

# TAAL Enterprises Limited

Reg. Office: 2nd Floor, MMPDA Towers, 184, Royapettah High Road, Chennai - 600014  
Phone: +91-44 4350 8393, Website: www.taalent.co.in; E-mail: secretarial@taalent.co.in  
CIN: U62200TN2014PLC096373

TEL/SEC/2016-17

December 27, 2016

To,  
**BSE Limited**

Dear Sirs,

## Sub: Annual Report

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for FY2015-16.

Kindly take the same on your record and oblige.

Thanking you

Yours Faithfully,  
For **TAAL Enterprises Limited**



Sakina Sami  
Company Secretary



Encl.: As Above

# **TAAL Enterprises Limited**

**ANNUAL REPORT 2015-16**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Salil Taneja	Director (upto April 22, 2016)
C S Kameswaran	Whole-time Director (w.e.f. April 1, 2016)
Ajay Joshi	Director (w.e.f. April 18, 2016)
Nirmal Chandra	Director (w.e.f. April 18, 2016)
Shobhana Joseph	Director (w.e.f. April 18, 2016)
P Saralaya	Director (upto April 22, 2016)

### **COMPANY SECRETARY**

Sakina Sami (w.e.f. November 7, 2015)

### **AUDITORS**

M/s. MZSK & Associates  
Chartered Accountants

### **BANKERS**

Oriental Bank of Commerce

### **REGISTERED OFFICE**

2nd Floor, MMPDA Towers, 184, Royapettah High Rd., Chennai-600 014

Phone: 044-4350 8393

E-mail: [secretarial@taalent.co.in](mailto:secretarial@taalent.co.in), Website: [www.taalent.co.in](http://www.taalent.co.in)

CIN: U62200TN2014PLC096373

### **REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.

# TAAL Enterprises Limited

## Directors' Report

To the Members of TAAL Enterprises Limited

Your Directors present herewith the Second Annual Report and Audited Financial Statements of the Company for the financial year ended March 31, 2016.

### FINANCIAL HIGHLIGHTS

Particulars	(Rs. In lakhs)	
	2015-16	2014-15
Gross Income	860.01	378.31
Expenditure	910.01	655.30
Profit/(Loss) after Tax	(50.01)	(276.99)

### DIVIDEND

Your Directors are unable to recommend Dividend for the financial year ended on March 31, 2016, in view of the loss.

### OPERATIONS

During the previous year, the Charter plane was grounded for two and a half months for the purpose of scheduled maintenance (mandatory Hot Section Inspection). Despite of this, the Company has registered a significant growth in revenue during the year on account of improved business environment.

### AUTHORISED SHARE CAPITAL

Pursuant to the Scheme of Arrangement between Taneja Aerospace and Aviation Ltd. (TAAL) and TAAL Enterprises Limited, the Authorized Share Capital of the Company has been increased to Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each.

### SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement, 50,000 equity shares of Rs. 10/- each held by TAAL in the Company were reduced and cancelled. Consequently, the Company also ceased to be a subsidiary of TAAL. Pursuant to the Scheme of Arrangement, the Shareholders of TAAL, as on September 30, 2015 (Record Date/ Book closure) have been allotted 1 (One) Equity Share of Rs. 10/- each in the Company for every 8 (Eight) Equity Shares of Rs. 5/- each held in TAAL. As a result, the Paid-up Share Capital of the Company increased to Rs. 311.63 Lakhs.

### RESERVES

The Company has transferred Rs. 5 Lacs to Capital Reserve on account of cancellation of shares pursuant to the Scheme of Arrangement.

### LISTING OF SHARES ON BSE LIMITED

The equity shares of the Company got listed on BSE and trading commenced with effect from July 5, 2016.

The BSE Scrip code of the Company is 539956 and the ISIN is INE524T01011.

### INDEPENDENT DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Nirmal Chandra and Mr. Ajay Joshi were appointed as Additional Directors (Independent) of the Company w.e.f April 18, 2016 to hold office upto the ensuing Annual General Meeting.

Mr. Nirmal Chandra has been appointed as Chairman of the Board.

Mr. C. S. Kameswaran, Director of the Company has been re-designated as Whole-Time Director of the Company w.e.f. April 1, 2016.

Ms. Sakina Sami has been appointed as Company Secretary of the Company w.e.f. November 7, 2015.

The Company has already identified a candidate and is in the process of appointing him as a Chief Financial Officer.

The Independent Directors of the Company had given a declaration pursuant to Section 149(7) of the Companies, 2013 ('Act').

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors like: Knowledge and Skills, Familiarity with the Company and its business, Monitoring Company's Corporate Governance Practices, Development of strategies and risk management systems, Participation and attendance in meetings, Professional conduct, Sharing of information etc.

### OTHER DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the company, Mr. C. S. Kameswaran retires by rotation and being eligible, offers himself, for re-appointment.

M/s. Prakash Saralaya and Salil Taneja ceased to be Directors of the Company w.e.f April 22, 2016 due to personal reasons. The Board places on record its appreciation and thanks them for their valuable contribution to the Company.

Mrs. Shobhana Joseph has been appointed as an Additional Director (Non-Independent) of the Company w.e.f. April 18, 2016 to hold office upto the ensuing Annual General Meeting.

The composition of existing Board of Directors of the Company is as follows:

Name of the Director	Category	No. of Board meetings attended during Financial year 2015-16
C. S. Kameswaran	Whole time Director	6
Shobhana Joseph	Non-Executive Director	NA
Nirmal Chandra	Independent Director	NA
Ajay Joshi	Independent Director	NA

During the year under review, Seven Board Meetings were held as under:

Sr. No.	Date of Meeting
1.	May 25, 2015
2.	June 15, 2015
3.	August 14, 2015
4.	September 7, 2015
5.	November 7, 2015
6.	November 13, 2015
7.	February 25, 2016

## AUDIT COMMITTEE

Audit Committee was constituted by the Board in their meeting held on April 22, 2016.

The composition of Audit Committee is as follows:

Name of Director	Chairman/ Member
Ajay Joshi	Chairman
Shobhana Joseph	Member
Nirmal Chandra	Member

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted by the Board in their meeting held on April 18, 2016.

The composition of Nomination and Remuneration Committee is as follows:

Name of Director	Chairman/ Member
Ajay Joshi	Chairman
Shobhana Joseph	Member
Nirmal Chandra	Member

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted by the Board in their meeting held on April 22, 2016.

The composition of Stakeholders Relationship Committee is as follows:

Name of Director	Chairman/ Member
Shobhana Joseph	Chairman
C S Kameswaran	Member

## AUDITORS

Pursuant to Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Shareholders of the Company at the 1st AGM held on September 29, 2015, approved the appointment of M/s. MZSK & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive years till the conclusion of 6th AGM of the Company, subject to ratification of their appointment at every AGM.

The Auditors have confirmed their eligibility and willingness to continue to act as Auditors and the Directors recommend their

ratification at the ensuing Annual General Meeting.

## AUDITORS REMARKS

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

## SUBSIDIARY COMPANIES

During the year under review, pursuant to the Scheme of Arrangement, TAAL Tech India Pvt. Ltd. and First Airways Inc. USA became subsidiaries of the Company with effect from August 21, 2015.

As on date of this report, The Company has five Direct & Indirect subsidiaries. A report in Form AOC-1 on performance & financial position of the subsidiaries as per the Companies Act, 2013 is provided in the Financial Statements forming part of this Annual Report.

## FIXED DEPOSITS

The Company has not accepted any deposits from the public.

## MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report is forming part of this Report.

## CORPORATE GOVERNANCE REPORT

Pursuant to R. 15(2) of the SEBI (LODR) Regulations, 2015, the Corporate Governance Report is not applicable to the Company.

## 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 had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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, 2016 and of the Loss of the Company for that period;
- iii) that the Directors had 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 had prepared the annual accounts on a going concern basis;

# TAAL Enterprises Limited

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- v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## EXTRACT OF ANNUAL RETURN:

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

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under Section 134(3)(m) of the Act is forming part of this Report as Annexure-B.

## NOMINATION AND REMUNERATION POLICY

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

The criteria for performance evaluation as laid down by Nomination and Remuneration Committee has been defined in the Nomination and Remuneration Policy.

Details pertaining to remuneration of employees required under Section 197(12) of the Act read with Rules made there under is forming part of this Report as Annexure-C.

## SECRETARIAL AUDIT REPORT

The provisions of Section 204 of the Act with regard to Secretarial Audit are not applicable to the Company, since the Company was not a listed entity as on March 31, 2016.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## RISK MANAGEMENT

The Company is developing a risk management frame work including the policy covering material risks. Further, it is difficult to predict events that might result in unplanned non-availability or loss of the Aircraft which can have significant negative impact on the operations of the Company.

## INTERNAL FINANCIAL CONTROLS

The Company has an established system of internal financial controls. Further, there has been a demerger during the year resulting in two independent entities viz. TAAL and TAAL Enterprises Ltd. The existing internal control systems are, therefore, being suitably modified to take care of new requirements arising out of the demerger.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There is no information required to be mentioned in Form AOC-2, since the Company has not entered into any contract with related parties that is either a material contract or not at arm's length basis. The particulars of all Related Party Transactions in terms of applicable Accounting Standards are forming part of the financial statements, under note no. 24.

## GENERAL

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. Your Directors further state that 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.

## REGISTRAR AND SHARE TRANSFER AGENT

Shareholders may contact Registrar and Share Transfer Agent of the Company at the following address:

Link Intime India P. Ltd. Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411001 Tel.: 020-26160084 Fax.: 020- 26163503 e-mail: pune@linkintime.co.in
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## ACKNOWLEDGEMENTS

The Directors express their appreciation for the continued support and co-operation received by the Company from its Customers, Bankers, Shareholders, Suppliers, Business Partners, Aviation Authorities and other Indian Services and the Central and State Governments. The Directors also express their sincere appreciation to all the employees of the Company for their contribution, hard work and commitment.

For and on behalf of Board of Directors

Pune, October 3, 2016

**Nirmal Chandra**  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE

India is one of the fastest growing aviation markets in the world. There has been consistent double digit growth in domestic passenger growth over the last few years and we believe this growth will continue to be sustained. Similarly the Business Charter market will also experience sustained growth in the coming years.

Some of the major drivers for growth in this market are:

- far flung locations with poor connectivity
- projects in backward regions
- heavy traffic on trunk routes
- a number of poorly utilized airstrips all over the country

### ABOUT THE COMPANY

The Company is engaged in Air Charter business which was earlier being carried out as a division of Taneja Aerospace and Aviation Ltd. (TAAL).

The Company presently operates one Cessna Citation CJ2+ type of aircraft with a seating capacity of seven passengers. The aircraft is based at Pune airport and the Company has a loyal set of Charter customers centered around Maharashtra. The aircraft is maintained at the MRO facility of TAAL at Hosur in Tamil Nadu.

### MATERIAL SUBSIDIARY

The Company has one material subsidiary TAAL Tech India P Ltd. (TTIPL).

TTIPL is a niche Engineering and Technology solutions provider serving global corporations in their pursuit for faster innovation and technological excellence. TTIPL provides Product Engineering Services, R&D Services and IT Services customized to the specific needs of every individual customer.

The total revenue of TTIPL for FY 2015-16 stood at Rs. 5884.57 Lacs as compared with Rs. 5027.58 Lacs in FY 2014-15. The Profit after tax of TTIPL for FY 2015-16 stood at Rs. 90.78 Lacs as compared with Rs. 31.38 Lacs in FY 2014-15.

### OPPORTUNITIES AND THREATS

Proactive government policies together with growth in economy should create sufficient business opportunities. The Civil Aviation Policy recently introduced by government in June 2016 lays emphasis on regional connectivity which is likely to give further impetus to this growth.

There is a however a threat from those low entry barrier competitors including international players who own mixed fleet of Aircraft which are economical for short haul flights.

### RISKS AND CONCERNS

Given that this is a highly regulated market adverse changes in DGCA regulations can have a negative impact on Charter Operations.

The aircraft is currently on a lease which is denominated in US Dollars. An adverse movement in the exchange rate can increase fixed costs. Similarly, increase in Fuel costs and airport charges can also impact operations.

Difficult to predict events that could lead to unavailability of Aircraft for a prolonged period of time can significantly impact the operations.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is in the process of further strengthening of internal control systems.

### FINANCIAL PERFORMANCE

The financial performance of the Company for FY 2015-16 as compared to the previous period is given below:

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Gross Income	860.01	378.31
Expenditure	910.01	655.30
Profit/ Loss before Interest, Tax, Depreciation and Amortization	(10.38)	(269.18)
Profit/ (Loss) after Interest, Tax, Depreciation and Extraordinary Items	(50.01)	(276.99)
Earnings Per Share	(1.60)	(13.02)

The year 2015-16 has been relatively good for the Air Charter. The Aircraft was well utilized and clocked a turnover of Rs. 794 Lakhs.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Company maintained good industrial relations with its employees and staff. Human Resources remained a key focus area for your Company during the year under review. As on March 31, 2016, the Company had seven employees.

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's expectations or predictions are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, changes in Government regulations, tax regime, economic developments within the country and other factors such as litigations.

