November 23, 2018

Place :Pune
Date : November 23, 2018

INDIAN SEAMLESS ENTERPRISES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2018

(Amount in Rupees)

Particulars	2017-18	2016-17
i CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Tax	192,627,530	164,561,565
Adjustments For:		
Depreciation of Asset	913,380	15,882,324
Profit on Sale of Investments	(90,976,172)	(132,218,930)
Loss on Sale of Fixed Assets	-	38,014,861
Interest Income	(7,770,277)	(7,008,788)
Interest Expenses	27,927,511	11,961,123
Dividend Income	(50)	(9,825)
Operating Profit / (Loss) before Working Capital Changes	122,721,922	91,182,330
Adjustments for:		
Trade & Other Receivables	(16,851,051)	17,313,567
Trade Payables and Other Liabilities	(77,899,460)	(124,507,515)
Cash Generated from/(Used in) Operations	27,971,411	(16,011,618)
Direct Taxes Paid (Net of Refunds)	(35,295,087)	(531,662)
Net cash flow from/(used in) Operating Activity	(7,323,676)	(16,543,280)
ii CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(9,972,747)	-
Purchase of Investment	(96,678,510)	(143,736,414)
Interest Received	7,770,277	7,008,788
Proceeds from Sale of Fixed Assets	-	39,544,999
Proceeds from Sale of Investments	99,471,368	142,755,130
Net Cash Used in Investing Activities	590,388	45,572,503
iii CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(16,307,247)	(11,628,713)
Dividend Income	50	9,825
Proceeds/ (Repayment) from/of Borrowing (net)	17,091,645	(17,609,521)
Proceeds from Calls on Unpaid Shares including Securities premium	9,292,000	-
Net Cash from Financing Activities	10,076,448	(29,228,409)
Net Increase/ (Decrease) in Cash and Cash Equivalents (Total i+ii+iii)	3,343,160	(199,186)
Cash and Cash Equivalents at the beginning of the year (Refer Note No 1.7)	6,490,767	6,689,953
Cash and Cash Equivalents at the end of the year (Refer Note No 1.7)	9,833,927	6,490,767
Net Increase/(Decrease) in Cash & Cash Equivalents	3,343,160	(199,186)

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151

V. G. Ravetkar
Director
DIN:00374456

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Place : Pune
Date : November 23, 2018

Place :Pune
Date : November 23, 2018

Notes to Financial Statement for the year ended March 31, 2018

Note No - 1.1 - PROPERTY, PLANTS & EQUIPMENTS

(Amount in Rupees)

Particulars	Plant and Machinery	Vehicles	Total
Gross Block			
As at April 1, 2016	218,910,136	6,603,289	225,513,425
Additions	-	-	-
Disposals	218,910,136	-	218,910,136
As at March 31, 2017	-	6,603,289	6,603,289
Additions	-	9,972,747	9,972,747
Disposals	-	-	-
As at March 31, 2018	-	16,576,036	16,576,036
Accumulated Depreciation			
As at April 1, 2016	125,676,310	5,873,288	131,549,598
Charge for the year	15,673,966	208,358	15,882,324
Disposals	141,350,276	-	141,350,276
As at March 31, 2017	-	6,081,646	6,081,646
Charge for the year	-	913,380	913,380
Disposals	-	-	-
As at March 31, 2018	-	6,995,026	6,995,026
Net Block			
As at April 1, 2016	93,233,826	730,001	93,963,825
As at March 31, 2017	-	521,643	521,643
As at March 31, 2018	-	9,581,010	9,581,010

Note No. 1.2 NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Equity Instruments - Unquoted			
a) In Subsidiary Companies (At Cost)			
i) Laurus Tradecon Private Limited (formerly known as Lighto Technologies Pvt. Ltd.) 2,80,741 (31 March, 2017 : 2,80,741; 1 April, 2016 : 2,80,741) Equity Shares of Rs 10 each fully paid.	2,942,410	2,942,410	2,942,410
b) In Associate Companies (At Cost)			
i) Fair Growth Holding Pte Ltd 12,000 (31 March, 2017 : 12,000; 1 April, 2016 : 12,000) Equity Shares of SGD 1 each fully paid.	351,162	351,162	351,162
ii) ISMT Limited 6,89,18,858 (31 March, 2017 : 6,89,17,858 , 1 April, 2016 : 5,55,33,788) Equity Shares of Rs 5 each fully paid.	971,515,420	971,502,115	827,765,701
iii) Taneja Aerospace & Aviation Ltd. 1,26,53,299 (31 March, 2017 : 1,09,64,620; 1 April, 2016 : 1,09,64,620) Equity Shares of Rs 5 each fully paid.	218,570,932	121,993,265	121,993,265
iv) TAAL Enterprises Limited 577 (31 March, 2017 : 6,12,577; 1 April, 2016 : 13,70,577) Equity Shares of Rs 10 each fully paid.	8,015	8,503,211	19,039,411

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Financial Statement for the year ended March 31, 2018

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
c) In Other Companies (At fair value through OCI)			
Cosmos Co-op Bank Ltd 1,000 (31 March, 2017 : 1,000; 1 April, 2016 : 1,000) Equity Shares of Rs 100 each fully paid.	-	-	-
Investment in Equity Instruments - Quoted			
a) In Other Companies (At fair value through Profit and Loss)			
i) Maharashtra Seamless Ltd 10 (31 March, 2017 : 10; 1 April, 2016 : 10) Equity Shares of Rs 5 each fully paid.	4,254	3,520	1,443
ii) Oil Country Tubular Ltd 5 (31 March, 2017 : 5; 1 April, 2016 : 5) Equity Shares of Rs 10 each fully paid.	161	230	121
iii) Gandhi Special Tubes Ltd 400 (31 March, 2017 : 200; 1 April, 2016 : 200) Equity Shares of Rs 5 each fully paid.	145,660	66,800	40,240
Total	1,193,538,014	1,105,362,713	972,133,753
Aggregate amount of unquoted investments	3,293,572	3,293,572	3,293,572
Aggregate amount of quoted investments - At Cost	1,190,181,905	1,190,086,352	1,093,495,380
Aggregate amount of quoted investments - At Market Value	1,209,168,235	1,479,016,501	1,343,650,416

Note No. 1.3 NON CURRENT FINANCIAL ASSETS -LOANS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured Loans			
Associate Company - (Refer Note No. 4.15(B))	60,192,113	53,046,720	46,749,555
Total	60,192,113	53,046,720	46,749,555

Note No. 1.4 NON CURRENT FINANCIAL ASSETS - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Deferred expenses on Financial Assets measured at amortised cost	14,520,030	21,780,045	29,040,060
Total	14,520,030	21,780,045	29,040,060

Note No. 1.5 Deferred Tax Assets(Net)

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
MAT credit entitlement	54,041,777	24,282,385	-
Total	54,041,777	24,282,385	-

Notes to Financial Statement for the year ended March 31, 2018

Note No. 1.6 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured			
Considered Good	18,203,211	1,280,807	17,909,599
Total	18,203,211	1,280,807	17,909,599

Note No. 1.7 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
i) Balances with Banks	9,827,930	6,477,496	6,683,829
ii) Cash on Hand	5,997	13,271	6,124
Total	9,833,927	6,490,767	6,689,953

Note No. 1.8 CURRENT FINANCIAL ASSETS - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Other Advances recoverable	329,540	300,000	300,000
Total	329,540	300,000	300,000

Note No. 1.9 CURRENT TAX ASSETS (Net)

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Taxes Paid	-	-	18,021,879
Less: Provision for Taxes	-	-	1,879,000
Total	-	-	16,142,879

Note No. 1.10 OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Balance with Government Authorities	291,804	278,075	-
Total	291,804	278,075	-

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Financial Statement for the year ended March 31, 2018

Note No. 1.11 EQUITY SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Authorised :-			
1,20,00,000 (31 March, 2017: 1,20,00,000 ; 1 April, 2016: 1,20,00,000) Equity shares of Rs. 10/- each	120,000,000	120,000,000	120,000,000
	120,000,000	120,000,000	120,000,000
Issued , Subscribed and Paid up			
1,13,99,606 (31 March, 2017 : 1,13,99,606 ; 1 April, 2016 : 1,13,99,606) Equity share of 10/- Each fully paid	113,996,060	113,996,060	113,996,060
Less:- Calls in arrears	2,340,060	3,269,260	3,269,260
	111,656,000	110,726,800	110,726,800

The company has only one class of issued shares having par value of Rs. 10 /- each. Holders of Equity Shares are 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

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Equity Shares in Numbers	Amount in Rupees	Equity Shares in Numbers	Amount in Rupees	Equity Shares in Numbers	Amount in Rupees
Shares outstanding at the beginning of the year	10,745,754	110,726,800	10,745,754	110,726,800	10,745,754	110,726,800
Amount received on unpaid call during the year	185,840	929,200	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Calls unpaid	468,012	2,340,060	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	11,399,606	113,996,060

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

Name of Share Holders (Equity)	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares held	% holding	No. of Shares held	% holding	No. of Shares held	% holding
Vishkul Enterprises Private Limited (formerly known as Vishkul Leather Garments Pvt. Ltd.)	6,972,280	61.16%	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%

Notes to Financial Statement for the year ended March 31, 2018

Note No. 1.12 OTHER EQUITY

(Amount in Rupees)

Particulars	Reserve & Surplus			Items of Other Comprehensive Income (OCI)	Total
	Security Premium	General Reserve	Retained Earnings	Equity Instruments through OCI	
As at April 1, 2016	482,365,890	186,913,620	(88,527,883)	-	580,751,627
Adjustment in Opening Balance :					
Fair Valuation of Financial Assets	-	-	(1,710,385)	-	(1,710,385.00)
Fair valuation of Equity Shares	-	-	-	41,804	41,804.00
As at April 1, 2016 (A)	482,365,890	186,913,620	(90,238,268)	41,804	579,083,046
Adjustments:					
Add : Fair Valuation of Investment through OCI	-	-	-	28,746	28,746.00
Add: Profit / (Loss) for the year	-	-	154,543,950	-	154,543,950
Total (B)	-	-	154,543,950	28,746	154,572,696
As at March 31, 2017 (C) = (A) + (B)	482,365,890	186,913,620	64,305,682	70,550	733,655,742
Adjustments:					
Add : Addition during the year	8,362,800	-	-	-	8,362,800
Add : Fair Valuation of Investment through OCI	-	-	-	(8,013)	(8,013)
Add: Profit / (Loss) for the year	-	-	181,161,922	-	181,161,922
Total (D)	8,362,800	-	181,161,922	(8,013)	189,516,709
As at March 31, 2018 (E) = (C) + (D)	490,728,690	186,913,620	245,467,604	62,537	923,172,451

NATURE AND PURPOSE OF RESERVES

A Security Premium

The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve.

B General Reserve

General Reserve represent appropriation of retained earnings and are available for distribution to shareholders.

C Retained Earnings

Retained Earnings represent surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Note No. 1.13 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Sales Tax Deferral Loan	-	-	917,806
Total	-	-	917,806

Note No. 1.14 NON CURRENT FINANCIAL LIABILITIES -OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Inter Corporate Deposits	94,000,000	78,772,600	46,024,632
Total	94,000,000	78,772,600	46,024,632

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Financial Statement for the year ended March 31, 2018

Note No. 1.15 NON CURRENT LIABILITIES - PROVISIONS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Provision For Employee Benefits			
i) Gratuity	3,747,183	3,529,804	1,548,323
ii) Leave Encashment	596,837	473,338	367,977
Total	4,344,020	4,003,142	1,916,300

Note No. 1.16 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Secured Loan - Term Loan (Refer Note No 4.3)	50,000,000	31,990,548	36,000,000
Total	50,000,000	31,990,548	36,000,000

Note No. 1.17 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
i) Micro, Small and Medium Enterprises	-	-	-
ii) Others	-	-	70,608,690
Total	-	-	70,608,690

Note No. 1.18 CURRENT FINANCIAL LIABILITIES - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Current Maturities of Long Term Loan - Sales tax Deferral Loan	-	917,807	13,600,070
Other Liabilities	95,522,911	82,442,499	80,736,370
Total	95,522,911	83,360,306	94,336,440

Note No. 1.19 CURRENT TAX LIABILITY

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Provision for Tax	75,525,000	34,300,000	-
Less: Taxes Paid	51,969,627	16,674,540	-
Total	23,555,373	17,625,460	-

Note No. 1.20 CURRENT LIABILITIES - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Advance from Customers	50,000,000	146,991,325	240,500,000
Other Liabilities	8,280,671	6,217,232	2,815,910
Total	58,280,671	153,208,557	243,315,910

Notes to Financial Statement for the year ended March 31, 2018

Note No. 1.21 REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017
Sales - Trading	52,123,731	65,004,513
Professional Fees	135,300,683	103,815,011
Total	187,424,414	168,819,524

NOTE NO. 1.22 OTHER INCOME

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017
Dividend Income	50	9,825
Lease Income	-	2,952,000
Interest on IT Refund	624,884	711,623
Profit on Sale of Investments	90,976,172	132,218,930
Interest Income for financial assets measured at amortized cost	7,145,393	6,297,165
Excess Provision write back	-	615
Total	98,746,499	142,190,158

Note No. 1.23 EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017
i) Salaries,Wages Bonus & Allowances	4,984,167	4,745,697
ii) Contribution to Provident Fund & Other Funds	839,829	2,497,117
iii) Staff Welfare Expenses	89,880	92,349
Total	5,913,876	7,335,163

Note No-1.24 FINANCE COST

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017
Interest	20,667,496	4,701,108
Interest expenses for financial assets measured at amortized cost	7,260,015	7,260,015
Cash Discount	40,825	457,728
Total	27,968,336	12,418,851

Note No. 1.25 OTHER EXPENSES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017
Audit Fees	225,000	258,750
Rates ,Taxes & Fees	207,977	116,069
Insurance	122,231	53,314
Loss on Sale of Assets	-	38,014,861
Travelling Expenses	250,078	326,705
Professional & Legal Fees	6,706,620	7,930,499
Miscellaneous Expenses	906,679	1,010,906
Total	8,418,585	47,711,104

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2018

2. Corporate Information

Indian Seamless Enterprises Limited ("the Company") is a public limited company incorporated in India (CIN: U29000PN1995PLC090946) having its registered office in Pune. The Company is mainly engaged in Trading of Tubes, Investments and Consultancy Services.

These Standalone Financial Statements for the year ended March 31, 2018 were approved for issue by the Board of Directors at their Board Meeting held on November 23, 2018.

3. Significant Accounting Policies

3.1 Statement of compliance:

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS), including the Rules notified under the relevant provisions of the Companies Act 2013. For periods up to and including the year ended March 31, 2017, the Company prepared its Standalone Financial Statements in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Refer Note No. 3.24 for the explanation of transition from previous GAAP to Ind AS.

These financial statements are the Company's first Standalone Ind AS Financial Statements.

3.2 Basis of Preparation

The Ind AS Standalone Financial Statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

3.3 Functional & Presentation Currency & Rounding of the amounts:

The functional and presentation currency of the Company is Indian Rupees. These Standalone Financial Statements are presented in Indian Rupees and all values are stated in Rupees except otherwise indicated.

3.4 Current versus Non-Current Classification

The Company has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Notes to Standalone Financial Statements for the year ended March 31, 2018

3.5 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government.

The Company follows specific recognition criteria as described below before the revenue is recognized.

i Sales**a) Sales of Goods:**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and cash discount.

b) Professional Fees:

Revenue from professional fees is recognized upon by reference to the stage of completion of service and the amount of revenue can be measured reliably.

ii Other Operating Revenue

Other Operating revenue comprises of following items:

- Dividend Income
- Operating Lease Income

Dividend Income are recognized on receipt basis.

Revenue from Operating Lease is recognized on a straight line basis.

3.6 Property, Plant & Equipment:

- i Property, Plant & Equipments 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.
- ii Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in Profit & Loss Statement as and when incurred.
- iii All incidental expenses incurred during project implementation, for the project as well as trial run expenses are treated as expenditure during construction and are capitalized.

3.7 Depreciation:

- i Depreciation on Plant & Machinery is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.
- ii Deprecation on vehicles is provided as per the useful life specified Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method.
- iii 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.

Notes to Standalone Financial Statements for the year ended March 31, 2018

3.8 Inventories:

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

3.9 Employee 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

3.10 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or Statement of Profit & Loss are also recognized in OCI or Statement of Profit & Loss, respectively).

3.11 Cash and Cash Equivalents:

Cash & Cash Equivalents comprise cash on hand and at bank and demand deposits with banks which are short-term, highly liquid investments with original maturities of three months or less, that are readily convertible into a known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Fair Value Measurement: -

The Company measures certain financial instruments at fair value at each Balance Sheet date. Certain accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices)

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to Standalone Financial Statements for the year ended March 31, 2018

3.13 Financial instruments:

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

I. Financial Assets:**a) Initial recognition and measurement:**

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair through Profit or loss are recognized immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

b) Subsequent measurement:

For subsequent measurement, the Company classifies financial asset in following broad categories:

i. Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the Statement of Profit & Loss. Cash and bank balances, trade receivables, loans and other financial asset of the Company are covered under this category.

ii. Financial Asset carried at FVTOCI:

Financial assets under this category are measured initially as well as at each reporting date at fair value when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

iii. Financial asset carried at FVTPL:

Financial assets under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit or loss.

c) Investment in subsidiaries:

Investments in Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

d) Other equity instruments:

All other equity instruments are measured as fair value, with value changes recognized in Statement of Profit and Loss, except for those equity instrument for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

e) Derecognition:

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

f) Impairment of financial asset:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Notes to Standalone Financial Statements for the year ended March 31, 2018

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'

II. Financial Liabilities:

a) Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b) Subsequent measurement:

Financial liabilities are carried at amortized cost using the Effective Interest Rate (EIR) method. For trade and other payable maturing within one year from Balance Sheet date, the carrying amount approximate fair value due to short maturity of these instruments

c) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

III. Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.14 Segment accounting:

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

3.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Company and weighted average number of shares outstanding during the year.

Notes to Standalone Financial Statements for the year ended March 31, 2018

Diluted earnings per share are calculated by dividing the net profit for the year attributable to the shareholders of the Company and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Provision for Current and Deferred Tax: -

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the Statement of Profit & Loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive income or in Equity

Current tax:

Provision for Current Tax is made on the basis of relevant provision of the Income Tax Act, 1961 as applicable to the financial year.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences, to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

3.17 Impairment of non-financial Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit & Loss to the extent an asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

3.18 Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the company has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.

