Indian Seamless Enterprises Limited

Registered Office: Lunkad Towers, 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 Third Annual General Meeting of the Members of the Company will be held on Monday, September 30, 2019 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, 2019 including the Audited Balance Sheet as at March 31, 2019 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, 2019 including the Audited Consolidated Balance Sheet as at March 31, 2019 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. Vijaykumar Ravetkar (00374456) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of Companies Act, 2013 ('the Act') and Rules made thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals/consent, permissions, if any, consent of the Company be and is hereby accorded to the re-appointment of Mr. N V Karbhase (DIN 00228836) as a Whole Time Director of the Company for a period of 1 year from April 1, 2019, to March 31, 2020 on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice with the liberty to the Board of Directors (herein referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions and /or remuneration, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment thereof.

   RESOLVED FURTHER THAT when re-elected as Director on account of retirement by rotation, such re-election of Mr. N V Karbhase as a Director shall not be deemed to constitute a break in his appointment as a Whole Time Director and upon re-election he shall continue to hold office as Whole Time Director as hitherto.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Radhika Shidore
Company Secretary

Pune, August 22, 2019

Registered office:
Lunkad Towers, Off Nagar Road,
Viman Nagar, Pune – 411014

NOTES:

1. The relative Explanatory Statement and reasons for the proposed Special Business stated pursuant to Section 102 of the Companies Act, 2013 ('Act') is annexed.
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 AGM.

5. The Register of Directors and Key Managerial Persons and their shareholding, maintained under Section 170 of the Act 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 Act 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 Act 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 period ended on March 31, 2019 are being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purpose, unless any Member has requested for hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report and Notice for year ended on March 31, 2019 are being sent in the permitted mode.

   Members may note that this Notice and Annual Report for the period ended on March 31, 2019 will also be available on the Company's website at **'www.isel.co.in'.**

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. Voting rights shall be ascertained as per the provisions of the Articles of Association of the Company.

12. 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.

13. 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.

14. The voting period begins on September 27, 2019 at 9.00 AM and ends on September 29, 2019 at 5.00 PM. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 23, 2019, may cast their vote by remote e-voting. The 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.

15. 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.

16. **E-Voting Facility:**

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

   (i) The shareholders should 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) Next enter the Image Verification as displayed and Click on Login.

   (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number(PAN)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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 in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB) OR Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • 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).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach 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 the Windows Phone Store respectively. Please follow the instructions as 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.

(xix) 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.

17. 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.

18. 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.

19. 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.

20. All documents referred to in the accompanying Notice and the Explanatory Statement 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.

21. Members are further requested to:

- Intimate changes, if any, in their registered address / bank mandate and e-mail address to the R&T Agent for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
- Quote Ledger folio number/ DP ID/ Client ID in all the correspondence with the Company or its R & T Agent.
- Intimate about consolidation of folios to the R&T Agent, if your shareholding is under multiple folios.
- 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. "support@sharexindia.com" to enable investors to register their complaints, if any.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

The Board of Directors at its meeting held on March 26, 2019 upon the recommendation made by the Nomination and Remuneration Committee, approved the appointment of Mr. N V Karbhase as a Whole Time Director ('WTD') of the Company with effect from April 01, 2019 upto March 31, 2020 on the following terms and conditions:

1. Tenure:

Mr. N V Karbhase will hold office as a WTD for a period of 1 year from April 01, 2019 upto March 31, 2020.

2. Remuneration:

In terms of Schedule V to the Companies Act,2013 ('Act') read with Sections 196, 197, 198 and other applicable provisions of the Act and the rules made thereunder and subject to the approvals/ consents of Members and such other approvals, as may be required, the remuneration of WTD shall be set as under:

A) Salary and perquisites:

The Salary including perquisites, in any lawful combination as mutually agreed between the WTD and the Board, shall be Rs. 3,00,000/- per month w.e.f. April 01, 2019 upto March 31, 2020.

B) Other Benefits:

WTD shall also be entitled to the following:

i. Earned Leave as per the rules of the Company.

ii. Company Car for official use.

iii. Telephone for official use.

iv. Encashment of leave at the end of the tenure as per the rules of the Company.

Remuneration in the event of loss or inadequacy of Profits:

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits (as provided in Schedule V to the Act) of the Company in any financial year, during the term of office of WTD, under this agreement, the remuneration by way of salary, perquisites, performance based incentives and other benefits shall not, without the approval of the Central Government (if required), exceed the limits prescribed under the Schedule V to the Act read with Companies (Appointment and Remuneration) Rules, 2014 (including any statutory modifications or re-enactment thereof).

The aforesaid terms and conditions are subject to approval of the Members and such other approvals, if any, as may be required.

The Board recommends the resolution as set out in Item No. 3 for the approval of Members to be passed as a Special Resolution.

Except Mr. N V Karbhase, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

By order of the Board of Directors

Radhika Shidore
Company Secretary

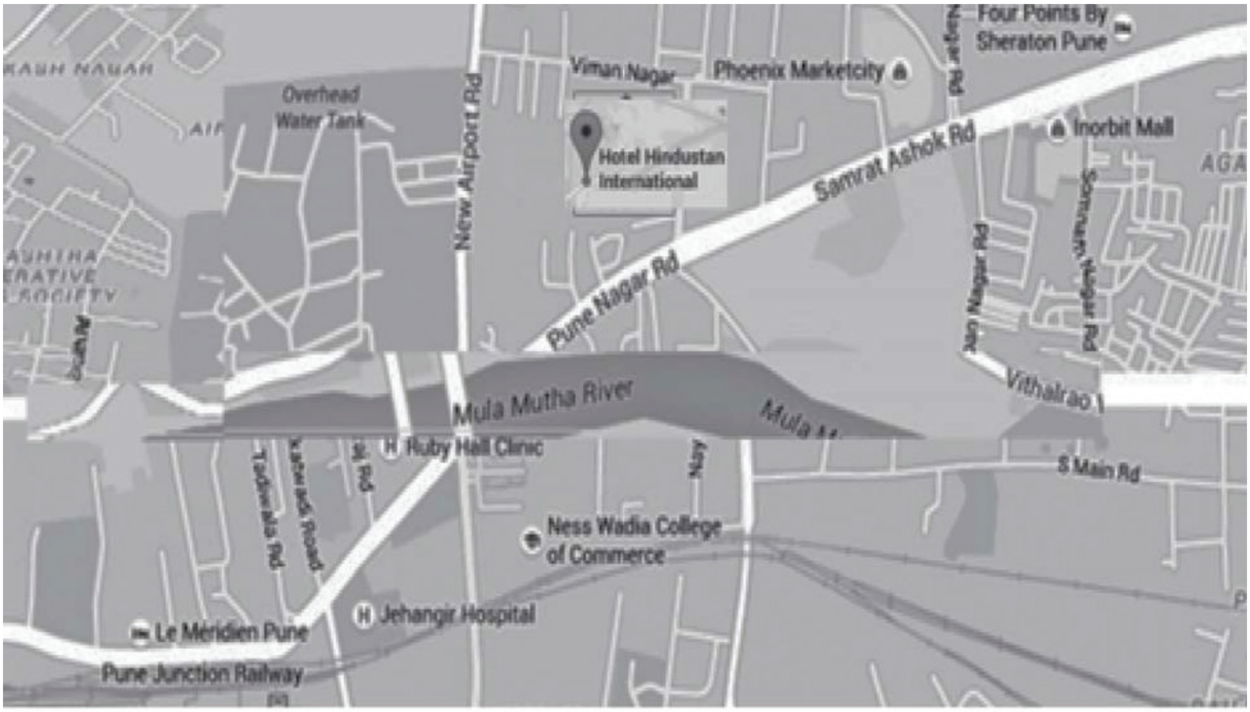
Pune, August 22, 2019

Registered office:
Lunkad Towers, Off. Nagar Road,
Viman Nagar, Pune – 411014.

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 support@sharexindia.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 Paticipant(s).

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INDIAN SEAMLESS ENTERPRISES LIMITED

Annual Report

2018-19

COMPANY INFORMATION

BOARD OF DIRECTORS	:	Mr. N.V.Karbhase -Whole Time Director Mr. Gurdip Singh Sambhi -Director Mr. R. Ramjee- Director Mr. V. Ravetkar-Director
COMPANY SECRETARY	:	Ms. Radhika Shidore
AUDITORS	:	M/s.V.K.Paradkar & Co. Chartered Accountants
BANKERS	:	Bank of India IDBI Bank Ltd.
SHARE TRANSFER AGENTS	:	Sharex Dynamic (India) Pvt. Ltd. C-101,247 Park, LBS Marg, Vikhroli West, Mumbai 400033
REGISTERED OFFICE	:	Lunkad Towers, Off Nagar Road, Viman Nagar, Pune-411 014 Phone:020 41434100, Fax: 020 26630779
CIN	:	U2900PN1995PLC090946
ISIN	:	(i) Fully Paid up Shares INE390E01019 (ii) Partly Paid up Shares IN9390E0107
WEBSITE	:	www.isel.co.in
E-MAIL	:	support@sharexindia.com

BOARD'S REPORT

To,

The Members,

Indian Seamless Enterprises Limited

Your Directors present herewith the Twenty Third Annual Report together with the Audited Financial Statements for the financial year ended on March 31, 2019.

1. **Financial Highlights:**

(Rs. in Lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
Gross Income	2877.51	2861.71
Profit before Finance expenses and Depreciation	1760.20	2215.09
Finance Expenses	267.76	279.68
Depreciation	29.59	9.13
Profit/(Loss) before exceptional item and tax	1462.85	1926.27
Profit/(Loss) before tax	1462.85	1926.27
Profit/(Loss) after Tax	1243.35	1811.61

There is no amount proposed to be transferred to reserves.

2. **Dividend:**

Your Directors do not recommend any dividend for the year ended on March 31, 2019.

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. Vijaykumar Ravetkar retires by rotation and being eligible, offers himself for re-appointment.

Mr. N V Karbhase, Key Managerial Personnel (KMP) has been re-appointed as a Whole-Time Director of the Company for a period of one year from April 01, 2019 upto March 31, 2020, on the recommendation of Nomination and Remuneration Committee and subject to the approval of members..

Ms. Shweta Shivhare was appointed as the Chief Financial Officer of the Company w.e.f June 01, 2019.

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 7 (Seven) times on April 03, 2018, May 30, 2018, August 24, 2018, September 05, 2018, November 23, 2018, January 23, 2019 and March 26, 2019. The intervening gap between the Meetings is within the period prescribed under the Act.

The Independent Directors met on March 26, 2019 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 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 Annual General Meeting ('AGM') 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 are 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 registered office during office hours upto the date of AGM.

7. **Subsidiary and Associate Company:**

As on date of this report, the Company has 2 (two) Indian subsidiaries, 1 (one) Indian Associate Company and 1(one) Foreign 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 Act, 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 March 31,2019 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 have 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.** Further, the latest Annual Return of the Company in Form MGT-7 is placed on the website of the Company at www.isel.co.in.

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) continu**e** 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.
C-101,247 Park, LBS Marg,
Vikhroli West, Mumbai 400033
T: 2851 5606/ 5644/ 6338
F: 28512885 Web: http://www.sharexindia.com

20. Corporate Social Responsibility:

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

Annual Report on CSR Activities for the Financial Year ended March 31, 2019 forms part of this Report as **Annexure B**

21. Contracts And Arrangements With Related Parties:

The details of Related Party transactions are provided in the Notes to Financial Statements.There is no information to be provided in Form 'AOC-2'.

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) The provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.

(v) 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.

(vi) The Company has complied with the applicable Secretarial Standards.

(vii) The Company is not required to maintain Cost records under Section 148(1) of the Companies Act, 2013.

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

N V Karbhase	R. Ramjee
Director	**Director**

Pune, August 22, 2019

Annexure 'A' to the Boards Report

Form No. MGT-9

Extract of Annual Return as on the Extract of Annual Return as on the financial year ended on March 31, 2019

[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 P7une 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 C-101,247 Park, LBS Marg, Vikhroli West, Mumbai - 400033 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	Wholesale trade of Metal and Metal Ores	46620	37.09
2	Management Consultancy Services	70200	62.90

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 as Vishkul Leather Garments Pvt.Ltd.) Lunkad Towers, Viman Nagar, Pune - 411014	U51216PN1994PTC076383	HOLDING	64.99	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, 2018)**						No. of Shares held at the end of the year**(March 31, 2019)**						**% 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	1,025,852	16,153	66,667	-	1,108,672	9.73	1,025,852	16,153	66,667	-	1,108,672	9.73	-
b) Central Government	-	-	-	-	-	-		-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-		-	-	-	-	-	-
d) Bodies Corporate	7,220,765	429,914	5367	-	7,656,046	67.16	7,652,661	-	5,367	-	7,658,028	67.18	(0.02)
e) Banks / FI	-	-	-	-	-	-		-	-	-	-	-	-
f) Any other	-	-	-	-	-	-		-	-	-	-	-	-
Sub-total (A) (1):-	**8,246,617**	**446,067**	**72,034**	-	**8,764,718**	**76.89**	**8,678,513**	**16,153**	**72,034**	-	**8,766,700**	**76.90**	(0.02)
(2) Foreign	-	-	-	-	-	-		-	-	-			
Sub-total (A) (2):-	-	-	-	-	-	-		-	-	-			
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**8,246,617**	**446,067**	**72,034**	-	**8,764,718**	**76.89**	**8,678,513**	**16,153**	**72,034**	-	**8,766,700**	**76.90**	(0.02)
B. Public Shareholding													
1. Institutions													
a) Mutual Funds	7,124	-	-	-	7,124	0.06	7,124	-	-	-	7,124	0.06	(0.00)
b) Banks / FI	73,731	-	-	-	73,731	0.68	73,731	-	-	-	73,731	0.66	0.02
c) Central Government	-	-	-	-	-	-		-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-		-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-		-	-	-	-	-	-
f) Insurance Companies	514,070	514	-	-	514,584	5	514,070	514	-	-	514,584	4.60	0.18
g) FIIs	79	-	-	-	79	0.00	79	-	-	-	79	0.00	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-		-	-	-			-
i) Others (specify)								-	-	-			
Sub-total (B)(1):-	**595,004**	**514**	-	-	**595,518**	**5.22**	**595,004**	**514**	-	-	**595,518**	5.22	-
2. Non-Institutions													
a) Bodies Corporate													
i) Indian	203,663	102,302	10,360	-	316,325	2.77	202,862	102,302	215,146	-	520,310	4.56	(1.79)
ii) Overseas	-	-	-	-	-	-		-	-	-	-		-
b) Individuals													

Category of Shareholders	No. of Shares held at the beginning of the year **(April 1, 2018)**						No. of Shares held at the end of the year**(March 31, 2019)**						**% 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**			
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	615,481	81,865	708,506	22,967	1,428,819	12.53	615,414	81,865	674,307	22,967	1,394,553	12.23	0.30
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	82,320	-	203,889	-	286,209	2.51	82,320	-	30,402	-	112,722	0.99	1.52
c) Others (specify):-								-		-	-		
c)(1) OCBs	-	-	-	-	-	-		-	1,042	-	1,042	0.01	(0.01)
c)(2) Non-Residents	6,214	137	1,666	-	8,017	0.07	8,045	137	524	-	8,706	0.08	(0.01)
c)(3) Clearing Members	-	-	-	-	-	-	55	-	-	-	55	-	-
Sub-total (B)(2):-	**907,678**	**184,304**	**924,421**	**22,967**	**2,039,370**	**17.89**	**908,696**	**184,304**	**921,421**	**22,967**	**2,037,388**	17.87	0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,502,682**	**184,818**	**924,421**	**22,967**	**2,634,888**	**23.11**	**1,503,700**	**184,818**	**921,421**	**22,967**	**2,632,906**	23.10	0.02
C. Shares held by Custodian for GDRs & ADRs													
Public	-	-	-	-	-	-							
Sub-total (C)	**-**	**-**	**-**	**-**	**-**	**-**							
Grand Total (A+B+C)	**9,749,299**	**630,885**	**996,455**	**22,967**	**11,399,606**	**100.00**	**10,182,213**	**200,971**	**993,455**	**22,967**	**11,399,606**	**100.00**	-

ii. Shareholding of Promoters

Sl No.	**Shareholder's Name**	**Shareholding at beginning of the year(April 1, 2018)**					**Shareholding at the end of the year(March 31, 2019)**					
		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 Private Limited)	5,819,112	92	5,819,204	51.05	0.00	7,409,073	-	7,409,073	64.99	0.00	13.95
2	Palatial Estates Private Limited	558,065	429,822	987,887	8.67	0.00	-	-	-	-	0.00	-8.67
3	Misrilall Mines Private Limited	248,955	0	248,955	2.18	0.00	248,955	0	248,955	2.18	0.00	0.00
4	Misrilall Properties Private Limited	5,367	0	5,367	0.05	0.00	0	0	0	-	0.00	-0.05

Sl No.	Shareholder's Name	Shareholding at beginning of the year(April 1, 2018)					Shareholding at the end of the year(March 31, 2019)					
		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			
5	Radhika Real Estates Private Limited	600,000	0	600,000	5.26	0.00	-	0	-	-	0.00	-5.26
6	J P Sureka	114,951	0	114,951	1.01	0.00	-	0	-	-	0.00	-1.01
7	Savitri Devi Sureka	108,978	0	108,978	0.96	0.00	223,929	0	223,929	1.96	0.00	1.01
8	Ramesh Sureka	107,972	0	107,972	0.95	0.00	107,972	0	107,972	0.95	0.00	0.00
9	A K Jain (HUF)	96,806	344	97,150	0.85	0.00	96,806	344	97,150	0.85	0.00	0.00
10	Salil Taneja	93,342	0	93,342	0.82	0.00	93,342	0	93,342	0.82	0.00	0.00
11	Raj K Sureka	77,859	0	77,859	0.68	0.00	-	0	-	-	0.00	-0.68
12	Sanjay Sureka	77,192	0	77,192	0.68	0.00	-	0	-	-	0.00	-0.68
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	107,192	0	107,192	0.94	0.00	0.68
16	Shiv Kumar Jain	28,834	0	28,834	0.25	0.00	28,834	0	28,834	0.25	0.00	0.00
17	Ashok Kumar Jain	186	0	186	0.00	0.00	186	0	186	0.00	0.00	0.00
18	Akshay Jain	89,510	15,809	105,319	0.92	0.00	89,510	15,809	105,319	0.92	0.00	0.00
19	Priti Sureka	30,000	0	30,000	0.26	0.00	107,859	0	107,859	0.95	0.00	0.68
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
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	**8,324,018**	**446,067**	**8,770,085**	**76.93**	**0.00**	**8,750,547**	**16,153**	**8,766,700**	**76.90**	**0.00**	**-0.03**