# Taal Enterprises Limited

## Annexure 'A' to the Directors Report

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the Financial Year ended March 31,2016  
[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	U62200TN2014PLC096373
ii)	Registration Date	01-07-2014
iii)	Name of the Company	TAAL ENTERPRISES LIMITED
iv)	Category/ Sub-Category	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	MMPDA Towers, 2nd Floor, Royapettah High Road, Chennai- 600014 Tel: 044-4350 8393 e-mail: secretarial@taalent.co.in
vi)	Whether listed company	No
vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	Link Intime India P Ltd Block no. 202, 2nd Floor, Akshay Complex, Nr Ganesh Temple,off Dhole Patil rd, Pune-411001 Tel.: 020-26160084 Fax.: 020-26163503 e-mail: pune@linkintime.co.in

#### 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	Air charter	51101	100

#### 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	TAAL Tech India Pvt. Ltd. GGR, Tower, 2nd Floor,sy# 18/2b, Ambalipura village, Sarjapur Rd, Bellandur Gate, Bangalore-560103	U74900KA2012PTC067450	Subsidiary	85	2(87)
2	First Airways Inc. USA 160, greentree Drive, Sutie 101, City of Dover , Country of Kent, DE, 19904	NA	Subsidiary	100	2(87)
3	TAAL Technologies Inc., USA 14405, Walters Road, Suite 601 Houston, TX 77014	NA	Subsidiary	100	2(87)
4	TAAL Tech GmbH, Switzerland Seestrasse 46, 8598 Bottighofen, Switzerland	NA	Subsidiary	100	2(87)
5	TAAL Tech Innovations GmbH, Rathausplatz 4 1010 Vienna, Austria	NA	Subsidiary	100	2(87)

\* Representing Aggregate % of shares held by the Company and its subsidiaries



## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

"Category of Shareholders"	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	6	6	0.012	4062	-	4062	0.13	0.118
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	49994	49994	99.988	1587438	-	1587438	50.94	(49.05)
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	50000	50000	100.00	1591500	-	1591500	51.07	(48.93)
(2) Foreign	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	-	50000	50000	100.00	1591500	-	1591500	51.07	(48.93)
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	25	25	0.00	0.00
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	186617	-	186617	5.99	5.99
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Banks	-	-	-	-	-	12	12	0.00	0.00
<b>Sub-total (B)(1):-</b>	-	-	-	-	186617	37	186654	5.99	5.99
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	-	-	-	-	214928	14642	229570	7.37	7.37
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	699906	110028	809934	25.99	25.99
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	274148	-	274148	8.8	8.8
c) Others (specify):-									
c)(1) Trusts	-	-	-	-	937	-	937	0.03	0.03
c)(2) Non-Residents	-	-	-	-	22788	55	22843	0.73	0.73
c)(3)HUF	-	-	-	-	49	-	49	0.00	0.00
c)(4)Clearing Member	-	-	-	-	707	-	707	0.02	0.02
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Public</b>									
<b>Sub-total (C)</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>2991580</b>	<b>124762</b>	<b>3116342</b>	<b>100.00</b>	-

# Taal Enterprises Limited

## ii. Shareholding of Promoters & Promoter Group

S I No.	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Taneja Aerospace and Avaition Ltd (TAAL)	49994	99.988	-	-	-	-	(99.988)
2	Ramesh Rathi as nominee of TAAL	1	0.002	-	-	-	-	(0.002)
3	Dilip Bhansali as nominee of TAAL	1	0.002	-	-	-	-	(0.002)
4	Rajashree Mahajan as nominee of TAAL	1	0.002	-	-	-	-	(0.002)
5	Pandurang Ubhe as nominee of TAAL	1	0.002	-	-	-	-	(0.002)
6	Priya Nair as nominee of TAAL	1	0.002	-	-	-	-	(0.002)
7	Ajay Gupta as nominee of TAAL	1	0.002	-	-	-	-	(0.002)
8	Alka P Mehta	-	-	-	3625	0.12	-	0.12
9	Salil Baldev Taneja	-	-	-	400	0.01	-	0.01
10	Baldevraj Topanram Taneja	-	-	-	37	0.00	-	0.00
11	Indian Seamless Enterprises Ltd	-	-	-	1370577	43.98	2.01	43.98
12	Vishkul Leather Garments P Ltd	-	-	-	211147	6.78	6.29	6.78
13	Ligho Technologies P Ltd	-	-	-	5714	0.18	-	0.18
	<b>Total</b>	<b>50000</b>	<b>100</b>	<b>-</b>	<b>1591500</b>	<b>51.07</b>	<b>8.3</b>	<b>-</b>

## iii. Change in Promoters' Shareholding:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2015/ end of year 31.03.2016)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Taneja Aerospace and Avaition Ltd (TAAL)	49994	99.988	01.04.15 07.11.15	(49994)	Cancellation of shares, pursuant to the Scheme of Arrangement between TAAL & TAAL Enterprises Ltd. as sanctioned by the Hon'ble Madras High Court vide its Order dt. June 22.2015	49994 0	99.988 0
2	Ramesh Kumar Rathi as nominee of TAAL	0 1	0 0.002	31.03.16 01.04.15 07.11.15	(1)	-do-	1 0	0.002 0
3	Dilip Bhansali as nominee of TAAL	0 1	0 0.002	31.03.16 01.04.15 07.11.15	(1)	-do-	1 0	0.002 0
4	Rajashree Mahajan as nominee of TAAL	0 1	0 0.002	31.03.16 01.04.15 07.11.15	(1)	-do-	1 0	0.002 0
5	Pandurang Ubhe as nominee of TAAL	0 1	0 0.002	31.03.16 01.04.15 07.11.15	(1)	-do-	1 0	0.002 0
6	Priya Nair as nominee of TAAL	0 1	0 0.002	31.03.16 01.04.15 07.11.15	(1)	-do-	1 0	0.002 0
7	Ajay Gupta as nominee of TAAL	0 1	0 0.002	31.03.16 01.04.15 07.11.15	(1)	-do-	1 0	0.002 0
		0	0	31.03.16				

**iii. Change in Promoters' Shareholding:**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2015/ end of year 31.03.2016)	% total shares of the Company				No. of shares	% of total shares of the Company
8	Alka Mehta	0	0	01.04.15		Allotment of shares, pursuant to the Scheme of Arrangement between TAAL & TAAL Enterprises Ltd. as sanctioned by the Hon'ble Madras High Court vide its Order dt. June 22.2015	0	0
				07.11.15	3625		3625	0.12
9	Salil Baldev Taneja	3625	0.12	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	400		400	0.01
10	Baldevraj Topanram Taneja	400	0.01	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	37		37	0
11	Indian Seamless Enterprises Ltd	37	0	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	1370577		1370577	43.98
12	Vishkul Leather Garments P Ltd	1370577	43.98	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	211147		211147	6.78
13	Lighto Technologies P Ltd	211147	6.78	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	5714		5714	0.18
		5714	0.18	31.03.16				

**iv. Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters & Holders of GDRs/ ADRs):**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning(01.04.2015/ end of year 31.03.2016)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Bridge India Fund	0	0	01.04.15		Allotment of shares, pursuant to the Scheme of Arrangement between TAAL & TAAL Enterprises Ltd. as sanctioned by the Hon'ble Madras High Court vide its Order dt. June 22.2015	0	0
				07.11.15	89719	-do-	89719	2.88
2	Bas Engineering P Ltd.	89719	2.88	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	74298		74298	2.38
3	Orange Mauritius Investments Ltd	74298	2.38	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	88612		88612	2.84
4	Mukul Mahavir Prasad Agrawal	88612	2.84	31.03.16			0	0
		0	0	01.04.15		-do-	0	0
				07.11.15	68750		68750	2.21
		68750	2.21	31.03.16				

# Taal Enterprises Limited

5	Bhagwan Das K Sahu	0	0	01.04.15		Allotment of shares, pursuant to the Scheme of Arrangement between TAAL & TAAL Enterprises Ltd. as sanctioned by the Hon'ble Madras High Court vide its Order dt. June 22.2015	0	0
		41562	1.33	07.11.15	41562	-do-	41562	1.33
		0	0	31.03.16				
6	Tara Jain	0	0	01.04.15		-do-	0	0
		30975	0.99	07.11.15	30975	-do-	30975	0.99
		0	0	31.03.16				
7	Parkash Chandra Modi	0	0	01.04.15		-do-	0	0
		28450	0.91	07.11.15	28450	-do-	28450	0.91
		0	0	31.03.16				
8	Rakesh Surie	0	0	01.04.15		-do-	0	0
		20861	0.67	07.11.15	20861	-do-	20861	0.67
		0	0	31.03.16				
9	Utkarsh Munot	0	0	01.04.15		-do-	0	0
		20215	0.65	07.11.15	20215	-do-	20215	0.65
		0	0	31.03.16				
10	K.Swapna	0	0	01.04.15		-do-	0	0
		17222	0.55	07.11.15	17222	-do-	17222	0.55
		0	0	31.03.16				

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning(01.04.2015/ end of year 31.03.2016)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Salil Taneja	0	0	01.04.15			0	0
				07.11.15	400	Allotment of shares, pursuant to the Scheme of Arrangement between TAAL & TAAL Enterprises Ltd. as sanctioned by the Hon'ble Madras High Court vide its Order dt. June 22.2015	400	0.01
		400	0.01	31.03.16				

## V. INDEBTEDNESS

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

Rs. In Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	0.00	0.00	0.00
Change in Indebtedness during the financial year				
Addition	0.00	4.50	0.00	4.50
Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	4.50	0.00	4.50
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	4.50	0.00	4.50
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	4.50	0.00	4.50

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

- A. Remuneration to Managing Director, Whole-time Directors and/ or Manager: Not Applicable
- B. Remuneration to other directors: Nil

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

**Rs. in Lacs**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel Sakina Sami-Company Secretary w.e.f. November 7, 2015
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.2
	(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	1.2

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE**

## Annexure ‘B’ to the Directors Report

Information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the Financial Year Ended on March 31, 2016.

**I. Conservation of energy:**

- i. The steps taken or impact on conservation of energy:  
The Company is a low energy consumer. Further being in rented building, consumption of power is limited to average 200 units per month.
- ii. The steps taken by the Company for utilizing alternate sources of energy: N. A.
- iii. The capital investment on energy conservation equipment's: Nil

**II. Technology absorption:**

- i. The efforts made towards technology absorption:  
N. A.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: Nil

- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

- iv. The expenditure incurred on Research and Development. : Nil

**III. Foreign exchange earnings and Outgo:**

- a) Activities relating to exports, initiatives taken to increase export, development of new export market for products and export plans.

Company is involved in the business of chartering of aircraft to domestic customers.

- b) The information on foreign exchange earnings and outgo are contained in Notes to the Accounts: Since aircraft is leased from US based company, payment towards monthly lease rental is through foreign currency (in dollars) only. Due to this, foreign exchange outgo is Rs. 482.10 Lacs.

# Taal Enterprises Limited

## Annexure – C to the Directors Report

Statement showing details of employee's remuneration drawn:

Sr. No.	Name of the Employee	Designation	Age (Yrs.)	Remuneration (Rs. in Lacs)	Qualifications	Experience (Years)	Date of commencement of employment	Last employment held
1	Capt. RH Mohite	Chief Pilot	55	57.00	CPL	30	October 2014	Taneja Aerospace and Aviation Ltd.
2	Capt. Amey Bhawkar	Co-pilot	28	18.00	CPL	5	October 2014	Taneja Aerospace and Aviation Ltd.
3	Sakina Sami	Company Secretary	24	1.20	Company Secretary	-	November 2015	-
4	KB Jogaraj	AVP	49	7.20	PG in HR	28	October 2014	Taneja Aerospace and Aviation Ltd.
5	Anbarasu P	Accounts executive	27	1.62	MBA	1	July 2015	Taneja Aerospace and Aviation Ltd.
6	BR Manoj Kr	Operation Executive	28	1.80	BE (CS)	2	October 2014	Taneja Aerospace and Aviation Ltd.
7	Joseph M P	Accounts executive	26	0.36	B.COM	1	January 2016	Taneja Aerospace and Aviation Ltd.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of TAAL Enterprises Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TAAL Enterprises Limited ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 27.5 to the standalone financial statements which states that during the current year, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited (a related entity of the Company) in trust for and on behalf of the Company including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Company.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule

7 of the Companies (Accounts) Rules, 2014.

- (e) In our opinion, there are no matters that may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.

- 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 and Protection Fund by the Company.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No. 105047W

Place: Pune  
Date: August 13, 2016

**Deepak Rao**  
Partner  
Membership No. 113292.



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TAAL ENTERPRISES LIMITED

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

#### To the Members of TAAL Enterprises Limited

We have audited the internal financial controls over financial reporting of TAAL Enterprises Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2016, 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.

#### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company and this report does not affect our report dated August 13, 2016, which expressed an unqualified opinion on those financial statements.

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No. 105047W

Place: Pune  
Date: August 13, 2016

**Deepak Rao**  
Partner  
Membership No. 113292

# TAAL Enterprises Limited

## Annexure B To Independent Auditors' Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of TAAL Enterprises Limited on the financial statements for the year ended March 31, 2016]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not own any immovable property; the requirements of paragraph 3 i(c) of the Order are not applicable to the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the requirements of paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has granted loan to one Company covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loan have been granted to the Company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) In the case of the loan granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have not been stipulated and also the party have not repaid the principal amount and have also not been regular in the payment of interest to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue Rs. In Lakhs	Interest overdue Rs. In Lakhs	Total overdue Rs. In Lakhs	Remarks
One	Nil	39.80	39.80	Reasonable steps have been taken by the Company for recovery of interest amount

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on 31st March, 2016 and the Company has not accepted any deposits during the year.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the company.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities and there has been a delay in few cases.

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which were outstanding, as at 31st March, 2016 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount Rs in Lakhs	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income tax	Tax Deducted at Source	17.13	Apr-15 to Aug-15	7th of subsequent Month	14th June 2016	Not applicable

- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the

Company or on the Company by its officers or employees during the course of our audit.

- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any amount for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give 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. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For MZSK & Associates**

Chartered Accountants  
Firm Registration No. 105047W

**Deepak Rao**

Partner

Membership No. 113292

Place: Pune

Date: August 13, 2016

# TAAL Enterprises Limited

## Balance Sheet as at March 31, 2016

(Amount in Rs.)