Notes to Standalone Financial Statements for the year ended March 31, 2018

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability:

Contingent Liabilities are not provided and are disclosed in Notes on Accounts. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.19 Events occurring after the Balance Sheet Date

Events occurring after the Balance Sheet date and till the date on which the financial statements are approved, which are material in the nature and indicate the need for adjustments in the financial statements have been considered

3.20 Standards Issued but not yet Effective: -

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

- Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

- Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following Accounting Standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Ind AS Financial Statements.

3.21 Key accounting judgments', estimates and assumptions:

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

- a. Assessment of functional currency;
- b. Financial instruments;

Notes to Standalone Financial Statements for the year ended March 31, 2018

- c. Estimates of useful lives and residual value of PPE;
- d. Impairment of financial and non-financial assets;
- e. Valuation of inventories;
- f. Measurement of recoverable amounts of cash-generating units;
- g. Allowances for uncollected trade receivable and advances
- h. Provisions;
- i. Evaluation of recoverability of deferred tax assets; and
- j. Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

4. NOTES OF ACCOUNTS

4.1 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Contingent Liabilities			
Corporate Guarantees for Banking facilities / Term Loan granted to Subsidiary	59,200,000	59,200,000	59,200,000
Sales Tax Defferal Liabilites	-	11,952,989	45,529,593
Commitments			
Capital Commitments	Nil	Nil	Nil

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

- 4.2** Calls in arrears are as on 4,68,012 Equity Shares (Previous year 6,53,852 and 1st April 2016 6,53,852)
- 4.3** Short Term Loan of Rs 5,00,00,000/- (As at March 31, 2017 Rs. 31,990,548/- and As at April 1, 2016 Rs 3,60,00,000/-) is secured by way of pledge of 200,00,000 Equity Shares held in the ISMT Ltd and Corporate Guarantee by third parties.
- 4.4** 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.
- 4.5 Segment Reporting :**

Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has 4 segments-Trading,Investment,Leasing and Services

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

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2018

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under "Unallocable Assets / Liabilities".

For the Financial Year 2017 -2018

(Amount in Rupees)

Particulars	Trading	Invesmtent	Leasing	Services	Unallocable	Total
Segment Revenue	52,123,731	90,976,222	-	135,300,683	7,770,277	286,170,913
Segment Result before Finance Cost & Tax	1,753,700	90,976,222	-	128,912,703	(1,087,584)	220,555,041
Less: Finance Cost	-	-	-	-	-	27,927,511
Profit/(Loss) before Tax	-	-	-	-	-	192,627,530
Less: Tax Expenses	-	-	-	-	-	11,465,608
Profit/ (Loss) after Tax	-	-	-	-	-	181,161,922
<u>Other Information</u>						
Segment Assets	3,456,998	1,193,538,014	-	14,746,213	148,790,201	1,360,531,426
Segment Liabilities	50,000,000	-	-	6,772,293	268,930,682	325,702,975

For the Financial Year 2016 -2017

(Amount in Rupees)

Particulars	Trading	Invesmtent	Leasing	Services	Unallocable	Total
Segment Revenue	65,004,513	132,228,755	2,952,000	103,815,011	7,009,403	311,009,682
Segment Result before Finance Cost & Tax	1,903,838	132,228,755	(50,736,827)	98,467,178	(4,882,528)	176,980,416
Less: Finance Cost	-	-	-	-	-	12,418,851
Profit/(Loss) before Tax	-	-	-	-	-	164,561,565
Less: Tax Expenses	-	-	-	-	-	10,017,615
Profit/ (Loss) after Tax	-	-	-	-	-	154,543,950
<u>Other Information</u>						
Segment Assets	-	1,105,362,713	-	1,558,882	106,421,560	1,213,343,155
Segment Liabilities	54,765,000	-	5,723,428	8,367,098	300,105,087	368,960,613

4.6 Dues to Micro, Small and Medium Enterprises

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, 2018.

Notes to Standalone Financial Statements for the year ended March 31, 2018

4.7 Related Party Transactions.

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reporting periods, are:

Name and Relationships of the Related Parties:

I Key Management Personnel(KMP)

Name of the Related Party	Designation
N.V.Karbhase	Whole Time Director

II Entities where control exists

Holding Company

Vishkul Enterprises Private Limited (formerly known as Vishkul Leathers Garments Pvt. Ltd.) (Vishkul)

Subsidiary Companies

Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Ltd.)

Associate Companies

ISMT Ltd.

Taneja Aerospace & Aviation Ltd.

TAAL Enterprises Ltd.

Tridem Port and Power Company Pvt Ltd.

Fair Growth Holding Pte Ltd

i Details of Transaction with Key Management Personnel:

Remuneration for the year Rs. Rs 32,94,953/- (Previous Year Rs. 29,66,003/-)

ii Details of transactions with Subsidiary and Associate Companies:

(Amount in Rupees)

Nature of Transactions / Relationship	Subsidiary Company		Associate Company	
	2017-18	2016-17	2017-18	2016-17
Purchase of Finished Goods	-	-	50,329,206	63,100,675
Lease Rent received on Plant & Machinery	-	-	-	2,952,000
Purchase of Shares	-	-	13,305	143,734,306
Purchase of Shares	-	-	96,577,667	-
Sale of Shares	-	-	99,471,368	142,755,130
Outstanding as on Balance Sheet Date				
Receivables				
Promoter Contribution - ISMT Ltd.	-	-	77,500,000	77,500,000
Corporate Guarantee	59,200,000	59,200,000		

Transactions entered with Associate Company

1 ISMT Ltd

a Purchase of Seamless Tubes of Rs. 5,03,29,206 (Previous Year Rs. 6,31,00,675)

b Lease rent received on Plant & Machinery Rs.Nil (Previous Year Rs. 29,52,000)

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2018

2 Laurus Tradecon Private Limited

Corporate Guarantee given in connection with Banking Facilities-Rs.5,92,00,000 (Previous year Rs.5,92,00,000)

3 Vishkul Enterprises Private Limited (formerly known as Vishkul Leathers Garments Pvt. Ltd.) (Vishkul)

The Company sold 6,12,000 shares of TAAL enterprises to Vishkul for Rs.9,94,71,368(Previous Year 7,58,000 shares for Rs. 14,27,55,130) and Purchased 1,000 shares of ISMT Limited for Rs.13,305 (Previous Year 1,33,83,870 shares for Rs. 14,37,34,306) and 97,11,321 shares of Taneja Aerospace & Aviation Ltd. for Rs.9,94,71,368 (Previous Year Nil)

- 4.8 ISMT Ltd continued to incur losses during the current year on account of adverse market conditions in both domestic and export markets which resulted into the erosion of Net Worth. The management is of the opinion that investment in Associate are strategic and long term and even though net worth of ISMT Ltd is completely eroded, no provision for diminution in the value of investment is considered necessary.

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))

- 4.9 As required under section 186(4) of the Companies Act, 2013, the particulars of loans and guarantees given and investments made during the year are as follows:

(Amount in Rupees)

Name of Entity	Nature of transaction and material terms	Purpose for which loan / guarantee proposed to be utilized by the recipient	Balance as on March 31, 2018	Balance as on March 31, 2017
Associate Company - ISMT Limited	Promoters Contribution	Unsecured Loan under Corrective Action Plan (CAP) and pending restructuring, the company has not provided interest on the said loan	77,500,000	77,500,000
Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd) - Subsidiary Company	Corporate Guarantee	Guarantee given to facilitate borrowing from bank by the subsidiary for meeting working capital needs.	59,200,000	59,200,000

4.10 Income tax expenses

- A The major components of Income Tax expenses for the year are as under:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
I) Income Tax recognised in the statement of profit and loss		
Current tax	41,225,000	34,300,000
MAT Credit- current year	(29,759,392)	(22,404,000)
MAT Credit -Previous Year	-	(1,878,385)
Total Income Tax recognised in the statement of profit and loss	11,465,608	10,017,615
II) Income Tax recognised in Other Comprehensive Income		
Deferred Tax	-	-
Total Income Tax recognised in Other Comprehensive Income	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2018

B Reconciliation of Tax Expenses and the accounting profit for the year is under:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Accounting Profit before Income Tax Expenses	192,627,530	164,561,565
Enacted Tax Rates in India (%)	28.84%	34.61%
Expected Income Tax Expenses	55,553,780	56,951,466
Tax Effect of :		
Expenses not deductible	(94,688)	1,842,081
Non Taxable Capital Gain	(26,237,528)	(19,737,876)
Accelerated capital allowances	45,499	5,493,450
Carried forward loss set off	(17,801,455)	(32,653,121)
Income Tax Expense recognised in Statement of Profit & Loss	11,465,608	11,896,000
Adjustments recognised in current year in relation to the current tax of earlier years	-	(1,878,385)
Income Tax Expenses	11,465,608	10,017,615
Effective Tax Rate (%)	5.95%	7.23%

C Deferred Tax Assets / Liabilities

The Company has recognised not recognised Deferred Tax Assets in the absence of the virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Significant components of Deferred Tax Assets & Liabilities recognized in Financial Statements as at March 31, 2018

(Amount in Rupees)

Particulars	As at April 1, 2017	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2018
<u>Tax effect of item constituting deferred tax liabilities</u>				
i) Property, Plant and Equipment	-	-	-	-
	-	-	-	-
<u>Tax effect of item constituting deferred tax assets</u>				
i) MAT Credit Entitlement	24,282,385	29,759,392	-	54,041,777
	24,282,385	29,759,392	-	54,041,777
Net Deferred Tax Asset/ (Liability)	24,282,385	29,759,392	-	54,041,777

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Notes to Standalone Financial Statements for the year ended March 31, 2018

As at March 31, 2017

(Amount in Rupees)

Particulars	As at April 1, 2017	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2018
<u>Tax effect of item constituting deferred tax liabilities</u>				
i) Property, Plant & Equipment	-	-	-	-
	-	-	-	-
<u>Tax effect of item constituting deferred tax assets</u>				
i) MAT Credit Entitlement	-	24,282,385	-	24,282,385
	-	24,282,385	-	24,282,385
Net Deferred Tax Asset/ (Liability)	-	24,282,385	-	24,282,385

D) The Company has unused tax losses under the head Business Loss as per the Income Tax Act, 1961.

Based on the probable uncertainty regarding the set off of these losses, the Company has not recognized Deferred Tax Asset in the Balance Sheet. Details of tax losses under the head Business Losses with expiry is as follows

(Amount in Rupees)

Financial Year	As at March 31, 2018	Expiry Date	As at March 31, 2017	Expiry Date
<u>Business Loss</u>				
2014 -2015	-	-	27,671,134	March 31, 2023
2015 -2016	-	-	34,053,746	March 31, 2024
Total	-		61,724,880	

4.11 Earnings per share

Net Profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Net Profit / (Loss) for the year attributable to Equity Shareholders	181,161,922	154,543,950
Weighted Average Number of Equity Shares outstanding for basic and diluted	11,399,606	11,399,606
Nominal Value of equity Shares (Rs)	10.00	10.00
Earnings Per Share (Rs.) (Basic and Diluted)	15.89	13.56

Notes to Standalone Financial Statements for the year ended March 31, 2018

4.12 Miscellaneous Expenses include:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Printing & Stationery	402,222	32,685
Profession Tax	2,500	2,500
Repairs Maintenance – Others	99,376	310,206
Postage & Telephone expenses	165,904	420,677
Miscellaneous Expenses	-	11,699
Office & General Expenses	90,812	135,561
Subscription	74,750	63,025
Computer Maintenance Charges	-	5,000
Books & Periodicals	26,880	13,284
Advertisements	44,235	16,269
Total	906,679	1,010,906

4.13 Financial Risk Management

The Company's financial liabilities comprise mainly of Borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks and other receivables.

Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk Management Framework

Company's Board of Directors has overall responsibility for establishment of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee. Management identifies, evaluate and analyses the risks to which the Company is exposed to and sets appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations.

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from amount due from Associate company, Trade Receivable and other receivables. For other financial assets, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

b) Liquidity risk.

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

Notes to Standalone Financial Statements for the year ended March 31, 2018

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks;

- a) Interest rate risk
- b) Currency risk and;

Financial instruments affected by market risk includes investments, trade payables, loans and other financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit & Loss item is the effect of the assumed changes in the respective market risks.

a) Interest rate risk and sensitivity

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is very low. The Company has not used any interest rate derivatives.

Foreign currency risk and sensitivity

The Company is not exposed to currency risk on account of its borrowings and other payables. The functional currency of the Company is Indian Rupees.

The Company does not use derivative financial instruments for trading or speculative purposes.

4.14 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's Capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity and internal accruals and long term borrowings.

4.15 Fair Value Measurement

Fair valuation techniques

The fair values of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties other than a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to Standalone Financial Statements for the year ended March 31, 2018

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or Liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

(Amount in Rupees)

Particulars	Carrying value of the financial assets/ liabilities			Fair value of the financial assets/ liabilities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets at Fair Value Through OCI (noncurrent)						
Investment in Equity Shares	150,075	70,550	41,804	150,075	70,550	41,804
Financial Assets at amortised cost (non-current)						
Loans	60,192,113	53,046,720	46,749,555	60,192,113	53,046,720	46,749,555
Other Financial Assets	14,520,030	21,780,045	29,040,060	14,520,030	21,780,045	29,040,060
Total	74,862,218	74,897,315	75,831,419	74,862,218	74,897,315	75,831,419
Financial Assets at amortised cost (current)						
Trade Receivables	18,203,211	1,280,807	17,909,599	18,203,211	1,280,807	17,909,599
Cash & Bank Balances	9,833,927	6,490,767	6,689,954	9,833,927	6,490,767	6,689,954
Other Financial Assets	329,540	300,000	300,000	329,540	300,000	300,000
Total	28,366,678	8,071,574	24,899,553	28,366,678	8,071,574	24,899,553
Financial Liabilities at amortised cost (non-current)						
Borrowings	-	-	917,806	-	-	917,806
Other Current Liabilities	94,000,000	78,772,600	46,024,632	94,000,000	78,772,600	46,024,632
Total	94,000,000	78,772,600	46,942,438	94,000,000	78,772,600	46,942,438
Financial Liabilities at amortised cost (current)						
Borrowings	50,000,000	31,990,548	36,000,000	50,000,000	31,990,548	36,000,000
Trade Payables	-	-	70,608,690	-	-	70,608,690
Other financial Liabilities	95,522,911	83,360,306	94,336,441	95,522,911	83,360,306	94,336,441
Total	145,522,911	115,350,854	200,945,131	145,522,911	115,350,854	200,945,131

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2018

B) Level wise disclosures of financial assets and liabilities by categories are as follows :

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Level	Valuation Techniques and key Inputs
Financial Assets at Fair Value Through OCI (noncurrent)					
Investment in Equity Shares	150,075	70,550	41,804	1	Quoted NAV in active markets
Financial Assets at amortised cost (non-current)					
Loan to Associate Company - ISMT LTD.	60,192,113	53,046,720	46,749,555	3	Discounted cash flow method using interest rate for similar financial instrument

Fair value of cash and cash equivalents, trade payables, trade receivables and other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

During the reporting period ended March 31, 2017 and March 31, 2016, there were no transfers between level 1, level 2 and level 3 fair value measurements

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

(Amount in Rupees)

Particulars	Loan to Associate Company
Opening Balance as on April 1, 2016	46,749,555
Interest Income	6,297,165
Closing Balance as at March 31, 2017	53,046,720
Interest Income	7,145,393
Closing Balance as at March 31, 2018	60,192,113

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

4.16 First Time Adoption of Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

- I The accounting policies set out in note 2.1 have been applied in preparing the Ind AS Financial Statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Standalone Balance Sheet at April 01, 2016 (the company's date of transition). In preparing its opening Ind AS standalone Balance Sheet, the Company has adjusted the amounts reported previously in Standalone Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Ind AS 101 deals with first time adoption of Indian Accounting Standards which allows exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. On transition, the Company has availed /adopted the following exemptions / exception as per Ind AS 101:

Notes to Standalone Financial Statements for the year ended March 31, 2018

- a) The company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
- b) Appendix C of Ind AS 17 requires an entity to assess whether a contract of arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. The Company has used Ind AS 101 exemption and assessed all the arrangements based for embedded leases based on the conditions in place as at the date of transition
- c) The carrying amounts of the Company's investments in its subsidiary companies and associates as per the financial statements which were prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.
- d) Derecognition of financial assets and liabilities:

The Company has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. April 01, 2016.

- e) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

II Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.