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				
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				

Following are the details of datewise shareholding change

Sr. No	Name	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No of Shares at the beginning (01.04.2018/ end of year 31.03.2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vishkul Enterprises Private Limited	5,819,112	51.05	01-04-2018				
				01-06-2018	672	Buy	5,819,784	51.05
				20-07-2018	92	Buy	5,819,876	51.05
				31-08-2018	1,343,905	Transfer	7,163,781	62.84
				04-01-2019	757	Buy	7,164,538	62.84
				11-01-2019	553	Buy	7,165,091	62.85
				29-03-2019	243,982	Transfer	7,409,073	64.99
				31-03-2019			7,409,073	64.99
2	Savitri Devi Sureka	108,978	0.96	01-04-2018				
				29-06-2018	114951	Buy	223929	1.96
				31-03-2019			223929	1.96
3	Priti Sureka	30,000	0.26	01-04-2018				
				01-06-2018	77859	Buy	107859	0.95
				31-03-2019			107859	0.95
4	Mini Sureka	30000	0.26	01-04-2018				
				13-07-2018	77192	Buy	107192	0.94
				31-03-2019			107192	0.94
5	Ashok Kumar Jain (HUF)	96806	0.85	01-04-2018				

Sr. No	Name	Shareholding		Date	Increase(+)/ Decrease(-) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No of Shares at the beginning (01.04.2018/ end of year 31.03.2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				06-04-2018	344	Buy	97150	0.85
				20-04-2018	-344	Sold	96806	0.85
				18-05-2018	344	Buy	97150	0.85
				01-06-2018	-344	Sold	96806	0.85
				08-06-2018	344	Buy	97150	0.85
				15-06-2018	-344	Sold	96806	0.85
				22-06-2018	344	Buy	97150	0.85
				30-06-2018	-344	Sold	96806	0.85
				06-07-2018	344	Buy	97150	0.85
				20-07-2018	-344	Sold	96806	0.85
				10-08-2018	344	Buy	97150	0.85
				31-08-2018	-344	Sold	96806	0.85
				31-03-2019			96806	0.85
6	Palatial Estates Pvt Ltd	558065	4.9	01-04-2018				
				20-07-2018	185840	Transfer	743905	6.53
				25-08-2018	-743905	Transfer	0	0
7	Radhika Real Estates Pvt Ltd	600000	0.53	01-04-2018				
				25-08-2018	-600000	Transfer	0	0
8	Jagdish Prasad Sureka	114951	1	01-04-2018				
				29-06-2018	-114951	Sold	0	0
9	Raj K Sureka	77859	0.68	01-04-2018				
				01-06-2018	-77859	Sold	0	0
10	Sanjay Sureka	77192	0.68	01-04-2018				
				13-07-2018	-77192	Sold	0	0

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 (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning (01.04.2018/ end of year 31.03.2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	493,072	4.33	01.04.2018	NA	NA	NA	NA
		493,072	4.33	31.03.2019				
2	Newway Construction Limited	100,223	0.88	01.04.2018	NA	NA	NA	NA
		100,223	0.88	31.03.2019				
3	Himani Limited	97,156	0.85	01.04.2018	NA	NA	NA	NA
		97,156	0.85	31.03.2019				
4	Bank of India	73,078	0.64	01.04.2018	NA	NA	NA	NA
		73,078	0.64	31.03.2019				
5	Tata Investment Corporation Limited	67,210	0.59	01.04.2018	NA	NA	NA	NA
		67,210	0.59	31.03.2019				
6	Sanay Tradex Private Limited	63,318	0.56	01.04.2018	NA	NA	NA	NA
		63,318	0.56	31.03.2019				
7	Chandrakanta Chamanlal Oberoi	48,988	0.43	01.04.2018	NA	NA	NA	NA
		48,988	0.43	31.03.2019				
8	United India Insurance Company Limited	20,484	0.00	01.04.2018	NA	NA	NA	NA
		20,484	0.00	31.03.2019				
9	S K Consultants Limited	18,609	0.16	01.04.2018	NA	NA	NA	NA
		18,609	0.16	31.03.2019				
10	Ashwin Shantilal Mehta	18,444	0.16	01.04.2018	NA	NA	NA	NA
		18,444	0.16	31.03.2019				

v. **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/ Decrease in Share-holding	Reasons	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end of the year 31.03.2019)	% 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	01.04.2018	N.A.	N.A.	N.A.	N.A.
		99	0.00	31.03.2019				
2	Gurdip Singh Sambhi- Independent Director	0	0.00	01.04.2018	N.A.	N.A.	N.A.	N.A.
		0	0.00	31.03.2019				
3	Ratnam Ramjee - Independent Director	0	0	01.04.2018	N.A.	N.A.	N.A.	N.A.
		0	0	31.03.2019				
4	Vijaykumar Ravetkar	0	0	01.04.2018	N.A.	N.A.	N.A.	N.A.
		0	0	31.03.2019				

V. **INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				0
i) Principal Amount	50000000	94000000	0	144000000
ii) Interest due but not paid	208048	114090861	0	114298909
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**50208048**	**208090861**	**0**	**258298909**
Change in Indebtedness during the financial year				0
Addition (+) / Reduction (-)	36000000	-94000000	0	-58000000
Net Change				
Indebtedness at the end of the financial year			0	0
i) Principal Amount	86000000	0	0	86000000
ii) Interest due but not paid	1250586	6816355	0	8066941
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**87250586**	**6816355**	**0**	**94066941**

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	3,900,000	3,900,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(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)	**3,900,000**	**3,900,000**
	Ceiling as per the Act *		

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

 # remuneration includes arrears of one month.

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	135,000	90,000	225,000
	Commission	0	0	-
	Others, please specify	0	0	-
	Total (1)	**135,000**	**90,000**	225,000
2	Other Non-Executive Directors	**Vijaykumar Ravetkar**		
	Fee for attending board / committee meetings	135,000		135,000
	Commission	0		-
	Others, please specify	0		-
	Total (2)	**135,000**		**135,000**
	Total (B)=(1+2)			**360,000**
	Total Managerial Remuneration(A+B)			**360,000**
	Overall Ceiling as per the Act			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personenel	Total Amount
		Company Secretary	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5,54,787	5,54,787
	(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	54,228	54,228
	Total	**609,015**	**609,015**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure B to the Boards Report

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year ended March 31, 2019

1. **Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

   The Corporate Social Responsibility Policy of the Company has been developed in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

   As per the CSR Policy, Company can undertake any of the programme or activities as mentioned in Schedule VII of the Companies Act, 2013 and which will include any modification or amendment thereof. The web-link to the CSR policy http://www.isel.co.in/CSR_Policy.pdf.

2. **The Composition of the CSR Committee.**

   CSR Committee of the Board of Directors consists of two Directors i.e. Mr. N V Karbhase – Chairman, Mr. Vijaykumar Ravetkar – Member and Mr. Gurdip Singh Sambhi, Member.

3. **Average net profit of the company for last three financial years**

   The Average Net Profit for the Company in the Financial Year calculated as per Section 198 of the Act read with Companies (Corporate Social Responsibility) Rules thereof accrued during the three immediately preceding financial years amounts to Rs.4,96,75,370/-

4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)**

   The prescribed CSR expenditure (two per cent. of the average net profit) amounts to Rs. 9,93,507/-

5. **Details of CSR spent during the financial year: NIL**

   a. **Total amount to be spent for the financial year**: Rs. 9,93,507/-

   b. **Amount unspent , if any:** Rs. 9,93,507/-

   c. **Manner in which the amount spent during the financial year** – NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and the district where projects or programs are undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or program sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent director or through implementing agency
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report**.

   The Board of Directors of the Company discussed various avenues to spend the CSR expenditure and has had many meetings with agencies to finalize the avenues / areas / causes which the Company wants to support. However, the Board was unable to identify suitable cause which meets its CSR objectives. Further, the Company has made contribution to Prime Minister National Relief Fund as its CSR activity on August 09, 2019.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

   The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

	N V Karbhase	Gurdipsingh Sambhi
Pune, August 22, 2019	**Chairman of Committee**	**Member**

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Seamless Enterprises Limited

Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

We have audited the standalone financial statements of Indian Seamless Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2019, and its Profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

2. Basis for 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 Financial Statements. We further draw attention to Note no 4.17 of standalone Financial Statements, regarding promoter contribution towards restructuring of debt of the Associate company " ISMT Limited". We are unable to comment on the same and ascertain its impact, if any, on the financial statements in respect of the above matter.

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

3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other Information comprises the information included in Company's Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

A. As required by The Companies (Auditor's Report) Order, 2016 issued by the Central Government of India (Ministry of Corporate Affairs) in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

B. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

C. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations, except for the matter described in the Basis for Qualified Opinion paragraph above, which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, 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) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

e) In our opinion, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act and the rules prescribed there under;

f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

g) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.

h) The qualifications relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

i) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Refer Note No. 4.1 on 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.

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

V.K Paradkar
Proprietor
Membership Number: 17151

Place : Pune
Date : August 22, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S 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 financial statements as of and for the year ended 31st March, 2019]

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. 7.75 Crore 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. 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, Goods and Service 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, 2019 for a period of more than six months from the day they become payable.

viii. According to information and explanations given to us, there are no disputed dues with statutory authorities which have not been deposited on account of disputes.

ix. 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. 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.

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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xvi. 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.

xvii. 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 : August 22, 2019

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 Financial Statements for the year ended March 31, 2019])

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, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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, 2019 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 : August 22, 2019

Balance Sheet as at March 31, 2019

(Amount in Rupees)

Particulars	Note No.	As at March 31,2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and Equipments	1.1	6,622,397	9,581,010
(b) Financial Assets			
i) Investments	1.2	1,193,566,483	1,193,538,014
ii) Loans	1.3	68,299,991	60,192,113
iii) Other Financial assets	1.4	7,260,015	14,520,030
(c) Deferred Tax Assets(Net)	1.5	63,740,427	54,041,777
		1,339,489,313	**1,331,872,944**
CURRENT ASSETS			
(a) Financial Assets			
i) Trade Receivables	1.6	23,239,017	18,203,211
ii) Cash and Cash equivalents	1.7	957,4150	9,833,927
iii) Other Financial Assets	1.8	100,050,000	329,540
b) Current Tax Assets (Net)	1.9	11,088,131	7,695,238
c) Other Current Assets	1.10	489,815	291,804
		144,441,113	**36,353,720**
TOTAL		**1,483,930,426**	**1,368,226,664**
EQUITY AND LIABLITIES			
EQUITY			
(a) Equity Share Capital	1.11	112,876,370	111,656,000
(b) Other Equity	1.12	1,058,407,349	923,172,451
		1,171,283,719	**1,034,828,451**
LIABLITIES			
NON CURRENT LIABILITIES			
(a) Provisions	1.13	4,493,095	4,344,020
		4,493,095	**4,344,020**
CURRENT LIABILTIES			
(a) Financial Liabilities			
i) Borrowings	1.14	86,000,000	144,000,000
ii) Trade Payables	1.15	49,722,602	-
iii) Other Financial Liabilities	1.16	96,062,951	95,522,911
(b) Current Tax Liabilities (Net)	1.17	22,301,830	31,250,611
(c) Other Current Liabilities	1.18	54,066,229	58,280,671
		308,153,612	**329,054,193**
TOTAL		**1,483,930,426**	**1,368,226,664**
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 and on behalf of the Board of Directors

V. K. Paradkar
Proprietor
M. No. 17151

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Place : Pune
Date : August 22, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rupees)

	Particulars	Note No.	As at March 2019	As at March 2018
	INCOME			
I	Revenue from operations	1.19	269,193,226	187,424,414
II	Other Income	1.20	18,558,568	98,746,499
III	**TOTAL INCOME (I+II)**		**287,751,794**	**286,170,913**
IV	**EXPENSES**			
	Purchases of Stock in Trade		97,297,630	50,329,206
	Employee Benefits Expense	1.21	6,300,126	5,913,876
	Finance Cost	1.22	26,776,327	27,968,336
	Depreciation and amortization expense	1.1	2,958,613	913,380
	Other Expenses	1.23	8,133,861	8,418,585
	TOTAL EXPENSES (IV)		**141,466,557**	**93,543,383**
V	**PROFIT/(LOSS) BEFORE TAX (III - IV)**		**146,285,237**	**192,627,530**
VI	**TAX EXPENSES**			
	Current Year Tax		**31,648,500**	41,225,000
	MAT credit- current year		**(9,698,650)**	(29,759,392)
	MAT Credit -Previous Year		-	-
VII	**PROFIT/(LOSS) FOR THE YEAR (V - VI)**		**124,335,387**	**181,161,922**
VIII	**OTHER COMPREHENSIVE INCOME**			
	a) Items that will not be reclassified to profit and loss			
	i) Net Gain / (Loss) on Fair Valution of Equity Instruments through OCI		**(83,819)**	(8,013)
	(ii) Income tax effect on above		-	-
	Total Other Comprehensive Income		**(83,819)**	**(8,013)**
IX	**TOTAL COMPREHENSIVE INCOME (VII + VIII)**		**124,251,568**	**181,153,909**
VII	Earning per Equity Share(Face Value of Rs 10/- each)		**10.91**	**15.89**
	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 and on behalf of the Board of Directors

V. K. Paradkar
Proprietor
M. No. 17151

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Place : Pune
Date : August 22, 2019

Cash flow Statement for the year ended March 31, 2019

(Amount in Rupees)

	Particulars	2018-19		2017-18	
i	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/ (Loss) Before Tax		**146,285,237**		**192,627,530**
	Adjustments For:				
	Depreciation of Asset	2,958,613		913,380	
	Profit on sale of Investment	(5,649,203)		(90,976,172)	
	Interest Income	(8,133,135)		(7,770,277)	
	Interest Expenses	26,776,327		27,927,511	
	Dividend Income	(11,230)	**15,941,372**	(50)	**(69,905,608)**
	Operating profit / (loss) before working capital changes		**162,226,609**		**122,721,922**
	Adjustments for:				
	Trade and Other Receivables	(105,802,140)		(16,851,051)	
	Trade Payables and Other Liabilities	38,338,383	**(67,463,757)**	(171,899,460)	**(188,750,511)**
	Cash generated from/(used in) operations		**94,762,852**		**(66,028,589)**
	Direct taxes paid (Net of refunds)		(43,990,174)		(35,295,087)
	Net cash flow from/(used in) operating activity		**50,772,678**		**(101,323,676)**
ii	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	-		(9,972,747)	
	Purchase of Investment	(112,288)		(96,678,510)	
	Interest Received	8,133,135		7,770,277	
	Proceeds from sale of Investment	5,649,203		99,471,368	
	Net Cash used in Investing Activities		**13,670,050**		**590,388**
iii	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Interest Paid	(18,917,434)		(16,307,247)	
	Dividend Income	11,230		50	
	Proceeds/ (Repayment) from/of borrowing (net)	(58,000,000)		111,091,645	
	Proceeds from calls on unpaid shares including securities premium	12,203,700		9,292,000	
	Net Cash from Financing Activities		**(64,702,504)**		**104,076,448**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (Total i+ii+iii)		**(259,777)**		**3,343,160**
	Cash and Cash Equivalents at the beginning of the year (Refer Note No 1.7)		9,833,927		6,490,767
	Cash and Cash Equivalents at the end of the year (Refer Note No 1.7)		9,574,150		9,833,927
	Net Increase/(Decrease) in Cash & Cash Equivalents		**(259,777)**		**3,343,160**

As per our report of even date
For V. K. Paradkar & Co
Chartered Accountants
FRN 120527W

For and on behalf of the Board of Directors

V. K. Paradkar
Proprietor
M. No. 17151

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Place : Pune
Date : August 22, 2019

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Note No - 1.1 - PROPERTY, PLANTS AND EQUIPMENTS

(Amount in Rupees)

Particulars	**Plant and Machinery**	**Vehicles**	**Total**
Gross Block			
As at April 1,2018		**16,576,036**	**16,576,036**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**-**	**16,576,036**	**16,576,036**
Accumulated Depreciation			
As at April 1,2018	-	**6,995,026**	**6,995,026**
Charge for the year	-	-	-
Disposals	-	-	-
	-	**6,995,026**	**6,995,026**
Charge for the year	-	2,958,613	2,958,613
Disposals	-		-
As at March 31, 2019	**-**	**9,953,639**	**9,953,639**
Net Block			
	-	**9,581,010**	**9,581,010**
As at March 31, 2019	**-**	**6,622,397**	**6,622,397**
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 31,2019**	**As at March 31,2018**
Investment in Equity Instruments - Unquoted		
a) In Subsidairy Companies (At Cost)		
i) Larus Tradecon Private Ltd(formerly known as Lighto Technologies Pvt Ltd)	2,942,410	2,942,410
2,80,741 (2,80,741) Equity shares of Rs 10 each fully paid		
b) In Associate Companies (At Cost)		
i) Fair Growth Holding Pte Ltd	351,162	351,162
12,000 (12000) Equity Shares of SGD 1 each fully paid.		
ii) ISMT Limited	971,515,420	971,515,420
6,89,18,858 (68918858) Equity Shares of Rs 5 each fully paid.		
iii) Taneja Aerospace & Aviation Ltd.	218,570,932	218,570,932
1,26,53,299 (12653299) Equity Shares of Rs 5 each fully paid.		
iv) TAAL Enterprises Limited	8,015	8,015
577 (577) Equity Shares of Rs 10 each fully paid.		