Particulars	Note No.	As at 31/03/2016	As at 31/03/2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	31,163,420	500,000
Share suspense account	2A	-	31,163,420
Reserves and surplus	3	75,859,365	80,360,020
		<u>107,022,785</u>	<u>112,023,440</u>
<b>Non-current liabilities</b>			
Long-term provisions	4	543,533	448,944
		<u>543,533</u>	<u>448,944</u>
<b>Current liabilities</b>			
Short-term borrowings	5	450,000	4,826,977
Trade payables	6		
Micro and Small Enterprises		-	-
Others		568,790	512,242
Other current liabilities	7	26,740,390	14,373,473
Short-term provisions	4	29,021	21,904
		<u>27,788,201</u>	<u>19,734,596</u>
<b>Total</b>		<u><u>135,354,519</u></u>	<u><u>132,206,980</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	8	403,197	578,492
Non-current investments	9	56,249,320	56,249,320
		<u>56,652,517</u>	<u>56,827,812</u>
<b>Current assets</b>			
Trade receivables	10	2,109,891	130,627
Cash and bank balances	11	9,163,566	8,236,503
Short term loans and advances	12	67,428,545	67,012,038
		<u>78,702,002</u>	<u>75,379,168</u>
<b>Total</b>		<u><u>135,354,519</u></u>	<u><u>132,206,980</u></u>
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-34		

As per our report of even date attached

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
**TAAL Enterprises Limited**  
CIN: U62200TN2014PLC096373

**Deepak Rao**  
Partner  
Membership No: 113292

**Ajay Joshi**  
Director  
DIN: 00002301

**Nirmal Chandra**  
Director  
DIN: 00352214

**Sakina Sami**  
Company Secretary  
Membership No: A41486

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

## Statement of Profit and Loss for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Note	Year ended 31/03/2016	Year ended 31/03/2015
<b>INCOME</b>			
Revenue from operations	13	79,140,539	32,007,340
Other income	14	6,860,122	5,824,039
<b>Total Revenue</b>		<b>86,000,661</b>	<b>37,831,379</b>
<b>EXPENSES</b>			
Employee benefits expense	15	9,277,954	4,923,803
Finance costs	16	3,776,060	579,047
Depreciation and amortization expense	17	186,320	201,510
Operational and other expenses	18	77,760,982	59,825,885
<b>Total expenses</b>		<b>91,001,316</b>	<b>65,530,245</b>
<b>Profit/(loss) before tax</b>		<b>(5,000,655)</b>	<b>(27,698,866)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax charge /(benefit)		-	-
<b>Total Tax Expense/(Benefit)</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period</b>		<b>(5,000,655)</b>	<b>(27,698,866)</b>
<b>Earnings per equity share - Basic and Diluted (Nominal value per share Rs.10):</b>	20	<b>(1.60)</b>	<b>(13.02)</b>
The accompanying notes are an integral part of the financial statements	2-34		

As per our report of even date attached

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
**TAAL Enterprises Limited**  
CIN: U62200TN2014PLC096373

**Deepak Rao**  
Partner  
Membership No: 113292

**Ajay Joshi**  
Director  
DIN: 00002301

**Nirmal Chandra**  
Director  
DIN: 00352214

**Sakina Sami**  
Company Secretary  
Membership No: A41486

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

# TAAL Enterprises Limited

## Cash Flow Statement for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Year ended 31/03/2016	Year ended 31/03/2015
<b>Cash Flow from Operating activities</b>		
Profit before tax	(5,000,655)	(27,698,866)
Adjustments for:		
Depreciation and amortization expenses	186,320	201,510
Interest expenses	1,115,026	462,773
Interest income	(6,590,122)	(5,486,663)
<b>Operating Profit before working capital changes</b>	<b>(10,289,431)</b>	<b>(32,521,246)</b>
Changes in working capital		
(Increase)/Decrease in Trade and Other receivables	3,518,493	24,250,338
Increase/(Decrease) in Trade and Other payables	12,525,171	3,324,122
<b>Cash generated from / (used in) operations</b>	<b>5,754,234</b>	<b>(4,946,786)</b>
Income tax paid	550,911	-
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>5,203,323</b>	<b>(4,946,786)</b>
<b>Cash flow from Investing activities</b>		
Purchase of fixed assets	(11,025)	(31,400)
Interest Received	726,768	453,320
Proceeds from/ (Repayment) of Inter Corporate Deposits (net)	500,000	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>1,215,743</b>	<b>421,920</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	-	500,000
Proceeds from short-term borrowings	-	4,826,977
Repayment of short-term borrowings	(4,376,977)	-
Interest paid	(1,115,026)	(462,773)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(5,492,003)</b>	<b>4,864,204</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>927,063</b>	<b>339,338</b>
Cash and cash equivalents at the beginning of the year	8,236,503	-
Cash and cash equivalents received pursuant to demerger (Refer Note 27.2)	-	7,897,165
Cash and cash equivalents at the end of the year	<b>9,163,566</b>	<b>8,236,503</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
On current accounts	308,747	436,166
Margin money or under lien deposits	8,846,073	7,800,000
Cash on hand	8,746	337
<b>Total cash and bank balances at the end of the year</b>	<b>9,163,566</b>	<b>8,236,503</b>

### Notes :

- The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Figures in bracket indicate Cash Outflow.
- Notes to the financials statements are an integral part of the Cash Flow Statement.

As per our report of even date attached

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
**TAAL Enterprises Limited**  
CIN: U62200TN2014PLC096373

**Deepak Rao**  
Partner  
Membership No: 113292

**Ajay Joshi**  
Director  
DIN: 00002301

**Nirmal Chandra**  
Director  
DIN: 00352214

**Sakina Sami**  
Company Secretary  
Membership No: A41486

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

Place: Pune  
August 13, 2016

## Notes forming part of the Financial Statements for the year ended March 31, 2016

### Company Background

TAAL Enterprises Limited (TEL) is a public limited company incorporated in India under the Companies Act, 2013. TEL was earlier a wholly owned subsidiary of Taneja Aerospace & Aviation Limited (TAAL). However, pursuant to approval of the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 between TAAL & TEL, the Air Charter business of TAAL including investment in First Airways Inc., USA and Engineering Design Services business conducted through TAAL Tech India P. Ltd. has been demerged into TEL w.e.f. October 1, 2014 and TEL has ceased to be a subsidiary of TAAL. Its principal business activity is providing Aircraft Charter Services.

### NOTE 1: Summary of significant accounting policies

#### 1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use.

Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles in India.

#### 1.2 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

#### 1.3 Classification of Assets and Liabilities

Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified as either Current or Non-current.

- a) An asset is classified as current when it satisfies any of the following criteria:
  - (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
  - (ii) it is held primarily for the purpose of being

traded;

- (iii) it is expected to be realized within twelve months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

- b) All assets other than current assets are classified as non-current.
- c) A liability is classified as current when it satisfies any of the following criteria:
  - (i) it is expected to be settled in the Company's normal operating cycle;
  - (ii) it is held primarily for the purpose of being traded;
  - (iii) it is due to be settled within twelve months after the reporting date; or
  - (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- d) All liabilities other than current liabilities are classified as non-current.

#### 1.4 Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of its business, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

#### 1.5 Fixed Assets

- a) Fixed assets are stated at their original cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. The cost of fixed assets comprises of its purchase price including duties, taxes, freight and any other directly attributable cost of bringing the asset to its working condition for its intended use. However, cost excludes Excise Duty, VAT and Service Tax, wherever credit of the duty or tax is availed of.
- b) All indirect expenses incurred during acquisition/ construction of fixed assets including interest cost on funds deployed for the fixed assets are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use.
- c) Fixed assets under construction and not ready for intended use, as on the balance sheet date, are disclosed as Capital Work-in-Progress.
- d) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an

increase in the future benefits from such asset beyond its previously assessed standard of performance.

- e) Fixed Assets received from Taneja Aerospace & Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

## 1.6 Depreciation

Depreciation is provided on Straight Line Method on Computer Hardware and on Written Down Value Method on Office Equipment and Furniture and Fixtures, based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/deletion of fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 1.7 Impairment of Assets

At each Balance Sheet date, the Company ascertains whether there is any impairment of the fixed assets based on internal/ external factors. Where there is an indication that an asset is impaired, the recoverable amount if any, is estimated and the impairment loss is recognised to the extent carrying amount of an asset exceeds its recoverable amount. Further, if at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to maximum of depreciable historical cost.

## 1.8 Inventories

The Company does not carry any inventory of raw materials, stores, spares, bought out items, work in progress and finished goods.

## 1.9 Investments

- a) Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.
- b) Current investments are stated at lower of cost and fair value determined on an individual investment basis.
- c) Non-current investments are stated at cost. A provision for diminution in the value of non-current investments is made only if such a decline is other than temporary in the opinion of the management. The determination for diminution is done separately for each individual investment.
- d) Investments acquired from Taneja Aerospace & Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

## 1.10 Trade Receivables

Trade receivables are stated after writing off debts

considered as bad. Adequate provision is made for debts considered doubtful. Bad Debts previously written off and recovered during the year is credited to the Statement of Profit and Loss.

## 1.11 Provisions, Contingent Liabilities and Contingent Assets

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

## 1.12 Revenue Recognition

- a) Revenue is recognised to the extent, it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) 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. The revenue is recognised net of Service Tax.
- c) Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.

## 1.13 Leases

Lease arrangements where risks and rewards incident to ownership of an asset substantially vests with the lessor are classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

## 1.14 Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

## 1.15 Foreign Currency Transactions

- a) Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) Conversion: At the year end, monetary items



denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.

- c) Exchange Differences: All exchange differences arising on settlement/conversion of foreign currency transactions are recognised as income or expense in the Statement of Profit and Loss in the year in which they arise.
- d) Non monetary foreign currency items such as investments are carried at cost.

## 1.16 Employee Benefits

- a) Defined Contribution Plan  
The Company makes defined contribution to Provident Fund and Superannuation Fund, which are recognised as an expense in the Statement of Profit and Loss on accrual basis.
- b) Defined Benefit Plan  
The Company's liabilities under Payment of Gratuity Act and Long Term Compensated Absences are determined on the basis of actuarial valuation made at the end of each financial year using the Projected Unit Credit Method, except for short term compensated absences, which are provided on actual basis. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligations are measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

## 1.17 Provision for Taxation

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting

income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised only to the extent there is a reasonable certainty that the asset will be realised in future.

## 1.18 Segment Reporting

As the Company's business activity falls within a single primary business segment, viz. "Air Charter", the disclosure requirements of Accounting Standard - 17 "Segment Reporting" is not applicable. Further, the Company does not have any geographical segment.

## 1.19 Contingencies and Events Occurring after the Date of Balance Sheet

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

## 1.20 Earnings Per Share

The Basic Earnings Per Share ("EPS") is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

The Company does not have any dilutive potential equity shares hence the Diluted EPS is the same as Basic EPS.

## 1.21 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

# TAAL Enterprises Limited

## Notes forming part of the Financial Statements for the year ended March 31, 2016

### 2 Share Capital

(Amount in Rs.)

	As at 31/03/2016	As at 31/03/2015
<b>Authorised</b> 50,00,000 (previous year 50,000) equity shares of Rs. 10 each	<u>50,00,000</u>	<u>50,000</u>
<b>Issued, subscribed and paid up</b> 31,16,342 (previous year 50,000) equity shares of Rs. 10 each fully paid (Refer Note 27.3)	<u>31,16,342</u>	<u>50,000</u>
<b>Total</b>	<u>31,16,342</u>	<u>50,000</u>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31/03/2016		As at 31/03/2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	50,000	500,000	-	-
Add: Shares issued during the year	-	-	50,000	500,000
Add: Shares issued pursuant to the Scheme of Demerger	3,116,342	31,163,420	-	-
Less: Shares cancelled pursuant to the Scheme of Demerger	50,000	500,000	-	-
Outstanding at the end of the year	<u>3,116,342</u>	<u>31,163,420</u>	<u>50,000</u>	<u>500,000</u>

#### (b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares of Rs. 10/- each. Each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:	As at 31/03/2016	As at 31/03/2015
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	3,116,342	-

#### (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31/03/2016		As at 31/03/2015	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Taneja Aerospace & Aviation Limited	-	-	50,000	100
Indian Seamless Enterprises Limited	1370577	43.98	-	-
Vishkul Leather Garments Private Limited	211147	6.78	-	-

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

	As at 31/03/2016	As at 31/03/2015
<b>2A Share Suspense account.</b> Nil (31,16,342) Equity Shares of Rs. 10/- each, to be issued pursuant to the Scheme of Demerger (Refer Note 27.3)	-	31,163,420
<b>Total Share suspense account</b>	<u>-</u>	<u>31,163,420</u>

### 3 Reserves and Surplus

	As at 31/03/2016	As at 31/03/2015
<b>(a) Capital Reserve</b>		
Opening balance	108,058,886	-
Add: Reserve created pursuant to the scheme of Demerger (Refer Note 27.4)	-	108,058,886
Add: Shares cancelled pursuant to the scheme of Demerger (Refer Note 27.3)	500,000	-
<b>Closing balance</b>	<u>108,558,886</u>	<u>108,058,886</u>
<b>(b) Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(27,698,866)	-
Add: Net Profit/(Net Loss) for the current year	(5,000,655)	(27,698,866)
Closing balance	<u>(32,699,521)</u>	<u>(27,698,866)</u>
<b>Total Reserves and Surplus</b>	<u>75,859,365</u>	<u>80,360,020</u>

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

4 Provisions	Long term		Short term	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
<b>Provision for employee benefits (Refer note 23)</b>				
Provision for gratuity (unfunded)	206,539	171,177	2,884	2,381
Provision for leave Encashment (unfunded)	336,994	277,767	26,137	19,523
<b>Total Provisions</b>	<u>543,533</u>	<u>448,944</u>	<u>29,021</u>	<u>21,904</u>

5 Short-term borrowings	As at 31/03/2016	As at 31/03/2015
<b>Secured</b>		
Loans repayable on demand from banks	-	4,826,977
<b>Unsecured</b>		
Loans and advances from other parties	450,000	-
<b>Total Short-term borrowings</b>	<u>450,000</u>	<u>4,826,977</u>

Working Capital Loan from Bank is secured against the hypothecation of Stocks and Book Debts on pari-passu basis and second charge on Fixed Assets, all belonging to the Demerged Company 'Taneja Aerospace and Aviation Limited'.

6 Trade payables	As at 31/03/2016	As at 31/03/2015
Micro and Small Enterprises	-	-
Others	568,790	512,242
<b>Total Trade payables</b>	<u>568,790</u>	<u>512,242</u>

As informed to us by the Management, the Company owes no dues which are outstanding as at March 31, 2016 to any 'Micro, Small and Medium Enterprises' as covered under 'Micro, Small and Medium Enterprises Development Act, 2006'. Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

7 Other current liabilities	As at 31/03/2016	As at 31/03/2015
(a) Service tax payable	2,859,961	-
(b) TDS payable	4,465,902	1,721,617
(c) Other payables	18,674,589	9,067,373
(d) Advance from customers	82,524	3,464,998
(e) Employee related liabilities	657,414	119,485
<b>Total Other current liabilities</b>	<u>26,740,390</u>	<u>14,373,473</u>

### 8 Fixed assets

Particulars	Gross Block as at April 01, 2015	Assets received pursuant to demerger	Additions	Deletions/ Adjustments	Gross Block as at March 31, 2016	Accumulated Depreciation as on April 01, 2015	Accumulated Depreciation received pursuant to demerger	Depreciation for the year	Depreciation on Deletions/ Adjustments	Accumulated Depreciation as at March 31, 2016	Net Block as at March 31, 2016	Net Block as at March 31, 2015
Computer - Hardware	208,722	-	11,025	-	219,747	170,145	-	11,168	-	181,313	38,434	38,577
Office Equipment	579,742	-	-	-	579,742	559,440	-	7,717	-	567,157	12,585	20,302
Furniture and Fixtures	2,316,721	-	-	-	2,316,721	1,797,108	-	167,435	-	1,964,543	352,178	519,613
<b>Total</b>	<b>3,105,185</b>	<b>-</b>	<b>11,025</b>	<b>-</b>	<b>3,116,210</b>	<b>2,526,693</b>	<b>-</b>	<b>186,320</b>	<b>-</b>	<b>2,713,013</b>	<b>403,197</b>	<b>578,492</b>
Previous Year	-	3,105,185	-	-	3,105,185	-	2,325,183	201,510	-	2,526,693	578,492	-

# TAAL Enterprises Limited

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

(Amount in Rs.)