Reconciliation of Equity as at April 1, 2016

Amount in Rupees

Particulars		Amount as per IGAAP	Reclassification/ Adjustments	Amount as per Ind AS
ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant & Equipments		93,963,825	-	93,963,825
(b) Financial Assets				
i) Investments		972,091,949	41,804	972,133,753
ii) Loans		77,500,000	(30,750,445)	46,749,555
iii) Other Financial Assets		-	29,040,060	29,040,060
	(A)	1,143,555,774	(1,668,581)	1,141,887,193
CURRENT ASSETS				
(a) Financial Assets				
i) Trade Receivables		17,909,599	-	17,909,599
ii) Cash & Cash Equivalents		6,689,954	-	6,689,954
ii) Other Financial Assets		-	300,000	300,000
b) Current Tax Assets (Net)		16,442,879	(300,000)	16,142,879
	(B)	41,042,432	-	41,042,432
Total(A+B)		1,184,598,206	(1,668,581)	1,182,929,625

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars		Amount as per IGAAP	Reclassification/ Adjustments	Amount as per Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital		110,726,800	-	110,726,800
Other Equity		580,751,627	(1,668,581)	579,083,046
	(A)	691,478,427	(1,668,581)	689,809,846
LIABILITIES				
NON CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings		917,806	-	917,806
ii) Other Financial Liabilities		46,024,632	-	46,024,632
(b) Provisions		1,916,300	-	1,916,300
	(C)	48,858,738	-	48,858,738
CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings		36,000,000	-	36,000,000
ii) Trade Payables		70,608,690	-	70,608,690
iii) Other Financial Liabilities		-	94,336,441	94,336,441
(b) Other Current Liabilities		337,652,351	(94,336,441)	243,315,910
	(D)	444,261,041	-	444,261,041
Total(A+B+C)		1,184,598,206	(1,668,581)	1,182,929,625

III Reconciliation of Equity as at March 31, 2017

(Amount in Rupees)

Particulars		Amount as per IGAAP	Reclassification / Adjustments	Amount as per Ind AS
ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant & Equipments		521,643	-	521,643
(b) Financial Assets				
i) Investments		1,105,292,163	70,550	1,105,362,713
ii) Loans		77,500,000	(24,453,280)	53,046,720
iii) Other Financial assets		-	21,780,045	21,780,045
(c) Deferred Tax Assets(Net)		-	24,282,385	24,282,385
	(A)	1,183,313,806	21,679,700	1,204,993,506
CURRENT ASSETS				
(a) Financial Assets				
i) Trade Receivables		1,280,807	-	1,280,807
ii) Cash & Cash Equivalents		6,490,766	-	6,490,767
ii) Other Financial Assets		-	300,000	300,000
(b) Other Current Assets		24,860,460	(24,582,385)	278,075
	(B)	32,632,033	(24,282,385)	8,349,649
Total (A+B)		1,215,945,839	(2,602,685)	1,213,343,155

Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars		Amount as per IGAAP	Reclassification / Adjustments	Amount as per Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		110,726,800	-	110,726,800
Other Equity		736,258,427	(2,602,685)	733,655,742
	(A)	846,985,227	(2,602,685)	844,382,542
LIABILITIES				
NON CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Other Financial Liabilities		78,772,600	-	78,772,600
(b) Provisions		4,003,142	-	4,003,142
	(B)	82,775,742	-	82,775,742
CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings		31,990,548	-	31,990,548
ii) Other Financial Liabilities		-	83,360,306	83,360,306
(b) Current Tax Liabilities (Net)		-	17,625,460	17,625,460
(c) Other Current Liabilities		254,194,322	(100,985,766)	153,208,557
	(C)	286,184,870	-	286,184,871
Total (A+B+C)		1,215,945,839	(2,602,685)	1,213,343,155

IV Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(Amount in Rupees)

Particulars	Amount as per IGAAP	Effects of Transition to Ind AS	Amount as per Ind AS
Revenue from Operations	65,004,513	-	65,004,513
Other Income	107,489,074	138,516,095	246,005,169
Profit on Sale of Assets net	94,204,069	(94,204,069)	-
Total Income (I+II)	266,697,656	44,312,026	311,009,682
Expenses			
Purchases of Stock in Trade	63,100,675	-	63,100,675
Employee Benefits Expense	7,335,163	-	7,335,163
Finance Cost	5,158,836	7,260,015	12,418,851
Depreciation & Amortization Expense	15,882,324	-	15,882,324
Other Expenses	9,696,243	38,014,861	47,711,104
Total Expenses	101,173,241	45,274,876	146,448,117
Profit/(loss) before tax (III - IV)	165,524,415	(962,850)	164,561,565
Tax expense:			
Current Year Tax	34,300,000	-	34,300,000
MAT Credit- current year	(22,404,000)	-	(22,404,000)
MAT Credit -Previous Year	(1,878,385)	-	(1,878,385)
Total Tax Expense	10,017,615	-	10,017,615
Profit/(loss) for the period (V-VI)	155,506,800	(962,850)	154,543,950

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Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	Amount as per IGAAP	Effects of Transition to Ind AS	Amount as per Ind AS
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
i) Net Gain / (Loss) on Fair Valuation of Equity Instruments through OCI	-	28,746	28,746
(ii) Income Tax effect on above		-	-
Total Other comprehensive income		28,746	28,746
Total Comprehensive Income for the period (VII+VIII)	155,506,800	(905,358)	154,572,696

V. Reconciliation of total equity:

(Amount in Rupees)

Particulars	As at March 31, 2017	As at April 1, 2016
Total Equity (Shareholder Funds) as per Previous GAAP	846,985,227	691,478,427
Adjustments :		
Fair Value measurement of Investment in Equity Shares through OCI	70,550	41,804
Fair Valuation of Financial Assets - Loan	(2,673,235)	(1,710,385)
Tax adjustment on the above items	-	-
Total Adjustment to Equity	(2,602,685)	(1,668,581)
Total Equity as per Ind AS	844,382,542	689,809,846

Footnotes

A. Investment in Equity Shares:

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as Investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. The difference between the instruments fair value and Indian GAAP carrying amount has been recognized in the retained earnings and in the statement of Other Comprehensive Income.

B. Financial Assets - Loan :

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan or loan below market rate. The interest income on the present value of this loan is recognised over the tenure of the loan using the EIR method.

C. Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

D. Deferred Tax

Under Indian GAAP, deferred tax is accounted using the income statement approach as per timing differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting for deferred taxes using the Balance Sheet approach as per temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences as on the transition date. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Notes to Standalone Financial Statements for the year ended March 31, 2018**E. Other Comprehensive Income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to total comprehensive income as per Ind AS.

F. Material adjustment to the Statement of Cash Flow

(Amount in Rupees)

Particulars	Year ended March 31, 2017		
	Amount as per IGAAP	Ind AS Adjustment	Amount as per Ind AS
Net Cash Flow from Operating Activities	(68,574,929)	52,031,648	(16,543,281)
Net Cash Flow from Investing Activities	39,285,165	6,287,338	45,572,503
Net Cash Flow from Financing Activities	29,090,577	(58,318,986)	(29,228,409)
Net Increase /(decrease) in cash and cash Equivalents	(199,187)	-	(199,187)
Cash & Cash Equivalents at the end of period	6,490,767		6,490,766
Cash & Cash Equivalents at the beginning of period	6,689,954		6,689,953
Net Increase /(decrease) in cash and cash Equivalents	(199,187)	-	(199,187)

4.17 Events occurring after the Balance Sheet date

No adjusting or significant non - adjusting events have occurred between the reporting date and the date of authorisation

4.18 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151

V. G. Ravetkar
Director
DIN:00374456

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Place : Pune
Date : November 23, 2018

Place :Pune
Date : November 23, 2018

INDIAN SEAMLESS ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIAN SEAMLESS ENTERPRISES LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Indian Seamless Enterprises Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiary together referred to as "the Group") and its Associates comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent 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 including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The Board of Directors of the respective Companies, included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act or otherwise 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 there under.

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls and checks relevant to the Company's preparation of the consolidated Ind AS 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 principles and procedures followed, accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS Financial Statements.

Basis for Qualified Opinion

Subsidiary Company: Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Limited)

- a) 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. Further confirmations are not available from creditors. (Refer Note No 4.3 (a) forming part of the consolidated Ind AS Financial Statements)
- b) The net worth of the Company is completely eroded and is incurred cash losses till the year 2016-17, however for the year 2017-18 the Company has earned cash profits. The Company despite of negative net worth has prepared accounts based on going concern.

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

- a) The Parent company has outstanding Minimum Alternate Tax (MAT) entitlement, classified as Deferred Tax Asset as per Ind AS- 12, Income Taxes, of Rs. 82.05 Crores as on March 31, 2018. Taking into consideration the loss during the period ended March 31, 2018 and carried forward losses under the Income Tax, in our opinion, it is not probable that the MAT entitlement can be adjusted within the specified

period against the future taxable profits under the provisions of Income Tax Act 1961. In view of the same, in our opinion, the MAT entitlement cannot be continued to be recognised as an asset in terms of Ind AS-12 and "Guidance note on accounting for credit available in respect of MAT under the Income Tax Act, 1961". Non-writing off of the same has resulted in understatement of loss for the year ended March 31, 2018 and overstatement of other equity by Rs.82.05 Crores and its consequential effect on the Earnings per Share of the Group. (Refer Note No 4.5 (b) forming part of the consolidated Ind AS Financial Statements)

- b) The Parent company had recognized claim in earlier years, of which outstanding balance as on March 31, 2018 is Rs. 39.53 Crores, against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Parent Company had appealed to Appellate Tribunal (APTEL) against the order passed by Maharashtra Electricity Regulatory Commission (MERC) and the same has been dismissed by the APTEL. The Parent Company has preferred appeal before the hon'ble Supreme Court against the order of APTEL. The realization of this claim is contingent and dependent upon the outcome of the decision of the Supreme Court. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with Ind AS-37, Provisions, Contingent liabilities and Contingent assets. Recognition of the above claim has resulted in overstatement of other equity by Rs.39.53 Crores. Refer Note No. 4.5 (c-i) forming part of the consolidated Ind AS financial statements.
- c) Pending approval / sanction of the debt resolution by the lenders, the Parent Company has not provided for the overdue /penal/compounding of interest. The quantum and its impact on the consolidated Ind AS financial statements, if any, is unascertainable. Refer Note No. 4.5 (e) forming part of the consolidated Ind AS financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements/ consolidated financial statements and on the other financial information of the subsidiaries and associates, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and its consolidated profit (including other comprehensive income), consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

As per the other Auditor's Report on Consolidated Ind AS Financial Statements of Subsidiary Company: Taneja Aerospace and Aviation Limited.

The Company is carrying on the demerged charter business and activities including banking transactions, statutory compliances and all other commercial activities relating to the demerged charter business for and on account of and in trust for TAAL Enterprises Limited until the time TAAL Enterprises Limited obtains the requisite statutory licences for carrying on the demerged charter business. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of TAAL Enterprises Limited. Refer Note No. 4.4 forming part of the consolidated Ind AS financial statements.

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

- a) Note No. 4.5 (d) regarding remuneration to Managing Director and Executive Director of the Parent Company amounting to Rs. 3.15 Crores for the financial year 2017-2018 (Rs. 4.39 Crores cumulative up to March 31, 2018) is subject to approval of Central Government.
- b) The Group has accumulated losses and its net worth has been fully eroded, the Group 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 Ind AS financial statements of the Group have been prepared on a going concern basis for the reasons stated in the Note No 4.5 (f) forming part of the consolidated Ind AS financial statements.
- c) Note No. 4.5(g) in the consolidated Ind AS financial statement explaining reason for non-provision for impairment if any, with respect to carrying value of Rs 104.63 Crores as on 31st March 2018 of thermal power project along with its captive port, which is discontinued and is held for sale.
- d) Note No. 4.5(c - ii) in the consolidated Ind AS financial statement explaining reason for non-provision for impairment, if any, with respect to carrying value of Rs. 254.00 Crores as on 31st March 2018 of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, which is under suspended operations and is held for sale.

Our opinion is not qualified in respect of these matters.

Other Matters

- a) We did not audit the financial statements / financial information of two subsidiaries, whose financial statement / financial information reflect total assets of Rs. 150.31 crore as at March 31, 2018, total revenues of Rs. 28.69 crore and net cash inflows amounting to Rs. 2.03 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group share of net profit of

INDIAN SEAMLESS ENTERPRISES LIMITED

Rs 4,08,084/- for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

- b) The consolidated Ind AS financial statements include the group share of net profit of Rs 1,56,600/- for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statement, in respect of one associate. These financial statements have not been audited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS 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) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

- c) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these Consolidated Ind AS financial statements, are based on the consolidated financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), which were audited by predecessor Auditors whose audit report for the year ended March 31, 2017 and March 31, 2016 dated August 18, 2017 and October 05, 2016 respectively expressed an modified opinion on those financial statements. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate/consolidated financial statements and the other financial information of subsidiary and associate, as noted in the 'other matters' paragraph, we report, to the extent

applicable, that:

- a) We have sought and except for the possible effect of the matter 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 Ind AS financial statements.
- b) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the Consolidated Ind AS Balance Sheet, the Consolidated Ind AS Statement of Profit and Loss, the Consolidated Ind AS Cash Flow Statement and Consolidated Ind AS Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the applicable Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under to the extent applicable.
- e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Parent company.
- f) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2018 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies and associate incorporated in India, none of the directors of the Group companies and associate incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
- g) The qualifications relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".

- i) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate/consolidated financial statements as also the other financial information of the subsidiary and associate entity which are incorporated in India, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate, Refer Note No. 4.1 of the consolidated Ind AS financial statements on Contingent Liabilities.
- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts for which provision was required.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiary company and its associate incorporated in India during the year ended 31 March 2018.
- iv. The disclosures as regards holding and dealing in Specified Bank Notes as defined in Notification no.S.O.3407 (E) of November 8,2016, of the Ministry of Finance during the period November 8, 2016 to December 30, 2016, have not been made not being applicable for the period under report.

For V.K.Paradkar & CO
Chartered Accountants
Firm Registration Number: 120527W

V.K.Paradkar
Proprietor
Membership Number: 17151

Place : Pune
Date : November 23, 2018

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Indian Seamless Enterprises Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2018]

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 Parent Company"), its Subsidiary Companies and Associate Company incorporated in India as of 31st March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its Subsidiary Companies and Associate Company which are companies incorporated in India, are 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 (ICAI). 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 Group's and its associate 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 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 of the financial statements, whether due to fraud or error.

We believe that the audit evidence, We have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's and its associate 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 Parent Company, subsidiary company and its associate company which are 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, 2018 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 ICAI.

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

Disclaimer of Opinion:

The system of internal financial controls over financial reporting with regard to the Holding company, its subsidiary company which are companies incorporated in India, were not made available to us to enable us to determine if the Holding company, its subsidiary company which are companies incorporated in India have established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer opinion reported above by Auditor's of Subsidiary Company in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Parent Company for the period ended March 31, 2018, and these disclaimer

opinion does not affect our opinion on the said consolidated Ind AS financial statements of the Parent 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 2 subsidiary companies and one associate company, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For V.K.Paradkar & CO

Chartered Accountants

Firm Registration Number: 120527W

V.K.Paradkar

Proprietor

Membership Number: 17151

Place : Pune

Date : November 23, 2018

INDIAN SEAMLESS ENTERPRISES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2018

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and Equipment's	1.1	1,082,221,803	2,421,247	96,694,983
(b) Capital Work-in-progress		108,000	-	-
(c) Investment in property	1.2	122,227,000	-	-
(d) Goodwill on Consolidation		39,360,927	8,356,362	8,356,362
(e) Intangible Assets	1.3	29,505	94,045	363,340
(f) Financial Assets				
i) Investments	1.4	747,112	389,030,079	479,809,559
ii) Loans	1.5	60,192,113	53,046,720	46,749,555
iii) Other Financial assets	1.6	14,520,030	21,780,045	29,040,060
(g) Deferred Tax Assets(Net)	1.7	73,693,909	24,282,385	-
(h) Other non-current assets	1.8	20,547,000	-	-
Total non-current assets		1,413,647,399	499,010,883	661,013,859
CURRENT ASSETS				
(a) Inventories	1.9	49,510,209	1,645,766	49,332,957
(b) Financial Assets				
i) Trade Receivables	1.10	85,107,780	50,900,748	69,524,043
ii) Cash and Cash equivalents	1.11	61,749,124	7,630,367	6,740,826
iii) Bank Balance other than Cash and Cash equivalents	1.12	8,926,000	-	-
iv) Loans	1.13	19,348,000	381,000	381,000
v) Other Financial Assets	1.14	329,540	300,000	300,000
b) Current Tax Assets (Net)	1.15	17,362,466	-	18,570,275
c) Other Current Assets	1.16	32,631,302	3,413,942	498,303
Total current assets		274,964,421	64,271,823	145,347,404
TOTAL ASSETS		1,688,611,820	563,282,707	806,361,263
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	1.17	111,656,000	110,726,800	110,726,800
(b) Other Equity	1.18	146,295,225	(65,009,304)	7,921,123
Equity attributable to equity shareholders of parent company		257,951,225	45,717,496	118,647,923
Non Controlling Interest		367,270,050	(82,086,329)	(78,861,757)
Total Equity		625,221,275	(36,368,833)	39,786,166
LIABILITIES				
NON CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	1.19	251,702,000	-	917,806
ii) Other Financial Liabilities	1.20	106,845,000	78,772,600	46,024,632
(b) Provisions	1.21	24,557,020	4,003,142	1,916,299
(c) Other non-current Liabilities	1.22	52,667,000	-	-
Total non-current liabilities		435,771,020	82,775,742	48,858,737
CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	1.23	107,000,832	71,443,239	131,472,673
ii) Trade Payables	1.24	86,423,183	63,847,190	144,820,611
iii) Other Financial Liabilities	1.25	242,226,086	89,172,951	104,550,868
(b) Other Current Liabilities	1.26	191,002,119	278,010,171	336,804,561
(c) Provisions	1.27	967,305	67,646	67,646
(d) Current Tax Liabilities (Net)	1.28	-	14,334,601	-
Total current liabilities		627,619,525	516,875,798	717,716,359
TOTAL LIABILITIES		1,688,611,820	563,282,707	806,361,263
Significant Accounting Policies	3			
Notes to Accounts	4			

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151

V. G. Ravetkar
Director
DIN:00374456

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Place : Pune
Date : November 23, 2018

Place :Pune
Date : November 23, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

	Particulars	Note No.	As at March 2018	As at March 2017
	INCOME			
I	Revenue from operations	1.29	465,006,637	218,970,363
II	Other Income	1.30	108,063,401	156,968,589
III	TOTAL INCOME (I+II)		573,070,038	375,938,952
	EXPENSES			
IV	Cost of Material Consumed		42,148,000	-
	Purchases of Stock in Trade		50,329,206	65,325,775
	Changes in inventories of finished goods, Stock-in-Trade and work-in progress		(490,443)	47,687,191
	Employee Benefits Expenses	1.31	76,766,653	11,756,632
	Finance Cost	1.32	65,942,147	21,443,338
	Depreciation and amortization expenses	1.33	21,148,397	16,983,171
	Other Expenses	1.34	83,964,979	51,411,730
	TOTAL EXPENSES (IV)		339,808,939	214,607,837
V	PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF AN ASSOCIATES(III -IV)		233,261,099	161,331,115
VI	Share of Profit/(Loss) of an Associates (Accounted for using equity method)		362,284	(179,749,535)
VII	PROFIT BEFORE TAX (V - VI)		233,623,383	(18,418,420)
VIII	TAX EXPENSES			
	Current Year Tax		47,408,132	34,300,000
	MAT credit- current year		(35,163,191)	(22,404,000)
	MAT Credit -Previous Year		-	(1,878,385)
	Total tax Expenses		12,244,941	10,017,615
IX	PROFIT/(LOSS) FOR THE YEAR (VII - VIII)		221,378,442	(28,436,035)
X	OTHER COMPREHENSIVE INCOME (OCI)			
	a) Items that will not be reclassified to profit and loss			
	i) Net Gain / (Loss) on Fair Valuation of Equity Instruments through OCI		(8,013)	28,746
	ii) Remeasurement gains/losses on defined benefit plan		1,119,067	2,669,506
	(ii) Income tax effect on above		-	-
	b) Items that will be reclassified to profit and loss			
	i) Exchange differences in translating the financial statements of a foreign operation.		38,796	6,392,145
	(ii) Income tax effect on above		-	-
	TOTAL OTHER COMPREHENSIVE INCOME		1,149,850	9,090,397
XI	TOTAL COMPREHENSIVE INCOME (VII + VIII)		222,528,292	(19,345,638)
	Profit / (Loss) attributable to:			
	Equity Shareholders of Parent		202,241,687	(25,211,463)
	Non Controlling Interest		19,136,754	(3,224,572)
	Other Comprehensive Income attributable to:			
	Equity Shareholders of Parent		700,042	9,090,398
	Non Controlling Interest		449,808	-
	Total Comprehensive Income attributable to:			
	Equity Shareholders of Parent		202,941,729	(16,121,065)
	Non Controlling Interest		19,586,562	(3,224,572)
XII	Earning per Equity Share(Face Value of Rs 10/- each)		17.74	(2.21)
	Significant Accounting Policies	3		
	Notes to Accounts	4		