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
c) In Other Companies (At fair value through OCI)		
Cosmos Co-op Bank Ltd	-	-
1,000 (1000) 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	4,970	4,254
10 (10) Equity Shares of Rs 5 each fully paid.		
ii) Oil Country Tabular Ltd	74	161
5 (5) Equity Shares of Rs 10 each fully paid.		
iii) Gandhi Special Tubes Ltd	173,500	145,660
500 (400) Equity Shares of Rs 5 each fully paid.		
Total	**1,193,566,483**	**1,193,538,014**
Aggregate amount of unquoted investments	**3,293,572**	3,293,572
Aggregate amount of quoted investments - At Cost	**1,190,294,193**	1,190,181,905
Aggregate amount of quoted investments - At Market Value	**958,098,231**	1,209,168,235

Note No. 1.3 NON CURRENT FINANCIAL ASSETS -LOANS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Unsecured Loans		
Associate Company - (Refer Note No.-.4.15 B)	68,299,991	60,192,113
Total	**68,299,991**	**60,192,113**

Note No. 1.4 NON CURRENT FINANCIAL ASSETS - OTHERS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Deferred expenses on Financial Assets measured at amortised cost	7,260,015	14,520,030
Total	**7,260,015**	**14,520,030**

Note No. 1.5 DEFERRED TAX ASSETS(NET) (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
MAT credit entitlement	63,740,427	54,041,777
Total	**63,740,427**	**54,041,777**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

NOTE NO. 1.6 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Unsecured		
Considered Good	23,239,017	18,203,211
Total	**23,239,017**	**18,203,211**

Note No. 1.7 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
i) Balances with Banks	9,570,820	9,827,930
ii) Cash on Hand	3330	5,997
Total	**9,574,150**	**9,833,927**

Note No. 1.8 CURRENT FINANCIAL ASSETS - OTHERS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Other Advances recoverable	100,050,000	329,540
Total	**100,050,000**	**329,540**

Note No.1.9 CURRENT TAX ASSETS (NET) (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Taxes Paid	86,613,131	41,995,238
Less: Provision for Taxes	75,525,000	34,300,000
Total	**11,088,131**	**7,695,238**

Note No. 1.10 OTHER CURRENT ASSETS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Balance with Government Authorities	489,815	291,804
Total	**489,815**	**291,804**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Note No. 1.11 EQUITY SHARE CAPITAL

(Amount in Rupees)

	As at March 31,2019	As at March 31,2018
Authorised :-		
1,20,00,000 (31 March, 2019: 1,20,00,000 ; 1 April, 2018: 1,20,00,000) Equity shares of Rs. 10/- each	120,000,000	120,000,000
	120,000,000	**120,000,000**
Issued , Subscribed and Paid up		
1,13,99,606 (31 March, 2019 : 1,13,99,606 ; 1 April, 2018 : 1,13,99,606) Equity share of 10/- Each fully paid	113,996,060	113,996,060
Less:- Calls in arrears	1,119,690	2,340,060
	112,876,370	**111,656,000**

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 31,2019		As at March 31,2018	
	Equity Shares in Numbers	Amount in Rupees	Equity Shares in Numbers	Amount in Rupees
Shares outstanding at the beginning of the year	10,931,594	111,656,000	10,745,754	110,726,800
Amount received on unpaid call during the year	244,074	1,220,370	185,840	929,200
Shares bought back during the year	-	-	-	-
Calls unpaid	223,938	1,119,690	468,012	2,340,060
Shares outstanding at the end of the year	**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

(Amount in Rupees)

Name of Share Holders (Equity)	As at March31,2019		As at March 31,2018	
	No. of Shares held	% holding	No. of Shares held	% holding
Vishkul Enterprises Private Limited (formerly known as Vishkul Leather Garments Pvt Ltd)	7,409,073	64.99	6,977,106	61.20%

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

NOTE NO. 1.12 OTHER EQUITY

(Amount in Rupees)

Particulars	Reserve and Surplus			Items of Other Comprehensive Income (OCI)	Total
	Security Premium	General Reserve	Retained Earnings	Equity Instruments through OCI	
As at April 1, 2017	**482,365,890**	**186,913,620**	**64,305,682**	**70,550**	**733,655,742**
Adjustment in Opening Balance :					
Fair Valuation of Financial Assets	-	-		-	-
Fair valuation of Equity Shares					
Add : Fair Valuation of Investment through OCI	-	-	-	(8,013)	-
Addition during the year	8,362,800	-	-		8,362,800.00
As at March, 2018 (A)	**490,728,690**	**186,913,620**	**64,305,682**	**62,537**	**742,010,529**
Adjustments:					
Add : Fair Valuation of Investment through OCI	-	-	-		-
Add: Profit / (Loss) for the year	-	-	181,161,922	-	181,161,922
Total (B)	**-**	**-**	**181,161,922**	**-**	**181,161,922**
As at April 1, 2018(C) = (A) + (B)	**490,728,690**	**186,913,620**	**245,467,604**	**62,537**	**923,172,451**
Addition during the year	10,983,330		124,335,387	(83,819)	135,234,898
As at March 31, 2019	**501,712,020**	**186,913,620**	**369,802,991**	**(21,282)**	**1,058,407,349**

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 represents appropriation of retained earnings and are available for distribution to shareholders.

C Retained Earnings

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

Note No. 1.13 NON CURRENT LIABILITIES - PROVISIONS

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Provision For Employee Benefits		
i) Gratuity	3,804,649	3,747,183
ii) Leave Encashment	688,446	596,837
Total	**4,493,095**	**4,344,020**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Note No. 1.14 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Secured Loan - Term Loan (Refer Note No- 4.3)	86,000,000	50,000,000
Unsecured- Inter Corporate Deposit	-	94,000,000
Total	**86,000,000**	**144,000,000**

Note No. 1.15 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
i) Micro, Small amd Medium Enterprises	-	-
ii) Others	49,722,602	-
Total	**49,722,602**	**-**

Note No. 1.16 CURRENT FINANCIAL LIABILITIES - OTHERS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Interest accrued and Due	87,035,257	79,176,364
Other Liabilities	9,027,694	16,346,546
Total	**96,062,951**	**95,522,911**

Note No. 1.17 CURRENT TAX LIABILITY (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Provision for Tax	31,648,500	41,225,000
Less: Taxes Paid	9,346,670	9,974,389
Total	**22,301,830**	**31,250,611**

Note No. 1.18 CURRENT LIABILITIES - OTHERS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Advance from customers	46,078,421	50,000,000
Other Liabilities	7,987,808	8,280,671
Total	**54,066,229**	**58,280,671**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

NOTE NO. 1.19 REVENUE FROM OPERATIONS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Sales - Trading	99,855,436	52,123,731
Professional fee	169,337,790	135,300,683
Total	**269,193,226**	**187,424,414**

NOTE NO. 1.20 OTHER INCOME

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Dividend Income	11,230	50
Interest on IT Refund/other	25,257	624,884
Profit on Sale of Investments	-	90,976,172
Interest Income for financial assets measured at amortized cost	8,107,878	7,145,393
Profit in Derivative Transcation	5,649,203	-
Credit Balance Written Back	4,765,000	-
Total	**18,558,568**	**98,746,499**

Note No. 1.21 EMPLOYEE BENEFITS EXPENSE (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
i) Salaries,wages Bonus and Allowances	5,929,637	4,984,167
ii) Contribution to Provident Fund and Other Funds	259,614	839,829
iii) Staff Welfare Expenses	110,875	89,880
Total	**6,300,126**	**5,913,876**

Note No-1.22 FINANCE COST (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Interest	19,497,904	20,667,496
Interest expenses for financial assets measured at amortized cost	7,260,015	7,260,015
Cash Discount	18,408	40,825
Total	**26,776,327**	**27,968,336**

Note No. 1.23 OTHER EXPENSES (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Audit Fees	22,5000	225,000
Rates ,Taxes and fees	43,000	20,529
Insurance	264,140	122,231
Traveling expense	33,416	250,078
Professional & Legal fees	6,261,337	6,706,620
Miscellaneous expense	1,306,968	1,094,127
Total	**8,133,861**	**8,418,585**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

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, 2019 were approved for the issue by the Board of Directors vide their Board meeting dated August 22, 2019.

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, 2018, the Company prepared its standalone 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. 3.24 for the explanation of transition from previous GAAP to Ind AS.

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 and presentation currency and Rounding off 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

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.

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 and Equipments:

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 company 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.

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 Depreciation on vehicle 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.

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 and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

3.11 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 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

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

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 levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.13 Financial instruments:

A 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 receivable 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 or 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 asset 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 asset 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 instruments 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).

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 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 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.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

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.

Diluted 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 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 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.

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 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.

3.18 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.

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;

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.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

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

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities		
Corporate guarantees for Banking facilities / Term Loan granted to Subsidiary	59,200,000	59,200,000
Commitments		
Capital Commitments	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- Laurus Tradecon Private Limited

4.2 Calls in arrears is on Equity Shares-2,23,938/- (Previous year 4,68,012/-).

4.3 Short Term Loan of Rs 8,60,00,000/- (Previous Year Rs 500,00,000) is secured by way of pledge of 3,39,00,000 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.

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 2018-19 **(Amount in Rupees)**

Particulars	Trading	Investment	Services	Unallocable	Total
Segment Revenue	99,855,436	5,660,433	169,337,790	12,898,135	287,751,794
Segment Result before Finance Cost & Tax	2,557,806	5,660,433	169,337,790	(4,494,465)	173,061,564
Less: Finance Cost	-	-	-	-	26,776,327
Profit/(Loss) before Tax	-	-	-	-	146,285,237
Less: Tax expenses	-	-	-	-	21,949,850
Profit/ (Loss) after Tax					124,335,387
<u>Other Information</u>					
Segment Assets	-	1,193,566,483	23,239,017	267,124,926	1,483,930,426
Segment Liabilities	95,801,023	-		216,845,684	312,646,707

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

For the Financial Year 2017-18 **(Amount in Rupees)**

Particulars	Trading	Investment	Leasing	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**	**(1,046,759)**	**220,595,866**
Less: Finance Cost					27,968,336
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	156,485,439	**1,368,226,664**
Segment Liabilities	50,000,000	-	6,772,293	276,625,920	**333,398,213**

4.6 Dues to Micro and Small 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, 2019.

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. (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 39,00,000/- (Previous Year Rs. 32,94,953/-)

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

ii Details of transactions with Subsidiary and Associate Companies:

(Amount in Rupees)

Nature of Transactions / Relationship	Subsidiary Company		Associate Company	
	2018-19	2017-18	2018-19	2017-18
Purchase of Finished Goods	-	-	97,297,630	50,329,206
Purchase of shares	-	-	-	13,305
Purchase of shares	-	-	-	96,577,667
Sale of shares	-	-	-	99,471,368
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

Purchase of Seamless Tubes of Rs. 9,72,97,630 (Previous Year Rs. 5,03,29,606).

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. (Vishkul)

During the previous year, the Company sold 6,12,000 shares of TAAL enterprises to Vishkul for Rs.9,94,71,368 and Purchased 1000 shares of ISMT Limited for Rs.13,305 and sale of 97,11,321 shares of Taneja Aerospace & Aviation Ltd. for Rs.9,94,71,368.

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

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

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 (ACP)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

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

4.10 Income tax expense

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

(Amount in Rupees)

Particulars	2018-19	2017-18
I) Income Tax recognised in the statement of profit and loss		
Current tax	31,648,500	41,225,000
MAT credit- current year	(9,698,650)	(29,759,392)
Total Income Tax recognised in the statement of profit and loss	**21,949,850**	**11,465,608**
II) Income Tax recognised in Other Comprehensive Income		
Deferred tax	-	-
Total Income Tax recognised in Other Comprehensive Income	-	-

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

(Amount in Rupees)

Particulars	2018-19	2017-18
Accounting profit before income tax expenses	**146,285,237**	**192,627,530**
Enacted tax rates in India (%)	27.82%	28.84%
Expected income tax expenses	40,696,553	55,553,780
Tax Effect of :		
Expenses not deductible	199,932	(94,688)
Non Taxable Capital Gain	-	(26,237,528)
Accelerated capital allowances	628,672	45,499
Carried forward loss set off	(19,575,307)	(17,801,455)
Income tax expense recognised in Statement of Profit and Loss	**21,949,850**	**11,465,608**
Adjustments recognised in current year in relation to the current tax of earlier years	-	-
Income Tax Expenses	**21,949,850**	**11,465,608**
Effective Tax Rate (%)	**15.00%**	**5.95%**

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, 2019

(Amount in Rupees)

Particulars	As at April 1, 2018	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2019
Tax effect of item constituting deferred tax liabilities				
i) Property, Plant and Equipment	-	-	-	-
	-	-	-	-
Tax effect of item constituting deferred tax assets				
i) MAT Credit Entitlement	54,041,777	9,698,650	-	63,740,427
	54,041,777	**9,698,650**	**-**	**63,740,427**
Net deferred tax asset/ (liability)	**54,041,777**	**9,698,650**	**-**	**63,740,427**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

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
Tax effect of item constituting deferred tax liabilities				
i) Property, Plant and Equipment	-	-	-	-
	-	-	-	-
Tax effect of item constituting deferred tax assets				
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**

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	2018-19	2017-18
Net Profit / (Loss) for the year attributable to Equity Shareholders	124,335,387	181,161,922
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)	10.91	15.89

4.12 Miscellaneous Expenses includes:

(Amount in Rupees)

Particulars	2018-19	2017-18
Printing & Stationery	267,066	402,222
Profession Tax	2,500	2,500
Repairs Maintenance – Others	250,133	99,376
Postage and Telephone expenses	158,926	165,904
Office and General Expenses	94,401	90,812
Subscription	49,248	74,750
Books & Periodicals	17,205	26,880
Advertisement	33,865	44,235
Processing Charges	133,623	187,448
Advances Written off	300,000	-
Total	**1,306,968**	**1,094,127**

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:

a) Credit risk

b) Liquidity risk

c) Market risk

Risk management framework

Company's board of directors has overall responsibility for establishment of Company's risk management framework. Management is responsible for developing and monitoring 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 minimise 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. Company closely monitors its liquidity position and deploys a robust cash management system.

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 and 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.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

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 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.

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at Fair Value Through OCI (noncurrent)				
Investment in Equity Shares	178,544	150,075	178,544	150,075
Financial Assets at amortised cost (non-current)				
Loans	68,299,991	60,192,113	68,299,991	60,192,113
Other financial Assets	7,260,015	14,520,030	7,260,015	14,520,030
Total	**75,738,550**	**74,862,218**	**75,738,550**	**74,862,218**

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

(Amount in Rupees)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at amortised cost (current)				
Trade Receivables	23,239,017	18,203,211	23,239,017	18,203,211
Cash and Bank Balances	9,574,150	9,833,927	9,574,150	9,833,927
Other financial Assets	100,050,000	329,540	100,050,000	329,540
Total	**132,863,167**	**28,366,678**	**132,863,167**	**28,366,678**
Financial Liabilities at amortised cost (current)				
Borrowings	86,000,000	144,000,000	86,000,000	144,000,000
Trade Payables	49,722,602	-	49,722,602	-
Other financial Liabilities	96,062,951	95,522,911	96,062,951	95,522,911
Total	**231,785,553**	**239,522,911**	**231,785,553**	**239,522,911**

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

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Valuation Techniques and key Inputs
Financial Assets at Fair Value Through OCI (noncurrent)				
Investment in Equity Shares	178,544	150,075	1	Quoted NAV in active markets
Financial Assets at amortised cost (non-current)				
Loan to Associate Company	68,299,991	60,192,113	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, 2018

During the reporting period ended March 31, 2019 and March 31, 2018, 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, 2017	**53,046,720**
Interest Income	7,145,393
Closing Balance as at March 31, 2018	**60,192,113**
Opening Balance as on April 1, 2018	
Interest Income	8,107,878
Closing Balance as at March 31, 2019	**68,299,991**

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.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

4.16 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.

4.17 3,50,00,000 shares held in ISMT Ltd(ISMT) had in the past been pledged with ISMT Consortium Banks in connection with the loans extended by them. Consequent to RBI Circular dated February 12, 2018 the lenders to ISMT had decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding upto 71% of the principal debt had assigned their debt to ARCs of which 65% of the debt have been assigned to ARCIL.

ARCIL being a lead lender is pursuing restructuring the debt of ISMT. The Company being the promoter of ISMT has made a contribution of Rs.10 crores in connection with the same. Pending the finalization of terms of the restructuring, the said contribution has been grouped under “Advances”. Pending determination of the terms, the “Advance” has been considered to be refundable on demand and consequently has been valued at the transaction value of Rs. 10 crore.

4.18 Material reclassification adjustments made in the Balance Sheet

In Previous Year, Inter Corporate Deposit of Rs 9,40,00,000/- was classified under "Non Current Financial Liabilities -Others", In Current year the same has been reclassified under "Current Financial Liabilities - Borrowings".

Material adjustment to the Statement of Cash Flow **(Amount in Rupees)**

Particulars	Amount as on March 31, 2018	Reclassification Adjustment	Amount as on March 31, 2018
Net Cash Flow from Operating Activities	(7,323,676)	(94,000,000)	(101,323,676)
Net Cash Flow from Investing Activities	590,388	-	590,388
Net Cash Flow from Financing Activities	10,076,448	94,000,000	104,076,448
Net Increase /(decrease) in cash and cash Equivalents	3,343,160	-	3,343,160
Cash and cash Equivalents at the end of period	9,833,927	-	9,833,927
Cash and cash Equivalents at the beginning of period	6,490,767	-	6,490,767
Net Increase /(decrease) in cash and cash Equivalents	3,343,160	-	3,343,160

4.19 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

V. K. Paradkar
Proprietor
M. No. 17151

Place : Pune
Date : August 22, 2019

For and on behalf of the Board of Directors

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **Indian Seamless Enterprises Limited**

Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Indian Seamless Enterprises Limited** ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") and its Associates, which comprise the Consolidated Balance Sheet as at March 31, 2019, 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 ended on that date, notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Financial statements").