9 Non-current investments	As at 31/03/2016	As at 31/03/2015
<b><u>Unquoted, at cost fully paid up</u></b>		
Investments in equity shares		
First Airways Inc, USA	47,749,320	47,749,320
11,50,000 Shares (Previous Year 11,50,000) of USD 1/- each		
TAAL Tech India Private Limited	8,500,000	8,500,000
8,50,000 Shares (Previous Year 8,50,000) of Rs. 10/- each		
<b>Total Non current investments</b>	<b><u>56,249,320</u></b>	<b><u>56,249,320</u></b>
<b>10 Trade receivables</b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
<b>Outstanding for a period less than six months from the date they are due for payment</b>		
Unsecured, considered good	2,109,891	130,627
Less: Provision for doubtful receivables	-	-
<b>Total Trade receivables</b>	<b><u>2,109,891</u></b>	<b><u>130,627</u></b>
<b>11 Cash and bank balances</b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
<b><u>Cash and cash equivalents</u></b>		
Balances with banks		
On current accounts	308,747	436,166
Cash on hand	8,746	337
<b>Total cash and cash equivalents</b>	<b>(I) 317,493</b>	436,503
<b>Other bank balances</b>		
<b>-Current maturities</b>		
Margin money or under lien deposits (More than 3 months maturity)	8,846,073	7,800,000
<b>Total current maturities of other bank balances</b>	<b>(II) 8,846,073</b>	7,800,000
<b>Total Cash and bank balances</b>	<b>(I+II) 9,163,566</b>	<b><u>8,236,503</u></b>
<b>12 Short term loans and advances</b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
<b>(Unsecured, considered good, unless stated otherwise)</b>		
(a) Security deposits	1,225,793	1,225,793
(b) Loans and advances to related parties (Refer Note 24)	63,660,021	63,040,363
(c) Other loans and advances		
Advance tax and tax deducted at source	550,911	-
Advance to suppliers	152,340	1,163,623
Advances to employees	688,934	242,521
Prepaid expenses	1,150,546	1,339,738
<b>Total Short term loans and advances</b>	<b><u>67,428,545</u></b>	<b><u>67,012,038</u></b>

## Notes forming part of the Financial Statements for the year ended March 31, 2016

(Amount in Rs.)

<b>13 Revenue from operations</b>	<b>Year ended 31/03/2016</b>	<b>Year ended 31/03/2015</b>
Sale of services		
Charter Income	79,140,539	32,007,340
Other Services	-	-
<b>Total Revenue from operations</b>	<b>79,140,539</b>	<b>32,007,340</b>

<b>14 Other income</b>	<b>Year ended 31/03/2016</b>	<b>Year ended 31/03/2015</b>
Interest income		
From ICD	5,863,354	5,033,343
From Banks	726,768	453,320
Miscellaneous income	270,000	337,376
<b>Total other income</b>	<b>6,860,122</b>	<b>5,824,039</b>

<b>15 Employee benefits expense</b>	<b>Year ended 31/03/2016</b>	<b>Year ended 31/03/2015</b>
Salaries, wages, bonus and other allowances	8,934,537	4,625,044
Contribution to provident and other funds (Refer Note 23)	206,604	103,303
Gratuity expenses (Refer Note 23)	35,865	173,558
Staff welfare expenses	100,948	21,898
<b>Total Employee benefits expense</b>	<b>9,277,954</b>	<b>4,923,803</b>

<b>16 Finance cost</b>	<b>Year ended 31/03/2016</b>	<b>Year ended 31/03/2015</b>
Interest expense		
On bank loan	1,115,026	462,773
Other Finance Costs*	2,039,884	-
Bank charges	621,150	116,274
<b>Total Finance cost</b>	<b>3,776,060</b>	<b>579,047</b>

\* Includes Interest on Delayed Payment of Statutory Liabilities related to Service Tax amounting to Rs. 12,81,601/- (Previous Year: Nil) and Tax Deducted at Source amounting to Rs. 7,58,283/- (Previous Year: Nil)

# TAAL Enterprises Limited

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

17	Depreciation and amortization expense	Year ended 31/03/2016	Year ended 31/03/2015
	On tangible assets (Refer Note 8)	186,320	201,510
	<b>Total Depreciation and amortization expense</b>	<b>186,320</b>	<b>201,510</b>

18	Operational and other Expenses	Year ended 31/03/2016	Year ended 31/03/2015
	Aircraft Fuel Charges	9,599,413	5,023,096
	Aircraft Lease Rent ^	43,565,766	22,334,049
	Rent - Flight Parking & Equipment	1,839,064	894,470
	Other Aircraft Operating Expenses	11,407,300	27,234,484
	Spares and Consumables	3,032,101	1,993,057
	Rent	38,315	-
	Repairs and maintenance - Buildings	13,859	-
	Repairs and maintenance - Others	50,906	16,130
	Insurance	16,281	88,439
	Rates and taxes	1,198,567	436,009
	Registration & Renewal	922,858	543,089
	Travelling expenses	334,039	213,305
	Auditor's remuneration #	300,000	5,618
	Printing and stationery	110,908	45,205
	Communication expenses	209,539	38,581
	Legal and professional charges	3,647,723	149,387
	Loss on foreign exchange transactions (net)	663,010	425,612
	Miscellaneous expenses	811,333	385,354
	<b>Total Operational and other expenses</b>	<b>77,760,982</b>	<b>59,825,885</b>

### ^ Aircraft Lease Rent

The Aircraft has been acquired on operating lease from an overseas lease finance company for a period of 120 months.

The payments under lease for the future period are:

Particulars	Amount in US\$	Equivalent in Rs.
Less than One Year	521,956	34,622,435
More than 1 Year and less than 5 Years	369,896	24,535,978
<b>Total</b>	<b>891,852</b>	<b>59,158,413</b>

In addition to the future fixed lease rentals mentioned above, variable components linked to LIBOR plus 2.50% p.a. is also payable on monthly basis.

### # The following is the break-up of Auditors remuneration

	Year ended 31/03/2016	Year ended 31/03/2015
Statutory audit fees	300,000	5,618
<b>Total</b>	<b>300,000</b>	<b>5,618</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

19 There are no Contingent Liabilities, Capital and Other Commitments as at March 31, 2016.

**20 Earnings Per Share (EPS)** (Amount in Rs.)

Particulars	Year ended 31/03/2016	Year ended 31/03/2015
Loss after Tax available for Equity Shareholders	(5,000,655)	(27,698,866)
Weighted Average number of Equity Shares of nominal value of Rs. 10/- each	3,116,342	2,127,561
Computation of EPS - Basic* (In Rs.)	(1.60)	(13.02)

\* Diluted EPS is same as Basic EPS, as there are no outstanding potential equity shares as on date.

**21 Expenditure in Foreign Currency (on Accrual Basis)** (Amount in Rs.)

Particulars	Year ended 31/03/2016	Year ended 31/03/2015
Purchase – Consumables	2,742,901	901,561
Lease Rent	43,565,766	22,334,049
Subscription Fees	858,172	483,389
Aircraft Repairs and Maintenance	-	23,770,054
Training and Travelling Expenses	614,324	420,661
Aircraft Insurance	428,947	-
<b>Total Expenditure in foreign currency</b>	<b>48,210,110</b>	<b>47,909,714</b>

**22 Earnings in Foreign Currency (On Accrual Basis)** (Amount in Rs.)

Particulars	Year ended 31/03/2016	Year ended 31/03/2015
Charter Income	1,700,325	-
<b>Total Earning in foreign currency</b>	<b>1,700,325</b>	<b>-</b>

23 In accordance with the Accounting Standard-15 'Employee Benefits', the Company has calculated the various benefits provided to employees as under:

**A. Defined contribution plans**

- a) Provident fund
- b) Superannuation fund

During the period the Company has recognized the following amounts as an expense in the Statement of profit and loss:-

(Amount in Rs.)

Particulars	Year ended 31/03/2016	Year ended 31/03/2015
Employers Contribution to Provident fund	98,280	49,141
Employers Contribution to Superannuation fund.	108,324	54,162
	<b>206,604</b>	<b>103,303</b>

# TAAL Enterprises Limited

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

### B. Defined benefit plans and Other long term benefits

- a) Contribution to gratuity funds – Employee’s gratuity fund (Defined benefit plan)
- b) Leave Encashment (Other long-term benefit)

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions:

#### i. Principal Actuarial Assumptions used as at the Balance Sheet date:

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
Discount rate (per annum)	8.10%	7.80%	8.10%	7.80%
Expected Rate of increase in compensation levels	10%	10%	10%	10%
Retirement age	58 years	58 years	58 years	58 years
Withdrawal Rate	2%	2%	2%	2%

Discount Rate: The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### ii. Changes in the Present Value of the Defined benefit Obligation (Amount in Rs.)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year ended 31/03/2016	Year ended 31/03/2015	Year ended 31/03/2016	Year ended 31/03/2015
Present value of obligation as at the beginning of the year	173,558	106,579	297,290	90,419
Interest cost	13,538	9,805	23,189	8,319
Current service cost	36,954	38,610	82,223	79,137
Actuarial loss/(gain) on obligations	(14,627)	18,564	(39,571)	119,415
Present value obligation as at the end of the year	209,423	173,558	363,131	297,290

Note : In case of Gratuity and Leave Encashment, the Present Value of Obligation as at the beginning of the year for the period ended March 31, 2015, represents the liability in respect of employees of charter division of Taneja Aerospace & Aviation Limited who were transferred to TAAL Enterprises Limited pursuant to the Scheme of Demerger.

#### iii. Expenses recognised in the Statement of Profit and Loss (Amount in Rs.)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year ended 31/03/2016	Year ended 31/03/2015	Year ended 31/03/2016	Year ended 31/03/2015
Current service cost (including risk premium for fully insured benefits)	36,954	38,610	82,223	79,137
Interest cost	13,538	9,805	23,189	8,319
Net actuarial loss/(gain) recognized during the year	(14,627)	18,564	(39,571)	1,19,415
<b>Total expense recognised in Statement of profit and loss.</b>	<b>35,865</b>	<b>66,979</b>	<b>47,978</b>	<b>2,06,871</b>

#### iv. Changes in Fair Value of Plan Assets

The Company has not made any investment in plan assets and therefore, there are no changes in fair value and returns thereon.



## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

v. Amounts recognised in the Balance Sheet in respect of:

(Amount in Rs.)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
Present Value of Obligation as at the end of the Period	209,423	173,358	363,131	297,290
Less: Funded with LIC	-	-	-	-
Net Liability	209,423	173,358	363,131	297,290

### 24 Disclosures in respect of Related Parties pursuant to AS-18

Relationship	Name of the Related Party
a. Subsidiary Companies	TAAL Tech India Private Limited First Airways Inc, USA TAAL Technologies Inc, USA (Subsidiary of Taal Tech India Private Limited) TAAL Tech GmbH, Switzerland (Subsidiary of Taal Tech India Private Limited) # TAAL Tech Innovations GmbH, Austria (Subsidiary of Taal Tech India Private Limited)
b. Associate Company	Taneja Aerospace & Aviation Limited

# Became Wholly Owned Subsidiary during the year

### Transactions/Balances with Related Parties

(Amount in Rs.)

Particulars	Subsidiaries	Associate
Inter Corporate Deposits Received during the year	1,500,000	-
	(51,866,928)	(-)
Inter Corporate Deposits Given during the year	-	-
	(5,090,390)	(-)
Reimbursement of Expenses during the year (Net)	5,277,019	-
	(-)	(-)
Interest Income	5,863,354	-
	(5,033,343)	(-)
Balance Receivable as at the year end - ICD	38,643,667	-
	(40,143,667)	(-)
Balance Receivable as at the year end - Current A/c	5,277,019	* 19,739,335
	(-)	* (22,896,696)

(Figures in brackets relate to previous year)

Note: No amounts pertaining to related parties have been written off or written back during the year.

\* The current account transactions with the Associate Company 'Taneja Aerospace & Aviation Limited' (TAAL) have arisen on account of the Charter Business, which is still being carried on by TAAL on behalf of TAAL Enterprises Limited (TEL), as the Aircraft License is yet to be transferred in the name of TEL (Refer Note 27.5).

### 25 Disclosure required by Regulation 34(3) of the Listing Agreement

a) Amount of Investment in/ Loans and Advances in the nature of loans to subsidiaries and associates for the year ended 31st March, 2016

(Amount in Rs.)

Name of the Company	Holding	Nature of Transaction	Max. Balance during the period	Balance as at 31st March, 2016	Balance as at 31st March, 2015
<b>Subsidiary</b>					
First Airways Inc, USA	100%	Investment	47,749,320	47,749,320	47,749,320
TAAL Tech India Private Limited	85%	Investment	8,500,000	8,500,000	8,500,000
TAAL Tech India Private Limited *	85%	Advance	40,143,667	38,643,667	40,143,667
TAAL Tech India Private Limited	85%	Receivable - ICD			
		Advance	5,277,019	5,277,019	-
		Receivable - Current A/c			
<b>Associate</b>					
Taneja Aerospace & Aviation Limited	-	Advance	28,556,984	19,739,335	22,896,696
		Receivable			

\* This Loan and Advance falls under the category of Loan and Advance in the nature of loan where there is no repayment schedule and is repayable on demand.

# TAAL Enterprises Limited

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

26. The Company does not enter into any forward foreign exchange contracts.

Foreign Currency exposure not hedged as at March 31st, 2016 are as under:

(Amount Rs. in Lakhs)

Particulars	31st March, 2016		31st March, 2015	
	Foreign Currency	INR	Foreign Currency	INR
<b>Lease Rent Payable</b>				
USD	2.69	178.4	1.29	80.66
	<u>2.69</u>	<u>178.4</u>	<u>1.29</u>	<u>80.66</u>
<b>Payable for Purchase - Consumables</b>				
USD	0.02	1.25	-	-
	<u>0.02</u>	<u>1.25</u>	<u>-</u>	<u>-</u>

27.1 In terms of the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 (“the Scheme”) between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited (“the Company”), TAAL has demerged its Air Charter business including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India P. Ltd. into the Company. Pursuant to the Scheme as sanctioned by the Hon’ble High Court of Madras vide order dated 22nd June 2015, received on 23rd July 2015, the Air Charter business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India P. Ltd. has been demerged into the Company on a going concern basis with effect from 1st October 2014 being the appointed date. The certified copy of the said order of the Hon’ble High Court of Madras has been filed with the Registrar of Companies, Chennai on 21st August 2015 and as such the Scheme has become effective from that date.