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151

Place : Pune
Date : November 23, 2018

V. G. Ravetkar
Director
DIN:00374456

Place :Pune
Date : November 23, 2018

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

INDIAN SEAMLESS ENTERPRISES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2018

(Amount in Rupees)

Particulars	2017-18	2016-17
i CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Tax	233,261,099	161,331,115
Adjustments For:		
Depreciation of Asset	21,148,397	16,983,171
Profit on sale of Investment	(90,976,172)	(135,707,737)
Loss on sale of Fixed Assets	-	38,014,861
Interest Income	(11,094,944)	(7,115,662)
Interest Expenses	60,796,240	17,851,490
Rental Income	(96,758,000)	(2,952,000)
Debtors written off	17,083,356	-
Provision for Doubtful debts	4,178,000	-
Sundry Balance Written Back	(311,176)	(6,590,185)
Dividend Income	(50)	(9,825)
Operating profit / (loss) before working capital changes	137,326,750	81,805,228
Adjustments for:		
Inventories	(7,127,443)	47,687,191
Trade and Other Receivables	8,351,334	16,670,507
Trade Payables and Other Liabilities	(133,062,269)	(101,370,879)
Cash generated from/(used in) operations	5,488,372	44,792,047
Direct taxes paid (Net of refunds)	(37,739,199)	(1,395,126)
Net cash flow from/(used in) operating activity	(32,250,826)	43,396,922
ii CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Capital Work in Progress	(23,208,630)	-
Purchase of Investment	(90,242,958)	(143,736,414)
Interest Received	11,094,944	7,115,662
Lease Rental Income	96,758,000	2,952,000
Proceeds from sale of fixed assets	-	39,545,000
Proceeds from sale of Investment	99,471,368	142,755,130
Net Cash Used in Investing Activities	93,872,724	48,631,378
iii CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(49,175,976)	(17,519,080)
Dividend Income	50	9,825
Proceeds/ (Repayment) from/of borrowing (net)	1,986,786	(73,629,503)
Proceeds from calls on unpaid shares including securities premium	9,292,000	-
Net Cash from Financing Activities	(37,897,140)	(91,138,758)
Net Increase/ (Decrease) in Cash and Cash Equivalents (Total i+ii+iii)	23,724,757	889,542
Cash and Cash Equivalents at the beginning of the year (Refer Note 2)	38,024,367	6,740,826
Cash and Cash Equivalents at the end of the year (Refer Note 2)	61,749,124	7,630,367
Net Increase/(Decrease) in Cash & Cash Equivalents	23,724,757	889,541

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2018

Notes:

- 1 The Consolidated Cash Flow Statement is prepared using the " Indirect method" set out in Ind AS 7 - " Statement of Cash Flows"
- 2 The cash and cash equivalents in the cash flow statement comprise of the following Balance Sheet amounts

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2018
i) Margin money deposits with banks (less than 3 months maturity)	825,000	-
ii) Current Accounts with Banks	60,902,155	7,615,928
iii) Cash on Hand	21,969	14,439
iv) Cash and Cash Equivalent on conversion of Associate into Subsidiary Company	-	30,394,000
Total	61,749,124	38,024,367

- 3 Previous year's figures have been restated, wherever necessary, to conform to current year's classification.

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151
Place : Pune
Date : November 23, 2018

V. G. Ravetkar
Director
DIN:00374456

Place :Pune
Date : November 23, 2018

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No - 1.1 - PROPERTY, PLANT AND EQUIPMENTS

Financial Year - 2017 -2018

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2017	Addition	Deletion / Adjustment *	As at March 31, 2018	As at April 1, 2017	For the year	As at March 31, 2018	As at March 31, 2017
Freehold Land	-	-	692,415,000	692,415,000	-	-	692,415,000	-
Buildings	-	-	46,059,000	46,059,000	-	1,226,667	42,376,000	-
Plant and Equipment	1,317,963	-	377,330,000	378,647,963	1,094,851	14,448,409	332,962,036	223,112
Furniture and Fixtures	4,475,436	-	478,000	4,953,436	3,341,413	369,670	1,131,353	1,134,023
Office Equipment	828,112	-	2,048,000	2,876,112	794,739	272,887	1,384,819	33,373
Computer Hardware	1,557,818	-	1,298,000	2,855,818	1,499,684	287,848	568,953	58,134
Vehicles	6,603,289	9,972,747	2,098,000	18,674,036	6,081,646	1,256,713	11,033,010	521,643
Leasehold Improvements	1,003,304	-	-	1,003,304	552,342	100,330	350,632	450,962
Total	15,785,922	9,972,747	1,121,726,000	1,147,484,669	13,364,675	17,962,524	1,082,221,803	2,421,247

* Adjustment is on account of conversion of associate company into subsidiary company.

Financial Year - 2016 -2017

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2016	Addition	Deletion / Adjustment	As at March 31, 2017	As at April 1, 2016	For the year	As at March 31, 2017	As at April 1, 2016
Plant and Equipment	220,228,099	-	(218,910,136)	1,317,963	126,647,891	15,797,236	223,112	93,580,208
Furniture and Fixtures	4,475,436	-	-	4,475,436	2,874,831	466,582	1,134,023	1,600,605
Office Equipment	828,112	-	-	828,112	745,810	48,929	33,373	82,302
Computer Hardware	1,557,818	-	-	1,557,818	1,407,243	92,441	58,134	150,575
Vehicles	6,603,289	-	-	6,603,289	5,873,288	208,358	521,643	730,001
Leasehold Improvements	1,003,304	-	-	1,003,304	452,012	100,330	450,962	551,292
Total	234,696,058	-	(218,910,136)	15,785,922	138,001,075	16,713,876	2,421,247	96,694,983

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No - 1.2 - INVESTMENT PROPERTY

Financial Year - 2017 -2018

Particulars	Gross Block			Depreciation			(Amount in Rupees)	
	As at April 1, 2017	Addition	Deletion / Adjustment *	As at March 31, 2018	As at April 1, 2017	For the year	As at March 31, 2018	As at March 31, 2017
Hangar Building	-	-	131,593,000	131,593,000	-	3,121,333	122,227,000	-
Total	-	-	131,593,000	131,593,000	-	3,121,333	122,227,000	-

* Adjustment is on account of conversion of associate company into subsidiary company.

Subsidiary Company - Taneja Aerospace and Aviation Limited

During the year, the company has recognised rental income of Rs 7,97,00,000/- in the statement of Profit and Loss for Investment Properties.

Investment properties is leased out under operating lease. Disclosure on future rent receivable is included in note No. 4.9.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The fair value of investment properties as at March 31, 2018 is NR 56,00,32,000/-. Fair value been determined by an in-house expert and the valuation is classified as a level 3 valuation.

Note No - 1.3 - INTANGIBLE ASSETS

Financial Year - 2017 -2018

Particulars	Gross Block			Depreciation			(Amount in Rupees)	
	As at April 1, 2017	Addition	Deletion / Adjustment	As at March 31, 2018	As at April 1, 2017	For the year	As at March 31, 2018	As at March 31, 2017
Goodwill	1,025,171	-	-	1,025,171	1,025,171	-	-	-
Software	322,701	-	-	322,701	228,656	64,540	293,196	94,045
Total	1,347,872	-	-	1,347,872	1,253,827	64,540	1,318,367	94,045

Financial Year - 2016 -2017

Particulars	Gross Block			Depreciation			(Amount in Rupees)	
	As at April 1, 2016	Addition	Deletion / Adjustment	As at March 31, 2017	As at April 1, 2016	For the year	As at March 31, 2017	As at April 1, 2016
Goodwill	1,025,171	-	-	1,025,171	820,416	204,755	-	204,755
Software	322,701	-	-	322,701	164,116	64,540	94,045	158,585
Total	1,347,872	-	-	1,347,872	984,532	269,295	1,253,827	363,340

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.4 NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Investment in Equity Instruments - Unquoted			
In Associate Companies			
i) Fair Growth Holding Pte Ltd 12,000 (31 March, 2017 : 12,000; 1 April, 2016 : 12,000) Equity Shares of SGD 1 each fully paid	360,712	165,316	144,217
Investment in Equity Instruments - Quoted			
a) In Associate Companies (Equity method accounting)			
i) ISMT Ltd 6,89,19,158 (31 March, 2017 : 6,89,18,158 , 1 April, 2016 : 5,55,34,088) Equity Shares of Rs 5 each fully paid.	-	-	44,185,070
ii) Taneja Aerospace & Aviation Ltd. 1,26,99,016 (31 March, 2017 : 1,10,10,337; 1 April, 2016 : 1,10,10,337) Equity Shares of Rs 5 each fully paid.	-	380,062,692	376,718,721
iii) TAAL Enterprises Limited Nil (31 March, 2017 : Nil; 1 April, 2016 : 13,70,577) Equity Shares of Rs 10 each fully paid.	-	-	58,719,747
b) In Associate Companies (At Cost)			
i) TAAL Enterprises Limited 577 (31 March, 2017 : 6,12,577; 1 April, 2016 : Nil) Equity Shares of Rs 10 each fully paid.	236,325	8,731,521	-
c) In Other Companies (At fair value through OCI)			
i) Cosmos Co-op Bank Ltd 1,000 (31 March, 2017 : 1,000; 1 April, 2016 : 1,000) Equity Shares of Rs 100 each fully paid.	-	-	-
Investment in Equity Instruments - Quoted			
a) In Other Companies (At fair value through OCI)			
i) Maharashtra Seamless Ltd 10 (31 March, 2017 : 10; 1 April, 2016 : 10) Equity Shares of Rs 5 each fully paid.	4,254	3,520	1,443
ii) Oil Country Tabular Ltd 5 (31 March, 2017 : 5; 1 April, 2016 : 5) Equity Shares of Rs 10 each fully paid.	161	230	121
iii) Gandhi Special Tubes Ltd 400 (31 March, 2017 : 200; 1 April, 2016 : 200) Equity Shares of Rs 5 each fully paid.	145,660	66,800	40,240
Total	747,112	389,030,079	479,809,559

Aggregate amount of unquoted investments	360,712	165,316	144,217
Aggregate amount of quoted investments - At Cost	1,190,094,367	1,101,998,591	968,798,377
Aggregate amount of quoted investments - At Market Value	623,955,871	1,481,120,956	1,346,279,012

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.5 NON CURRENT FINANCIAL ASSETS -LOANS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured Loans			
Associate Company	60,192,113	53,046,720	46,749,555
Total	60,192,113	53,046,720	46,749,555

Note No. 1.6 NON CURRENT FINANCIAL ASSETS - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Deferred expenses on Financial Assets measured at amortised cost	14,520,030	21,780,045	29,040,060
Total	14,520,030	21,780,045	29,040,060

Note No. 1.7 DEFERRED TAX ASSETS (NET)

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
MAT credit entitlement	73,693,909	24,282,385	-
Total	73,693,909	24,282,385	-

In the opinion of management, based on the projected future taxable profits, the outstanding MAT credit entitlement will be utilised 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.

Note No. 1.8 OTHER NON CURRENT ASSETS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Capital advance to suppliers	20,547,000	-	-
Total	20,547,000	-	-

Note No. 1.9 INVENTORIES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Stock in trade	770,209	1,645,766	49,332,957
Raw Material in Stock (Including Goods in Transit of Rs 43,97,000)	25,998,000	-	-
Work in Progress in stock (At cost)	22,742,000	-	-
Total	49,510,209	1,645,766	49,332,957

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured			
- Considered good	85,107,780	50,900,748	69,524,043
- Considered doubtful	48,221,000	-	-
Less: Allowance for bad & doubtful debts	(48,221,000)	-	-
Total	85,107,780	50,900,748	69,524,043

Note No. 1.11 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
i) Balances with Banks	60,902,155	7,615,928	6,722,122
ii) Margin money deposits with banks (less than 3 months maturity)	825,000	-	-
ii) Cash on Hand	21,969	14,439	18,704
Total	61,749,124	7,630,367	6,740,826

Note No. 1.12 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
i) Margin money deposits with banks (more than 3 months maturity)	8,926,000	-	-
Total	8,926,000	-	-

Note No. 1.13 CURRENT FINANCIAL ASSETS - LOANS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Security Deposits	7,110,000	381,000	381,000
Loan to related Parties	12,238,000	-	-
Total	19,348,000	381,000	381,000

Note No. 1.14 CURRENT FINANCIAL ASSETS - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Other Advances recoverable	329,540	300,000	300,000
Total	329,540	300,000	300,000

Note No. 1.15 CURRENT TAX ASSETS (Net)

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Taxes Paid	104,328,598	-	20,449,275
Less: Provision for Taxes	86,966,132	-	1,879,000
Total	17,362,466	-	18,570,275

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.16 OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Advance to suppliers	21,092,000	-	-
Balance with Government Authorities	729,113	715,385	363,660
Advances to be recoverable in cash or kind	10,521,189	2,698,558	134,643
Unbilled Revenue	289,000	-	-
Total	32,631,302	3,413,943	498,303

Note No. 1.17 EQUITY SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Authorised :-			
1,20,00,000 (31 March, 2017: 1,20,00,000 ; 1 April, 2016: 1,20,00,000) Equity shares of Rs. 10/- each	120,000,000	120,000,000	120,000,000
	120,000,000	120,000,000	120,000,000
Issued , Subscribed and Paid up			
1,13,99,606 (31 March, 2017 : 1,13,99,606 ; 1 April, 2016 : 1,13,99,606) Equity share of 10/- Each fully paid	113,996,060	113,996,060	113,996,060
Less:- Calls in arrears	2,340,060	3,269,260	3,269,260
	111,656,000	110,726,800	110,726,800

The company has only one class of issued shares having par value of Rs. 10 /- each. Holders 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

(Amount in Rupees)

Particulars	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	Equity Shares in Numbers	Amount in Rupees	Equity Shares in Numbers	Amount in Rupees	Equity Shares in Numbers	Amount in Rupees
Shares outstanding at the beginning of the year	10,745,754	110,726,800	10,745,754	110,726,800	10,745,754	110,726,800
Amount received on unpaid call during the year	185,840	929,200	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Calls unpaid	468,012	2,340,060	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	11,399,606	113,996,060

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

Name of Share Holders (Equity)	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	No. of Shares held	% holding	No. of Shares held	% holding	No. of Shares held	% holding
Vishkul enterprises Pvt. Ltd. (formerly known as Vishkul Leather Garments Pvt. Ltd.)	6,972,280	61.16%	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 Consolidated Financial Statement for the year ended 31st March, 2018

NOTE NO. 1.18 OTHER EQUITY

Particulars	Reserve and Surplus										Items of Other Comprehensive Income (OCI)			Total
	Capital Reserve	Revaluation Reserves	Capital Redemption Reserve	Amalgamation Reserves	Reserves for Contingencies	Securities Premium	General Reserve	Hedging Reserve Accounts	Retained Earnings	Equity Instruments through OCI	Exchange differences in translating the financial statements of a foreign operation	Remeasurement Gain/ (Losses) on Defined benefit Liabilities		
As at April 1, 2016	72,798,985	806,306,555	261,727,717	3,967,804	3,540,132	653,792,358	1,654,248,828	700,000	(3,449,203,060)	41,804	-	-	7,921,123	
Adjustment :														
Addition during the year	-	(14,983,203)	-	(15,890,081)	-	-	30,873,283	-	(28,436,035)	28,746	6,392,145	2,669,506	(19,345,638)	
Adjustment on account of derecognition of Associate Company	(47,888,336)	-	-	-	-	6,256,059	-	-	(1,105,914)	-	-	453,621	(42,284,570)	
Movement of Reserves restricted to the extent of investment value in Associate Company	-	14,983,203	-	15,890,081	-	-	(30,873,283)	-	(14,882,244)	-	357,452	-	(14,524,791)	
Transfer to Non Controlling Interest	-	-	-	-	-	-	-	-	3,224,572	-	-	-	3,224,572	
Sub Total	(47,888,336)	-	-	-	-	6,256,059	-	-	(41,199,621)	28,746	6,749,597	3,123,127	(72,930,427)	
As at March 31, 2017	24,910,649	806,306,555	261,727,717	3,967,804	3,540,132	660,048,417	1,654,248,828	700,000	(3,490,402,681)	70,550	6,749,597	3,123,127	(65,009,304)	
Adjustments :														
Add: Addition during the year	-	-	-	-	-	8,362,800	-	-	221,378,442	(8,013)	38,796	1,119,067	230,891,092	
Transfer to Non Controlling Interest	-	-	-	-	-	-	-	-	(19,136,754)	-	-	(449,809)	(19,586,563)	
Sub Total	-	-	-	-	-	8,362,800	-	-	202,241,688	(8,013)	38,796	669,258	211,304,530	
As at March 31, 2018	24,910,649	806,306,555	261,727,717	3,967,804	3,540,132	668,411,217	1,654,248,828	700,000	(3,288,160,993)	62,537	6,788,393	3,792,386	146,295,225	

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

NATURE AND PURPOSE OF RESERVES

A Capital Reserve

Represents application money on Equity Share Warrants not exercised.

B Capital Redemption Reserve

Represents Reserve created at the time of redemption of Preference Shares.

C Revaluation Reserve

Associate Company - ISMT Limited - Represents revaluation of Leasehold Land located at Ahmednagar and Baramati of Parent Company, Building and Plant & Machinery of its subsidiary Company “Structo Hydraulic’s AB”.