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, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (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 Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its associates as at March 31, 2019, the Consolidated Profit (financial performance including Consolidated Other Comprehensive Income), Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

2. Basis for Qualified Opinion

As per the other Auditor's Report on Standalone Financial Statements of Subsidiary Company: Laurus Tradecon Private Limited

The net worth of the Company is completely eroded, however for the year 2018-19 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 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. 82,04,61,547 as on March 31, 2019. Taking into consideration the loss during the period ended March 31, 2019 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, 2019 and overstatement of other equity by Rs. 82,04,61,547 and its consequential effect on the Earnings per Share of the Group.

b) The Parent company had recognized claim in earlier years, of which outstanding balance as on March 31, 2019 is Rs. 39,53,10,550, against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement. The Parent Company had appealed to Appellate Tribunal (APTEL) against the order passed by Maharashtra Electricity Regulatory Commission (MERC) and the same has been dismissed by the APTEL. The Parent Company has preferred appeal before the hon'ble Supreme Court against the order of APTEL. The realization of this claim is contingent and dependent upon the outcome of the decision of the Supreme Court. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with Ind AS-37, Provisions, Contingent liabilities and Contingent assets. Recognition of the above claim has resulted in overstatement of carrying value of non-current assets and other equity by Rs. 39,53,10,550. Refer Note No. 4.5 (c) (i) of the consolidated Financial statements.

c) The Parent Company has reclassified 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra, which was asset held for sale to Property Plant and Equipment for the reasons stated in Note No. 4.5 (c) (ii) of the consolidated Financial statements. The Company has expressed its inability to determine the recoverable value of the CPP on re-classification for the reasons stated in said note; hence, the CPP is measured on the Balance sheet date at the adjusted carrying amount of Rs. 2,36,08,27,481 and not at lower of the adjusted carrying amount and the recoverable amount as required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". In view of the aforesaid, we are unable to determine the impact of the same, if any, on Consolidated Net Loss for the year ended March 31 2019, carrying value of the CPP and other equity as at March 31, 2019.

d) The wholly owned subsidiary company, Tridem Port and Power Company Private Limited (TPPCL) along with its subsidiaries, has reclassified thermal power project along with its captive port (TPP) at Tamilnadu, which was asset held for sale, to Property Plant and Equipment and Capital Work-in progress for the reasons stated in Note No. 4.5 (g) of the consolidated Financial statements. The Group has expressed its inability to determine the recoverable value of the TPP on for the reasons stated in said note; hence, the TPP is measured on the Balance sheet date at the carrying amount of Rs. 1,04,55,85,364 and not at lower of the carrying amount and the recoverable amount as required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". In view of the aforesaid, we are unable to determine the impact of the same, if any, on consolidated net loss for year ended March 31 2019, carrying value of the TPP and other equity as at March 31, 2019.

e) Pending approval/ sanction of debt restructuring scheme by lenders and balance confirmation from majority of lenders, the Parent Company has not provided for the overdue /penal interest, if any. The quantum and its impact, if any, on the net loss for the year ended March 31 2019, carrying value of the Borrowings (i.e Current Financial Liabilities) and other equity as at March 31,2019 is unascertainable. Refer Note No 4.5 (e) of the Consolidated Financial Statements.

We conducted our audit of the consolidated Financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

3. Material uncertainty Related to Going Concern

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

The Group has accumulated losses and its net worth has been fully eroded due to continuous losses and the Group's current liabilities exceeded its current assets as at March 31, 2019. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Consolidated Financial Statements of the Group have been prepared on a going concern basis for the reasons stated in the Note No. 4.5 (f) of the consolidated Financial statements.

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter (s)

As per the other Auditor's Report on Standalone Financial Statements of Subsidiary Company: Laurus Tradecon Private Limited

a) Balances of sundry creditors and payable to ex-employees are subject to confirmations.

b) We draw your attention to Note No. 4.3 (e) regarding claims made by the customers.

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

We draw attention to Note No. 4.5(d) to the Consolidated Financial Statements regarding remuneration payable to Managing Director and Executive Director of the Parent Company amounting to Rs. 3,15,06,000 for the financial year 2018-19 (Rs. 61,206,000 cumulative up to March 31, 2019) is subject to approval of Lenders.

Our opinion is not qualified in respect of this matter.

As per the other Auditor's Report on Consolidated Financial Statements of Subsidiary Company: Taneja Aerospace and Aviation Limited and associate company TAAL Enterprises Limited

We draw attention to the following matter in the Notes to the Consolidated Financial Statements:

Note No. 4.4(a) which states that the Holding Company had carried 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 licenses 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. The said matter was stated as an Emphasis of Matter in our Statutory Audit Reports for the year ended on or after March 31, 2017.

Our opinion is not modified in respect of this matter.

5. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other Information comprises the information included in Company's Annual Report, but does not include the Consolidated Financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of Group's and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. The entities included in the Consolidated Financial Statements, which have been audited by other auditors, such

other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

8. Other Matters

a) We did not audit the Financial statements/ financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 1,43,12,85,865 as at March 31, 2019, total revenues of Rs. 40,18,84,352 and net cash inflows amounting to Rs. 64,33,371 for the year ended on that date, as considered in the consolidated Financial statements. The Consolidated Financial statements also include the Group share of net loss of Rs 7,52,56,709 for the year ended March 31, 2019, as considered in the consolidated 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 Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) The consolidated Financial statements include the group share of net loss of Rs 3,46,156 for the year ended March 31, 2019, as considered in the consolidated 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 Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-Section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the financial statements certified by the Management. 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 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.

9. Report on Other Legal and Regulatory Requirements

Parent company and subsidiary companies

In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Parent Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act except as referred:

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

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act except to the extent referred in Annexure A to this report.

B) As per the other Auditor's Report on Consolidated Financial Statements of Associate Company: TAAL Enterprises Limited

As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except that the remuneration paid to one whole-time Director as approved by the Board is subject to approval through special resolution by the Members of the Holding Company in the next general meeting of the Company. Refer Note 4.17 to the Consolidated Financial Statements.

As required by Section 143(3) of the Act, based on our audit we report that:

a) We/the other Auditors whose report we have relied upon, have sought and obtained all the information and explanations, except for the matter described in the Basis for Qualified Opinion paragraph above, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;

c) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d) In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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 Group and its associates;

f) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary and associates incorporated in India, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on March 31, 2019 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 and the operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the Parent Company and its Subsidiary companies and its associates incorporated in India, refer to our separate Report in "Annexure B" to this report;

i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note No. 4.1 of Consolidated Financial Statements.

   ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund except a delay of 3 days in case of an associate Company "ISMT Ltd.".

For V.K. Paradkar & CO
Chartered Accountants
Firm's registration No.: 120527W

V.K. Paradkar
Proprietor
Membership No.: 17151

Place: Pune
Date: August 22, 2019

Annexure-A

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

Details of Managerial Remuneration paid / provided in excess of requisite approval:

Designation	Amount paid / provided	Amount paid / provided in excess of the limit prescribed	Amount due as recoverable from Balance Sheet	Steps taken for recovery
Managing Director Remuneration:				
Paid	1,23,00,000	1,23,00,000	# 1,23,00,000	-
Provided	45,00,000	45,00,000	-	-
Executive Director Remuneration:				
Paid	84,12,475	84,12,475	# 84,12,475	-
Provided	63,65,525	63,65,525	-	-
Total	**3,15,78,000**	**3,15,78,000**	**2,07,12,475**	

Recoverable, subject to approval of Lenders.
Rs. 2,86,71,000 up to Financial Year 2017-18 paid / provided.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 9 B(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 Financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to Consolidated Financial Statements of **Indian Seamless Enterprises Limited** ("the Parent Company"), its Subsidiary Companies and its Associates incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its Subsidiaries and its Associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to finanical statements 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 Parent Company, its Subsidiaries and its associates, which are incorporated in India, internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 it associates internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to finanical statements

A company's internal financial control with reference to finanical statements 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 with reference to finanical statements 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 With reference to finanical statements

Because of the inherent limitations of internal financial controls with reference to finanical statements, 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 with reference to finanical statements to future periods are subject to the risk that the internal financial control with reference to finanical statements 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Parent Company, subsidiary companies and its associates which are incorporated in India, have maintained, in all material respects an adequate internal financial controls system with reference to these Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2019 based on the internal control with reference to Consolidated Financial Statements criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to finanical statements issued by the Institute of Chartered Accountants of India except as referred below.

In the opinion of other auditors of the Subsidiary Company – Taneja Aerospace and Aviation Limited

Disclaimer of Opinion:

The system of internal financial controls with reference to finanical statements with regard to the Holding company at March 31, 2019 were not made available to us to enable us to determine if the Holding company has established adequate internal financial control with reference to financial statements of the Holding Company and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Holding Company, and the disclaimer does not affect our opinion on the Consolidated Financial Statements of the Holding Company.

Other Matter:

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

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

V.K. Paradkar
Proprietor
Membership Number: 17151

Place: Pune
Date: August 22, 2019

Consolidated Balance Sheet as at March 31, 2019

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, plant and Equipment	1.1	1,05,78,98,090	1,08,22,21,803
(b) Capital Work-in-progress		-	1,08,000
(c) Investment property	1.2	11,75,45,322	12,22,27,000
(d) Goodwill on Consolidation		3,93,60,927	3,93,60,927
(e) Intangible Assets	1.3	-	29,505
(f) Financial Assets			
i) Investments	1.4	1,78,544	1,50,075
ii) Loans	1.5	-	6,01,92,113
iii) Other Financial assets	1.6	-	1,45,20,030
(g) Investments accounted for using the equity method	1.7	5,70,529	5,97,037
(h) Deferred Tax Assets(Net)	1.8	7,43,69,015	7,36,93,909
(i) Other non-current assets	1.9	2,44,27,025	2,57,39,000
Total non-current assets		**1,31,43,49,452**	**1,41,88,39,399**
Current Assets			
(a) Inventories	1.10	3,10,33,381	4,95,10,209
(b) Financial Assets			
i) Investments	1.11	57,10,876	-
ii) Trade Receivables	1.12	9,26,98,502	8,51,07,780
iii) Cash and Cash equivalents	1.13	5,27,20,561	6,17,49,124
iv) Bank Balance other than Cash and Cash equivalents	1.14	92,10,279	89,26,000
v) Loans	1.15	25,90,486	1,39,56,000
vi) Other Financial Assets	1.16	10,00,50,000	3,29,540
c) Current Tax Assets (Net)	1.17	5,16,51,876	4,86,13,077
d) Other Current Assets	1.18	1,35,80,102	3,28,31,302
Total current assets		**35,92,46,063**	**30,10,23,032**
Total Assets		**1,67,35,95,515**	**1,71,98,62,430**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	1.19	11,28,76,370	11,16,56,000
(b) Other Equity	1.20	23,87,70,604	14,62,95,225
Equity attributable to equity shareholders of parent company		**35,16,46,974**	**25,79,51,225**
Non Controlling Interest		**40,33,21,207**	**36,72,70,050**
Total Equity		**75,49,68,181**	**62,52,21,275**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	1.21	16,25,36,381	25,17,02,000
ii) Other Financial Liabilities	1.22	1,45,53,382	1,28,37,000
(b) Provisions	1.23	2,02,63,155	2,45,57,020
(c) Other non-current Liabilities	1.24	4,55,18,000	4,90,93,000
Total non-current liabilities		**24,28,70,919**	**33,81,89,020**
Current Liabilties			
(a) Financial Liabilities			
i) Borrowings	1.25	15,79,60,490	20,10,00,832
ii) Trade Payables			
Micro and Small Enterprises	1.26	2,89,510	-
Others	1.26	8,81,37,236	8,64,23,183
iii) Other Financial Liabilities	1.27	22,72,31,272	24,22,34,086
(b) Other Current Liabilities	1.28	17,78,52,871	19,45,76,119
(c) Provisions	1.29	19,83,202	9,67,305
(d) Current Tax Liabilities (Net)	1.30	2,23,01,830	3,12,50,611
Total current liabilities		**67,57,56,411**	**75,64,52,136**
Total Liabilities		**1,67,35,95,515**	**1,71,98,62,430**
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 and on behalf of the Board of Directors

V. K. Paradkar
Proprietor
M. No. 17151

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Place : Pune
Date : August 22, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rupees)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
	INCOME			
I	Revenue from operations	1.31	64,67,32,021	46,50,06,637
II	Other Income	1.32	4,29,04,125	10,80,63,401
III	**Total Income (I+II)**		**68,96,36,146**	**57,30,70,038**
IV	**EXPENSES**			
	Cost of Material Consumed		3,82,71,904	4,21,48,000
	Purchases of Stock in Trade		9,72,97,630	5,03,29,206
	Changes in inventories of finished goods, Stock-in-Trade and work-in progress		54,73,354	(4,90,443)
	Employee Benefits Expense	1.33	9,43,62,042	7,67,66,653
	Finance Cost	1.34	8,64,77,890	6,59,42,147
	Depreciation and amortization expense	1.35	3,37,51,532	2,11,48,397
	Other Expenses	1.36	10,09,88,421	8,39,64,979
	Total Expenses (Iv)		**45,66,22,772**	**33,98,08,939**
V	**Profit Before Share of Profit of an Associates and Tax (III-IV)**		**23,30,13,374**	**23,32,61,099**
VI	Share of Profit/(Loss) of an Associates (Accounted for using equity method) (Refer Note No. 4.7)		(7,56,02,865)	3,62,284
VII	**Profit Before Tax (V - VI)**		**15,74,10,509**	**23,36,23,383**
VIII	**Tax Expenses**			
	Current Year Tax		3,61,73,381	4,74,08,132
	MAT credit- current year		(1,41,44,106)	(3,51,63,191)
	Deferred Tax		1,34,69,225	-
	Total tax Expenses		**3,54,98,500**	**1,22,44,941**
IX	**Profit For The Year (VII - VIII)**		**12,19,12,009**	**22,13,78,442**
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		(83,819)	(8,013)
	ii) Remeasurement gains/losses on defined benefit plan		7,64,612	11,19,067
	(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.		16,351	38,796
	(ii) Income tax effect on above		-	
	Total other Comprehensive Income		**6,97,144**	**11,49,850**
XI	**Total Comprehensive Income (VII + X)**		**12,26,09,153**	**22,25,28,292**
	Profit / (Loss) attributable to:			
	Equity Shareholders of Parent		8,62,36,047	20,22,41,687
	Non Controlling Interest		3,56,75,962	1,91,36,754
	Other Comprehensive Income attributable to:			
	Equity Shareholders of Parent		3,21,949	7,00,042
	Non Controlling Interest		3,75,195	4,49,808
	Total Comprehensive Income attributable to:			
	Equity Shareholders of Parent		8,65,57,996	20,29,41,729
	Non Controlling Interest		3,60,51,157	1,95,86,562
XII	**Earning per Equity Share(Face Value of Rs 10/- each)**			
	Basic and Diluted		7.56	17.74
	Significant Accounting Policies	3		
	Notes to Accounts	4		

As per our report of even date
For V. K. Paradkar & Co
Chartered Accountants
FRN 120527W

V. K. Paradkar
Proprietor
M. No. 17151

Place : Pune
Date : August 22, 2019

For and on behalf of the Board of Directors

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Consolidated Cash flow Statement for the year ended March 31,2019

(Amount in Rupees)

	Particulars	2018-19		2017-18	
i	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/ (Loss) Before Tax		**23,30,13,374**		**23,32,61,099**
	Adjustments For:				
	Depreciation of Asset	3,37,51,532		2,11,48,397	
	Profit on sale of Investment	(5,09,000)		(9,09,76,172)	
	Income from derivatives and commodity transactions	(1,74,50,255)		(26,19,726)	
	Gain on Fair Valuation of Mutual Funds	(2,02,000)		-	
	Interest Income	(1,19,60,135)		(1,10,94,944)	
	Interest Expenses	7,33,47,333		6,07,96,240	
	Advance to creditors written off	17,02,827		-	
	Provision for Doubtful debts	3,96,181		41,78,000	
	Bad debts	1,64,77,477		1,70,83,356	
	Sundry Balance Written Back	(1,09,80,912)		(3,11,176)	
	Dividend Income	(11,230)		(50)	
	Decrease in revenue on account of change in accounting policy	40,81,000		-	
	Actuarial gain/loss on defined benefits plan	7,64,612		11,19,067	
			8,94,07,429		**(6,77,008)**
	Operating profit / (loss) before working capital changes		**32,24,20,803**		**23,25,84,091**
	Adjustments for:				
	Inventories	93,29,353		(71,27,443)	
	Trade and Other Receivables	(9,58,29,716)		2,88,98,334	
	Trade Payables and Other Liabilities	(4,69,25,038)	**(13,34,25,401)**	(22,81,81,336)	**(20,64,10,445)**
	Cash generated from/(used in) operations		**18,89,95,402**		**2,61,73,646**
	Direct taxes paid (Net of refunds)		(4,81,60,961)		(3,77,39,199)
	Net cash flow from/(used in) operating activity (A)		**14,08,34,441**		**(1,15,65,552)**
ii	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of PPE and Capital Work in Progress	(38,69,858)		(4,37,55,630)	
	Purchase of Investment	(2,01,12,164)		(9,02,42,958)	
	Interest Received	1,19,60,135		1,10,94,944	
	Proceeds from sale of Investment	3,24,50,379		10,20,91,094	
	Net Cash Used in Investing Activities		**2,04,28,493**		**(2,08,12,550)**
iii	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Interest Paid	(6,54,88,440)		(4,91,75,976)	
	Dividend Income	11,230		50	
	Proceeds/ (Repayment) from/of borrowing (net)	(11,70,17,987)		9,59,86,786	
	Proceeds from calls on unpaid shares including securities premium	1,22,03,700		92,92,000	
	Net Cash from Financing Activities		**(17,02,91,497)**		**5,61,02,860**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (i+ii+iii)		**(90,28,563)**		**2,37,24,757**
	Cash and Cash Equivalents at the beginning of the year (Refer Note 2)		6,17,49,124		3,80,24,367
	Cash and Cash Equivalents at the end of the year (Refer Note 2)		5,27,20,561		6,17,49,124
	Net Increase/(Decrease) in Cash & Cash Equivalents		**(90,28,563)**		**2,37,24,757**

Consolidated Cash flow Statement for the year ended March 31, 2019 (Contd.)