27.2 The said transfer has been affected as per clause 7.1 of the Scheme at the book values as appearing in the books of Taneja Aerospace & Aviation Limited as at 30th September, 2014 and recorded as such in book of accounts of the Company. The book value of such assets and liabilities as on that date are detailed out below:

Assets	Amount in Rs.
<b>Non Current Assets</b>	
(a) Fixed Assets	748,602
(b) Non Current Investments	56,249,320
<b>Current Assets</b>	
(a) Cash and bank balances	7,897,165
(b) Short term Loans and advances	90,322,414
<b>Total Assets</b>	<b>155,217,501</b>
<b>Liabilities</b>	<b>Amount in Rs.</b>
<b>Current Liabilities</b>	
(a) Trade Payables	329,037
(b) Other Current Liabilities	15,666,158
<b>Total Liabilities</b>	<b>15,995,195</b>
<b>Net Assets</b>	<b>139,222,306</b>

27.3 In terms of the Scheme 31,16,342 equity shares of Rs. 10/- each, fully paid-up, of the Company have been issued to the holders of equity shares of Taneja Aerospace & Aviation Limited, whose names were registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity share of Rs. 10/- each of the Company for every 8 (eight) equity shares held in Taneja Aerospace & Aviation Limited. Consequent to the above allotment, “Share Suspense Account” amounting to Rs. 3,11,63,420/- has been transferred to “Equity Share Capital” during the current year. Further, in terms of the Scheme, Equity Share Capital of Rs. 5,00,000/- prior to allotment of the above shares, stands cancelled.

27.4 In terms of the scheme, excess of net assets so recorded, over the amount of share capital to be issued amounting to Rs. 10,80,58,886/-, is recognised in these financial statements, as Capital Reserve.

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

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

28. **Segment Reporting:** As the Company's business activity falls within a single primary business segment, viz. "Air Charter", the disclosure requirements of Accounting Standard - 17 "Segment Reporting" is not applicable.
29. Deferred tax calculation results into working of deferred tax assets as at 31st March, 2016. However, as a matter of prudence, the Company has not recognised deferred tax asset.
30. The Company considers its investment in and loans to subsidiaries as strategic and long term in nature and accordingly, in the view of the management, any decline in the value of such long term investments in subsidiaries is considered as temporary in nature and hence no provision for diminution in value is considered necessary.
31. In the opinion of the Board, Current Assets and Loans and Advances are of the value stated if realised in the ordinary course of business. Further, provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
32. The Company was incorporated on 1st July, 2014. Therefore the previous year figures are for a period of 9 months.
33. Effective from Tuesday, July 05, 2016 the equity shares of the Company got listed and admitted to dealings on the Bombay Stock Exchange.
34. Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

Current period figures are for 12 months ended 31st March 2016 and previous period figures include the results of Air Charter Business of Taneja Aerospace & Aviation Limited from the appointed date of demerger (i.e. 1st October, 2014) to the end of relevant financial year. Since the reporting period of operational units are not same, these figures are not comparable.

As per our report of even date attached

**For MZSK & Associates**

Chartered Accountants

Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

**TAAL Enterprises Limited**

CIN: U62200TN2014PLC096373

**Deepak Rao**

Partner

Membership No: 113292

Place: Pune

August 13, 2016

**Ajay Joshi**

Director

DIN: 00002301

Place: Pune

August 13, 2016

**Nirmal Chandra**

Director

DIN: 00352214

Place: Pune

August 13, 2016

**Sakina Sami**

Company Secretary

Membership No: A41486

Place: Pune

August 13, 2016

# TAAL Enterprises Limited

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of TAAL ENTERPRISES LIMITED Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TAAL Enterprises Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 32.5 to the consolidated financial statements which states that during the current year, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited (a related entity of the Holding Company) in trust for and on behalf of the Holding Company, including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Holding Company.

Our opinion is not qualified in respect of this matter.

### Other Matter

We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 104.81 Lakhs as at 31<sup>st</sup> March, 2016 and total revenues of Rs. Nil and net cash flows amounting to Rs. (16.90) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of other auditors.

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. (9.88) Lakhs as at 31st March, 2016, total revenue of Rs. Nil Lakhs and net cash flow amounting to Rs. 0.54 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements are unaudited and have been certified and 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 the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, the financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor. and the financial Statement certified by the management

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) 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 and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received

from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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 A'
- (g) 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. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group—Refer Note 23 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

**For MZSK & Associates**

Chartered Accountants

Firm Registration No. 105047W

**Deepak Rao**

Partner

Membership No. 113292

Place : Pune

Date : October 3, 2016

# TAAL ENTERPRISES LIMITED

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## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TAAL ENTERPRISES LIMITED

### Report on the Internal Financial Controls 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 TAAL Enterprises Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of TAAL Enterprises Limited ("the Company") (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 MZSK & Associates**  
Chartered Accountants  
Firm Registration No. 105047W

**Deepak Rao**  
Partner

Place: Pune  
Date: October 3, 2016

Membership No. 113292

## Consolidated Balance Sheet as at 31.03.2016

(Amount in Rs.)

Particulars	Note	As at 31/03/2016
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	2	31,163,420
Reserves and surplus	3	104,596,247
		135,759,667
<b>Minority interest</b>		6,131,846
<b>Non-current liabilities</b>		
Long-term borrowings	4	733,691
Long-term provisions	5	9,778,913
		10,512,604
<b>Current liabilities</b>		
Short-term borrowings	6	89,348,092
Trade payables	7	
Micro and small enterprises		-
Others		21,679,660
Other current liabilities	8	91,435,968
Short-term provisions	5	13,677,662
		216,141,382
<b>Total</b>		368,545,499
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	9	
Tangible assets		14,392,756
Intangible assets		5,055,781
Goodwill on consolidation (Refer note 35)		39,050,239
Deferred tax assets (Net)	10	4,838,647
Long term loans and advances	11	13,710,890
Other non-current assets	12	6,147,136
		83,195,449
<b>Current assets</b>		
Trade receivables	13	136,426,175
Cash and bank balances	14	38,202,941
Short term loans and advances	15	103,300,258
Other current assets	16	7,420,676
		285,350,050
<b>Total</b>		368,545,499
Summary of significant accounting policies	1	
The accompanying notes are an integral part of the consolidated financial statements	2-40	

As per our report of even date attached

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
**TAAL Enterprises Limited**  
CIN: U62200TN2014PLC096373

**Deepak Rao**  
Partner  
Membership No: 113292

**C.S.Kameswaran**  
Director  
DIN: 00553423

**Shobhana Joseph**  
Director  
DIN: 02427554

**Sakina Sami**  
Company Secretary  
Membership No: A41486

Place: Pune  
Date: October 3, 2016

Place: Pune  
Date: October 3, 2016

Place: Pune  
Date: October 3, 2016

Place: Pune  
Date: October 3, 2016

# TAAL Enterprises Limited

## Consolidated Statement of Profit and Loss for the year ended 31.03.2016

(Amount in Rs.)

Particulars	Note	For the year ended 31/03/2016
<b>INCOME</b>		
Revenue from operations	17	660,163,121
Other income	18	7,768,059
<b>Total revenue</b>		<b>667,931,180</b>
<b>EXPENSES</b>		
Purchases	19	1,132,533
Employee benefits expense	20	392,135,296
Finance costs	21	19,435,943
Depreciation and amortization expense	9	22,775,072
Operational and other expenses	22	223,911,641
<b>Total expenses</b>		<b>659,390,485</b>
<b>Profit/(loss) before tax</b>		<b>8,540,695</b>
<b>Tax expense</b>		
Current tax		11,111,863
Deferred tax charge/(benefit)		(3,556,510)
<b>Total tax expense/(benefit)</b>		<b>7,555,353</b>
<b>Profit/(loss) after tax but before minority interest</b>		<b>985,342</b>
<b>Less: Minority interest</b>		<b>2,074,015</b>
<b>Profit/(loss) for the period</b>		<b>(1,088,673)</b>
<b>Earnings per equity share - basic and diluted (Nominal value per share Rs. 10)</b>	24	<b>(0.35)</b>
Summary of significant accounting policies	1	
The accompanying notes are an integral part of the consolidated financial statements	2-40	

As per our report of even date attached

**For MZSK & Associates**

Chartered Accountants

Firm Registration No.: 105047W

**Deepak Rao**

Partner

Membership No: 113292

Place: Pune

Date: October 3, 2016

For and on behalf of the Board of Directors of

**TAAL Enterprises Limited**

CIN: U62200TN2014PLC096373

**C.S.Kameswaran**

Director

DIN: 00553423

Place: Pune

Date: October 3, 2016

**Shobhana Joseph**

Director

DIN: 02427554

Place: Pune

Date: October 3, 2016

**Sakina Sami**

Company Secretary

Membership No: A41486

Place: Pune

Date: October 3, 2016



Consolidated Cash Flow Statement for the year ended 31.03.2016

(Amount in Rs.)

Particulars	For the year ended March 31, 2016
<b>Cash Flow From Operating Activities</b>	
<b>Net profit/(loss) before tax</b>	8,540,695
Adjustments :	
Depreciation, amortisation and impairment	22,775,071
Aircraft Purchase option	5,953,883
Unrealised foreign exchange gain	1,094,613
Interest expense	16,341,445
Interest income	(3,431,258)
Provision / write-off of doubtful debts, advances and other current assets	4,802,322
<b>Operating gain before working capital changes</b>	56,076,771
Adjustments for :	
Decrease/ (increase) in trade receivables	(46,355,757)
Decrease/ (increase) in loans and advances	(32,099,940)
Decrease/ (increase) in other current assets	(174,878)
Decrease / (increase) in non - current assets	2,760,579
Increase / (decrease) in trade payables	9,229,439
Increase / (decrease) in other current liabilities	7,402,121
Increase / (decrease) in non - current liabilities	2,040,539
Cash generated from operating activities before taxes	(1,121,126)
Direct taxes paid (net of refunds)	(3,110,985)
<b>(a) Net cash provided/ (used) by operating activities</b>	(4,232,111)
<b>Cash Flow From Investing Activities</b>	
Purchase of fixed assets	(16,383,665)
Interest received	820,100
<b>(b) Net cash provided/ (used) by investing activities</b>	(15,563,565)
<b>Cash Flow From Financing Activities</b>	
Proceeds from issue of capital (including premium)	-
Increase in short term bank borrowings (net)	33,856,167
Increase in long term borrowings (net)	978,744
Interest paid	(10,719,826)
<b>(c) Net cash provided/ (used) by financing activities</b>	24,115,085
<b>(d) Net Increase/ (Decrease) in cash and cash equivalents</b>	4,319,409
<b>Cash and cash equivalents at the beginning of the year</b>	31,889,053
<b>Effect of exchange gain on cash and cash equivalents</b>	565,429
<b>Foreign currency translation reserve / adjustments</b>	1,429,050
<b>Cash and cash equivalents at the end of the year</b>	38,202,941
<b>Notes :</b>	
Cash and cash equivalents componants	
Cash, cheques in hand and remittances in transit	
Balance with banks in :	
On current accounts	29,076,723
Margin money or under lien deposits	8,846,073
Cash on hand	280,145
<b>Total cash and bank balances at the end of the year</b>	38,202,941

As per our report of even date attached

**For MZSK & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
**TAAL Enterprises Limited**  
CIN: U62200TN2014PLC096373

**Deepak Rao**  
Partner  
Membership No: 113292

**C.S.Kameswaran**  
Director  
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**Shobhana Joseph**  
Director  
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**Sakina Sami**  
Company Secretary  
Membership No: A41486

Place: Pune  
Date: October 3, 2016

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Place: Pune  
Date: October 3, 2016

Place: Pune  
Date: October 3, 2016

# TAAL Enterprises Limited

## Notes to Consolidated Financial Statements for the year ended March 31, 2016

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements relate to TAAL Enterprises Limited “the Company” and its subsidiaries (collectively referred herein under as the ‘Group’). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) on an accrual basis under the historical cost convention in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable. The accounting policies adopted in the preparation of consolidated financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles in India.

#### 1.2 Principles of Consolidation

The financial statements of the subsidiary companies used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2016.

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

- a) The financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses.
- b) In case of foreign subsidiaries, being non-integral foreign operations, income and expense items are consolidated at the average exchange rate prevailing during the period. All assets and liabilities are converted at exchange rates prevailing at the end of the year. All resulting exchange differences arising on consolidation are recognised in the ‘Foreign Currency Translation

Reserve’ under ‘Reserves and Surplus’.

- c) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve on consolidation as the case may be. Such Goodwill is not amortised but is tested for impairment on a yearly basis.
- d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- e) Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Parent Company.
- f) Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Parent Company.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company’s separate financial statements except as otherwise stated.
- h) The following subsidiary companies including indirect subsidiary companies have been considered in the preparation of consolidated financial statements:

Sr. No.	Name of the Company	Relationship	Country of Incorporation	Ownership interest held by the Parent as at March 31, 2016	Accounting Period	Audited/ Unaudited
1	TAAL Tech India Private Limited	Direct Subsidiary	India	85%	Apr15-Mar16	Audited
2	First Airways Inc.	Direct Subsidiary	USA	100%	Apr15-Mar16	Audited
3	TAAL Technologies Inc.	Indirect Subsidiary	USA	100%	Apr15-Mar16	Audited
4	TAAL Tech Innovations GmbH	Indirect Subsidiary	Austria	100%	Apr15-Mar16	Audited
5	TAAL Tech GmbH	Indirect Subsidiary	Switzerland	100%	Oct15-Mar16	Management Certified

#### 1.3 Use of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management

to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

## 1.4 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal Operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of their business, all the Group Companies has ascertained their operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

## 1.5 Fixed Assets

### A- Tangible Assets

- a) Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of fixed assets comprises of its purchase price including duties, taxes, freight and any other directly attributable cost of bringing the asset to its working condition for its intended use. However, cost excludes Excise Duty, VAT & Service Tax, wherever credit of the duty or tax is availed of.
- b) All indirect expenses incurred during acquisition/ construction of fixed assets including interest cost on funds deployed for the fixed assets are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use.
- c) Fixed assets under construction and not ready for intended use, as on the balance sheet date, are disclosed as Capital Work-in-Progress.
- d) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- e) Fixed Assets received from Taneja Aerospace & Aviation Limited pursuant to the Scheme of Demerger are recorded at their book values as on the appointed date.
- f) Where a significant component (in terms of

cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

### B- Intangible Assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT credit or other tax credit available to the Group.

Subsequent expenditure relating to intangible fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

## 1.6 Depreciation

### Parent Company

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

### Subsidiary Company (TAAL Tech India Private Limited)

Depreciation on tangible assets is provided on Written Down Value Method based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Intangible assets are amortized over a period of three financial years starting with the year in which these assets are procured.