D Amalgamation Reserve

Arising out of the Scheme of Arrangement between The Indian Seamless Metal Tubes Limited and the Parent Company.

E Reserve for Contingencies

Arising out of the Scheme of Arrangement between the Parent Company and Jejuri Steel & Alloys Limited.

F Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

G General Reserve

Represents profit transferred from Statement of Profit and Loss Account and are available for distribution to Shareholders.

H Retained Earnings

Represents Net Loss incurred by the Group as on March 31, 2018.

I Foreign Currency Translation Reserves (FCTR)

Exchange differences relating to the translation of the results and net assets of the Group’s foreign operations from their functional currencies to the Group’s presentation currency (i.e. Rupees) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.

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Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Secured Loan			
Term Loan from Banks	326,530,000	-	-
Other Long Term borrowings	819,000	-	-
Less: Current maturities	(75,647,000)	-	-
Unsecured Loan			
Sales Tax Deferral Loan	-	-	917,806
Total	251,702,000	-	917,806

Subsidiary Company - Taneja Aerospace and Aviation Limited

The term loan from bank outstanding as at March 31, 2018 amounting to 17,63,00,000/- (including current maturities of non-current borrowings) is secured by a first charge on assignment of Hangar-1 rental/ receivables from lessee and specific free hold lands to the extent of 37.47 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli — 635114, Tamil Nadu. Second pari-passu charge is created on other property, plant and equipment (both movable and immovable) of the Company along with other consortium banks as a collateral security.

The term loan from bank outstanding as at March 31, 2018 amounting to INR 12,61,00,000/- (including current maturities of non-current borrowings) is secured by a first charge on assignment of Hangar-2 rental/ receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli — 635114, Tamil Nadu as a collateral security.

The term loan from bank outstanding as at March 31, 2018 amounting to Rs 2,50,00,000/- (including current maturities of non-current borrowings) is secured by a exclusive charge on plant & equipment to be procured under the facility & continuing security of specific free hold lands already mortgaged with bank as a collateral security.

The other long-term borrowing from bank outstanding as at March 31, 2018 amounting to NR 8,19,000/- (including current maturities of non-current borrowings) is secured by a exclusive charge on motor vehicle.

Maturity profile of secured term loans (as at March 31, 2018)

(Amount in Rupees)

Particulars	Maturity Profile		
	1 -2 years	2-3 years	beyond 3 years
Non Current Borrowings	95,261,000	111,020,000	45,421,000

Note No. 1.20 NON CURRENT FINANCIAL LIABILITIES -OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Inter Corporate Deposits	94,000,000	78,772,600	46,024,632
Deposit for lessee	12,262,000	-	-
Deposit from customers	575,000	-	-
Other Payable	8,000	-	-
Total	106,845,000	78,772,600	46,024,632

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.21 NON CURRENT LIABILITIES - PROVISIONS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Provision For Employee Benefits			
i) Gratuity	17,680,183	3,529,804	1,548,322
ii) Leave Encashment	6,876,837	473,338	367,977
Total	24,557,020	4,003,142	1,916,299

Note No. 1.22 OTHER NON CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Deferred Rent Income	52,667,000	-	-
Total	52,667,000	-	-

Note No. 1.23 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
<u>Secured Loan</u>			
Term Loan from Others (Refer Note No a)	50,000,000	31,990,548	36,000,000
Working Capital Loan from Bank (Refer Note b & c)	57,000,832	39,452,691	46,681,425
<u>Unsecured Loan</u>			
Loan from Others	-	-	46,424,701
Loan from Banks	-	-	2,366,547
Total	107,000,832	71,443,239	131,472,673

Note:

a) Parent Company

Term Loan of Rs 5,00,00,000/- (As at March 31, 2017 Rs. 31,990,548/- and As at April 1, 2016 Rs 3,60,00,000/-) is secured by way of pledge of 200,00,000 Equity Shares held in the ISMT Ltd and Corporate Guarantee by third parties.

b) Subsidiary Company - Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd)

Working Capital Borrowing from bank of Rs 2,76,29,832/- as at March 31, 2018 (March 31, 2017 : Rs 3,94,52,691/- , April 1, 2016 Rs 4,66,81,425/-) is secured against hypothecation of inventory cum book debts and all current assets of the company, Corporate Guarantee of Parent Company and Pledge of Shares of Taneja Aerospace & Aviation Ltd held by Parent Company as Investments

c) Subsidiary Company - Taneja Aerospace and Aviation Limited

Working capital loans from banks of Rs 2,93,71,000/- as of March 31, 2018, is secured against hypothecation of stock and book-debts on pari-passu basis and second charge on property, plant and equipment including specific free hold lands to the extent of 26.87 acres and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli — 635114, Tamil Nadu. Loan is at MCLR plus 5 - 5.50 % p.a rate of interest.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.24 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Total outstanding dues to micro enterprise and small enterprise	-	-	-
Total outstanding dues to creditors other than micro enterprise and small enterprise (Refer Note No 4.7)	86,423,183	63,847,190	144,820,611
Total	86,423,183	63,847,190	144,820,611

Note No. 1.25 CURRENT FINANCIAL LIABILITIES - OTHERS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Current Maturities of Non - current borrowings @	75,647,000	917,807	13,600,070
Other Liabilities	158,603,086	88,255,144	90,950,798
Employee Related Liability #	7,976,000	-	-
Total	242,226,086	89,172,951	104,550,868

@ for security details refer note no 1.19.

Subsidiary Company - Taneja Aerospace and Aviation Limited - Includes Rs 26,000/- due to whole time Director

Note No. 1.26 OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Advance from customers	156,250,360	255,132,643	307,405,000
Other Liabilities	30,879,759	19,227,528	15,249,561
Deferred Revenue	1,872,000	-	-
Deposit repayable in cash or kind	2,000,000	3,650,000	14,150,000
Total	191,002,119	278,010,171	336,804,561

Note No. 1.27 CURRENT LIABILITIES - PROVISIONS

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Provision For Employee Benefits			
i) Gratuity	176,199	36,239	36,239
ii) Leave Encashment	791,106	31,407	31,407
Total	967,305	67,646	67,646

Note No. 1.28 CURRENT TAX LIABILITY

(Amount in Rupees)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Provision for Tax	-	34,300,000	-
Less: Taxes Paid	-	19,965,399	-
Total	-	14,334,601	-

Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No. 1.29 REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
<u>Sales of Products</u>		
Sales - Trading	52,476,510	71,434,507
Sales - Aviation	36,820,667	-
<u>Sales of Services</u>		
Professional fee	202,466,127	147,535,856
<u>Service - Aviation</u>		
Domestic Conversion Charges	63,817,333	-
Rental Income	96,758,000	-
Training and Other services	12,668,000	-
Total	465,006,637	218,970,363

Note No. 1.30 OTHER INCOME

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Dividend Income	50	9,825
Lease Rent Income	-	2,952,000
Interest on IT Refund	1,343,551	818,497
Profit on Sale of Investments	90,976,172	135,707,737
Income from share trading	2,619,726	4,364,900
Interest Income	2,606,000	-
Interest Income for financial assets measured at amortized cost	7,145,393	6,297,165
Credit Balance - Written Back	311,176	6,590,185
Miscellaneous Income	3,061,333	228,280
Total	108,063,401	156,968,589

Note No. 1.31 EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
i) Salaries, wages Bonus and Allowances	66,065,611	9,147,978
ii) Contribution to Provident Fund and Other Funds	5,634,496	2,497,117
iii) Gratuity	2,179,333	-
iv) Staff Welfare Expenses	2,887,213	111,537
Total	76,766,653	11,756,632

Note No-1.32 FINANCE COST

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Interest	53,536,225	10,591,475
Interest expenses for financial assets measured at amortized cost	7,260,015	7,260,015
Cash Discount	40,825	3,591,848
Other Finance Cost	5,105,082	-
Total	65,942,147	21,443,338

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Notes to Consolidated Financial Statement for the year ended 31st March, 2018

Note No-1.33 DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Depreciation	17,962,524	16,713,876
Depreciation on Investment Property	3,121,333	-
Depreciation on Intangibles	64,540	269,295
Total	21,148,397	16,983,171

Note No. 1.34 OTHER EXPENSES

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Repair and Maintenance - Plant and Machinery	2,108,000	-
Repair and Maintenance - Buildings	320,000	-
Repair and Maintenance - Others	1,426,000	-
Power and Fuel	5,238,000	-
Audit Fees	888,667	333,750
Advertisement and Sale Promotion	2,233,873	760,327
Debtors written off	17,083,356	-
Rates ,Taxes and fees	2,849,644	1,192,941
Insurance	1,037,898	100,768
Travelling expense	6,028,745	462,660
Vendor Charges	6,878,667	-
Loss on sale of Assets	-	38,014,861
Provision for Doubtful debts	4,178,000	-
Professional & Legal fees	27,670,619	8,348,262
Miscellaneous expense	6,023,510	2,198,161
Total	83,964,979	51,411,730

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

2. Corporate Information

Indian Seamless Enterprises Limited (“the Parent Company”) is a public limited company incorporated in India (CIN: U29000PN1995PLC090946) having its registered office in Pune. The Parent Company is mainly engaged in Trading of Tubes, Investments and consultancy services. The consolidated Ind AS financial statement comprises financials of the parent company and its subsidiaries (referred to collectively as “the Group”) and its associates.

These consolidated AS financial statements for the year ended March 31, 2018 were approved for the issue by the Board of Directors vide their Board meeting dated November 23, 2018.

3. Significant Accounting Policies

3.1 Statement of compliance:

The consolidated Ind AS financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), including the rules notified under the relevant provisions of the Companies Act 2013. For periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Refer Note No. 4.19 for the explanation of transition from previous GAAP to Ind AS. These financial statements are the Group’s first consolidated Ind AS financial statements.

3.2 Principles of Consolidation

3.2.1. Subsidiaries:

The consolidated Ind AS financial statements have been prepared in accordance with Ind AS 110 on “Consolidated Financial Statements” on the following principles:

- a) Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases.
- b) The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 3.2.5 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra, group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Parent Company independent financial statements
- c) In case of foreign subsidiaries, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the “Foreign Currency Translation Reserve”.
- d) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2018.
- e) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - The non-controlling interests’ share of movements in equity since the date parent subsidiary relationship came into existence.
 - The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

3.2.2. Associates

- a) An associate is an entity in which the Group has significant influence, but no control or joint control over the financial and operating policies.
- b) Interest in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition the consolidated Ind AS financial statements include the Associates share of profit or loss and Other Comprehensive Income ("OCI") until the date on which significant influence or joint control ceases.
- c) 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.
- d) Unrealised gains / losses arising from transactions with such entities are eliminated against the investment to the extent of the Group's interest in the associates.

3.2.3. Business Combination:

In accordance with Ind AS 101 First time adoption of Indian Accounting Standards, the Group has elected to apply the requirements of Ind AS 103, "Business Combinations" prospectively to business combinations on or after the date of transition (April 1, 2016). Pursuant to this exemption, goodwill / capital reserve arising from business combination has been stated at the carrying amount under previous GAAP. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate

3.2.4. Common Control:

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

3.2.5. The consolidated Ind AS Financial Statements present the consolidated accounts of Indian Seamless Enterprises Limited with its subsidiaries and associates companies:

Sr No		Name of Company	Country of Incorporation	Nature of Relationship	Effective Ownership Interest (%)
1	@	Laurus Tradecon Private Limited (Formerly known as Lightho Technologies Private Limited)	India	Subsidiary	52.01%
2	*#	Taneja Aerospace & Aviation Ltd	India	Subsidiary	50.93%
3	*	ISMT Ltd	India	Associate	47.04%
4	\$	Fair Growth Holding Pte Ltd	Singapore	Associate	33.33%

Reporting dates of all Subsidiary Companies and Associate companies is March 31, 2018.

@ Audited by us

\$ Compiled by the Management as on March 31, 2018

* Audited by other auditors

Became Subsidiary Company w.e.f August 1, 2017.

3.3 Basis of Preparation of Consolidated Ind AS Financial Statements

The consolidated Ind AS financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

3.4 Functional and presentation currency and Rounding off of the amounts:

The Functional and presentation currency of the Group is Indian rupees. Accordingly, all amounts disclosed in the consolidated Ind AS financial statements and notes have been shown in Indian rupees.

3.5 Current versus non-current classification

The Group has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

All liabilities are current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

3.6 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government.

The Group follows specific recognition criteria as described below before the revenue is recognized.

i Sales

a) Sales of Goods:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and cash discount.

b) Professional fees:

Revenue from professional fees is recognized upon by reference to the stage of completion of service and the amount of revenue can be measured reliably.

ii Other Operating Revenue

Other Operating revenue comprises of following items:

- **Dividend Income**

Dividend Income are recognized on receipt basis.

- **Interest Income**

Interest income from financial assets is recognized using effective interest rate method.

- **Operating Lease Income**

Revenue from Operating Lease is recognized on a straight line basis.

iii Subsidiary Company: Taneja Aerospace and Aviation Limited:

- a) 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.
- b) Rental income arising from operating leases (leases of hangar) is accounted for on a straight-line basis (except where the rentals are structured to increase in line with expected general inflation) over the lease terms based on agreement/contract entered into with the third party on accrual basis and is included in revenue in the Statements of Profit and Loss due to its operating nature.
- c) Training fees received, being non-refundable, is accounted over the period of training period.
- d) 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. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amounts recognised as sale is exclusive of Sales Tax, 'VAT/GST and are net of returns.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

3.7 Property, Plant and Equipment's:

- i 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.
- ii Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in profit and loss statement as and when incurred.
- iii All incidental expenses incurred during project implementation, for the project as well as trial run expenses are treated as expenditure during construction and are capitalized.
- iv Capital work in progress (CWIP) comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction and is pending allocation to the assets which will be allocated / apportioned on completion of the project
- v The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its PPE as recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 01,2016).
- vi **Subsidiary Company: Taneja Aerospace and Aviation Limited:**
 - a) Considering the nature of business activity, Runway has been treated as Plant and Equipment and depreciation has been provided accordingly.
 - b) Assets received on amalgamation are recorded at its fair value.

3.8 Depreciation:

- i Depreciation on Building, Plant & Equipment and Computer Hardware is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.
- ii Deprecation on office equipment, furniture and fixtures, vehicle and leasehold improvement is provided as per the useful life specified Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method.
- iii 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.
- iv **Subsidiary Company: Taneja Aerospace and Aviation Limited:**

Based on the technical expert's assessment of useful life, following class of property, plant and equipment are being depreciated over use-fill lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. These estimates are 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.

Property, Plant and Equipment	
Plant and Machinery	15 -48 years

- v **Associate Company: ISMT Limited**
 - a) Leasehold Land is amortized over lease period.
 - b) 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.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

- c) in case of Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited, Deprecation 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 straight line method.

3.9 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use. The useful life of intangible assets is assessed as either finite or indefinite. All finite-lived intangible assets, are accounted for using the cost model whereby intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on straight line basis over the estimated useful economic life. Residual values and useful lives are reviewed at each reporting date.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

3.10 Investment properties:

Investment properties are measured initially at cost, Including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment properties are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on investment properties is provided on a pro-rata basis on straight line method over the estimated useful lives. Use-fil life of assets, as assessed by the management, corresponds to those prescribed by Schedule II – Part 'C'.

Though the Group measures investment properties using cost based measurement, the fair value of investment properties is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

3.11 Leases :

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Group as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where Group, as a lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

As a lessor

Leases in which Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.12 Inventories:

- i. Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written
- ii. **Subsidiary Company: Taneja Aerospace and Aviation Limited:**
 - a) 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 the percentage of work completed.
 - b) Work-in-progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work-in-progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present and condition. Cost of traded goods is determined on a weighted average basis.
- iii. **Associate Company: ISMT Limited**
 - a) Raw Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.
 - b) 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.
 - c) Subsidiary Companies - 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 net realisable value respectively. Obsolescence risk have been considered.

3.13 Employee Benefits:

- i. 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
- ii. **Subsidiary Company: Taneja Aerospace and Aviation Limited and Associate Company : ISMT Limited**
 - a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services upto the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.
 - b) **Other long-term employee benefits obligations**
 - **Defined contribution plan**

Group makes defined contribution to Provident Fund and Superannuation Fund, which are recognised as an expense in the Statement of Profit and Loss on accrual basis. Group has no further obligations under these plans beyond its monthly contributions.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

Employee 's State Insurance Scheme: Contribution towards employees ' state insurance scheme is made to the regulatory authorities, where Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

➤ Defined benefit plans

Gratuity: Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death incapacitation or termination of employment, of an amount based on the respective employee 's salary. Group 's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are ex to be availed or encased within twelve months from the end of the year are treated as sh01t-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year

Accumulated compensated absences, which are expected to be availed or encased beyond twelve months from the end of the year are treated as other long-term employee benefits. Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

3.14 Research and Development:

Research and Development costs (other than costs of fixed assets acquired) are charged to Statement of Profit and Loss in the year in which they are incurred.

3.15 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

3.16 Government Incentive:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per accounting policy applicable to financial liabilities

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

3.17 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at bank and demand deposits with banks which are short-term, highly liquid investments with original maturities of three months or less, that are readily convertible into a known amount of cash and which are subject to an insignificant risk of changes in value.

3.18 Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset available for immediate sale in its present condition subject to terms which are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets classified as held for sales are not depreciated or amortized.

3.19 Fair Value Measurement: -

The Group measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices)

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.20 Financial instruments:

The Group recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

I. Financial Assets:**a) Initial recognition and measurement:**

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

b) Subsequent measurement:

For subsequent measurement, the Group classifies financial asset in following broad categories:

i. Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

any. The losses arising from impairment are recognized in the statement of profit or loss. Cash and bank balances, trade receivables, loans and other financial asset of the group are covered under this category.

ii. **Financial asset carried at FVTOCI:**

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

iii. **Financial asset carried at FVTPL:**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit or loss.

c) **Investment in subsidiaries:**

Investments in Subsidiaries are recorded at cost and reviewed for impairment at each reporting date

d) **Other equity instruments:**

All other equity instruments are measured as fair value, with value changes recognized in Statement of Profit and Loss, except for those equity instrument for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

e) **Derecognition:**

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Group has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

f) **Impairment of financial asset:**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'

II. **Financial Liabilities:**

a) **Initial recognition and measurement:**

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b) Subsequent measurement:

Financial liabilities are carried at amortized cost using the Effective Interest Rate (EIR) method. For trade and other payable maturing within one year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments

c) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

III. Offsetting of Financial Instruments

Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.21 Segment accounting:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

3.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Group and weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Group and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.23 Provision for Current and Deferred Tax: -

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive income or in Equity

Current tax:

Provision for Current tax is made on the basis of relevant provision of The Income Tax Act, 1961 as applicable to the financial year.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences, to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

Foreign Associate Company and Foreign subsidiary companies of Associate Company:

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

3.24 Impairment of non-financial Assets:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

3.25 Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Group has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability:

Contingent Liabilities are not provided and are disclosed in Notes on Accounts. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.26 Events occurring after the Balance Sheet Date

Events occurring after the Balance Sheet date and till the date on which the financial statements are approved, which are material in the nature and indicate the need for adjustments in the financial statements have been considered

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

3.27 Standards Issued but not yet Effective: -

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Group from April 01, 2018.

- Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

- Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Group's Consolidated Ind AS Financial Statements.

3.28 Key accounting judgments', estimates and assumptions:

The preparation of the Group's consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated Ind AS financial statements are as below:

- a. Assessment of functional currency;
- b. Financial instruments;
- c. Estimates of useful lives and residual value of PPE;
- d. Impairment of financial and non-financial assets;
- e. Valuation of inventories;
- f. Measurement of recoverable amounts of cash-generating units;
- g. Allowances for uncollected trade receivable and advances
- h. Provisions;
- i. Evaluation of recoverability of deferred tax assets; and
- j. Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

4. NOTES OF ACCOUNTS

4.1 Contingent Liabilities and Commitments (To the extent not provided for)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Contingent Liabilities			
Parent Company			
Corporate guarantees for Banking facilities / Term Loan granted to Subsidiary Company (Refer note a)	59,200,000	59,200,000	59,200,000
Sales tax deferral liabilities	-	11,952,989	45,529,593
Subsidiary Companies			
Custom Duty	62,267,000	-	-
Service Tax	23,761,000	-	-
Excise Duty	23,180,000	-	-
City Civil Court	17,000,000	-	-
Letters of Credit	4,240,000	-	-
Bank Guarantees	86,820,000	-	-
Indemnity issued to customers	2,396,000	-	-
Associate Company			
Sales Tax	146,700,000	150,600,000	136,000,000
Service Tax	-	12,438,000	20,462,000
Income Tax	14,300,000	7,000,000	46,944,760
Excise and Custom Duty	262,200,000	352,724,000	363,715,000
City Civil Court	-	17,000,000	-
Others	1,486,200,000	1,629,900,000	1,651,000,000
Corporate Guarantees (Refer note c)	62,300,000	60,500,000	249,400,000
Bill discounted on behalf of third party	323,900,000	157,400,000	671,800,000
Letters 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
Commitments			
Capital Commitments	Nil	Nil	Nil
Associate Company			
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	52,400,000	53,000,000	142,400,000

Note:

Parent Company :

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

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

- b) 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))

Associate Company : ISMT Limited

- c) Given on behalf of Structo Hydraulics AB, Sweden of Rs. Nil Crore (March 31, 2017 Rs Nil and April 1, 2016 Rs 16.58 Crore in respect of loans availed and Given on behalf of ISMT Europe AB, Sweden of Rs. 6.23 Crore (March 31, 2017 Rs 6.05 and April 1, 2016 Rs 8.36 Crore in respect of loans availed.

4.2 Calls in arrears is on 4,68,012 Equity Shares (Previous year 6,53,852 and 1st April 2016 6,53,852)

4.3 Subsidiary Company - Laurus Tradecon Private Limited (Formerly Known as Lighto Technologies Pvt Ltd)

- (a) Balance of debtors & creditors are subject to confirmation, any adjustments for difference s, if any, would be made at the time of settlement/reconciliation. The management is of the view that the impact of such adjustments, in any, is not likely to be significant.
- (b) Interest on letter of credit and claims by parties will be accounted on settlement with the parties
- (c) 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.
- (d) Provision for interest on delayed payment of statutory dues is not made and the same will be charged to P&L statement when paid.
- (e) In view of the market volatility the Company has provided for reduction in selling prices of the inventory.
- (f) The business environment has become extremely competitive and challenging in the short run. The Company is taking suitable corrective steps.
- (g) The Company is able to quantify the gratuity liability and leave salary, the same has been provided on actual basis.

4.4 Subsidiary Company - Taneja Aerospace and Aviation Limited

As per Clause 9.2 of the Scheme of Arrangement approved by honourable High Court, 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 licences required for carrying on the demerged charter business. The said licences are yet to be obtained and accordingly the demerged charter 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.

4.5 Associate Company - ISMT Limited

- (a) Considering 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 on receivables and c) Electricity Refund (Additional Supply Charges).
- (b) As per Ind AS 12 “ Income Tax”, Minimum Alternate Tax (MAT) credit (unused tax credit) is regarded as Deferred Tax Assets and the same shall be recognised to the extent that it has become probable that future taxable profit will be available against which the unused tax credit can be utilised. In view of business uncertainties and pending debt Resolution, it is difficult for the company to fairly ascertain the probable future taxable profit against which Mat Credit can be utilised. Accordingly, the unabsorbed MAT credit of Rs 82.05 Crores as at March 31, 2018, if any, shall be charged in the Statement of Profit and Loss to the extent it lapses in the respective years.
- (c) (i) Maharashtra Electricity Regulatory Commission (MERC) had disallowed Company’s petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Company filed an appeal before the Appellate Tribunal (APTEL) against the said order and the same has been dismissed by the APTEL vide their order dated April 1, 2016 . The Company’s appeal, challenging the APTEL order is pending before the Hon’ble Supreme Court. The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31, 2018 is Rs. 39.53 Crore, (March 31, 2017 is Rs. 39.53 Crore and April 1, 2016 is Rs. 39.53 Crore) representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

- (ii) In view of the above, the Company has not been able to operate the 40 MW Captive Power Plant (CPP) and is held for sale. In the opinion of the management, the Company expects to realise not less than its carrying amount of Rs. 254.00 Crore as on March 31, 2018.
- (d) Employee benefit expenses includes remuneration paid / payable to Managing Director and Executive Director of the Parent Company amounting to Rs. 3.15 Crore (Previous Year of Rs. 1.92 Crore) is subject to approval of Central Government.
- (e) The Company and its lenders had been exploring various options including OSDR for Debt Resolution. Subsequent to RBI Circular dated February 12, 2018 the lenders have decided to explore assignment of debt as a Resolution Plan. 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.
- (f) As a result of various measures taken by the Group, net loss for the financial year 2017 -2018 had come down to Rs 241.35 Crore against loss of Rs 279.30 Crore of financial year 2016 -2017. The levy of anti-dumping duty by the Government of India on import of tubes from China effective February 17, 2017, an increasing trend in international oil prices and the gradual pick-up in domestic demand are some of the factors resulting in increase in revenue and EBIDT. The Group has, therefore, continued to prepare its financial statements on Going Concern basis.
- (g) Tridem Port and Power Company Private Limited (TPPCL) 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 had decided not to pursue these projects. No provision has, however, been considered necessary for the amount invested in Property, Plant and Equipment's including Capital work-in-progress Rs. 104.63 Crore (March 31, 2017 Rs 104.62 Crore ; April 1, 2016 Rs 105.53 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.

4.6 Segment Reporting :

Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has 5 segments-Trading, Investment, Leasing, Aviation and Services

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

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under "Unallocable Assets / Liabilities".

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

For the Financial Year 2017 -2018

(Amount in Rupees)

Particulars	Trading	Investment	Leasing	Aviation	Services	Total
Segment Revenue						
Segment Revenue from:						
External sales and services	71,705,177	90,976,222	-	190,835,333	202,466,127	555,982,859
Unallocable revenue						17,087,179
Total Segment Revenue	71,705,177	90,976,222	-	190,835,333	202,466,127	573,070,038
Segment Result						
Operating Profit / (Loss)	(15,249,725)	90,976,222	-	26,657,333	189,710,383	292,094,213
Add: Unallocable						7,109,033
Add: Share of profit/(loss) of associates						362,284
Less: Finance Cost						65,942,147
Profit/(Loss) before Tax						233,623,383
Less: Tax expenses						12,244,941
Profit/ (Loss) after Tax						221,378,442
Other Information						
Segment Assets	40,649,792	38,303,753	-	1,374,047,000	20,711,197	1,473,711,742
Unallocable assets						214,900,078
Total Assets	40,649,792	38,303,753	-	1,374,047,000	20,711,197	1,688,611,820
Segment liabilities	118,229,749	-		197,056,000	11,885,376	327,171,125
Unallocable liabilities						736,219,420
Total liabilities	118,229,749	-	-	197,056,000	11,885,376	1,063,390,545

For the Financial Year 2016 -2017

(Amount in Rupees)

Particulars	Trading	Investment	Leasing	Aviation	Services	Total
Segment Revenue						
Segment Revenue from:						
External sales and services	71,434,507	135,707,737	2,952,000	-	147,535,856	357,630,100
Unallocable revenue	-	-	-	-	-	18,308,852
Total Segment Revenue	71,434,507	135,707,737	2,952,000	-	147,535,855	375,938,952
Segment Result						
Operating Profit / (Loss)	(45,076,141)	135,717,562	(50,736,827)	-	137,095,896	177,000,490
Add: Unallocable						5,773,963
Add: Share of profit/(loss) of associates						(179,749,535)
Less: Finance Cost						21,443,338
Profit/(Loss) before Tax	1,903,838	-	(50,736,827)	98,467,178	(4,882,528)	(18,418,420)
Less: Tax expenses						10,017,615
Profit/ (Loss) after Tax						(28,436,035)
Other Information						
Segment Assets	45,302,444	380,891,441			14,172,261	440,366,146
Unallocable assets						122,916,561
Total Assets	45,302,444	380,891,441	-	-	14,172,261	563,282,707
Segment liabilities	239,292,605	-	5,723,428	-	15,077,731	260,093,764
Unallocable liabilities						339,557,776
Total liabilities	239,292,605	-	5,723,428	-	15,077,731	599,651,540

Revenue from Major customers

Revenue under the segment Aviation includes Rs 11,73,42,667/- from three customers (previous year Rs Nil) having more than 10% revenue of total segment revenue.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

4.7 Dues to Micro, Small and Medium Enterprises

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, 2018.

4.8 Related Party Transactions.

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reporting periods, are:

Name and Relationships of the Related Parties:

I Key Management Personnel(KMP)

Name of the Related Party	Designation
Mr Salil Taneja	Whole Time Director
Mr N.V.Karbhase	Whole Time Director
Mr R Poornalingam (Upto September 27, 2017)	Non whole Time Director
Mr Rakesh Surie (Upto September 27, 2017)	Non whole Time Director
Mr Nirmal Chandra (Upto September 27, 2017)	Non whole Time Director
Mr C S Kameswaran (Upto February 6, 2018)	Non whole Time Director
Dr Prahlada Ramarao (From December 2, 2017)	Non whole Time Director
Mr Muralidhar Chitteti Reddy (From December 2, 2017)	Non whole Time Director
Mrs Raheal Shobhana Joseph (From December 14, 2017)	Non whole Time Director

II Entities where control exists

Holding Company

Vishkul Enterprises Private Limited (formerly known as Vishkul Leathers Garments Private Ltd.) (Vishkul)

Others

ISMT Ltd.

TAAL Tech India Private Limited

First Airways Inc

TAAL Enterprises Ltd

Tridem Port and Power Company Pvt Ltd

Fair Growth Holding Pte Ltd

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

III Details of transactions with related parties in the ordinary course of business for the year:

Nature of Transactions / Relationship	(Amount in Rupees)	
	Entities where control exist	
	2017-18	2016-17
<u>Income</u>		
Sales of Trading goods	19,228,667	-
Interest Income	1,000,000	-
Commission received for bank guarantee	706,000	-
Lease rent received on plant and machinery	-	2,952,000
Sale of shares	99,471,368	142,755,130
<u>Expenses</u>		
Purchase of Trading goods	68,815,873	63,100,675
Provision for doubtful debts	1,333,333	-
Reimbursement of expenditure during the year (Net)	532,667	-
Interest Paid	54,667	-
Purchase of shares	96,590,972	143,734,306
<u>Key Management Personnel - Compensation</u>		
Managerial Remuneration #	10,094,953	2,966,003
Director Sitting fees	593,333	-
<u>Outstanding as on Balance Sheet Date</u>		
Balance payable as at the year end	33,995,927	40,614,927
Balance receivable as at the year end	98,951,000	77,500,000
Corporate guarantee	59,200,000	59,200,000

Excludes contribution to gratuity fund and provision for leave encashment as separate figures are not ascertainable for the managerial personnel. Further, Group has not paid any commission to the managerial personnel.

4.9 Leases

Subsidiary Company : Taneja Aerospace and Aviation Limited Operating Leases where Company is a lessor:

The Group has entered into a lease transactions mainly for leasing of Hangars for a period of 25 years. The terms of lease include terms of renewal, increase in rents in future period, which are in line with general inflation and terms of cancellation. The operating lease payments recognised in the statement of Profit and Loss amounting to Rs 7,97,33,333/- is included in Note No 1.30

Future minimum rentals receivable under non-cancellable operating leases are as follow:

Particulars	(Amount in Rupees)	
	March 31, 2018	
Within one year	126,759,000	
After one year but not more than five years	587,792,000	
More than five years	2,153,452,000	

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

4.10 Employee Benefits

The group has made provision for gratuity and leave encashment on the assumption that such benefits are payable to employees at the end of the accounting year except in case of subsidiary company Taneja Aerospace and Aviation Limited, in which provisions are made on actuarial basis.

Subsidiary Company - Taneja Aerospace and Aviation Limited

(A) Defined Contribution Plans

During the year, Group has recognised the following amount in the statement of Profit and Loss

(Amount in Rupees)

Particulars	2017-18
Employer's Contribution to Provident Fund, family pension fund and other fund	4,114,000
Total	4,114,000

(B) Defined Benefits Plans

- i) Gratuity Payable to Employees
- ii) Compensated absences for employees

i) Actuarial Assumption

Particulars	March 31, 2018	
	Leave Encashment (Unfunded)	Employees gratuity Fund
Discount rate (per annum)	7.80%	7.80%
Rate of increase in salary	7% - 10%	7% - 10%
Expected average remaining working lives of employees (Years)	14.2	14.2
Withdrawal Rate	05 - 5%	05 - 5%

ii) Changes in present value of defined benefit obligations

(Amount in Rupees)

Particulars	March 31, 2018	
	Leave Encashment (Unfunded)	Employees gratuity Fund
Present value of defined benefit obligation at the beginning of the Year	6,684,667	13,529,333
Interest Cost	305,333	616,667
Past Service Cost	-	396,667
Current Service Cost	1,196,667	1,196,667
Benefits paid	(236,000)	(140,667)
Actuarial (gain) / loss on obligation	(964,667)	(916,667)
Present value of defined benefit obligation at the end of the Year	6,986,000	14,682,000

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

iii) Expenses recognised in the statement of Profit and Loss (Amount in Rupees)

Particulars	March 31, 2018	
	Leave Encashment (Unfunded)	Employees gratuity Fund
Current Service Cost	1,196,667	1,196,667
Past Service Cost	-	396,667
Interest Cost	305,333	586,000
Actuarial (gain) / loss on obligation	(964,667)	-
Total expenses recognised in the statement of profit and loss	537,333	2,179,334

iv) Assets and Liabilities recognised in the Balance sheet (Amount in Rupees)

Particulars	March 31, 2018	
	Leave Encashment (Unfunded)	Employees gratuity Fund
Present value of defined benefit obligation at the end of the Year	6,986,000	14,682,000
Less: Funded with LIC	-	-
Unfunded net asset/(Liability) recognised in the balance sheet	6,986,000	14,682,000

v) Expected contribution to the fund in the next year (Amount in Rupees)

Particulars	March 31, 2018
Total Amount	700,000

vi) Quantitative sensitivity analysis for significant assumption (Amount in Rupees)

Particulars	March 31, 2018
	Employees gratuity Fund
1 % increase in discount rate	13,562,000
1% decrease in discount rate	15,957,000
1% increase in salary growth rate	15,740,000
1% decrease in salary growth rate	13,735,000
1% increase in employee withdrawal rate	14,733,000
1% decrease in employee withdrawal rate	13,450,000

vii) Maturity Profile of defined benefit obligation (Amount in Rupees)

Particulars	March 31, 2018
	Employees gratuity Fund
April 2017 - March 2018	748,000
April 2018 - March 2019	1,185,000
April 2019 - March 2020	1,265,000
April 2020 - March 2021	1,229,000
April 2021 - March 2022	2,847,000
April 2022 onwards	10,988,000

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

4.11 As required under section 186(4) of the Companies Act, 2013, the particulars of loans and guarantees given and investments made during the year are as follows:

(Amount in Rupees)

Name of Entity	Nature of transaction and material terms	Purpose for which loan / guarantee proposed to be utilized by the recipient	Balance as on March 31, 2018	Balance as on March 31, 2017
Associate Company - ISMT Limited	Promoters Contribution	Unsecured Loan under Corrective Action Plan (CAP) and pending restructuring, the company has not provided interest on the said loan	77,500,000	77,500,000
Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd) - Subsidiary Company	Corporate Guarantee	Guarantee given to facilitate borrowing from bank by the subsidiary for meeting working capital needs.	59,200,000	59,200,000

4.12 Income tax Expenses

A The major components of income tax expenses for the year are as under:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
I) Income Tax recognised in the statement of profit and loss		
Current tax	48,187,465	34,300,000
MAT credit- current year	(35,942,524)	(22,404,000)
MAT Credit -Previous Year	-	(1,878,385)
Total Income Tax recognised in the statement of profit and loss	12,244,941	10,017,615
II) Income Tax recognised in Other Comprehensive Income		
Deferred tax	-	-
Total Income Tax recognised in Other Comprehensive Income	-	-

B. Reconciliation of tax Expenses and the accounting profit for the year is under:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Accounting profit before income tax expenses	233,623,383	(18,418,421)
Enacted tax rates in India (%)	34.61%	34.61%
Expected income tax expenses	80,857,053	(6,374,247)
Tax Effect of :		
Expenses not deductible	(378,663)	1,592,229
Exempt Income	(125,387)	61,000,313
Non Taxable Capital Gain	(31,486,853)	(19,737,876)
MAT credit receivable	(6,183,132)	-
Effect of Different income tax rate	(5,677,203)	318,358
Accelerated capital allowances	80,672	5,822,272
Carried forward loss set off	(24,841,546)	(30,725,049)
Income tax expense recognised in Statement of Profit and Loss	12,244,941	11,896,000
Adjustments recognised in current year in relation to the current tax of earlier years	-	(1,878,385)
Income Tax Expenses	12,244,941	10,017,615

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

C Deferred Tax Assets / Liabilities

The Group has not recognised deferred tax assets in the absence of the virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Significant components of Deferred tax assets & liabilities recognized in Financial Statements as at March 31, 2018

(Amount in Rupees)

Particulars	As at April 1, 2017	Charged / (credited) to Statement of income	Adjustment #	As at March 31, 2018
<u>Tax effect of item constituting deferred tax liabilities</u>				
i) Property, Plant and Equipment	-	-	-	-
	-	-	-	-
<u>Tax effect of item constituting deferred tax assets</u>				
i) MAT Credit Entitlement	24,282,385	35,942,524	13,469,000	73,693,909
	24,282,385	35,942,524	13,469,000	73,693,909
Net deferred tax asset/ (liability)	24,282,385	35,942,524	13,469,000	73,693,909

on account of conversion of associate company into subsidiary company.