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, 2019	As at March 31, 2018
i) Margin money deposits with banks (less than 3 months maturity)	11,31,000	8,25,000
ii) Current Accounts with Banks	5,15,46,548	6,09,02,155
iii) Cash on Hand	43,013	21,969
Total	**5,27,20,561**	**6,17,49,124**

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 and on behalf of the Board of Directors

V. K. Paradkar
Proprietor
M. No. 17151

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Place : Pune
Date : August 22, 2019

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No - 1.1 - PROPERTY, PLANT AND EQUIPMENTS

F.Y. 2018-19 **(Amount in Rupees)**

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2018	Addition	Deletion / Adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Deletion / Adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	69,24,15,000	-		69,24,15,000	-	-		-	69,24,15,000	69,24,15,000
Buildings	4,60,59,000	3,69,000		4,64,28,000	36,83,000	18,42,350		55,25,350	4,09,02,650	4,23,76,000
Plant and Equipment	37,86,47,963	39,98,000		38,26,45,963	4,56,85,927	2,26,03,631		6,82,89,558	31,43,56,405	33,29,62,036
Furniture and Fixtures	49,53,436	33,251		49,86,687	38,22,083	2,72,755		40,94,838	8,91,849	11,31,353
Office Equipment	28,76,112	3,06,885		31,82,997	14,91,293	5,70,440		20,61,733	11,21,264	13,84,819
Computer Hardware	28,55,818	9,500		28,65,318	22,86,865	2,56,310		25,43,175	3,22,143	5,68,953
Vehicles	1,86,74,036	-		1,86,74,036	76,41,026	33,94,533		1,10,35,559	76,38,477	1,10,33,010
Leasehold Improvements	10,03,304	-		10,03,304	6,52,672	1,00,330		7,53,002	2,50,302	3,50,632
Total	**1,14,74,84,669**	**47,16,636**	**-**	**1,15,22,01,305**	**6,52,62,866**	**2,90,40,349**	**-**	**9,43,03,215**	**1,05,78,98,090**	**1,08,22,21,803**

F.Y. 2017-18 **(Amount in Rupees)**

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	Deletion / Adjustment *	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land	-	-	69,24,15,000	69,24,15,000	-	-	-	-	69,24,15,000	-
Buildings	-	-	4,60,59,000	4,60,59,000	-	12,26,667	24,56,333	36,83,000	4,23,76,000	-
Plant and Equipment	13,17,963	-	37,73,30,000	37,86,47,963	10,94,851	1,44,48,409	3,01,42,667	4,56,85,927	33,29,62,036	2,23,112
Furniture and Fixtures	44,75,436	-	4,78,000	49,53,436	33,41,413	3,69,670	1,11,000	38,22,083	11,31,353	11,34,023
Office Equipment	8,28,112	-	20,48,000	28,76,112	7,94,739	2,72,887	4,23,667	14,91,293	13,84,819	33,373
Computer Hardware	15,57,818	-	12,98,000	28,55,818	14,99,684	2,87,848	4,99,333	22,86,865	5,68,953	58,134
Vehicles	66,03,289	99,72,747	20,98,000	1,86,74,036	60,81,646	12,56,713	3,02,667	76,41,026	1,10,33,010	5,21,643
Leasehold Improvements	10,03,304	-	-	10,03,304	5,52,342	1,00,330	-	6,52,672	3,50,632	4,50,962
Total	**1,57,85,922**	**99,72,747**	**1,12,17,26,000**	**1,14,74,84,669**	**1,33,64,675**	**1,79,62,524**	**3,39,35,667**	**6,52,62,866**	**1,08,22,21,803**	**24,21,247**

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

Note No - 1.2 - INVESTMENT PROPERTY

F.Y. 2018-19 **(Amount in Rupees)**

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2018	Addition	Deletion / Adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Deletion / Adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Hangar Building	13,15,93,000	-		13,15,93,000	93,66,000	46,81,678		1,40,47,678	11,75,45,322	12,22,27,000
Total	**13,15,93,000**	**-**	**-**	**13,15,93,000**	**93,66,000**	**46,81,678**	**-**	**1,40,47,678**	**11,75,45,322**	**12,22,27,000**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Financial Year - 2017 -2018 **(Amount in Rupees)**

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	Deletion / Adjustment *	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Hangar Building	-	-	13,15,93,000	13,15,93,000	-	31,21,333	62,44,667	93,66,000	12,22,27,000	-
Total	**-**	**-**	**13,15,93,000**	**13,15,93,000**	**-**	**31,21,333**	**62,44,667**	**93,66,000**	**12,22,27,000**	**-**

* 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 12,67,59,000 (March 31, 2018 Rs 7,97,00,000) in the Consolidated Statement of Profit and Loss for Investment Property.

Investment property is leased out under operating lease. Disclosure on future rent receivable is included in note no 4.11

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, 2019 is Rs 56,88,11,000 (March 31, 2018 Rs 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

F.Y. 2018-19 **(Amount in Rupees)**

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2018	Addition	Deletion / Adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Deletion / Adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Goodwill	10,25,171	-	-	10,25,171	10,25,171	-	-	10,25,171	-	-
Software	3,22,701	-	-	3,22,701	2,93,196	29,505	-	3,22,701	-	29,505
Total	**13,47,872**	**-**	**-**	**13,47,872**	**13,18,367**	**29,505**	**-**	**13,47,872**	**-**	**29,505**

Financial Year - 2017 -2018 **(Amount in Rupees)**

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	Deletion / Adjustment	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Goodwill	10,25,171	-	-	10,25,171	10,25,171	-	-	10,25,171	-	-
Software	3,22,701	-	-	3,22,701	2,28,656	64,540	-	2,93,196	29,505	94,045
Total	**13,47,872**	**-**	**-**	**13,47,872**	**12,53,827**	**64,540**	**-**	**13,18,367**	**29,505**	**94,045**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.4 NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Investment in Equity Instruments - Unquoted		
a) In Other Companies (At fair value through OCI)		
i) Cosmos Co-op Bank Ltd	-	-
1,000 (31 March, 2018 : 1,000) equity shares of Rs 100 each fully paid.		
Investment in Equity Instruments - Quoted		
b) In Other Companies (At fair value through OCI)		
i) Maharashtra Seamless Ltd	4,970	4,254
10 (31 March, 2018 : 10) Equity Shares of Rs 5 each fully paid.		
ii) Oil Country Tabular Ltd	74	161
5 (31 March, 2018 : 5) Equity Shares of Rs 10 each fully paid.		
iii) Gandhi Special Tubes Ltd	1,73,500	1,45,660
500 (31 March, 2018 : 400) Equity Shares of Rs 5 each fully paid.		
Total	**1,78,544**	**1,50,075**
Aggregate amount of unquoted investments	**-**	-
Aggregate amount of quoted investments - At Cost	**1,99,826**	87,538
Aggregate amount of quoted investments - At Market Value	**1,78,544**	**1,50,075**

Note No. 1. 5 NON CURRENT FINANCIAL ASSETS -LOANS

(Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Unsecured Loans		
Associate Company (Refer Note No. 4.7)	-	6,01,92,113
Total	**-**	**6,01,92,113**

(Amount in Rupees)

Note No. 1.6 NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31,2019	As at March 31,2018
Deferred expenses on Financial Assets measured at amortised cost (Refer Note No. 4.7)	-	1,45,20,030
Total	**-**	**1,45,20,030**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.7 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
In Associate Companies (Equity method accounting)		
a) Investment in Equity Instruments - Unquoted		
i) Fair Growth Holding Pte Ltd	27,114	3,60,712
12,000 (31 March, 2018 : 12,000) Equity Shares of SGD 1 each fully paid).		
b) Investment in Equity Instruments - Quoted		
i) ISMT Ltd	-	-
6,89,19,158 (31 March, 2018 : 6,89,18,158) equity shares of Rs 5 each fully paid. (Refer Note No. 4.6)		
ii) TAAL Enterprises Limited	5,43,415	2,36,325
6291 (31 March, 2018 : 6291) equity shares of Rs 10 each fully paid.		
Total	**5,70,529**	**5,97,037**

Aggregate amount of unquoted investments	**27,114**	**3,60,712**
Aggregate amount of quoted investments - At Cost	**97,17,86,845**	**97,17,86,845**
Aggregate amount of quoted investments - At Market Value	**54,05,83,476**	**62,38,03,081**

Note No. 1.8 DEFERRED TAX ASSETS (NET) **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
MAT credit entitlement	7,43,69,015	7,36,93,909
Total	**7,43,69,015**	**7,36,93,909**

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, as a matter of purdence, the Subsidiary Company "Taneja Aerospace and Aviation Limited" has charged off the MAT credit entitlement amounting to Rs 1,34,69,000 to the Consolidated Statement of Profit and Loss.

Note No. 1.9 OTHER NON CURRENT ASSETS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Capital advance to suppliers	1,98,08,204	2,05,47,000
Balance with revenue authorities	44,37,821	50,11,000
Security Deposits	1,81,000	1,81,000
Total	**2,44,27,025**	**2,57,39,000**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.10 INVENTORIES **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Stock in trade (Refer Note No. 4.3(b))	-	7,70,209
Raw Material in Stock (Including Goods in Transit of Rs Nil; March 31, 2018 Rs 43,97,000)	2,21,42,000	2,59,98,000
Work in Progress in stock (At cost)	88,91,381	2,27,42,000
Total	**3,10,33,381**	**4,95,10,209**

Note No. 1.11 CURRENT FINANCIAL ASSETS - INVESTMENTS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Investments measured at Fair Value through Profit and Loss (fully paid)		
Investment in Mutual Funds - Unquoted		
Units 7,041.203 (31 March 2018 : Nil) Tata Liquid Fund Direct Plan- Growth	57,10,876	-
Total	**57,10,876**	**-**

Note No. 1.12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Unsecured		
- Considered good	9,26,98,502	8,51,07,780
- Considered doubtful	4,86,17,410	4,82,21,000
Less: Allowance for bad and doubtful debts	(4,86,17,410)	(4,82,21,000)
Total	**9,26,98,502**	**8,51,07,780**

Note No. 1.13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
i) Balances with Banks	5,15,46,548	6,09,02,155
ii) Margin money deposits with banks (less than 3 months maturity)	11,31,000	8,25,000
ii) Cash on Hand	43,013	21,969
Total	**5,27,20,561**	**6,17,49,124**

Note No. 1.14 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Margin money deposits with banks (more than 3 months maturity but less than 12 months)	92,10,279	89,26,000
Total	**92,10,279**	**89,26,000**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.15 CURRENT FINANCIAL ASSETS - LOANS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Security Deposits	25,90,486	17,18,000
Loan to related Parties	-	1,22,38,000
Total	**25,90,486**	**1,39,56,000**

Note No. 1.16 CURRENT FINANCIAL ASSETS - OTHERS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Other Advances recoverable (Refer Note No. 4.6)	10,00,50,000	3,29,540
Total	**10,00,50,000**	**3,29,540**

Note No. 1.17 CURRENT TAX ASSETS (Net) (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Taxes Paid	14,31,35,464	9,43,54,209
Less: Provision for Taxes	9,14,83,588	4,57,41,132
Total	**5,16,51,876**	**4,86,13,077**

Note No. 1.18 OTHER CURRENT ASSETS (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Advance to suppliers	17,68,643	2,10,92,000
Balance with Government Authorities	4,89,815	7,29,113
Advance to staff	15,53,231	-
Prepaid expenses	52,46,051	-
Unbilled Revenue	19,55,000	2,89,000
Advances to be recoverable in cash or kind	25,67,361	1,07,21,189
Total	**1,35,80,102**	**3,28,31,302**

Note No. 1.19 EQUITY SHARE CAPITAL (Amount in Rupees)

Particulars	As at March 31,2019	As at March 31,2018
Authorised :-		
1,20,00,000 (31 March, 2018: 1,20,00,000) Equity shares of Rs. 10/- each	12,00,00,000	12,00,00,000
	12,00,00,000	**12,00,00,000**
Issued , Subscribed and Paid up		
1,13,99,606 (31 March, 2018 : 1,13,99,606) Equity share of 10/- Each fully paid	11,39,96,060	11,39,96,060
Less:- Calls in arrears	11,19,690	23,40,060
	11,28,76,370	**11,16,56,000**

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

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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

(Amount in Rupees)

Particulars	As at March 31,2019		As at March 31,2018	
	Equity Shares in Numbers	Amount in Rupees	Equity Shares in Numbers	Amount in Rupees
Shares outstanding at the beginning of the year	1,09,31,594	11,16,56,000	1,07,45,754	11,07,26,800
Amount received on unpaid call during the year	2,44,074	12,20,370	1,85,840	9,29,200
Shares bought back during the year	-	-	-	-
Calls unpaid	2,23,938	11,19,690	4,68,012	23,40,060
Shares outstanding at the end of the year	**1,13,99,606**	**11,39,96,060**	**1,13,99,606**	**11,39,96,060**

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

	As at March 31,2019		As at March 31,2018	
Name of Share Holders (Equity)	No. of Shares held	% holding	No. of Shares held	% holding
Vishkul Enterprises Pvt. Ltd.	74,09,073	64.99%	69,72,280	61.16%

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE NO. 1.20 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, 2017	**2,49,10,649**	**80,63,06,555**	**26,17,27,717**	**39,67,804**	**35,40,132**	**66,00,48,417**	**1,65,42,48,828**	**7,00,000**	**(3,49,04,02,681)**	**70,550**	**67,49,597**	**31,23,127**	**(6,50,09,304)**
Adjustment :													
Addition during the year						83,62,800			20,22,41,687	(8,013)	38,796	6,69,258	21,13,04,529
Sub Total	-	-	-	-	-	**83,62,800**	-	-	**20,22,41,687**	**(8,013)**	**38,796**	**6,69,258**	**21,13,04,529**
As at March 31, 2018	**2,49,10,649**	**80,63,06,555**	**26,17,27,717**	**39,67,804**	**35,40,132**	**66,84,11,217**	**1,65,42,48,828**	**7,00,000**	**(3,28,81,60,993)**	**62,537**	**67,88,393**	**37,92,385**	**14,62,95,225**
Adjustments :													
Add: Addition during the year	-	-	-	-	-	1,09,83,330	-	-	8,62,36,047	(83,819)	16,351	3,89,416	9,75,41,326
Less : Change in accounting policy (refer Note No. 4.4 (b))									(50,66,000)				(50,66,000)
Sub Total	-	-	-	-	-	**1,09,83,330**	-	-	**8,11,70,101**	**(83,819)**	**16,351**	**3,89,416**	**9,24,75,380**
As at March 31, 2019	**2,49,10,649**	**80,63,06,555**	**26,17,27,717**	**39,67,804**	**35,40,132**	**67,93,94,547**	**1,65,42,48,828**	**7,00,000**	**(3,20,69,90,892)**	**(21,282)**	**68,04,744**	**41,81,802**	**23,87,70,604**

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, 2019.

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. Indian Rupees) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.21 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Secured Loan		
Term Loan from Banks	25,27,18,463	32,65,30,000
Other Long Term borrowings	6,52,892	8,19,000
Less: Current maturities	(9,08,34,974)	(7,56,47,000)
Total	**16,25,36,381**	**25,17,02,000**

Subsidiary Company - Taneja Aerospace and Aviation Limited

The term loan from bank outstanding as at March 31, 2019 Rs 12,94,36,950 (March 31, 2018 Rs 17,63,44,000) (including current maturities of non-current borrowings) is secured by a first charge on assignment of Hangar-I rental/ receivables from lessee and specific free hold lands to the extent of 37.47 (March 31, 2018, 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. Loan is at MCLR plus 5-5.5% p.a. rate of interest.

The term loan from bank outstanding as at March 31, 2019 Rs 9,95,31,513 (March 31, 2018 Rs 12,60,90,000) (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 (March 31, 2018, 41.40) acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli — 635 114, Tamil Nadu as a collateral security.

The term loan from bank outstanding as at March 31, 2019 Rs 2,37,50,000 (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, 2019 Rs 6,52,892 (March 31, 2018 Rs 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, 2019) **(Amount in Rupees)**

Particulars	Maturity Profile	
	1 -2 years	2-3 years
Non Current Borrowings	10,60,90,000	4,05,38,000

Particulars	Maturity Profile	
	3-4 years	Beyond 4 years
Non Current Borrowings	1,15,17,381	43,91,000

Note No. 1.22 NON CURRENT FINANCIAL LIABILITIES -OTHERS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Deposit for lessee	1,39,78,382	1,22,62,000
Deposit from customers	5,75,000	5,75,000
Total	**1,45,53,382**	**1,28,37,000**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.23 NON CURRENT LIABILITIES - PROVISIONS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Provision For Employee Benefits		
Gratuity	1,59,53,317	1,76,80,183
Leave Encashment	43,09,838	68,76,837
Total	**2,02,63,155**	**2,45,57,020**

Note No. 1.24 OTHER NON CURRENT LIABILITIES **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Deferred Rent Income	4,55,18,000	4,90,93,000
Total	**4,55,18,000**	**4,90,93,000**

Note No. 1.25 CURRENT FINANCIAL LIABILITIES - BORROWINGS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Secured Loan		
Term Loan from Others (Refer Note No a)	8,60,00,000	14,40,00,000
Working Capital Loan from Bank (Refer Note b & c)	7,19,60,490	5,70,00,832
Total	**15,79,60,490**	**20,10,00,832**

Note:

a) **Parent Company**

Term Loan of Rs 8,60,00,000 (Previous Year Rs 5,00,00,000) is secured by way of pledge of 3,39,00,000 Equity Shares held in 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 1,27,11,490 as at March 31, 2019 (March 31, 2018 : Rs 2,76,29,832) is secured against hypothecation of inventory cum book debts and all current assets of the company, Corporate Guarantee of Parent Company and Pledge of 5,00,000 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 5,92,49,000 as at March 31, 2019 (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.