## 1.7 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of

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

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

## 1.8 Aircraft Purchase Option

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

## 1.9 Investments

- a) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments.
- b) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. The determination for diminution is done separately for each individual investment.

## 1.10 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Bad Debts previously written off and recovered during the year is credited to the Consolidated Statement of Profit and Loss.

## 1.11 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

## 1.12 Provisions, Contingent Liabilities and Contingent Assets

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

## 1.13 Revenue Recognition

- a) Revenue is recognised to the extent, it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.
- b) 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. The revenue is recognised net of Service Tax.
- c) Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognised net of Service Tax.
- d) 'Unbilled receivables' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.
- e) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amounts recognised as sale is exclusive of Sales Tax/VAT and are net of returns.
- f) Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.

## 1.14 Leases

Lease arrangements where risks and rewards incident to ownership of an asset substantially vests with the lessor are classified as operating lease. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

## 1.15 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, up to the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

## 1.16 Foreign Currency Transactions

- a) Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) Conversion: At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.
- c) Exchange Differences: All exchange differences arising on settlement/conversion of foreign currency transactions are recognised as income or expense in the Consolidated Statement of Profit and Loss in the year in which they arise.
- d) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

## 1.17 Employee Benefits

### a) Defined Contribution Plan

The 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. The Group has no further obligations under these plans beyond its monthly contributions.

### b) Defined Benefit Plan

The Group's liabilities under Payment of Gratuity Act and Long Term Compensated Absences are determined on the basis of actuarial valuation made at the end of each financial year using the Projected Unit Credit Method, except for short term compensated absences, which are provided on actual basis. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss as income or expense. Obligations are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

## 1.18 Provision for Taxation

Tax expense for the period comprises of Current Tax and Deferred Tax.

Current Tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable taxation laws of the respective jurisdiction where the entities are located.

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised only to the extent there is a reasonable certainty that the asset will be realised in future. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation. The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each Subsidiary Company, as per their applicable laws and then aggregated.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

## 1.19 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. The Group's operating businesses

are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Group has considered business segments as the primary segments for disclosure. The business segments are 'Air Charter' and 'Engineering Design Service'. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income

and expense items, which are not allocated to any business segment.

## **1.20 Contingencies and Events Occurring after the Date of Balance Sheet**

Material events occurring after the date of Balance Sheet up to the date of adoption of the accounts are considered in preparation and presentation of the consolidated financial statements.

## **1.21 Earnings Per Share**

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

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in Rs.)

### 2 Share capital

Particulars	As at 31/03/2016
<b>Authorised</b> 50,00,000 equity shares of Rs. 10 each	<u>50,000,000</u>
<b>Issued, subscribed and paid up</b> 31,16,342 equity shares of Rs. 10 each fully paid (Refer Note 32.3)	<u>31,163,420</u>
<b>Total Share capital</b>	<u>31,163,420</u>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31/03/2016	
	Number of shares	Amount in Rs
Outstanding at the beginning of the year	50,000	500,000
Add: Shares issued during the year	-	-
Add: Shares issued pursuant to the Scheme of Demerger (Refer Note 32.3)	3,116,342	31,163,420
Less: Shares cancelled pursuant to the Scheme of Demerger (Refer Note 32.3)	50,000	500,000
Outstanding at the end of the year	<u>3,116,342</u>	<u>31,163,420</u>

#### (b) Rights, preferences and restrictions attached to shares

The Parent Company has only one class of equity shares of Rs. 10/- each. Each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date	As at 31/03/2016
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	3,116,342

#### (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholders	As at 31/03/2016	
	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	1370577	43.98
Vishkul Leather Garments Private Limited	211147	6.78

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

3 Reserves and surplus	As at 31/03/2016
<b>(a) Capital reserve</b>	
Opening balance	108,058,886
Add: Shares cancelled pursuant to the Scheme of Demerger (Refer Note 32.3)	500,000
Closing balance	<u>108,558,886</u>
<b>(b) Securities premium account</b>	
Opening balance	4,254,675
Closing balance	<u>4,254,675</u>

# TAAL Enterprises Limited

## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

<b>(c) Foreign currency translation reserve</b>	
Opening balance	22,113,602
Add: Currency translation gain during the year	1,429,050
Less: Transferred to minority interest	89,385
Closing balance	<u>23,453,267</u>
<b>(d) Surplus/(deficit) in the statement of profit and loss</b>	
Opening balance	(30,581,908)
Add: Net profit/(net loss) for the current year	(1,088,673)
Closing balance	<u>(31,670,581)</u>
<b>Total Reserves and surplus</b>	<u><u>104,596,247</u></u>

<b>4 Long-term borrowings</b>	<b>As at 31/03/2016</b>
Term loan from bank - car loan	978,744
Less: Amount disclosed under the head "Other current liabilities" (Refer Note 8)	245,053
<b>Total Long-term borrowings</b>	<u><u>733,691</u></u>

5 Provisions	Long term	Short term
	As at 31/03/2016	As at 31/03/2016
<b>(a) Provision for employee benefits (Refer Note 28)</b>		
Provision for gratuity (unfunded)	6,347,950	113,203
Provision for leave encashment (unfunded)	3,430,963	271,450
<b>(b) Other provisions</b>		
Provision for income tax (net of advance tax of Rs. Nil)	-	13,293,009
<b>Total Provisions</b>	<u><u>9,778,913</u></u>	<u><u>13,677,662</u></u>

<b>6 Short-term borrowings</b>	<b>As at 31/03/2016</b>
<b>Secured</b>	
<b>Loans repayable on demand</b>	
Working capital borrowing from banks	88,898,092
LC payable for capex	-
<b>Unsecured</b>	
<b>Loans and advances from other parties</b>	450,000
<b>Total Short-term borrowings</b>	<u><u>89,348,092</u></u>

### Details of securities and other terms

Working Capital Loan obtained by Parent Company from Bank is secured against the hypothecation of Stocks and Book Debts on pari-passu basis and second charge on Fixed Assets, all belonging to the Demerged Company 'Taneja Aerospace and Aviation Limited'.

Working Capital Loan obtained by Subsidiary 'TAAL Tech India Private Limited' from Bank along with LC payable for capex is secured by equitable mortgage on the freehold land of Taneja Aerospace and Aviation Limited and exclusive charge on the entire fixed assets of the Company (both present and future). Further, the working capital loan and LC is guaranteed by Taneja Aerospace and Aviation Limited.

Stand by letter of credit (SBLC) loan facility obtained by Subsidiary 'First Airways Inc., USA' from Bank is collateralised by the SBLC issued by Taneja Aerospace and Aviation Limited.



## Notes forming part of the Financial Statements for the year ended March 31, 2016 (Contd.)

7	Trade payables	As at 31/03/2016
	Micro and small enterprises *	-
	Others	21,679,660
	<b>Total Trade payables</b>	<b>21,679,660</b>

\* As informed to us by the Management, the Company owes no dues which are outstanding as at March 31, 2016 to any 'Micro, Small and Medium Enterprises' as covered under 'Micro, Small and Medium Enterprises Development Act, 2006'. Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

8	Other current liabilities	As at 31/03/2016
(a)	Service tax payable	2,859,961
(b)	TDS payable	12,412,301
(c)	Payable towards other taxes	4,869,002
(d)	Other payables	53,260,258
(e)	Advance from customers	82,524
(f)	Employee related liabilities	17,706,869
(g)	Current maturities of long term borrowings (Refer Note 4)	245,053
	<b>Total Other current liabilities</b>	<b>91,435,968</b>

9	Fixed Assets (Amount in Rs.)								
Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the Year	Deductions	As at March 31, 2016	As at March 31, 2016
<b>Tangible assets:</b>									
Computer Equipment	12,888,948	296,693	-	13,185,641	9,988,223	1,905,706	-	11,893,929	1,291,712
Office Equipment	2,225,104	897,320	-	3,122,424	1,677,284	953,072	-	2,630,356	492,068
Vehicles	164,065	1,365,161	-	1,529,226	87,761	144,156	-	231,917	1,297,309
Leasehold Improvements	-	15,527,526	-	15,527,526	6,978,680	6,978,680	-	6,978,680	8,548,846
Furniture & Fixtures	2,316,721	3,331,896	-	5,648,617	1,797,108	1,088,687	-	2,885,796	2,762,821
<b>Total (A)</b>	<b>17,594,838</b>	<b>21,418,596</b>	<b>-</b>	<b>39,013,434</b>	<b>13,550,376</b>	<b>11,070,302</b>	<b>-</b>	<b>24,620,678</b>	<b>14,392,756</b>
<b>Intangible assets:</b>									
Softwares	29,953,667	5,160,673	-	35,114,340	18,353,789	11,704,770	-	30,058,559	5,055,781
<b>Total (B)</b>	<b>29,953,667</b>	<b>5,160,673</b>	<b>-</b>	<b>35,114,340</b>	<b>18,353,789</b>	<b>11,704,770</b>	<b>-</b>	<b>30,058,559</b>	<b>5,055,781</b>
<b>CWIP (C)</b>	<b>19,523,481</b>	<b>-</b>	<b>19,523,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>67,071,986</b>	<b>26,579,269</b>	<b>19,523,481</b>	<b>74,127,774</b>	<b>31,904,165</b>	<b>22,775,072</b>	<b>-</b>	<b>54,679,237</b>	<b>19,448,537</b>

# TAAL Enterprises Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

(Amount in Rs.)

10	Deferred tax liabilities/(asset) (Net)	As at 31/03/2016
	<b>Deferred tax asset</b>	
	Expenses provided but allowable in income tax on payment basis	4,121,035
	Provision for doubtful debts	-
	Difference between book depreciation & tax depreciation	717,612
	<b>Gross deferred tax asset (A)</b>	<u>4,838,647</u>
	<b>Deferred tax liability</b>	
	Difference between book depreciation & tax depreciation	-
	<b>Gross deferred tax liability (B)</b>	-
	<b>Net deferred tax liability/(asset) (B-A)</b>	<u><u>(4,838,647)</u></u>

Note:

Net deferred tax asset pertains to subsidiary TAAL Tech India Private Limited.

11	Long term loans and advances	As at 31/03/2016
	<b>(Unsecured and considered good, unless stated otherwise)</b>	
	Security deposits	13,710,890
	<b>Total Long term loans and advances</b>	<u><u>13,710,890</u></u>

12	Other non-current assets	As at 31/03/2016
	Aircraft purchase option (Refer Note 30)	6,147,136
	<b>Total Other non-current assets</b>	<u><u>6,147,136</u></u>

13	Trade receivables	As at 31/03/2016
	<b>Outstanding for a period less than six months from the date they are due for payment</b>	
	Unsecured, considered good	5,766,426
	Less: Provision for doubtful receivables	2,922,362
		<u>2,844,064</u> (I)
	<b>Others</b>	
	Unsecured, considered good	135,462,071
	Less: Provision for doubtful receivables	1,879,960
		<u>133,582,111</u> (II)
	<b>Total Trade receivables</b>	<u><u>136,426,175</u></u> (I+II)

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in Rs.)

14	Cash and bank balances		As at 31/03/2016
	<b>Cash and cash equivalents</b>		
	Balances with banks		
	On current accounts		29,076,723
	Cash on hand		280,145
	<b>Total Cash and cash equivalents</b>	(I)	29,356,868
	<b>Other bank balances</b>		
	<b>-Current maturities</b>		
	Margin money or under lien deposits (More than 3 months maturity)		8,846,073
	<b>Total Current maturities of other bank balances</b>	(II)	8,846,073
	<b>Total Cash and bank balances</b>	(I+II)	38,202,941

15	Short term loans and advances		As at 31/03/2016
	<b>(Unsecured and considered good, unless stated otherwise)</b>		
(a)	Security deposits		1,225,793
(b)	Loans and advances to related parties (Refer Note 29)		50,869,896
(c)	Other loans and advances		
	Loan recoverable in cash		19,710,214
	Advances recoverable in either cash or kind		2,595,021
	Balances with government authorities		12,581,606
	Advance to suppliers		199,971
	Advances to employees		11,494,360
	Prepaid expenses		4,623,397
	<b>Total Short term loans and advances</b>		103,300,258

16	Other current assets		As at 31/03/2016
	Aircraft purchase option (Refer Note 30)		6,147,335
	Other receivables		1,273,341
	<b>Total Other current assets</b>		7,420,676

# TAAL Enterprises Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

(Amount in Rs.)

<b>17</b>	<b>Revenue from operations</b>	<b>For the year ended 31/03/2016</b>
	<b>Sale of services</b>	
	Charter income	79,140,539
	Other services	270,000
	Export of engineering design services	579,641,681
	Domestic engineering design services	99,900
	<b>Sale of goods</b>	
	Export of goods	1,011,001
	<b>Total Revenue from operations</b>	<b>660,163,121</b>
<b>18</b>	<b>Other income</b>	<b>For the year ended 31/03/2016</b>
	Interest income	
	From ICD	2,611,158
	From banks	820,100
	Bad debts recovered	2,832,690
	Rental income	236,273
	Gain on foreign exchange transactions (net)	1,267,838
	<b>Total Other income</b>	<b>7,768,059</b>
<b>19</b>	<b>Purchases</b>	<b>For the year ended 31/03/2016</b>
	Purchases	1,132,533
	<b>Total Purchases</b>	<b>1,132,533</b>
<b>20</b>	<b>Employee benefits expense</b>	<b>For the year ended 31/03/2016</b>
	Salaries, wages, bonus and other allowances	380,730,889
	Contribution to provident and other funds (Refer Note 28)	7,500,600
	Gratuity expenses (Refer Note 28)	1,637,111
	Staff welfare expenses	2,266,696
	<b>Total Employee benefits expense</b>	<b>392,135,296</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in Rs.)

21	Finance cost	For the year ended 31/03/2016
	Interest expense	
	On bank loan	8,153,845
	Other finance costs *	8,068,263
	Bank charges	3,213,835
	<b>Total Finance cost</b>	<b>19,435,943</b>

\* Includes Interest on delayed payment of Statutory Liabilities related to Service Tax amounting to Rs. 18,11,946/-, Income Tax amounting to Rs. 12,14,537/- and Tax Deducted at Source amounting to Rs. 22,82,025/-.

(Amount in Rs.)