As at March 31, 2018

(Amount in Rupees)

Particulars	As at April 1, 2017	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2018
<u>Tax effect of item constituting deferred tax liabilities</u>				
i) Property, Plant and Equipment	-	-	-	-
	-	-	-	-
<u>Tax effect of item constituting deferred tax assets</u>				
i) MAT Credit Entitlement	-	24,282,385	-	24,282,385
	-	24,282,385	-	24,282,385
Net deferred tax asset/ (liability)	-	24,282,385	-	24,282,385

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

- D. The Group is having unused tax losses as per the Income Tax Act, 1961 in Parent Company and Subsidiary Company - Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd). Based on the probable uncertainty regarding the set off of these losses, the Company has not recognized deferred tax asset in the Balance Sheet. Details of tax losses under the head business losses with expiry is as follows:

(Amount in Rupees)

Financial Year	As at March 31, 2018	Expiry Date	As at March 31, 2017	Expiry Date
<u>Business Loss</u>				
2008 - 2009	-	-	26,390	March 31,2018
2009-2010	-	-	46,576	March 31,2019
2010-2011	-	-	34,517	March 31,2020
2011-2012	-	-	3,452,550	March 31,2021
2012-2013	-	-	27,625,928	March 31,2022
2013-2014	22,359,935	March 31,2023	28,738,240	March 31,2023
2014-2015	70,897,510	March 31,2024	98,568,644	March 31,2024
2015-2016	54,661,918	March 31,2025	88,715,664	March 31,2025
2016-2017	6,454,876	March 31,2026	-	-
<u>Long Term Capital Loss</u>				
2009 -2010	-	-	52,762,250	March 31,2019
2012-2013	2,235,172	March 31,2022	2,235,172	March 31,2022
<u>Unabsorbed Depreciation</u>	5,857,325	No Expiry	5,189,291	No Expiry
Total	162,466,736		307,395,222	

4.13 Earnings per share

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

(Amount in Rupees)

Particulars	2017 -2018	2016 -2017
Net Profit / (Loss) for the year attributable to Equity Shareholders	202,241,687	(25,211,464)
Weighted Average Number of Equity Shares outstanding for basic and diluted	11,399,606	11,399,606
Nominal Value of equity Shares (Rs)	10.00	10.00
Earnings Per Share (Rs.) (Basic and Diluted)	17.74	(2.21)

4.14 Associates (Equity Accounted Investments)

(A) Details of Group's associates are as follows:

Name of the Associate	Place of Incorporation	Proportion of ownership interest and voting power held by the Group			Principal Activity
		March 31, 2018	March 31, 2017	April 1, 2016	
ISMT Ltd	India	47.04%	47.04%	37.91%	Manufacturing of Seamless tubes, cylinder tubes, components and Engineering steel.
TAAL Enterprises Limited	India	-	-	44.16%	Providing Aircraft Charter services
Taneja Aerospace & Aviation Ltd	India	-	44.16%	44.16%	Manufacturing and sale of various parts and components of aviation industry, providing service related to Airfield & MRO
Fair Growth Holding Pte Ltd	Singapore	33.33%	33.33%	33.33%	SPV- Investment in Seamless Tube Manufacturing Company.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

- (B) The aggregate summarised financial information in respect of the Group's associates that are accounted for using the equity method is as below:

(i) Financial Information of	ISMT Limited			Fair Growth Holding Pte Ltd		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Current Assets	7,441,900,000	7,056,500,000	6,882,400,000	975,883	184,744	20,395
Non- current Assets	16,867,300,000	17,374,200,000	17,885,100,000	2,489,409	2,148,008	2,329,410
Current Liabilities	26,592,500,000	22,008,800,000	17,463,300,000	2,411,808	1,801,866	1,953,404
Non Current Liabilities	4,178,500,000	6,469,900,000	8,559,300,000	-	-	-
Revenue	15,579,100,000	12,037,200,000	11,213,200,000	1,441,458	1,194,710	1,725,241
Profit / (Loss) for the Year	(2,428,000,000)	(2,817,500,000)	(3,947,800,000)	469,826	160,957	667,255
Other Comprehensive Income for the year	14,300,000	24,300,000	-	-	-	-
Total Comprehensive Income for the year	(2,413,700,000)	(2,793,200,000)	(3,947,800,000)	469,826	160,957	667,255
Dividend received during the year	Nil	Nil	Nil	Nil	Nil	Nil

- (ii) The above amount of summarised financial information include the followings

Particulars	ISMT Limited			Fair Growth Holding Pte Ltd		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalent	247,200,000	190,800,000	95,300,000	633,120	184,744	20,395
Current financial Liabilities (excluding trade payable and Other payable and provisions)	24,771,400,000	19,857,100,000	14,282,200,000	1,782,054	1,105,455	1,206,502
Non Current financial Liabilities (excluding trade payable and Other payable and provisions)	4,028,600,000	6,281,500,000	8,336,500,000	-	-	-
Depreciation and amortisation	614,300,000	663,000,000	751,100,000	-	-	-
Interest Income	39,000,000	38,300,000	43,700,000	-	-	-
Interest Expense	2,683,100,000	2,604,200,000	2,524,500,000	-	-	-
Income Tax Expense/ (Income)	(9,900,000)	100,000	94,300,000	12,674	4,444	(18,626)

- (iii) Reconciliation of the above summarised financial information to the carrying amount of interest in the Associates recognised in the consolidated Ind AS financial statements

Particulars	ISMT Limited #			Fair Growth Holding Pte Ltd		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Net assets of the Associates	(6,461,800,000)	(4,048,000,000)	(1,255,100,000)	1,053,484	530,886	396,401
Proportion of Group's ownership interest in the associates	47.04%	47.04%	37.91%	33.33%	33.33%	33.33%
Group Share of net worth	(3,039,630,720)	(1,904,179,200)	(475,808,410)	351,126	176,944	132,120
Other adjustments	-	-	519,993,480	9,586	(11,628)	12,097
Carrying amount of the Group's interest in the associates	-	-	44,185,070	360,712	165,316	144,217
Fair Value of Investment in the associates	623,718,380	863,544,520	398,734,752	N.A	N.A	N.A

Being share of post acquisition loss exceeds the carrying amount of the investment in ISMT Limited as appearing in consolidated financial statements and hence the group has restricted it's share of loss and movement in other reserves to the extent of its investment value.

INDIAN SEAMLESS ENTERPRISES LIMITED

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

(i) Financial Information of	Taneja Aerospace and Aviation Limited @			TAAL Enterprises Limited #		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Current Assets	-	233,110,000	451,667,000	-	-	286,501,454
Non- current Assets	-	1,239,689,000	1,249,475,000	-	-	81,388,729
Current Liabilities	-	326,496,000	491,154,000	-	-	214,102,387
Non Current Liabilities	-	271,352,000	342,609,000	-	-	18,585,147
Revenue	-	372,406,000	603,526,000	-	-	659,893,121
Profit / (Loss) for the Year	-	7,107,000	(43,071,000)	-	-	(1,088,673)
Other Comprehensive Income for the year	-	465,000	-	-	-	-
Total Comprehensive Income for the year	-	7,572,000	(43,071,000)	-	-	(1,088,673)
Dividend received during the year	N.A	Nil	Nil	N.A	N.A	Nil

(ii) The above amount of summarised financial information include the followings

Particulars	Taneja Aerospace and Aviation Limited @			TAAL Enterprises Limited #		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalent	-	29,440,000	28,445,000	-	-	29,356,867
Current financial Liabilities (excluding trade payable and Other payable and provisions)	-	170,189,000	144,544,000	-	-	89,593,145
Non Current financial Liabilities (excluding trade payable and Other payable and provisions)	-	200,994,000	270,177,000	-	-	733,691
Depreciation and amortisation	-	30,379,000	30,320,000	-	-	22,775,072
Interest Income	-	5,613,000	8,513,000	-	-	3,431,258
Interest Expense	-	49,413,000	55,095,000	-	-	8,153,845
Income Tax Expense/ (Income)	-	479,000	-	-	-	7,555,353

(iii) Reconciliation of the above summarised financial information to the carrying amount of interest in the Associates recognised in the consolidated Ind AS financial statements

Particulars	Taneja Aerospace and Aviation Limited @			TAAL Enterprises Limited #		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Net assets of the Associates	-	874,951,000	867,379,000	-	-	135,202,649
Proportion of Group's ownership interest in the associates	-	44.16%	44.16%	0.00%	0.00%	44.16%
Group Share of net worth	-	386,378,362	383,034,566	-	-	59,705,490
Other adjustments	-	(6,315,670)	(6,315,845)	-	-	(985,743)
Carrying amount of the Group's interest in the associates	-	380,062,692	376,718,721	-	-	58,719,747
Fair Value of Investment in the associates	-	505,924,985	632,543,861	N.A	N.A	314,958,595

@ 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 Enterprises Private Limited (formerly known as Vishkul Leather Garments Pvt. Ltd.) and hence the same is not considered for the purpose of consolidation of financial statements based on the percentage of shareholding in the Company.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

- # The Company has increased its stake in Taneja Aerospace and Aviation Limited (TAAL) from 44.16% to 50.93% by purchase of additional equity shares as on July 31, 2017 from Vishkul Enterprises Private Limited (formerly known as Vishkul Leather Garments Pvt. Ltd.) and hence TAAL has become subsidiary Company from associate company.

4.15 Non Controlling Interest

Summarised financial information of subsidiaries having material non- controlling interest is as follows:

Particulars	Taneja Aerospace and Aviation Limited	Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Limited)	
	March 31, 2018	March 31, 2018	March 31, 2017
Assets			
Non Current Assets	1,227,736,000	9,272,716	3,719,936
Current Assets	236,975,000	32,890,313	59,213,032
Liabilities			
Non Current Liabilities	337,427,000	-	-
Current Liabilities	249,471,000	174,348,943	233,981,787
Equity	877,813,000	(132,185,914)	(171,048,819)
Percentage of ownership held by non-controlling interest	49.07%	47.99%	47.99%
Accumulated non controlling interest	430,706,071	(63,436,021)	(82,086,329)

Particulars	Taneja Aerospace and Aviation Limited @	Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Limited)	
	March 31, 2018	March 31, 2018	March 31, 2017
Revenue	210,064,000	67,518,223	50,150,839
Net profit / (Loss) for the year	991,331	38,862,904	(6,719,256)
Other Comprehensive Income	916,667	-	-
Total Comprehensive Income	1,907,998	38,862,904	(6,719,256)
Profit /(Loss) allocated to Non controlling Interest	936,254	18,650,308	(3,224,572)

- @ The company has become subsidiary company from associate company w.e.f July 31, 2017 and hence the above figures are provided for the period August 1, 2017 to March 31, 2018.

Particulars	Taneja Aerospace and Aviation Limited @	Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Limited)	
	March 31, 2018	March 31, 2018	March 31, 2017
Net cash inflow / (outflow) from operating activities	87,073,000	15,682,935	66,133,194
Net cash inflow/(outflow) from investing activities	(17,807,000)	-	-
Net cash inflow/(outflow) from financing activities	(46,807,000)	(4,560,477)	(57,815,736)
Net cash inflow/(outflow)	22,459,000	11,122,458	8,317,458
Dividend paid to Non-controlling interests (including tax)	-	-	-

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

4.16 Financial risk management

The Group's financial liabilities comprise mainly of Borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks and other receivables.

Group has exposure to following risks arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

Risk management framework

Group's board of directors has overall responsibility for establishment of Group's risk management framework. Management is responsible for developing and monitoring Group's risk management policies, under the guidance of Audit Committee. Management identifies, evaluate and analyses the risks to which the group is exposed to and sets appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Group. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations.

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from amount due from Associate company, Trade Receivable and other receivables. For other financial assets, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

b) Liquidity risk.

Liquidity risk is the risk that Group will not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Group closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of Group's Financial Liabilities

Particulars	Less than 12 months	1 to 4 Years	More than 4 Years	Total
March 31, 2018				
Short Term Borrowings	107,000,832			107,000,832
Long Term Borrowings	75,647,000	244,454,000	7,248,000	327,349,000
Trade Payable	86,423,183			86,423,183
Other Financial Liabilities	166,579,086	106,845,000		273,424,086
	435,650,101	351,299,000	7,248,000	794,197,101
March 31, 2017				
Short Term Borrowings	71,443,239			71,443,239
Long Term Borrowings	917,807			917,807
Trade Payable	63,847,190			63,847,190
Other Financial Liabilities	88,255,144	78,772,600		167,027,744
	224,463,380	78,772,600	-	303,235,980
April 1, 2016				
Short Term Borrowings	131,472,673			131,472,673
Long Term Borrowings	13,600,070	917,806		14,517,876
Trade Payable	144,820,611			144,820,611
Other Financial Liabilities	90,950,798	46,024,632		136,975,429
	380,844,152	46,942,438	-	427,786,590

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial investment will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

- a) Interest rate risk
- b) Currency risk and;

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's exposure to the risk of changes in market interest rates relates primarily to Group's long-term debt obligations with floating interest rates.

Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on Profit before tax
March 31, 2018		
INR	+45	(1,605,000)
INR	-45	1,605,000
March 31, 2017		
INR	+45	(1,620,000)
INR	-45	1,620,000
April 1, 2016		
INR	+45	(1,822,000)
INR	-45	1,822,000

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Group's exposure to the risk of changes in foreign exchange rates relates primarily to Group's operating activities (when revenue or expense is denominated in a different currency from Group's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). Group's exposure to foreign currency changes for all other currencies is not material.

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

Particulars	Change in US\$ rate	Effect on Profit before tax
March 31, 2018		
INR	+2.50%	-
INR	-2.50%	-
March 31, 2017		
INR	+2.50%	-
INR	-2.50%	-
April 1, 2016		
INR	+2.50%	5,490,000
INR	-2.50%	(5,490,000)

4.17 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's Capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity and internal accruals and long term borrowings.

4.18 Fair value measurement

Fair valuation techniques

The fair values of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties, other than a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or Liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

(Amount in Rupees)

Particulars	Carrying value of the financial assets/ liabilities			Fair value of the financial assets/liabilities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets at Fair Value Through OCI (noncurrent)						
Investment in Equity Shares	150,075	70,550	41,804	150,075	70,550	41,804
Financial Assets at amortised cost (non-current)						
Loans	60,192,113	53,046,720	46,749,555	60,192,113	53,046,720	46,749,555
Other financial Assets	14,520,030	21,780,045	29,040,060	14,520,030	21,780,045	29,040,060
Total	74,862,218	74,897,315	75,831,419	74,862,218	74,897,315	75,831,419
Financial Assets at amortised cost (current)						
Trade Receivables	85,107,780	50,900,748	69,524,043	85,107,780	50,900,748	69,524,043
Cash and Bank Balances	70,675,124	7,630,367	6,740,826	70,675,124	7,630,367	6,740,826
Loans	19,348,000	381,000	381,000	19,348,000	381,000	381,000
Other financial Assets	329,540	300,000	300,000	329,540	300,000	300,000
Total	175,460,444	59,212,115	76,945,869	175,460,444	59,212,115	76,945,869
Financial Liabilities at amortised cost (non-current)						
Borrowings	251,702,000	-	917,806	251,702,000	-	917,806
Other Current Liabilities	106,845,000	78,772,600	46,024,632	106,845,000	78,772,600	46,024,632
Total	358,547,000	78,772,600	46,942,438	358,547,000	78,772,600	46,942,438
Financial Liabilities at amortised cost (current)						
Borrowings	107,000,832	71,443,239	131,472,673	107,000,832	71,443,239	131,472,673
Trade Payables	86,423,183	63,847,190	144,820,611	86,423,183	63,847,190	144,820,611
Other financial Liabilities	242,226,086	89,172,951	104,550,868	242,226,086	89,172,951	104,550,868
Total	435,650,101	224,463,380	380,844,152	435,650,101	224,463,380	380,844,152

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

B) Level wise disclosures of Financial Assets and Liabilities by categories are as follows :

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Level	Valuation Techniques and key Inputs
Financial Assets at Fair Value Through OCI (noncurrent)					
Investment in Equity Shares	150,075	70,550	41,804	1	Quoted NAV in active markets
Financial Assets at amortised cost (non-current)					
Loan to Associate Company	60,192,113	53,046,720	46,749,555	3	Discounted cash flow method using interest rate for similar financial instrument

Fair value of cash and cash equivalents, trade payables, trade receivables and other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

During the reporting period ended March 31, 2017 and March 31, 2016, there were no transfers between level 1, level 2 and level 3 fair value measurements.

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

(Amount in Rupees)

Particulars	Loan to Associate Company
Opening Balance as on April 1, 2016	46,749,555
Interest Income	6,297,165
Closing Balance as at March 31, 2017	53,046,720
Interest Income	7,145,393
Closing Balance as at March 31, 2018	60,192,113

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

4.19 First Time Adoption of Ind AS

These are the Group's first Consolidated Ind AS financial statements prepared in accordance with Ind AS.