Note No. 1.26 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Total outstanding dues to micro enterprise and small enterprise	2,89,510	-
Total outstanding dues to creditors other than micro enterprise and small enterprise (Refer Note No 4.9)	8,81,37,236	8,64,23,183
Total	**8,84,26,746**	**8,64,23,183**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.27 CURRENT FINANCIAL LIABILITIES - OTHERS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Current Maturities of Non - current borrowings @	9,08,34,974	7,56,47,000
Interest payable	8,70,35,257	7,91,76,364
Other Liabilities	2,94,33,273	7,74,27,721
Employee Related Liability #	1,21,55,514	99,83,000
Provision for Expenses	7,68,999	-
Customer Claims Payable (Refer Note No. 4.3 (e))	70,03,255	-
Total	**22,72,31,272**	**24,22,34,086**

@ for security details refer note no 1.21.

 # Subsidiary Company - Taneja Aerospace and Aviation Limited - Includes Rs 170,000 (March 31, 2018 26,000) due to whole time Director.

Note No. 1.28 OTHER CURRENT LIABILITIES **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Advance from customers	14,30,51,936	15,62,50,360
Deferred Rent Income	35,74,000	35,74,000
Deferred Revenue	21,74,439	18,72,000
Statutory Dues Payable	2,80,52,496	3,08,79,759
Security Deposits	10,00,000	20,00,000
Total	**17,78,52,871**	**19,45,76,119**

Note No. 1.29 CURRENT LIABILITIES - PROVISIONS **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Provision For Employee Benefits		
i) Gratuity	12,17,063	1,76,199
ii) Leave Encashment	7,66,139	7,91,106
Total	**19,83,202**	**9,67,305**

Note No. 1.30 CURRENT TAX LIABILITIES **(Amount in Rupees)**

Particulars	As at March 31,2019	As at March 31,2018
Provision for Tax	3,16,48,500	4,12,25,000
Less: Taxes Paid	93,46,670	99,74,389
Total	**2,23,01,830**	**3,12,50,611**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.31 REVENUE FROM OPERATIONS **(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales of Products		
Sales - Trading	9,98,55,436	5,24,76,510
Sales - Aviation	5,88,89,046	3,68,20,667
Sales of Services		
Professional fee	21,95,91,032	20,24,66,127
Service - Aviation		
Domestic Conversion Charges	10,44,38,000	6,38,17,333
Rental Income	15,44,03,000	9,67,58,000
Training and Other services	95,55,507	1,26,68,000
Total	**64,67,32,021**	**46,50,06,637**

Subsidiary Company "Taneja Aerospace and Aviation Limited"

Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

Performance obligations and remaining performance obligations*

Aggregate amount of the transaction price allocated to long-term fixed price contracts that are partially or fully unsatisfied as on March 31, 2019 is INR 16,70,46,000 of which the Company expects to recognize 60% (INR 10,04,59,000) as revenue in 2019-20, 32% (INR 5,34,62,000) as revenue in the financial year 2020-21 and 8% (INR 1,31,25,000) as revenue in the financial year 2021-22. All other contracts are for periods one year or less. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

* As permitted under the transitional provisions of Ind AS 115, the transaction price allocated to partially or fully unsatisfied performance obligations as on March 31, 2018 is not disclosed.

Note No. 1.32 OTHER INCOME **(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Income	11,230	50
Interest on IT Refund	25,257	13,43,551
Profit on Sale of Investments	5,09,000	9,09,76,172
Income from derivatives and commodity transactions	1,74,50,255	26,19,726
Gain on Fair Valuation of Mutual Funds	2,02,000	-
Interest Income	38,27,000	26,06,000
Interest Income for financial assets measured at amortized cost	81,07,878	71,45,393
Credit Balance - Written Back	1,09,80,912	3,11,176
Miscellaneous Income	17,90,593	30,61,333
Total	**4,29,04,125**	**10,80,63,401**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.33 EMPLOYEE BENEFITS EXPENSE (Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i) Salaries, wages Bonus and Allowances	8,36,45,562	6,60,65,611
ii) Contribution to Provident Fund and Other Funds	58,11,279	56,34,496
iii) Gratuity	11,02,545	21,79,333
iv) Staff Welfare Expenses	38,02,655	28,87,213
Total	**9,43,62,042**	**7,67,66,653**

Note No-1.34 FINANCE COST (Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expenses		
Interest	6,60,87,318	5,35,36,225
Interest expenses for financial assets measured at amortized cost	72,60,015	72,60,015
Other borrowing costs		
Cash Discount	18,408	40,825
Other Finance Cost	1,31,12,149	51,05,082
Total	**8,64,77,890**	**6,59,42,147**

Note No-1.35 DEPRECIATION AND AMORTIZATION EXPENSE (Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	2,90,40,349	1,79,62,524
Depreciation on Investment Property	46,81,678	31,21,333
Depreciation on Intangibles	29,505	64,540
Total	**3,37,51,532**	**2,11,48,397**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note No. 1.36 OTHER EXPENSES **(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repair and Maintenance - Plant and Machinery	28,67,949	21,08,000
Repair and Maintenance - Buildings	2,09,163	3,20,000
Repair and Maintenance - Others	31,04,812	14,26,000
Office Expenses	3,27,638	-
Customer Claims (Refer Note No. 4.3(e))	70,03,255	-
Power and Fuel	80,37,485	52,38,000
Audit Fees	12,82,000	8,88,667
Advertisement and Sale Promotion	8,99,152	22,33,873
Advance to creditors written off	17,02,827	-
Foreign Exchange Loss	4,74,015	-
Bad Debts	1,64,77,477	1,70,83,356
Rates ,Taxes and fees	1,05,92,949	28,49,644
Insurance	16,91,284	10,37,898
Travelling expense	53,55,413	60,28,745
Vendor Charges	23,27,185	68,78,667
Provision for Doubtful debts	3,96,181	41,78,000
Professional & Legal fees	3,17,29,070	2,76,70,619
Miscellaneous expense	65,10,566	60,23,510
Total	**10,09,88,421**	**8,39,64,979**

The following is the break-up of Auditors remuneration (exclusive of taxes) **(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As auditor:		
Statutory audit	6,36,800	4,72,173
In other capacity:		
Limited Review	4,50,000	3,00,000
Reimbursement of expenses	1,95,200	1,16,494
Total	**12,82,000**	**8,88,667**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 Ind AS financial statements for the year ended March 31, 2019 were approved for the issue by the Board of Directors vide their Board meeting dated August 22, 2019.

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 Section 133 of the Companies Act, 2013 (the ‘Act’) read with Companies (Indian Accounting Standard) Rules, 2015 as amended; and the other relevant provisions of the Act and Rules there under.

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 in 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, 2019.

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 Consolidated Statement of Profit and Loss and Statement of Changes in Equity.

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) Unrealized 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:

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combinations, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the Statement of Consolidated Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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.

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 Lighto Technologies Private Limited)	India	Subsidiary	52.01%
2	*#	Taneja Aerospace & Aviation Ltd	India	Subsidiary	50.93%
3	*	ISMT Ltd	India	Associate	47.04%
4	*@	TAAL Enterprises Ltd.	India	Associate	0.20%
5	$	Fair Growth Holding Pte. Ltd	Singapore	Associate	33.33%

Reporting dates of all Subsidiary Companies an Associate companies is March 31, 2019.

@ Audited by us

* Audited by other auditors

Became subsidiary company w.e.f August 1, 2017.

*@ considered as associate company by virtue of equity holding by ultimate Parent Company.

$ Compiled by the Management as on March 31, 2019

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

Notes to Consolidated Financial Statement for the year ended March 31, 2019

end of each reporting period as explained in the accounting policies stated below.

3.4 Functional and presentation currency:

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.

3.6 Revenue Recognition:

The Group derives revenue primarily from Trading of Tubes, Investments and consultancy services.

Effective April 1, 2018, the Group has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The impact of the adoption of the standard on the Consolidated Financial Statements of the Group is insignificant.

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

i Sales

a) Sales of Goods:

Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by delivering a promised goods or service to customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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 and net of returns and allowances, trade discounts and volume rebates.

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 <u>Other Operating Revenue</u>

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 and Associate Company TAAL Enterprises Limited:

a) Revenue from long-term fixed time frame price contracts where the performance obligations are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method and billed in terms of the agreement with and certification by the customer.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 Consolidated 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) Charter income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft.

e) Revenue from time and material service contracts is recognized pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured.

f) The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or it the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognized changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as directly payments or as a reduction of payments due from the customer.

g) Revenue recognised in excess of billings is classified as contract assets ("Unbilled revenue") included in other current liabilities.

h) Billings in excess of revenue recognized is classified as contract liabilities ("Deferred revenue") included in other current liabilities.

i) The impact of applying Ind-AS 115 "Revenue from Contracts with Customers" instead of the erstwhile Ind AS 18- "Revenue" on the Consolidated Financial Statements of the Group for the year ended as at March 31, 2019 is provided in Note No. 4.4(b).

j) Other Income

The Group recognises duty drawback and income from duty credit scrips only when there is reasonable assurance that the conditions attached to them will be complied with, and the duty drawback and duty credit scrips will be received. Commission income is recognized when the right to receive payment is established.

3.7 Property, Plant and Equipment:

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 **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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

3.8 Depreciation:

i Depreciation on Building, Plant & Machinery, 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 Depreciation on Vehicle is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method.

iii Depreciation 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.

iv 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.

v **Subsidiary Company: Taneja Aerospace and Aviation Limited:**

Depreciation on Buildings, Plant and Machinery 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.

Based on the technical expert's assessment of useful life, following class of property, plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule Il 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

vi **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.

c) In case of Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited, Depreciation on Furniture & Fixtures, Office Equipment and vehicle is provided as per the useful life specified Part 'C' of Schedule II of the Companies Act, 2013 on straight line method.

d) Depreciation on property, plant and equipment of the Group's foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

Sr. No.	Class of Assets	Useful life in Years
1	Building	45 Years
2	Equipment's, Tools, Fixtures and Fittings	3 to 5 years
3	Plant & Machinery and Equipment	3 to 30 Years
4	Computer Hardware and Software	5 Years

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 recognized in the Consolidated 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 the 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 Consolidated 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 Consolidated 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 capitalized 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 Consolidated 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.

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 realizable 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 realizable 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

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 realizable value. Cost is determined on weighted average basis.

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

c) 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.

d) 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 realizable 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 and TAAL Enterprises 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 Consolidated Statement of Profit and Loss on accrual basis. Group has no further obligations under these plans beyond its monthly contributions.

Employees' 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 Consolidated 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 Short-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 end.

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 Consolidated Statement of Profit and Loss in the year in which they arise.

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

Foreign Subsidiary Companies of Associate Company (ISMT Ltd.):

The Group makes defined contribution to the Insurance Company as a social security benefit on accrual basis.

3.14 Research and Development:

Research and Development costs (other than costs of fixed assets acquired) are charged to Consolidated 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 Consolidated 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 Consolidated Statement of Profit and Loss are also recognized in OCI or Consolidated Statement of Profit and Loss, respectively).

Associate Company: ISMT Limited

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21, Foreign Currency Transaction and Advance Consideration which clarifies that the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expenses or income when an entity has received or paid advance consideration in a foreign currency. The impact of the adoption of the amendment on the financial statements of the Group is insignificant.

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

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 amounts of cash and which are subject to an insignificant risk of changes in value.

3.18 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)

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.19 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 value 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 any. The losses arising from impairment are recognized in the Consolidated 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 asset 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 asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the Consolidated Statement of profit or loss.

c) Other equity instruments:

All other equity instruments are measured as fair value, with value changes recognized in the Consolidated 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'.

d) 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.

e) 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 Consolidated 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.

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 Consolidated 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 realize the assets and settle the liabilities simultaneously.

3.20 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.

3.21 Aircraft purchase option:

Associate Company: TAAL Enterprises Limited

Aircraft purchase options are recorded at cost on the date of acquisition. Aircraft purchase option is amortized over its estimated useful life or the legal life (as per the amended agreement), whichever is lower with a mid-quarter convention.

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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

3.23 Provision for Current and Deferred Tax:

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the Consolidated 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.

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 Consolidated 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 Consolidated 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

3.27 Standards Issued but not yet Effective: -

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 & Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. The rules shall be effective from reporting periods beginning on or after April 1, 2019. Amendments to Ind AS as per these rules are mentioned below:

a) **Ind AS 116**

Ind AS 116 'Leases', will replace Ind AS 17 'Leases'. The new standard shall require lessees to recognize the leases on their balance sheets with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right-Of-Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligation to make lease payments.

The Group is required to adopt Ind AS 116 Leases from 1st April 2019. The Group will have to recognize "Right-Of-Use" assets and "Lease Liability" for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Group will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized up to 31st March 2019. The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

The Group is in the process of evaluating the impact of this amendment on its financial statements.

b) **Amendment to Existing issued Ind AS**

- **Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12**

  This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

- **Prepayment Features with Negative Compensation, Amendments to Ind AS 109**

  The amendment to Ind AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortized cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss.

- **Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19**

  The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

- **Annual Improvements to Ind AS**

  Ind AS 23, "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

  Ind AS 12, "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized. These requirements apply to all income tax consequences of dividends.

  These amendments are effective for annual periods beginning on or after April 1, 2019. The Group is in process of evaluating the impact of this amendments on its 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 Consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

4.1 Contingent Liabilities and Commitments (To the extent not provided for) **(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities		
Parent Company		
Corporate guarantees for Banking facilities / Term Loan granted to Subsidiary Company (Refer note a)	5,92,00,000	5,92,00,000
Subsidiary Companies:		
i) Claims against the company not acknowledged as debts:		
Custom Duty	6,22,67,000	6,22,67,000
Service Tax	1,24,37,000	2,37,61,000
Excise Duty	1,68,40,000	2,31,80,000
City Civil Court	1,70,00,000	1,70,00,000
ii) Capital and other commitments (to the extent not provided for)		
Letters of Credit	2,67,000	42,40,000
Bank Guarantees	9,13,01,000	8,68,20,000
Indemnity issued to customers	1,20,38,000	23,96,000
Associate Company		
i) Claims against the company not acknowledged as debts:		
Sales Tax	18,37,00,000	14,67,00,000
Income Tax	-	1,43,00,000
Excise and Custom Duty	33,36,00,000	26,22,00,000
Others	1,17,13,00,000	1,48,62,00,000
Corporate Guarantees (Refer note c)	-	6,23,00,000
Bill discounted on behalf of third party	-	32,39,00,000
ii) Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	7,50,00,000	5,24,00,000

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- Laurus Tradecon Pvt. Ltd.

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 ISMT Europe AB, Sweden of Rs. Nil (March 31, 2018 Rs 6,23,09,885) in respect of loans availed.

Subsidiary Company : Taneja Aerospace and Aviation Limited

(i) This relates to customs duty demand received for the year 2007-08 of INR 6,22,67,000 (March 31, 2018: INR

Notes to Consolidated Financial Statement for the year ended March 31, 2019

6,22,67,000) towards wilful misrepresentation and supression of facts for private use of the aircraft which is disputed by the Company. The Company has filed an appeal against this order and the appeal is pending with the appellate authorities.

(ii) This relates to service tax demands received of INR 1,24,37,000 (March 31, 2018: INR 1,24,37,000) for the years 2008-09 to 2012-13 towards service tax liability on reverse charge basis for receipt of service of supply of tangible goods for use which are disputed by the Company. The Company has filed an appeal against these orders and the appeal is pending with the appellate authorities.

(iii) This relates to various excise duty demands received towards manufacture and supply of goods without payment of duty of INR 80,24,000 (March 31, 2018: INR 80,24,000) for the years 2008-09 to 2011-12, INR 23,73,000 (March 31, 2018: INR 23,73,000) for the year 2012-13, INR 57,50,000 (March 31, 2018: INR 57,50,000) for the years 2013-14 to 2014-15 and INR 6,93,000 (March 31, 2018: INR 6,93,000) which are disputed by the Company. The Company has filed an appeal against these orders and the appeal is pending with the appellate authorities.

(iv) This relates to damages claimed by a customer towards breach of contractual obligations of INR 1,70,00,000 (March 31, 2018: INR 1,70,00,000) during the year 2005-06 which are disputed by the Company in the City Civil Court of Bangalore.

Future cash outflows in respect of the above, if any, is determined only on receipt of judgement / decisions pending with relevant authorities. The Company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.

4.2 Calls in arrears is on Equity Shares-2,23,938 (Previous year 4,68,012).

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 differences, 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) During the year the Company has fully written off Inventory in view of volatility in market of the said products and uncertainty of its realisable value.

(c) The business environment has become extremely competitive and challenging in the short run. The Company is taking suitable corrective steps.

(d) The Company has provided the gratuity liability and leave salary on actual basis.

(e) As a matter of prudent accounting policy, the company has accounted Rs 70,03,255 towards claims made by the customers.

4.4 Subsidiary Company - Taneja Aerospace and Aviation Limited

(a) As per Clause 9.2 of the Scheme of Arrangement approved by honourable High Court of Madras, Taneja Aerospace and Aviation Limited (TAAL) will carry on the business and activities relating to the demerged charter business for and on account of and in trust for TAAL Enterprises Limited (TEL) until the time TEL obtains the requisite statutory 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. Accordingly the accounting entries pertaining to the demerged charter business are accounted in the books of accounts of TEL.