22	Operational and other expenses	For the year ended 31/03/2016
	Aircraft Fuel Charges	9,599,413
	Aircraft Lease Rent ^	43,565,766
	Rent - Flight Parking & Equipment	1,839,064
	Amortisation of Aircraft Purchase Option	5,953,883
	Other Aircraft Operating Expenses	11,407,300
	Power and Fuel	3,649,212
	Spares and Consumables	3,032,101
	Rent	20,390,517
	Repairs and Maintenance - Buildings	3,953,182
	Repairs and Maintenance - Others	67,560
	Hardware and Software Hire & Maintenance charges	9,347,191
	Insurance	7,286,743
	Rates and taxes	2,937,229
	Registration & Renewal	922,858
	Provision for bad debts	4,802,322
	Travelling expenses	47,464,397
	Auditor's remuneration #	1,449,620
	Printing and stationery	628,091
	Communication expenses	6,133,468
	Legal and professional charges	20,294,118
	Visa and work permit expenses	6,138,707
	Vendor development expenses	2,457,597
	Prior Period expenses	980,000
	Miscellaneous expenses	9,611,302
	<b>Total Operational and other expenses</b>	<b>223,911,641</b>

# TAAL Enterprises Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

### ^ Aircraft Lease Rent

The Aircraft has been acquired on operating lease from an overseas lease finance company for a period of 120 months.

The payments under lease for the future period are:

Particulars	Amount in US \$	Equivalent in Rs.
Less than One Year	521,956	34,622,435
More than 1 Year and less than 5 Years	369,896	24,535,978
<b>Total</b>	<b>891,852</b>	<b>59,158,413</b>

In addition to the future fixed lease rentals mentioned above, variable component linked to LIBOR plus 2.50% p.a. is also payable on monthly basis.

### # The following is the break-up of Auditor's remuneration:

Particulars	For the year ended 31/03/2016
Statutory audit fees	1,384,620
Tax audit fee	65,000
<b>Total Auditor's remuneration</b>	<b>1,449,620</b>

### 23 A) Contingent Liabilities (to the extent not provided for) (Amount in Rs.)

Particulars	As at 31/03/2016
Claims against the Group not acknowledged as debts in respect of: Income Tax	2,444,760

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

### B) There are no Capital and Other Commitments as at March 31, 2016.

### 24 Earnings Per Share (EPS) (Amount in Rs.)

Particulars	For the year ended 31/03/2016
Loss after tax available for equity shareholders	(1,088,673)
Weighted average number of equity shares of nominal value of Rs. 10/- each	3,116,342
Computation of EPS - Basic*	(0.35)

\* Diluted EPS is same as Basic EPS, as there are no outstanding potential equity shares as on date.

### 25 Expenditure in Foreign Currency (On Accrual Basis) (Amount in Rs.)

Particulars	For the year ended 31/03/2016
Purchase – Consumables	2,742,901
Lease Rent	43,565,766
Subscription Fees	858,172
Training and Travelling Expenses	10,864,420
Aircraft Insurance	428,947
Work Permit Expenses	4,791,762
Onsite Expenses	209,962,713
Other Expenses	1,332,484
<b>Total Expenditure in Foreign Currency</b>	<b>274,547,165</b>

Note: Does not include expenditure incurred by Foreign Subsidiaries in the currency of their country of incorporation.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

26 Earnings in Foreign Currency (On Accrual Basis)	(Amount in Rs.)
Particulars	For the year ended 31/03/2016
Charter Income	1,700,325
Engineering Design Services	579,641,681
Sale of Goods	1,011,001
<b>Total Earnings in Foreign Currency</b>	<b>582,353,007</b>

### 27 Leases

#### Operating Lease: Group as Lessee

TAAL Tech India Private Limited (Subsidiary Company) has entered into non cancellable operating lease for its office premises with a lock-in-period of 4 years. Lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss for the year.

**Future minimum rentals payable under the non-cancellable operating lease are as follows:**

Particulars	(Amount in Rs.)
	As at 31/03/2016
Within one year	8,547,335
After one year but not more than five years	21,185,337
More than five years	-

28 In accordance with the Accounting Standard-15 'Employee Benefits', the Group has calculated the various benefits provided to employees as under:

#### A. Defined contribution plans

- a) Provident fund
- b) Superannuation fund

During the period the Group has recognised the following amounts as an expense in the Consolidated Statement of Profit and Loss:-

Particulars	(Amount in Rs.)
	For the year ended 31/03/2016
Employers Contribution to Provident fund	7,392,276
Employers Contribution to Superannuation fund	108,324
	<b>7,500,600</b>

#### B. Defined benefit plans and Other long term benefits

- a) Contribution to gratuity funds – Employee's gratuity fund (Defined benefit plan)
- b) Leave Encashment (Other long-term benefit)

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions:-

# TAAL Enterprises Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

i. Principal Actuarial Assumptions used as at the Balance Sheet date:

Particulars	As at 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)
Discount rate (per annum)	8.00% - 8.10%	8.00% - 8.10%
Expected rate of increase in compensation levels	8% - 10%	8% - 10%
Retirement age	58 years	58 years
Withdrawal rate	2% - 5%	2% - 5%

Discount rate: The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of increase in compensation levels: The estimates of future salary increases considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii. Changes in the Present Value of the Defined Benefit Obligation: (Amount in Rs.)

Particulars	For the year ended 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)
Present value of obligation as at the beginning of the year	4,824,042	3,127,153
Interest cost	376,276	233,876
Current service cost	2,287,406	1,449,683
Benefits paid	-	(257,502)
Actuarial loss/(gain) on obligations	(1,026,571)	(850,797)
Present value of obligation as at the end of the year	6,461,153	3,702,413

iii. Expenses recognised in the Consolidated Statement of Profit and Loss: (Amount in Rs.)

Particulars	For the year ended 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)
Current service cost (including risk premium for fully insured benefits)	2,287,406	1,449,683
Interest cost	376,276	233,876
Net actuarial loss/(gain) recognised during the year	(1,026,571)	(850,797)
Total expense recognised in the consolidated statement of profit and loss	1,637,111	814,899

iv. Changes in Fair Value of Plan Assets:

The Group has not made any investment in plan assets and therefore there are no changes in fair value and returns thereon.

v. Amounts recognised in the Consolidated Balance Sheet in respect of: (Amount in Rs.)

Particulars	As at 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)
Present value of obligation as at the end of the year	6,461,153	3,702,413
Fair value of plan assets at the end of the year	-	-
Net liability	6,461,153	3,702,413



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

### 29 Disclosures in respect of Related Parties pursuant to AS-18

Relationship	Name of the Related Party
a. Key Management Personnel and their Relative	Mr. Prakash Saralaya - CEO & Whole Time Director of TAAL Tech India Private Limited Mrs. Malavika Saralaya - Spouse of Mr. Prakash Saralaya
b. Associate Company	Taneja Aerospace and Aviation Limited

#### Transactions/Balances with Related Parties

(Amount in Rs.)

Particulars	Key Management Personnel and their Relative	Associate
Remuneration #	9,062,370	-
Rent Received	-	236,273
Advance given for export of goods	-	31,130,561
Balance Payable as at the year end	318,705	-
Balance Receivable as at the year end	-	31,376,881
Balance Receivable as at the year end - Current A/c	-	* 19,739,335

Note: No amounts pertaining to related parties have been written off or written back during the year.

# Excludes contribution to Gratuity Fund and Provision for Leave Encashment as separate figures are not ascertainable for the Managerial Personnel.

\* The current account transactions with the Associate Company 'Taneja Aerospace and Aviation Limited' (TAAL) have arisen on account of the Charter Business, which is still being carried on by TAAL on behalf of TAAL Enterprises Limited (TEL), as the Aircraft License is yet to be transferred in the name of TEL (Refer Note 32.5).

### 30 Aircraft Purchase Option

In December 2007, First Airways Inc., USA [earlier a wholly owned subsidiary of Taneja Aerospace and Aviation Limited (TAAL)] purchased an "Aircraft Purchase Option" vide option agreement ("agreement") for Cessna Aircraft 525A; Serial Number 525A - 0373 from Cessna Finance Corporation (CFC). The said aircraft is leased to TAAL vide aircraft lease No 01-0043297-0010559-01 ("Aircraft Lease") dated December 11, 2007 for a term of 120 months.

Subsequently, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into TAAL Enterprises Limited (TEL) on a going concern basis with effect from October 1, 2014 being the appointed date (Refer Note 32.1).

However, TAAL continues to carry on the business and activities relating to the demerged charter business for and on account of and in trust for TEL, until the time TEL obtains the requisite statutory licences required for carrying on the demerged charter business (Refer Note 32.5).

As per the agreement, First Airways Inc., USA has an option to purchase the Cessna Aircraft subject to aircraft lease on any monthly lease rental payment date or on the last day of the term of the lease. In the event this option is exercised, First Airways Inc., USA shall on or before the date of purchase, pay CFC the Stipulated Loss Value of the aircraft plus all other sums then due under the aircraft lease or under any other agreements, which will be considered as the "Purchase Option Price". As per the agreement, the Stipulated Loss Value at the end of the 120 month lease term is US \$ 12,79,929.

First Airways Inc., USA is estimating the use of the Aircraft Purchase Option at the end of the 120 month lease term with mid quarter convention. Amortisation for the year ended March 31, 2016 amounted to US \$ 92,674. The Aircraft was put to use on February 20, 2008. The same has been disclosed in its balance sheet as follows:

Particulars	As at 31/03/2016	
	US \$ in Lakhs	Rs. In Lakhs
Aircraft Purchase Option	9.27	614.73
Less: Accumulated Amortisation	(8.34)	(553.26)
Aircraft Purchase Option - Non Current Portion	0.93	61.47
Add: Aircraft Purchase Option - Current Portion	0.93	61.47
<b>Aircraft Purchase Option</b>	<b>1.85</b>	<b>122.94</b>

# TAAL Enterprises Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

Since the payment for Aircraft Purchase Option is a sunk cost and non refundable irrespective of whether the option is exercised or not, in preparation of consolidated financial statements of TEL, the entire payment of around Rs. 1,22,94,471 ( US \$ 1,85,345) for Aircraft Purchase Option (Current as well as Non Current Portion) has been considered as “Deferred Revenue Expenditure” to be written off over the remaining lease period.

Further, based on the legal opinion obtained by the Parent Company, the lease transaction has been accounted by the Parent Company as an “Operating Lease”. The monthly operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term.

- 31 The Group does not enter into any forward foreign exchange contracts.

Foreign currency exposure not hedged as at March 31, 2016 are as under:

(Amount in Lakhs)

Particulars	As at 31/03/2016	
	Foreign Currency	INR
<b>Payable (Trade and Non-Trade)</b>		
USD	4.57	302.86
EUR	0.17	13.11
	<u>4.74</u>	<u>315.97</u>
<b>Receivable (Trade and Non-Trade)</b>		
USD	14.46	959.32
EUR	5.06	380.10
NOK	3.24	25.84
GBP	0.27	25.92
	<u>23.04</u>	<u>1391.19</u>

- 32 32.1 In terms of the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 (“the Scheme”) between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited (“the Parent Company”), TAAL has demerged its Air Charter Business including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited into the Parent Company. Pursuant to the Scheme as sanctioned by the Hon’ble High Court of Madras vide order dated 22nd June 2015, received on 23rd July 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Parent Company on a going concern basis with effect from 1st October 2014 being the appointed date. The certified copy of the said order of the Hon’ble High Court of Madras has been filed with the Registrar of Companies, Chennai on 21st August 2015 and as such the Scheme has become effective from that date.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

32.2 The said transfer has been affected as per clause 7.1 of the Scheme at the book values as appearing in the books of Taneja Aerospace and Aviation Limited as at 30th September, 2014 and recorded as such in the books of accounts of the Parent Company. The book value of such assets and liabilities as on that date are detailed out below:

<b>Assets</b>	<b>Amount in Rs.</b>
<b>Non Current Assets</b>	
(a) Fixed Assets	748,602
(b) Non Current Investments	56,249,320
<b>Current Assets</b>	
(a) Cash and Bank Balances	7,897,165
(b) Short Term Loans and Advances	90,322,414
<b>Total Assets</b>	<b>155,217,501</b>
<b>Liabilities</b>	<b>Amount in Rs.</b>
<b>Current Liabilities</b>	
(a) Trade Payables	329,037
(b) Other Current Liabilities	15,666,158
<b>Total Liabilities</b>	<b>15,995,195</b>
<b>Net Assets</b>	<b>139,222,306</b>

32.3 In terms of the Scheme 31,16,342 equity shares of Rs. 10/- each fully paid-up, of the Parent Company have been issued to the holders of equity shares of Taneja Aerospace and Aviation Limited, whose names were registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity share of Rs. 10/- each of the Company for every 8 (eight) equity shares held in Taneja Aerospace and Aviation Limited. Consequent to the above allotment, "Share Suspense Account" amounting to Rs. 3,11,63,420/- has been transferred to "Equity Share Capital" during the current year. Further, in terms of the Scheme, Equity Share Capital of Rs. 5,00,000/- prior to allotment of the above shares, stands cancelled.

32.4 In terms of the scheme, excess of net assets so recorded over the amount of share capital to be issued amounting to Rs. 10,80,58,886/- is recognised in these financial statements as Capital Reserve.

32.5 As per Clause 9.2 of the Scheme of Arrangement as approved /sanctioned by the Hon'ble 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.

# TAAL Enterprises Limited

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

### 33 Segment Reporting

#### Business Segments

The primary reporting of the Group has been performed on the basis of business segment. The Group is organised into two distinct business segments, viz ""Air Charter"" and ""Engineering Design Service"". Segments have been identified and reported based on the nature of the service, the risks and returns, the organisation structure and the internal financial reporting systems.

(Amount in Rs.)

Particulars	Air Charter	Engineering Design Service	Total 2015-16
<b>a. Segment Revenue</b>			
Segmental Revenue from :			
External Sales and Services	79,474,297	588,456,883	667,931,180
Unallocable Revenue			-
<b>Total Revenue</b>	<b>79,474,297</b>	<b>588,456,883</b>	<b>667,931,180</b>
<b>b. Segment Result</b>			
<b>Operating Profit/ (Loss)</b>	<b>(13,283,009)</b>	<b>41,259,647</b>	<b>27,976,638</b>
Less: Finance Costs			19,435,943
Profit/ (Loss) before Tax			8,540,695
Less: Tax (Benefit)/ Expense			7,555,353
<b>Profit/ (Loss) after Tax</b>			<b>985,342</b>
<b>c. Other Information</b>			
Segment Assets	124,770,601	243,774,896	368,545,499
Unallocable Assets			-
<b>Total Assets</b>			<b>368,545,499</b>
Segment Liabilities	61,101,580	171,684,251	232,785,832
Unallocable Liabilities			-
<b>Total Liabilities</b>			<b>232,785,832</b>
<b>Capital Employed</b>			<b>135,759,667</b>
<b>d. Cost Incurred for Acquiring</b>			
Assets	11,025	7,044,760	7,055,788
Segment Depreciation	186,320	22,588,751	22,775,072

Note:

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment.
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective Segments.