- I The accounting policies set out in note 2 have been applied in preparing the consolidated Ind AS financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS consolidated Balance Sheet at April 01, 2016 (the group's date of transition). In preparing its opening consolidated Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Ind AS 101 deals with First time adoption of Indian Accounting Standards which allows exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. On transition, the Group has availed /adopted the following exemptions / exception as per Ind AS 101

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

- a) The group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
- b) Appendix C of Ind AS 17 requires an entity to assess whether a contract of arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. The group has used Ind AS 101 exemption and assessed all the arrangements based for embedded leases based on the conditions in place as at the date of transition
- c) The Group has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before 1st April, 2016. Consequent to use of this exemption from retrospective application
 - (i) The carrying amounts of assets and liabilities acquired pursuant to past business combinations and recognized in the financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. On the date of transition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities.
 - (ii) The Group has not recognized assets and liabilities that neither were recognized in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;
 - (iii) The Group excluded from its opening Ind AS Balance sheet as at April 1, 2016, those assets and liabilities which were recognized in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS.

d) Derecognition of financial assets and liabilities:

The Group has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. April 01, 2016.

e) Cumulative translation differences

- i) Ind AS 21 'The effects of changes in Foreign Exchange Rates' requires an entity to recognize the translation differences relating to foreign operations in other comprehensive income (and accumulate them in a separate component of equity) and on disposal of such foreign operation, to reclassify the cumulative translation difference for that foreign operation from equity to profit or loss as part of the gain or loss on disposal
- ii) Ind AS 101 allows an entity to elect not to apply the requirements of Ind AS 21 retrospectively and to deem the cumulative translation differences for all foreign operations to be zero as at the date of transition.

The Group has elected to avail the exemption as referred in para (ii) above.

f) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

II Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Group's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.

Reconciliation of Equity as at April 1, 2016

(Amount in Rupees)

Particulars	Refer- ence	Amount as per IGAAP	Reclassification/ Adjustments	Amount as per Ind AS
ASSETS				
NON-CURRENT ASSETS				
a) Property Plant and Equipment		96,694,982	-	96,694,982
b) Goodwill on Consolidation		8,356,362	-	8,356,362
c) Intangible Assets		363,340	-	363,340
d) Financial Assets				
i) Non-Current Investment		503,448,099	(23,638,540)	479,809,559
ii) Loans		-	46,749,555	46,749,555
iii) Other Financial Assets		-	29,040,060	29,040,060
e) Long Term Loans and Advances		77,500,000	(77,500,000)	-
Total Non - Current Assets		686,362,783	(25,348,925)	661,013,858
CURRENT ASSETS				
a) Inventories		49,332,957	-	49,332,957
b) Financial Assets				
i) Trade Receivables		69,524,043	-	69,524,043
ii) Cash and Cash Equivalents		6,740,826	-	6,740,826
iii) Loans		-	381,000	381,000
iii) Other Financial Assets		-	300,000	300,000
c) Current Tax Assets		-	18,570,274	18,570,274
d) Short Term Loans & Advances		381,000	(381,000)	-
e) Other Current Assets		19,368,578	(18,870,274)	498,303
Total Current Assets		145,347,405	-	145,347,404
Total Assets		831,710,188	(25,348,925)	806,361,263
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital		110,726,800	-	110,726,800
Other equity		(45,591,709)	53,512,832	7,921,123
Equity attributable to equity shareholders of parent company		65,135,091	53,512,832	118,647,923
Non Controlling Interest		-	(78,861,757)	(78,861,757)
Total Equity		65,135,091	(25,348,925)	39,786,166
LIABILITIES				
NON CURRENT LIABILITIES				
a) Financial Liabilities				
i) Borrowings		917,806	-	917,806
ii) Other Financial Liabilities		-	46,024,632	46,024,632
b) Provisions		1,916,299	-	1,916,299
c) Other Non Current Liabilities		46,024,632	(46,024,632)	-
Total Non - Current Liabilities		48,858,737	-	48,858,737
CURRENT LIABILITIES				
a) Financial Liabilities				
i) Borrowings		131,472,673	-	131,472,673
ii) Trade Payables		144,820,611	-	144,820,611
iii) Other Financial Liabilities		-	104,550,868	104,550,868
b) Other Current Liabilities		441,355,429	(104,550,868)	336,804,561
c) Short term Provision		67,646	-	67,646
Total Current Liabilities		717,716,359	-	717,716,359
Total Liabilities		831,710,188	(25,348,925)	806,361,263

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

III. Reconciliation of Equity as at April 1, 2017

(Amount in Rupees)

Particulars	Reference	Amount as per IGAAP	Reclassification / Adjustments	Amount as per Ind AS
ASSETS				
NON-CURRENT ASSETS				
a) Property, Plant and Equipment's		2,421,247	-	2,421,247
b) Goodwill on Consolidation		8,356,362	-	8,356,362
c) Intangible Assets		94,045	-	94,045
d) Financial Assets				
i) Investment		380,891,441	8,138,638	389,030,079
ii) Loans		-	53,046,720	53,046,720
iii) Other Financial Assets		-	21,780,045	21,780,045
e) Long Term Loans and Advances		77,500,000	(77,500,000)	-
f) Deferred Tax Assets (Net)		-	24,282,385	24,282,385
Total Non - Current Assets		469,263,095	29,747,788	499,010,883
CURRENT ASSETS				
a) Inventories		1,645,766		1,645,766
b) Financial Assets				
i) Trade Receivables		50,900,748		50,900,748
ii) Cash and Bank Balances		7,630,367	-	7,630,367
iii) Loans		-	381,000	381,000
iv) Other Financial Assets		-	300,000	300,000
c) Short Term Loans & Advances		381,000	(381,000)	-
d) Other Current Assets		27,996,328	(24,582,385)	3,413,943
Total Current Assets		88,554,209	(24,282,385)	64,271,824
Total Assets		557,817,304	5,465,403	563,282,707
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		110,726,800	-	110,726,800
Other equity		(152,561,036)	87,551,732	(65,009,304)
Equity attributable to equity shareholders of parent company		(41,834,236)	87,551,732	45,717,496
Non Controlling Interest			(82,086,329)	(82,086,329)
Total Equity		(41,834,236)	5,465,403	(36,368,833)
LIABILITIES				
NON CURRENT LIABILITIES				
a) Financial Liabilities				
i) Other Financial Liabilities		-	78,772,600	78,772,600
b) Provisions		4,003,142	-	4,003,142
c) Other Non Current Liabilities		78,772,600	(78,772,600)	-
Total Non - Current Liabilities		82,775,742	-	82,775,742
CURRENT LIABILITIES				
a) Financial Liabilities				
i) Borrowings		71,443,239	-	71,443,239
ii) Trade Payables		63,847,190	-	63,847,190
iii) Other Financial Liabilities		-	89,172,951	89,172,951
b) Other Current Liabilities		381,517,723	(103,507,552)	278,010,171
c) Short term Provision		67,646	-	67,646
d) Current Tax Liabilities (Net)		-	14,334,601	14,334,601
Total Current Liabilities		516,875,798	-	516,875,798
Total Liabilities		557,817,304	5,465,403	563,282,707

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

IV. Reconciliation of Equity as at April 1, 2017

(Amount in Rupees)

Particulars	Refer- ence	Amount as per IGAAP	Effects of Transition to Ind AS	Amount as per Ind AS
Revenue from Operations		218,970,363	-	218,970,363
Other Income		14,963,687	142,004,902	156,968,589
Profit on Sale of assets net		135,707,737	(135,707,737)	-
Total Income (I+II)		369,641,787	6,297,165	375,938,952
Expenses				
Purchases of Stock in Trade		65,325,775	-	65,325,775
Changes in Inventories of Stock in Trade		47,687,191	-	47,687,191
Employee Benefits Expense		11,756,632	-	11,756,632
Finance Cost		14,183,323	7,260,015	21,443,338
Depreciation and amortization expense		16,983,171	-	16,983,171
Other Expenses		51,411,730	-	51,411,730
Total Expenses		207,347,822	7,260,015	214,607,837
(Loss) / Profit before share of (loss)/ Profit of an associate		162,293,965	(962,850)	161,331,115
Add: Share of Profit / (loss) of associates accounted for using equity method		(209,028,985)	29,279,450	(179,749,535)
(Loss) / Profit before Tax		(46,735,020)	28,316,600	(18,418,420)
Tax expense:				
Current Year Tax		34,300,000	-	34,300,000
MAT credit- current year		(22,404,000)	-	(22,404,000)
MAT Credit -Previous Year		(1,878,385)	-	(1,878,385)
Total Tax Expense		10,017,615	-	10,017,615
Profit/(loss) for the period (V-VI)		(56,752,635)	28,316,600	(28,436,035)
Other comprehensive income:				
a) Items that will not be reclassified to profit or loss				
i) Net Gain / (Loss) on Fair Valuation of Equity Instruments through OCI		-	28,746	28,746
ii) Remeasurement of Defined Benefit Plan		-	2,669,506	2,669,506
iii) Income tax effect on above		-	-	-
b) Items that will be reclassified to profit and loss				
(i) Exchange difference in translating the financial statements of a foreign operation		-	6,392,145	6,392,145
ii) Income tax effect on above		-	-	-
Total Other Comprehensive Income		-	9,090,397	9,090,397
Total Comprehensive Income for the period		(56,752,635)	37,406,997	(19,345,638)

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

V. Reconciliation of total equity:

(Amount in Rupees)

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Total equity (Shareholder Funds) as per Previous GAAP		(41,834,236)	65,135,092
Adjustments :			
Fair value measurement of investment in equity shares through OCI		70,550	41,804
Fair Valuation of Financial Assets - Loan		(2,673,235)	(1,710,385)
Adjustment pursuant to Ind AS in share of Associates		5,599,106	(23,680,345)
Remeasurement of defined benefit plans		3,123,127	-
Adjustment on account of derecognition of Associate Company		(654,145)	-
Tax adjustment on the above items		-	-
Total Adjustment to Equity		5,465,403	(25,348,926)
Total Equity as per Ind AS		(36,368,833)	39,786,166

Footnotes

A Investment in Equity Shares:

Under Indian GAAP, the Group has accounted for long term investments in quoted equity shares as Investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI investments. The difference between the instruments fair value and Indian GAAP carrying amount has been recognized in the retained earnings and in the statement of Other Comprehensive Income.

B Financial Assets - Loan :

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan or loan below market rate. The interest income on the present value of this loan is recognised over the tenure of the loan using the EIR method.

C Non Controlling Interest

Under the Previous GAAP, non-controlling interest was not considered as part of total equity and was presented separately. In the consolidated statement of profit and loss, share of non-controlling interest for the year was shown as a deduction from Group's profit or loss.

Under Ind AS, non-controlling interests are considered as a part of total equity and its share in profit or loss for the year and total comprehensive income is shown as an allocation instead of as a deduction from profit or loss for the year.

Further, under Ind AS, profit or loss and each component of other comprehensive income is attributed to the owners of the Group and to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Under the Previous GAAP, the excess of such losses attributable to non-controlling interests over its interest in the equity of subsidiary was attributed to the owners of the Group.

D Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

E Defined Benefit Liabilities

Under Ind AS, Remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit and loss. Under the previous GAAP, these Remeasurement were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

F Deferred Tax

Under Indian GAAP, deferred tax is accounted using the income statement approach as per timing differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting for deferred taxes using the balance sheet approach as per temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences as on the transition date. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

G Other Comprehensive Income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the other comprehensive income include re-measurements gains or losses on defined benefit plans, fair value changes of equity investments and foreign currency translation differences of foreign subsidiaries

The concept of other comprehensive income did not exist under the Previous GAAP

H Material adjustment to the Statement of Cash Flow

(Amount in Rupees)

Particulars	Year ended March 31, 2017		
	Amount as per IGAAP	Ind AS Adjustment	Amount as per Ind AS
Net Cash Flow from Operating Activities	41,661,017	1,735,904	43,396,921
Net Cash Flow from Investing Activities	46,708,940	1,922,438	48,631,378
Net Cash Flow from Financing Activities	(85,113,869)	(6,024,889)	(91,138,758)
Net Increase /(decrease) in cash and cash Equivalents	3,256,088	(2,366,547)	889,541
Cash and cash Equivalents at the end of period	7,630,367	-	7,630,367
Cash and cash Equivalents at the beginning of period	6,740,826	-	6,740,826
Net Increase /(decrease) in cash and cash Equivalents	889,541	(2,366,547)	889,541

4.20 Events occurring after the Balance Sheet date

No adjusting or significant non - adjusting events have occurred between the reporting date and the date of authorisation

4.21 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151
Place : Pune
Date : November 23, 2018

V. G. Ravetkar
Director
DIN:00374456

Place :Pune
Date : November 23, 2018

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Form AOC 1

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	Re- porting Cur- rency	Share capital	Reserves and Surplus	Total Assets	Total Liabilities #	Invest- ments(- Excluding investment in Subsidi- ary)	Turnover/ total Income	Profit/ (Loss) Before taxation	Provision for Taxation	Profit/ (loss) after Taxation	Proposed Divi- dend	% of Share hold- ing(Ef- fective)
1	Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd)	INR	5,397,410	(137,583,325)	42,163,029	(174,348,943)	1,726,287	70,449,125	38,862,904	-	38,862,904	-	52.01%
2	Taneja Aerospace & Aviation Ltd (from 01/08/2017)	INR	124,654,000	753,159,000	1,464,711,000	586,898,000		315,096,000	4,031,000	1,169,000	2,862,000		50.93%

Excluding Share Capital and Reserves and Surplus

Part B Associate Company

Sr no	Name of the enterprise	ISMT Ltd (Refer note No 3)	Taneja Aerospace & Aviation Ltd	Fair growth Holding PTE Ltd (Refer Note no 4)
1	Latest audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018
2	Shares of Associate held by the Company on the year end			
	a) Number	68,919,158	11,010,337	12,000
	b) Amounts of Investment (In Rs.)	971,550,520	123,684,452	351,162
	c) % of holding Additional Information as required under Schedule III to the Companies Act,2013 of enterprises consolidated as subsidiary/associate	47.04%	44.16%	33.63%
3	Net worth attributable to shareholding as per Latest audited Balance Sheet (In Rs.)	(6,461,800,000)	877,813,000	1,082,198
4	Profit / (Loss) for the year considered in Consolidation (In Rs.)	-	421,286	195,396
5	Not Considered in Consolidation	(1,135,404,480)	-	-
6	Description of how there is significant influence	Note - 1	Note - 1 & 2	Note - 1
7	Reason why the Associate is not consolidated	Note - 3	N.A.	N.A.

Note :

- The Company directly hold investment of more than 20%.
- Taneja Aerospace and Aviation Limited (TAAL) is considered as subsidiary company on increase in stake of Parent Company from 44.16% to 50.93% w.e.f July 31, 2017.
- #Being share of post acquisition loss exceeds the carrying amount of the investment in ISMT Limited as appearing in consolidated financial statements and hence the group has restricted it's share of loss and movement in other reserves to the extent of investment value.
- Management certified financial statements are considered for consolidated financial statements.

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151
Place : Pune
Date : November 23, 2018

V. G. Ravetkar
Director
DIN:00374456
Place :Pune
Date : November 23, 2018

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

INDIAN SEAMLESS ENTERPRISES LIMITED

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)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount in Rs	As % of Consolidated Profit/(Loss)	Amount in Rs	As % of Consolidated Profit/(Loss)	Amount in Rs	As % of Consolidated Profit/(Loss)	Amount in Rs
	Holding Company								
1	Indian Seamless Enterprise Limited	(165.51)	1,034,828,451	(81.83)	181,161,922	0.70	(8,013)	(81.41)	181,153,909
	Indian Subsidiary								
1	Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd)	21.14	(132,185,915)	(17.55)	38,862,904	-	-	(17.46)	38,862,904
2	Taneja Aerospace & Aviation Ltd (from 01/08/2017)	(140.40)	877,813,000	(0.45)	991,331	(79.72)	916,667	(0.86)	1,907,998
	Minority Interest in Subsidiaries	(58.74)	367,270,050	(8.64)	19,136,754	(39.12)	449,808	(8.80)	19,586,562
	Associate (Investment as per Equity method)								
	Indian Associate								
1	ISMT Ltd	-	-	0.01	(13,202)	-	-	0.01	(13,202)
2	Taneja Aerospace & Aviation Ltd (Upto 31/07/2017)	-	-	(0.10)	218,886	(17.60)	202,400	(0.19)	421,286
	Foreign Associate								
1	Fair growth Holding Pte Ltd	(0.06)	360,712	(0.07)	156,600	(0.02)	38,796	(0.09)	195,396

As per our report of even date

For V.K.Paradkar & Co.
Chartered Accountants
FRN 120527W

For & on Behalf of the Board of Directors

V.K.Paradkar
Proprietor
M. No. 17151
Place : Pune
Date : November 23, 2018

V. G. Ravetkar
Director
DIN:00374456
Place :Pune
Date : November 23, 2018

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary
M. No. : A30889

Indian Seamless Enterprises Limited

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

Phone: 020-41434100, Fax: 020-26630779

CIN: U29000PN1995PLC090946

22nd 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:

Name: Address:

E-mail ID: Signature: or failing him

Name: Address:

E-mail ID: Signature: or failing him

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 **22nd Annual General Meeting** of the Company, to be held on **Thursday, December 27, 2018 at 10.30 a.m at “Hotel Hindustan International, S. No.33/1/1, Plot No. 2H, Neco Garden Road, Viman Nagar, Pune 411014”** and at any adjournment thereof 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: a) the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 together with Reports. b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 together with Report.		
2.	Appointment of Director in place of Mr. N.V. Karbhase (DIN: 00228836), who retires by rotation and being eligible, offers himself for re-appointment.		

Signed this day of 2018.

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Re 1/- Revenue
Stamp

Note:

- 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.**
- It is optional to put '√' 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.
- For Resolutions, Explanatory Statements, please refer to the Notice of the Annual General Meeting.

Please complete all details including details of member(s) in above box before submission.

BOOK - POST

If undelivered please return to :

Indian Seamless Enterprises Limited

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

Indian Seamless Enterprises Limited

Registered Office: Lunkad Towers, Viman Nagar, Pune – 411014, Maharashtra

Phone: 020-41434100 Fax: 020-26630779, Email: sharex@vsnl.com

CIN: U29000PN1995PLC090946

ATTENDANCE SLIP
22nd Annual General Meeting

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 **22nd Annual General Meeting** of the Company to be held on Thursday, December 27, 2018 at Hotel Hindusthan International , S.No. 33/1/1, Plot No. 2H, Neco Garden Road, Viman Nagar, Pune -411 014 at 10:30 A.M and at any adjournment thereof.

Member's / Proxy's / Authorised Representative's Signature

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

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	Sequence No.

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