(b) Change in accounting policy

Ind AS 115 Revenue from contracts with customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application as April 1, 2018. Under this method, the Company recognised the cumulative effect of initially applying Ind AS 115 as a net reduction to the opening balance of retained earnings as at April 1, 2018 of Rs. 50,66,000 lakhs with corresponding decrease in opening work-in-progress by Rs. 91,47,475 lakhs and revenue from operations by Rs. 40,81,000 lakhs. Comparative prior period has not been adjusted.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

On account of adoption of new revenue standard viz 'Ind AS 115 Revenue from contracts with customers', the revenue from operations and net profit has increased by Rs. 18.55 lakhs for the year ended March 31, 2019. Consequently, unbilled revenue has increased by Rs. 18.55 lakhs as at March 31, 2019.

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 82,04,61,547 as at March 31, 2019 (Rs 82,04,61,547 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. The financial effect, if any , of the same on consolidated net loss for the year ended March 31,2019 , carrying value of the deferred tax and other equity as at March 31, 2019 is not ascertainable.

(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 For Electricity (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. 49,97,71,581 upto March 31, 2014, of which amount outstanding as on March 31, 2019 is Rs. 39,53,10,550, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

Being a sub-judice matter, it is not possible to reasonably or reliably determine the recoverable amount; hence the receivable from MSEDCL is measured on the Balance Sheet date at the carrying amount of Rs. 39,53,10,550. The financial effect, if any, of the same on consolidated net loss for the year ended March 31, 2019, carrying value of the non -current financial assets and other equity as at March 31,2019 is not ascertainable.

(ii) In spite of efforts made, the Company is unable to sell the Captive Power Plant (CPP) which has been classified as ‘Asset held for Sale’, in terms of Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations" in earlier years. The Company does not see any exit possibility in near term due to structural weaknesses in this sector. The management has therefore considered it appropriate, in terms of Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations" to reclassify CPP as non-current asset under the head Property Plant and Equipment on Balance Sheet date.

Pursuant to said re-classification of CPP, the Company has provided depreciation of Rs 20,37,79,604 on the CPP from the date of classification as held for sale till 31st March, 2019 and the required adjustment to carrying amount of CPP is disclosed under Exceptional item in the Statement of Profit and Loss.

It is not possible to reasonably or reliably determine the recoverable amount of the CPP on Balance Sheet date given the prevailing uncertainties of running the CPP or disposing it as going concern or otherwise. The outcome of the Supreme Court case will also have material bearing on the determination of the recoverable amount.

In view of the above, the Group 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 2,36,08,27,481 as on March 31, 2019.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

(d) Employee benefit expenses includes remuneration paid / payable to Managing Director and Executive Director of the Parent Company amounting to Rs. 3,15,06,000 (Previous Year of Rs. 2,97,00,000) is subject to approval of Central Government.

(e) Consequent to RBI Circular dated February 12, 2018 the lenders have decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding about 71 % of the principal debt have assigned their debt to Asset Reconstructing Companies (ARC's) while Banks holding most of the remaining debt are also pursuing the process for assignment of debt to ARC's. ARC's in turn are expected to restructure the debt on a sustainable basis which inter alia could necessitate downsizing of debt including interest. There has been a substantial progress on the Resolution Plan agreed to by the Banks and restructuring process is also initiated by the Company for the assigned debt in the current quarter. Notwithstanding the pending restructuring of debt and balance confirmations from lenders, interest on the loans has been provided as per the terms of sanction letters of the respective banks on simple interest basis (excluding overdue / penal and compounding of interest). In view of restructuring exercise, occurrence of such interest including interest provided and unpaid in the past years, though unascertained, however the same has been provided out of abundant precaution as required by Ind AS 1 "Presentation of Financial Statements "and Ind AS 37 "Provisions,Contingent Liabilities and Contingent Assets". However the financial effect of non provision of overdue / penal and compounding of interest, if any, on loss for the year ended March 31, 2019, carrying value of the borrowings (current financial liabilities) and other equity as at March 31,2019 is not ascertainable.

(f) As a result of various measures taken by the Group, Revenue and EBIDT of the Group has been continuously improving on year to year basis which is evident from the fact that EBIDT for the financial year 2018-19 has improved to Rs 1,23,04,19,082 as against EBIDT of Rs. 90,16,37,263 of financial year 2017-18, Rs 54,65,00,000 in financial year 2016-17 and Rs. 26,01,99,999 in financial year 2015-16. The levy of anti-dumping duty by the Government of India on import of tubes from China and a gradual pick-up in demand are some of other factors resulting in increase in Revenue and EBIDT of the Group. There has also been a substantial progress on the Resolution Plan agreed to by the Banks of the parent Company. Accordingly the Group has continued to prepare its Consolidated 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. 1,04,55,85,364 (March 31, 2018 Rs 1,04,62,33,550) 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 “3,50,00,000 equity shares held in ISMT Ltd(ISMT) had in the past been pledged with ISMT Consortium Banks in connection with the loans extended by them. Consequent to RBI Circular dated February 12, 2018 the lenders to ISMT had decided to explore assignment of debt as a Resolution Plan. Accordingly, Banks holding upto 71% of the principal debt had assigned their debt to ARCs of which 65% of the debt have been assigned to ARCIL.

ARCIL being a lead lender is pursuing restructuring the debt of ISMT. The Company being the promoter of ISMT has made a contribution of Rs 10,00,00,000 in connection with the same. Pending the finalization of terms of the restructuring, the said contribution has been grouped under “Advances”. Pending determination of the terms, the “Advance” has been considered to be refundable on demand and consequently has been valued at the transaction value of Rs. 10,00,00,000.”

4.7 The Parent Company has given long term loans in the nature of promoter contribution to the associate company “ISMT Ltd.” of Rs 7,75,00,000 (Ind-AS fair value Rs 7,55,60,006) for which settlement is neither planned nor likely to be incurred in the foreseeable future and hence, in substance, the said long term loan is an extension of the group’s investment in that associate. Hence the Group has considered the said long term loan as part of investment in associates and accordingly recognized the share of loss to the extent of its interest in associate (i.e. aggregate of investment in equity shares plus long term loans) as per the equity method of accounting as referred in Ind-AS 28 "Investments in Assoicates and Joint Ventures". This results into recognition of share of loss in the said associate amounting to Rs 7,55,60,006 in the Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

4.8 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".

For the Financial Year 2018 -2019 **(Amount in Rupees)**

Particulars	Trading	Investment	Leasing	Aviation	Services	Total
Segment Revenue						
Segment Revenue from:						
External sales and services	10,26,55,436	56,60,433	-	33,05,13,000	21,95,91,032	65,84,19,901
Unallocable revenue						3,12,16,245
Total Segment Revenue	**10,26,55,436**	**56,60,433**	**-**	**33,05,13,000**	**21,95,91,032**	**68,96,36,146**
Segment Result						
Operating Profit / (Loss)	(2,70,71,051)	56,60,433	-	11,46,61,000	21,63,12,305	30,95,62,687
Add: Unallocable						99,28,577
Add: Share of profit/(loss) of associates						(7,56,02,865)
Less: Finance Cost						8,64,77,890
Profit/(Loss) before Tax						**15,74,10,509**
Less: Tax expenses						3,54,98,500
Profit/ (Loss) after Tax						**12,19,12,009**
Other Information						
Segment Assets	8,02,874	(3,72,54,293)	-	1,35,47,78,000	2,91,47,628	1,34,74,74,209
Unallocable assets	-	-	-	-	-	32,61,21,306
Total Assets	**8,02,874**	**(3,72,54,293)**	**-**	**1,35,47,78,000**	**2,91,47,628**	**1,67,35,95,515**
Segment liabilities	10,86,71,710	-	-	48,04,57,973	51,64,479	59,42,94,162
Unallocable liabilities	-	-	-	-	-	32,43,33,168
Total liabilities	**10,86,71,710**	**-**	**-**	**48,04,57,973**	**51,64,479**	**91,86,27,330**
Cost incurred for:						
Acquired Assets - Segment	-	-	-	47,16,636	-	**47,16,636**
Depreciation						
Segment Assets	-	-	-	3,03,74,000	-	**3,03,74,000**
Unallocable Assets	-	-	-	-	-	**33,77,532**
Total	**-**	**-**	**-**	**3,03,74,000**	**-**	**3,37,51,532**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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	7,17,05,177	9,09,76,222	-	19,08,35,333	20,24,66,127	55,59,82,859
Unallocable revenue						1,70,87,179
Total Segment Revenue	**7,17,05,177**	**9,09,76,222**	**-**	**19,08,35,333**	**20,24,66,127**	**57,30,70,038**
Segment Result						
Operating Profit / (Loss)	(1,52,49,725)	9,09,76,222	-	2,66,57,333	18,97,10,383	29,20,94,213
Add: Unallocable						71,09,033
Add: Share of profit/(loss) of associates						3,62,284
Less: Finance Cost						6,59,42,147
Profit/(Loss) before Tax						**23,36,23,383**
Less: Tax expenses						1,22,44,941
Profit/ (Loss) after Tax						**22,13,78,442**
Other Information						
Segment Assets	4,06,49,792	3,83,03,753	-	1,37,40,47,000	2,07,11,197	1,47,37,11,742
Unallocable assets						24,61,50,689
Total Assets	**4,06,49,792**	**3,83,03,753**	**-**	**1,37,40,47,000**	**2,07,11,197**	**1,71,98,62,431**
Segment liabilities	11,82,29,749	-		19,70,56,000	1,18,85,376	32,71,71,125
Unallocable liabilities						76,74,70,031
Total liabilities	**11,82,29,749**	**-**	**-**	**19,70,56,000**	**1,18,85,376**	**1,09,46,41,156**
Cost incurred for:						
Acquired Assets - Segment	-	-	-	1,18,67,333	-	1,18,67,333
Acquired Assets - Unallocable						99,72,747
Total	**-**	**-**	**-**	**1,18,67,333**	**-**	**2,18,40,080**
Depreciation						
Segment Assets	-	-	-	1,96,04,666	-	1,96,04,666
Unallocable Assets						15,43,731
Total	**-**	**-**	**-**	**1,96,04,666**	**-**	**2,11,48,397**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Revenue from Major customers

Revenue under the segment Aviation includes Rs 22,81,95,000 from 4 customers (previous year Rs 11,73,42,667 from 3 customers) having more than 10% revenue of total segment revenue.

4.9 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" except in case of subsidiary company "Taneja Aerospace and Aviation Limited". There are no dues to such suppliers as on March 31, 2019.

Subsidiary Company - "Taneja Aerospace and Aviation Limited"

* The identification of micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprise Development Act, 2006" [MSMED Act] is based on management's knowledge of their status. The Company has accrued INR 0.12 lakhs (March 31, 2018: INR Nil) towards interest payable to the vendors under the MSMED Act.

4.10 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 (Upto September 30, 2018)	Whole Time Director
	Mr. N.V. Karbhase	Whole Time Director
	Mr. Muralidhar Chitteti Reddy (w.e.f. October 01, 2018)	Managing 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 September 27, 2017)	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. Rahael Shobhana Joseph (From December 14, 2017)	Non whole Time Director
	Mr. Arvind Nanda (From August 14, 2018)	Non whole Time Director
	Mr. Salil Taneja (from October 1, 2018)	Non whole Time Director
	Mr. Hemant Karambelkar	Director
	Mr. Ratnam Ramjee	Director

II Entities where control exists

Ultimate Parent Company

Vishkul Enterprises Private Ltd.

Entities under common control

ISMT Ltd.

TAAL Tech India Private Limited

First Airways Inc., USA

TAAL Enterprises Ltd

Fair Growth Holding Pte Ltd

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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

(Amount in Rupees)

Nature of Transactions / Relationship	Entities where control exist	
	2018-19	**2017-18**
Income		
Sales of Trading goods	28,00,000	1,92,28,667
Interest Income	13,65,000	10,00,000
Commission received for bank guarantee	-	7,06,000
Sale of shares	-	9,94,71,368
Expenses		
Purchase of Trading goods	10,03,06,630	6,88,15,873
Reimbursement of expenditure during the year (Net)	11,12,000	5,32,667
Interest Paid	16,31,000	1,06,000
Purchase of shares	-	9,65,90,972
Loans taken	2,00,00,000	25,00,000
Loans repaid	3,22,38,000	25,00,000
Outstanding as on Balance Sheet Date		
Balance payable as at the year end	-	2,23,48,000
Balance receivable as at the year end	25,75,000	9,89,51,000
Corporate guarantee	5,92,00,000	5,92,00,000
Key Management Personnel		
Managerial Remuneration #	1,37,07,000	1,00,94,953
Director Sitting fees	7,20,000	5,93,333

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.

4.11 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 Consolidated Statement of Profit and Loss amounts to Rs 12,67,59,000 (March 31, 2018 Rs 11,95,84,000) is included in Note No 1.31.

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

(Amount in Rupees)

Particulars	**March 31, 2019**	**March 31, 2018**
Within one year	13,43,64,000	12,67,59,000
After one year but not more than five years	62,30,60,000	58,77,92,000
More than five years	1,98,38,20,000	2,15,34,52,000

Notes to Consolidated Financial Statement for the year ended March 31, 2019

4.12 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	2018-19	2017-18
Employer's Contribution to Provident Fund, family pension fund and other fund	56,09,000	41,14,000
Total	**56,09,000**	**41,14,000**

(B) Defined Benefits Plans

i) Gratuity Payable to Employees

i) Actuarial Assumption

Particulars	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.70%	7.80%
Rate of increase in salary	7% - 10%	7% - 10%
Expected average remaining working lives of employees (Years)	12.36	14.20
Withdrawal Rate	2% - 5%	0% - 5%

ii) Changes in present value of defined benefit obligations **(Amount in Rupees)**

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation at the beginning of the Year	1,46,82,000	1,35,29,333
Interest Cost	10,31,000	6,16,667
Past Service Cost	-	3,96,667
Current Service Cost	12,07,000	11,96,667
Curtailments	(11,93,000)	-
Benefits paid	(5,43,000)	(1,40,667)
Actuarial (gain) / loss on obligation	(7,65,000)	(9,16,667)
Present value of defined benefit obligation at the end of the Year	**1,44,19,000**	**1,46,82,000**

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

Particulars	March 31, 2019	March 31, 2018
Current Service Cost	12,07,000	11,96,667
Past Service Cost	-	3,96,667
Interest Cost	10,31,000	6,16,667
Curtailments	(11,93,000)	-
Total expenses recognised in the consolidated statement of profit and loss	**10,45,000**	**22,10,001**

*Included in provision for employee benefits (Refer note 1.23 (i) and 1.29) Actuarial (gain)/loss on gratuity of INR (7,65,000) for the year ended March 31, 2019 [March 31, 2018: INR (13,75,000)] is included in other comprehensive income.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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

Particulars	March 31, 2019	March 31, 2018
Present value of unfunded obligation as at the end of the year	1,44,19,000	1,46,82,000
Less: Funded with Life Insurance Corporation	(11,31,000)	(6,70,000)
Unfunded net asset/(Liability) recognised in the consolidated balance sheet	**1,32,88,000**	**1,40,12,000**

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

Particulars	March 31, 2019	March 31, 2018
Total Amount	1,33,00,000	7,00,000

vi) Quantitative sensivity analysis for significant assumption **(Amount in Rupees)**

Particulars	March 31, 2019	March 31, 2018
1 % increase in discount rate	1,33,47,000	1,35,62,000
1% decrease in discount rate	1,56,44,000	1,59,57,000
1% increase in salary growth rate	1,54,95,000	1,57,40,000
1% decrease in salary growth rate	1,34,56,000	1,37,35,000
1% increase in employee withdrawal rate	1,44,41,000	1,47,33,000
1% decrease in employee withdrawal rate	1,43,95,000	1,34,50,000

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

Particulars	March 31, 2019	March 31, 2018
April 2019 - March 2020	11,39,000	12,65,000
April 2020 - March 2021	12,12,000	12,29,000
April 2021 - March 2022	11,64,000	28,47,000
April 2022 onwards	1,42,62,000	1,09,88,000

4.13 Income tax expense

A The major components of income tax expenses for the year are as under: **(Amount in Rupees)**

Particulars		2018 -2019	2017 -2018
I)	**Income Tax recognised in the statement of profit and loss**		
	Current tax	3,61,73,381	4,74,08,132
	MAT credit- current year	(1,41,44,106)	(3,51,63,191)
	Deferred Tax	1,34,69,225	-
	Total Income Tax recognised in the statement of profit and loss	**3,54,98,500**	**1,22,44,941**
II)	**Income Tax recognised in Other Comprehensive Income**		
	Deferred tax	-	-
	Total Income Tax recognised in Other Comprehensive Income	-	-

Notes to Consolidated Financial Statement for the year ended March 31, 2019

B Reconciliation of tax expense and the accounting profit for the year is under: **(Amount in Rupees)**

Particulars	2018 -2019	2017 -2018
Accounting profit before income tax expenses	**15,74,10,509**	**23,36,23,383**
Enacted tax rates in India (%)	27.82%	27.82%
Expected income tax expenses	4,37,91,604	6,49,94,025
Tax Effect of :		
Expenses not deductible	(14,93,168)	(4,81,745)
Exempt Income	2,10,32,716	(1,00,787)
Non Taxable Capital Gain	-	(2,53,09,571)
MAT credit receivable	90,23,544	(61,83,132)
Effect of Different income tax rate	16,76,266	(93,382)
Accelerated capital allowances	6,18,826	69,960
Carried forward loss set off	(3,91,51,288)	(2,06,50,427)
Income tax expense recognised in Consolidated Statement of Profit and Loss	**3,54,98,500**	**1,22,44,941**

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, 2019 **(Amount in Rupees)**

	Particulars	As at April 1, 2018	Charged / (credited) to Statement of income	Adjustment #	As at March 31, 2019
Tax effect of item constituting deferred tax liabilities					
i)	Property, Plant and Equipment	-	-	-	-
		-	-	-	-
Tax effect of item constituting deferred tax assets					
i)	MAT Credit Entitlement	7,36,93,909	1,41,44,106	(1,34,69,000)	7,43,69,015
		7,36,93,909	**1,41,44,106**	**(1,34,69,000)**	**7,43,69,015**
	Net deferred tax asset/ (liability)	**7,36,93,909**	**1,41,44,106**	**(1,34,69,000)**	**7,43,69,015**

As at March 31, 2018 **(Amount in Rupees)**

	Particulars	As at April 1, 2017	Charged / (credited) to Statement of income	Adjustments *	As at March 31, 2018
Tax effect of item constituting deferred tax liabilities					
i)	Property, Plant and Equipment	-	-	-	-
		-	-	-	-
Tax effect of item constituting deferred tax assets					
i)	MAT Credit Entitlement	2,42,82,385	3,59,42,524	1,34,69,000	7,36,93,909
		2,42,82,385	**3,59,42,524**	**1,34,69,000**	**7,36,93,909**
	Net deferred tax asset/ (liability)	**2,42,82,385**	**3,59,42,524**	**1,34,69,000**	**7,36,93,909**

* On account of conversion of assoicate company into subsidiary company.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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, 2019	Expiry Date	As at March 31, 2018	Expiry Date
Business Loss				
2014-2015	73,79,057	March 31,2023	2,23,59,935	March 31,2023
2015-2016	7,08,97,510	March 31,2024	7,08,97,510	March 31,2024
2016-2017	5,46,61,918	March 31,2025	5,46,61,918	March 31,2025
2017-2018	64,54,876	March 31,2026	64,54,876	March 31,2026
Long Term Capital Loss				
2012-2013	22,35,172	March 31,2022	22,35,172	March 31,2022
Unabsorbed Depreciation	58,57,325	No Expiry	58,57,325	No Expiry
Total	**14,74,85,858**		**16,24,66,736**	

4.14 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	2018 -2019	2017 -2018
Net Profit / (Loss) for the year attributable to Equity Shareholders	8,62,36,047	20,22,41,687
Weighted Average Number of Equity Shares outstanding for basic and diluted	1,15,01,507	1,10,02,496
Nominal Value of equity Shares (Rs)	10.00	10.00
Earnings Per Share (Rs.) (Basic and Diluted)	7.50	18.38

4.15 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, 2019	March 31, 2018	
ISMT Ltd.	India	47.04%	47.04%	Manufacturing of Seamless tubes, cylinder tubes, components and Engineering steel.
Fair Growth Holding Pte.. Ltd.	Singapore	33.33%	33.33%	SPV - Investment in Seamless Tube Manuacturing Company.
TAAL Enterprises Ltd.	India	0.20%	0.20%	Providing aircraft charter services.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

(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		TAAL Enterprises Ltd.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current Assets	7,53,55,00,000	6,98,29,00,000	7,95,426	9,75,883	70,73,97,699	46,33,53,338
Non- current Assets	16,89,34,00,000	17,34,86,00,000	-	24,89,409	11,85,73,899	10,75,18,066
Current Liabilities	30,26,86,00,000	26,61,96,00,000	7,69,097	24,11,808	27,92,74,417	17,74,28,321
Non Current Liabilities	2,85,75,00,000	4,17,37,00,000		-	90,40,512	1,76,12,518
Revenue	18,53,63,00,000	15,57,91,00,000	-	14,41,458	1,49,79,52,225	1,04,33,07,906
Profit / (Loss) for the Year	(2,37,01,00,000)	(2,42,80,00,000)	(10,38,577)	4,69,826	21,78,96,246	18,27,93,714
Other Comprehensive Income for the year	13,46,00,000	1,43,00,000	-	-	22,18,219	20,94,960
Total Comprehensive Income for the year	(2,23,55,00,000)	(2,41,37,00,000)	(10,38,577)	4,69,826	22,01,14,464	18,48,88,674
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		TAAL Enterprises Ltd. *	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash and Cash Equivalent	65,81,00,000	24,72,00,000	4,45,440	6,33,120	12,36,98,513	5,34,88,031
Current financial Liabilities (excluding trade payable and Other payable and provisions)	28,38,88,00,000	24,72,73,00,000	-	17,82,054	6,23,63,121	4,69,37,215
Non Current financial Liabilities (excluding trade payable and Other payable and provisions)	2,77,48,00,000	4,02,86,00,000	-	-	-	-
Depreciation and amortisation	56,89,00,000	61,43,00,000	-	-	1,30,90,744	2,21,74,658
Interest Income	4,49,00,000	3,90,00,000	-	-	70,19,456	48,20,450
Interest Expense	2,63,13,00,000	2,68,31,00,000	-	-	1,36,35,220	68,82,843
Income Tax Expense/ (Income)	-	(99,00,000)	1,105	12,674	13,50,27,424	2,40,76,934

Notes to Consolidated Financial Statement for the year ended March 31, 2019

(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		TAAL Enterprises Ltd.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Movement in investment						
Interest as on 1st April	-	-	3,60,712	1,65,316	2,36,325	2,36,325
Add: Share of profit for the year	(7,55,60,006)	(13,202)	(3,46,156)	1,56,600	3,03,297	-
Add: Share of OCI for the year	-	-	12,558	38,796	3,793	-
Balance as at 31st March	**-**	**-**	**27,114**	**3,60,712**	**5,43,415**	**2,36,325**
Fair Value of Investment in the associates	53,89,47,816	62,37,15,665	N.A	N.A	16,35,660	87,416

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 its share of loss and movement in other reserves to the extent of its value of interest in associate and refer Note No. 4.7.

* considered as associate company by virtue of equity holding by ultimate Parent Company.

4.16 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, 2019	March 31, 2018@	March 31, 2019	March 31, 2018
Assets				
Non Current Assets	1,19,22,00,810	1,22,77,36,000	1,34,80,105	92,72,716
Current Assets	21,33,54,598	23,69,75,000	1,22,50,352	3,28,90,313
Liabilities				
Non Current Liabilities	23,83,77,824	33,74,27,000	-	-
Current Liabilities	24,20,80,149	24,94,71,000	13,63,22,650	17,43,48,943
Ind-AS 115 impact on opening reserves	(50,66,000)	-		
Equity	93,01,63,435	87,78,13,000	(11,05,92,193)	(13,21,85,914)
Percentage of ownership held by non-controlling interest	49.07%	49.07%	47.99%	47.99%
Accumulated non controlling interest	45,63,94,401	43,07,06,071	(5,30,73,194)	(6,34,36,021)

Particulars	Taneja Aerospace and Aviation Limited		Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Limited)	
	March 31, 2019	March 31, 2018 @	March 31, 2019	March 31, 2018
Revenue	32,72,85,553	21,00,64,000	5,02,53,242	5,01,50,839
Net profit / (Loss) for the year	5,15,85,766	9,91,331	2,15,93,721	(67,19,256)
Other Comprehensive Income	7,64,612	9,16,667	-	-
Total Comprehensive Income	5,23,50,378	19,07,998	2,15,93,721	(67,19,256)
Profit /(Loss) allocated to Non controlling Interest	2,56,88,329	9,36,254	1,03,62,827	(32,24,571)

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

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Particulars	Taneja Aerospace and Aviation Limited		Laurus Tradecon Private Limited (Formerly known as Lighto Technologies Private Limited)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Net cash inflow / (outflow) from operating activities	8,15,52,000	8,70,73,000	2,98,11,934	1,56,82,935
Net cash inflow/(outflow) from investing activities	64,56,000	(1,78,07,000)	-	-
Net cash inflow/(outflow) from financing activities	(10,10,06,000)	(4,68,07,000)	(1,03,81,563)	(45,60,477)
Net cash inflow/(outflow)	(1,29,98,000)	2,24,59,000	1,94,30,371	1,11,22,458
Dividend paid to Non-controlling interests (including tax)	-	-	-	-

4.17 Associate Company : TAAL Enterprises Limited

The Board of Directors of the Parent Company of the associate in their meeting held on 28th September, 2018 appointed Mr. Salil Taneja as a whole-time director on the terms and conditions and the remuneration as approved by the Board which is subject to a special resolution approval by the Members of the Company in the next general meeting of the Company.

4.18 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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, 2019				
Short Term Borrowings	15,79,60,490	-	-	15,79,60,490
Long Term Borrowings	9,08,35,000	15,81,45,000	43,91,381	25,33,71,381
Trade Payable	8,84,26,746	-	-	8,84,26,746
Other Financial Liabilities	13,63,96,272	1,45,53,382	-	15,09,49,655
	47,36,18,508	**17,26,98,382**	**43,91,381**	**65,07,08,271**
March 31, 2018				
Short Term Borrowings	20,10,00,832	-	-	20,10,00,832
Long Term Borrowings	7,56,47,000	24,44,54,000	72,48,000	32,73,49,000
Trade Payable	8,64,23,183	-	-	8,64,23,183
Other Financial Liabilities	16,65,79,086	1,28,37,000	-	17,94,16,086
	52,96,50,101	**25,72,91,000**	**72,48,000**	**79,41,89,101**

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.

i) Interest rate risk

ii) Currency risk

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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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, 2019		
INR	+45	(14,07,000)
INR	-45	14,07,000
March 31, 2018		
INR	+45	(16,05,000)
INR	-45	16,05,000

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.

Particulars	Change in US$ rate	Effect on Profit before tax
March 31, 2019		
INR	+2.50%	-
INR	-2.50%	-
March 31, 2018		
INR	+2.50%	-
INR	-2.50%	-

Details of Unhedged exposure in foreign currency denominated monetary items:

Particulars	As at March 31, 2019		As at March 31, 2018	
	USD	Rs.	USD	Rs.
Trade Payables	1,14,774	79,38,898	1,14,774	74,64,882

Notes to Consolidated Financial Statement for the year ended March 31, 2019

4.19 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.

Particulars		**March 31, 2019**	**March 31, 2018**
Total equity	(i)	35,16,46,974	25,79,51,225
Total debt	(ii)	41,13,31,845	52,83,49,832
Overall financing	(iii) = (i) + (ii)	76,29,78,819	78,63,01,057
Gearing ratio	(ii)/ (iii)	0.54	0.67

4.20 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 Consolidated Financial Statement for the year ended March 31, 2019

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at Fair Value Through OCI (non-current)				
Investment in Equity Shares	1,78,544	1,50,075	1,78,544	1,50,075
Financial Assets at amortised cost (non-current)				
Loans	-	6,01,92,113	-	6,01,92,113
Other financial Assets	-	1,45,20,030	-	1,45,20,030
Total	**1,78,544**	**7,48,62,218**	**1,78,544**	**7,48,62,218**
Financial Assets at amortised cost (current)				
Trade Receivables	9,26,98,502	8,51,07,780	9,26,98,502	8,51,07,780
Cash and Bank Balances	6,19,30,840	7,06,75,124	6,19,30,840	7,06,75,124
Loans	25,90,486	1,39,56,000	25,90,486	1,39,56,000
Other financial Assets	10,00,50,000	3,29,540	10,00,50,000	3,29,540
Total	**25,72,69,828**	**17,00,68,444**	**25,72,69,828**	**17,00,68,444**
Financial Assets at fair value through Profit and Loss Account (current)				
Investments in Mutual Fund	57,10,876	-	57,10,876	-
Total	**57,10,876**	**-**	**57,10,876**	**-**
Financial Liabilities at amortised cost (non-current)				
Borrowings	16,25,36,381	25,17,02,000	16,25,36,381	25,17,02,000
Other Current Liabilities	1,45,53,382	1,28,37,000	1,45,53,382	1,28,37,000
Total	**17,70,89,764**	**26,45,39,000**	**17,70,89,764**	**26,45,39,000**
Financial Liabilities at amortised cost (current)				
Borrowings	15,79,60,490	20,10,00,832	15,79,60,490	20,10,00,832
Trade Payables	8,84,26,746	8,64,23,183	8,84,26,746	8,64,23,183
Other financial Liabilities	22,72,31,272	24,22,34,086	22,72,31,272	24,22,34,086
Total	**47,36,18,508**	**52,96,58,101**	**47,36,18,508**	**52,96,58,101**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Valuation Techniques and key Inputs
Financial Assets at Fair Value Through OCI (non-current)				
Investment in Equity Shares	1,78,544	1,50,075	1	Quoted NAV in active markets
Financial Assets at amortised cost (non-current)				
Loan to Associate Company	-	6,01,92,113	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Assets at fair value through Profit and Loss Account (current)				
Investments in Mutual Fund	57,10,876	-	1	Quoted NAV in active markets

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, 2018.

During the reporting period ended March 31, 2019, 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, 2017	**5,30,46,720**
Interest Income	71,45,393
Closing Balance as at March 31, 2018	**6,01,92,113**
Interest Income	81,07,878
Less: Long term interest in associate (Refer Note No. 4.7)	
Closing Balance as at March 31, 2019	**-**

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.

4.21 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.

4.22 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

V. K. Paradkar
Proprietor
M. No. 17151

Place : Pune
Date : August 22, 2019

For and on behalf of the Board of Directors

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

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	Reporting Currency	Share capital	Reserves and Surplus	Total Assets	Total Liabilities #	Investments (Excluding investment in Subsidiary)	Turnover/ total Income	Profit/(Loss) Before taxation	Provision for Taxation	Profit/(loss) after Taxation	Proposed Dividend	% of Share holding (Effective)
1	Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd)	INR	53,97,410	(12,63,52,431)	2,57,30,457	13,63,22,650	2,63,410	6,85,71,301	2,15,93,721	-	2,15,93,721	-	52.01%
2	Taneja Aerospace & Aviation Ltd (from 01/08/2017)	INR	12,46,54,002	77,47,55,103	1,40,55,55,408	48,04,57,973	-	33,33,13,051	6,51,34,416	1,35,48,650	5,15,85,766		50.93%

 # Excluding Share Capital and Reserves and Surplus

Associate Company

Name of the enterprise	ISMT Ltd (Refer note No 2)	TAAL Enterprises Ltd. (Refer Note no 3)	Fair growth Holdings Pte. Ltd (Refer Note no 4)
Latest audited Balance Sheet Date	3/31/2019	3/31/2019	3/31/2019
Shares of Associate held by the Company on the year end			
a) Number	6,89,19,158	6,291	12,000
b) Amounts of Investment (In Rs.)	97,15,50,520	2,36,325	3,51,162
c) % of holding	47.04%	0.20%	33.33%
Net worth attributable to shareholding as per Latest audited Balance Sheet (In Rs.)	(8,69,72,00,000)	56,36,56,669	26,328
Profit / (Loss) for the year considered in Consolidation (In Rs.)	(7,55,60,006)	3,07,090	(3,46,156)
Not Considered in Consolidation	(1,05,15,83,778)	-	-
Description of how there is significant influence	Note - 1	Note - 1	Note - 1
Reason why the Associate is not consolidated	Note - 2	N.A.	N.A.

Note :

1) The Company directly hold investment of more than 20%.
2) # 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.
3) considered as associate company by virtue of equity holding by ultimate Parent Company.
4) 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

V. K. Paradkar
Proprietor
M. No. 17151

Place : Pune
Date : August 22, 2019

For and on behalf of the Board of Directors

R. Ramjee
Director
DIN:03163913

N. V. Karbhase
Director
DIN : 00228836

Radhika Shidore
Company Secretary

Shweta Shivhare
Chief Financial Officer

Place : Pune
Date : August 22, 2019

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 Enterprises Limited	(155.14)	1,17,12,83,719	101.99	12,43,35,387	12.02	(83,819)	(101.34)	12,42,51,568
	Indian Subsidiary								
1	Laurus Tradecon Pvt Ltd (Formerly known as Lighto Technologies Pvt Ltd)	14.65	(11,05,92,194)	17.71	2,15,93,721	-	-	(17.61)	2,15,93,721
2	Taneja Aerospace & Aviation Ltd (from 01/08/2017)	(122.53)	92,50,97,435	42.31	5,15,85,766	109.68	7,64,612	(42.70)	5,23,50,378
			75,49,68,183		12,19,12,009		6,97,144		12,26,09,153
	Minority Interest in Subsidiaries	(53.42)	40,33,21,207	(29.26)	3,56,75,962	(53.82)	3,75,195	(29.40)	3,60,51,157
	Associate (Investment as per Equity method)								
	Indian Associate								
1	ISMT Ltd	-	-	61.98	(7,55,60,006)	-	-	61.63	(7,55,60,006)
2	TAAL Enterprises Ltd.	-	-	0.25	3,03,297	(0.54)	3,793	(0.25)	3,07,090
	Foreign Associate								
1	Fair growth Holding Pte. Ltd	(0.05)	3,60,712	(0.28)	(3,46,156)	(0.01)	12,558	0.27	(3,33,598)

As per our report of even date
For V. K. Paradkar & Co
Chartered Accountants
FRN 120527W

V. K. Paradkar
Proprietor
M. No. 17151

Place : Pune
Date : August 22, 2019

For and on behalf of the Board of Directors

R. Ramjee
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Chief Financial Officer

Place : Pune
Date : August 22, 2019

Indian Seamless Enterprises Limited

Regd Office: Lunkad Towers, Off Nagar Road, Viman Nagar, Pune 411014.
Phone: 020-41434100, Fax: 020-26630779
CIN: U29000PN1995PLC090946

23rd 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: ______________________ or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **23rd Annual General Meeting** of the Company, to be held on **Monday, September 30, 2019 at 10.30 a.m** at **"Hotel Hindusthan 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, 2019 together with Reports. b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2019 together with Report.		
2.	To appoint a Director in place of Mr. Vijaykumar Ravetkar (00374456) who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
3.	Re-appointment of Mr. N.V. Karbhase as Whole Time Director.		

Signed this .... day of .... 2019.

Signature of shareholder:

Affix
Re 1/-
Revenue
Stamp

Signature of Proxy holder(s): ________________________

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. 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.
3. For Resolutions, Explanatory Statements, please refer to the Notice of the 23rd 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
Registered Office: Lunkad Towers, Off Nagar Road
Viman Nagar, Pune – 411014, Maharashtra

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