#### Geographical Segments

Secondary segmental reporting of the Group has been performed on the basis of the geographical location of customers. The Management views the Indian market and export markets as distinct geographical segments. The following is the distribution of the Group's sale and carrying amount of net assets/ capital employed by geographical markets:

(Amount in Rs.)

Particulars	India	Outside India	Total 2015-16
<b>a. Revenues</b>	<b>83,177,970</b>	<b>584,753,210</b>	<b>667,931,180</b>
<b>b. Net Assets/ Capital Employed</b>	<b>26,809,313</b>	<b>108,950,355</b>	<b>135,759,667</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

34 Pending the lodgement of claims under the Service Exports from India Scheme (SEIS) as introduced by the new five year Foreign Trade Policy 2015 - 2020, the Group has not accrued any benefits under the said scheme.

35 Goodwill on consolidation comprises of the following:

Name of the Subsidiary Company	Amount in Rs.
First Airways Inc., USA	45,627,408
TAAL Tech India Private Limited	(6,577,169)
<b>TOTAL</b>	<b>39,050,239</b>

36 Disclosure of additional information, as required under Schedule III to the Companies Act, 2013 pertaining to the Parent Company and Subsidiaries:

(Amount in Rs.)

Name of the Company	As at 31/03/2016		For the year ended 31/03/2016	
	Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/ (Loss)
<b>Parent Company</b>				
TAAL Enterprises Limited	49.37	50,773,465	(507.50)	(5,000,655)
<b>Indian Subsidiary</b>				
<b>Direct Subsidiary</b>				
TAAL Tech India Private Limited	27.51	28,288,187	921.27	9,077,647
<b>Foreign Subsidiaries</b>				
<b>Direct Subsidiary</b>				
First Airways Inc., USA	10.88	11,188,835	(795.74)	(7,840,772)
<b>Indirect Subsidiaries</b>				
TAAL Technologies Inc., USA	9.52	9,786,225	520.79	5,131,541
TAAL Tech Innovations GmbH, Austria	1.24	1,275,497	(53.25)	(524,672)
TAAL Tech GmbH, Switzerland	1.49	1,529,063	14.44	142,253
<b>TOTAL</b>	<b>100</b>	<b>102,841,272</b>	<b>100</b>	<b>985,342</b>

Note: The above figures are stated at gross values after eliminating investment in subsidiaries and goodwill arising on consolidation but without eliminating intra group transactions and intra group balances as at March 31, 2016.

37 The audited /unaudited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its country of incorporation or International Financial Reporting Standards. The differences in accounting policies of the Parent Company and its subsidiaries/ associates are not material.

38 In the opinion of the Board, Current Assets and Loans and Advances are of the value stated if realised in the ordinary course of business. Further, provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

39 The Parent Company has prepared and presented consolidated financial statements for the first year. Hence, in accordance with paragraph 30 of Accounting Standard (AS)-21 "Consolidated Financial Statements", comparative figures for the previous period has not been presented.

40 Effective from Tuesday, July 05, 2016 the equity shares of the Company got listed and admitted to dealings on the Bombay Stock Exchange.

As per our report of even date attached

**For MZSK & Associates**

Chartered Accountants

Firm Registration No.: 105047W

**Deepak Rao**

Partner

Membership No: 113292

Place: Pune

Date: October 3, 2016

For and on behalf of the Board of Directors of

**TAAL Enterprises Limited**

CIN: U62200TN2014PLC096373

**C.S.Kameswaran**

Director

DIN: 00553423

Place: Pune

Date: October 3, 2016

**Shobhana Joseph**

Director

DIN: 02427554

Place: Pune

Date: October 3, 2016

**Sakina Sami**

Company Secretary

Membership No: A41486

Place: Pune

Date: October 3, 2016

# Taal Enterprises Limited

## AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies

PART "A": SUBSIDIARIES

(Rs. in Lakhs)

Sr.No.	Name of Subsidiary	Reporting Currency in case of foreign subsidiaries <sup>^</sup>	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	TAAL Tech India Pvt. Ltd.	-	100.00	234.80	2522.78	2187.98	51.92	5807.53	151.33	60.55	90.78	NIL	85%
2	TAAL Technologies Inc. USA	US \$	18.88	74.07	141.62	48.67	0.00	907.14	62.92	11.60	51.32	NIL	100%
3	TAAL Tech GmbH, Switzerland	CHF	13.70	1.40	30.70	15.60	0.00	29.13	1.42	0.00	1.42	NIL	100%
4	TAAL Tech GmbH, Austria	Euro	19.34	(5.77)	18.59	5.02	0.00	0.00	(4.58)	0.67	(5.25)	NIL	100%
5	First Airways Inc. USA	US \$	477.50	(365.60)	439.59	327.70	0.00	0.00	(75.68)	2.73	(78.41)	NIL	100%

<sup>^</sup> Exchange rate as on March 31, 2016: 1US \$=Rs.66.3329, 1CHF=Rs. 69.0821 and 1Euro=Rs. 75.0955

Notes:

A Name of Subsidiaries which are yet to commence operations-

Sr. No.	Name of Subsidiary Company
1	TAAL Tech GmbH, Austria
2	First Airways Inc. USA

B Name of Subsidiaries which have been liquidated or sold during the year - Nil

**Part "B": Associates - None**

For and on behalf of the Board of Directors

C S Kameswaran

**Whole-time Director**

Pune, October 3, 2016

Shobhana Joseph

**Director**

Sakina Sami

**Company Secretary**

# TAAL Enterprises Limited

Regd. Office: 2nd Floor, MMPDA Towers, 184, Royapettah High Road, Chennai-600 014

Phone: 044 4350 8393, E-mail: [secretarial@taalent.co.in](mailto:secretarial@taalent.co.in),

Web: [www.taalent.co.in](http://www.taalent.co.in), CIN: U62200TN2014PLC096373

## NOTICE

**NOTICE** is hereby given that the 2nd Annual General Meeting of the Members of TAAL Enterprises Limited will be held on Friday, December 23, 2016 at 11.00 a.m. at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai-600 014 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, 2016 including the Audited Balance Sheet as at March 31, 2016 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, 2016 including the Audited Consolidated Balance Sheet as at March 31, 2016 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. C S Kameswaran (DIN: 00553423), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for time being in force), and pursuant to resolution passed by the members at the 1st Annual General Meeting held on September 29, 2015, the Company hereby ratifies and confirms the appointment of M/s. MZSK & Associates, Chartered Accountants (Firm Registration No.105047W) as Statutory Auditors of the Company, to hold office until the conclusion of 6th Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

### Special Business:

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

“**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and Rules made thereunder, Mrs. Shobhana

Joseph (DIN: 02427554) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 18, 2016 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director (Non Independent) of the Company liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder read with Schedule IV of the Act, Mr. Nirmal Chandra (DIN: 00352214) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 18, 2016 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office from this Annual General Meeting until the conclusion of the 3rd Annual General Meeting of the Company and that he shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 read with Schedule V & other applicable provisions of the Companies Act, 2013 (‘Act’) and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the Company and such other approvals, permissions and sanctions as may be required,

# TAAL Enterprises Limited

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consent of the Company be & is hereby accorded to the appointment of Mr. C S Kameswaran (DIN: 00553423) as Whole-time Director of the Company for 1 (one) year with effect from April 1, 2016 to March 31, 2017 on such terms, conditions including remuneration & perquisites as set out in the Explanatory Statement annexed to this Notice with the liberty to the Board of Directors (hereinafter 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 & vary the terms and conditions &/ or remunerations, subject to the same not exceeding the limits specified under Schedule V of the Act (including any statutory modification or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** when re-elected as Director, on account of retirement by rotation, such re-election of Mr. C S Kameswaran as Director shall not be deemed to constitute a break in his appointment as a Whole-time Director and that upon re-election he shall continue to hold the office of 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."

Registered Office:

2nd Floor, MMPDA  
Towers,  
184, Royapettah High Rd,  
Chennai- 600 014

By Order of the Board of Directors  
**Sakina Sami**  
Company Secretary

Pune, October 3, 2016

## NOTES:

1. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), regarding the Directors who are proposed to be appointed and the relative Explanatory Statement and reasons for the proposed Special Business stated pursuant to Section 102 of the Companies Act, 2013 ('Act') are annexed.
2. A Member entitled to attend and vote at the Annual General Meeting ('AGM') 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 Members not exceeding 50 and holding in the aggregate not more than 10% of the total Share Capital of the Company. A Member holding more than 10% of the total Share Capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.
4. The Annual Report for FY 2015-'16 and Notice of AGM of the Company inter alia indicating the process and manner of voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid Annual Report and Notice of the AGM etc. is being sent through permitted modes. Members may also note that the aforesaid Notice and Annual Report will also be available for download on Company's website viz. [www.taalent.co.in](http://www.taalent.co.in).
5. In compliance with the provisions of Section 108 of the Act, read with Rules made thereunder and Listing Regulations, 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) Limited ('CDSL'). Please note that the voting through electronic means is optional for the Members.
6. The facility for voting through ballot paper shall be made available at AGM and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
7. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
8. The remote e-voting period commences on December 20, 2016 (9.00 a.m. IST) and ends on December 22, 2016 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of December 16, 2016, may cast their vote by remote e-voting and that a person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote



e-voting module shall be disabled by CDSL for voting thereafter.

## E-Voting facility:

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

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the Image Verification as displayed and Click on “Login”.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://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	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 last 8 digits of the sequence number (Printed on Attendance Slip of AGM) in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

# Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on Electronic Voting Sequence Number (‘EVS’) of TAAL Enterprises Limited.
- (ix) On voting page, you will see “RESOLUTION DESCRIPTION” & against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies you assent to the Resolution & option NO implies you dissent to the Resolution.
- (xii) Click on “RESOLUTIONS FILE LINK” if you wish to view entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter User ID & image verification code & click on Forgot Password & enter details as prompted by the system.
- (xvii)
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the account(s)/ folio numbers on which they wish to vote.
  - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”)

# TAAL Enterprises Limited

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and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact CDSL at 18002005533.

- (xix) 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. Please follow the instruction as prompted by the mobile app while voting on your mobile
10. The Board of Directors have appointed Mr. A Rengarajan, Practicing Company Secretary, to act as Scrutinizer to scrutinize voting at AGM & remote e-voting process in a fair & transparent manner.
11. 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 Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
12. The Scrutinizer shall after the conclusion of voting at the general meeting, will 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 & shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same & declare the result of the voting forthwith.
13. The Results declared along-with the report of the Scrutinizer shall be placed on the website of the Company at viz. [www.taalent.co.in](http://www.taalent.co.in) and on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com). The results shall also be immediately forwarded to the BSE Limited.
14. The documents, if any, 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 IST to 5.00 pm IST) on all working days except Saturdays, upto the date of the AGM.
15. Members are further requested to :
- Intimate changes, if any, in their registered address/bank mandate and email address to the R&T Agent for shares held in physical form and to their respective Depository Participants for shares held in Demat form.
  - Quote Ledger folio number/ DP ID/ Client ID in all the correspondence with the Company or its R&T Agent.

- Intimate about consolidation of folios to the R&T Agent, if your shareholding is under multiple folios.
- Note that as per SEBI/ Stock Exchange guidelines the shares of the Company are traded compulsorily in Demat form. As per the guideline issued by SEBI there are no Demat Account opening charges. In view of this Members are requested to convert their physical share certificate into Demat form.
- Bring their copies of the Annual Report and the Attendance Slip at the AGM.

Note that Company has designated an exclusive e-mail id viz. "[secretarial@taalent.co.in](mailto:secretarial@taalent.co.in)" to enable investors to register their complaints, if any.

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

### Item No. 4:

The Board of Directors at its Meeting held on April 18, 2016 had appointed Mrs. Shobhana Joseph as an Additional Director of the Company in the category of Non-executive (Non-Independent Director).

Pursuant to the provisions of Section 161 of the Companies Act, 2013(Act), Mrs. Shobhana Joseph holds office upto the date of ensuing Annual General Meeting.

The Company has received from Mrs. Shobhana Joseph:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- (ii) Intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164(2) of the Act.

The Company has received a notice in writing pursuant to provision of Section 160 of the Act and rules made thereunder, regarding candidature of Mrs. Shobhana Joseph for the office of Director.

Accordingly, the Board recommends the resolution as set out in Item No. 4 for approval of the Shareholders of the Company. Brief resume of Mrs. Shobhana Joseph as stipulated under Listing Regulations is forming part of this Notice. Except Mrs. Shobhana Joseph and her relatives, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise in the said resolution.

## Item No. 5 :

The Board of Directors of the Company ('Board') at its Meeting held on April 18, 2016, had appointed Mr. Nirmal Chandra, as Independent Director of the Company.

Appropriate notice has been received by the Company from a Member proposing the appointment of Mr. Nirmal Chandra as Director of the Company pursuant to Section 160 of the Act and Rules made thereunder and requisite consent has been received from Mr. Nirmal Chandra pursuant to Section 152 of the Act.

The aforesaid Director also meet the criteria of independence as provided under Section 149(6) of the Act and the rules made thereunder and under Listing Regulations.

The above Independent Director is not disqualified from being appointed as director in terms of Section 164 of the Act.

In the opinion of the Board, he fulfill the conditions specified in the Act for appointment as Independent Director.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director.

Accordingly, the Board recommends the ordinary resolution set out in Item No. 5 of the Notice for the approval of shareholders of the Company.

Brief resume of the above Independent Director as stipulated in the Listing Regulations is forming part of this Notice.

Mr. Nirmal Chandra is interested in the resolution set out at Item no. 5 of the Notice.

Except as mentioned above, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise in the said resolutions.

## Item No. 6:

The Board of Directors of the Company upon the recommendation

of Nomination and Remuneration Committee, at its Meeting held on April 22, 2016, had approved to appoint Mr. C S Kameswaran as Whole-time Director of the Company for such period and on such terms and conditions as mentioned herein below:

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 approval of Members and such other approvals as may be required, the remuneration of Mr. C S Kameswaran, Whole-time Director shall be set as under:

### 1. Tenure

Mr. CS Kameswaran shall hold office as Whole-time Director (WTD) of the Company for a period of one year from April 1, 2016 to March 31, 2017.

### 2. Remuneration

In terms of Schedule V to the Companies Act, 2013 read with Section 196 and Section 197 of the Companies Act, 2013, WTD shall be paid the following remuneration:

#### I. Salary:

The monthly consolidated salary of WTD w.e.f April 1, 2016 shall be Rs. 1,00,000/- (all inclusive).

#### II. Perquisites:

In addition to the above, the WTD shall be entitled to Company maintained car with driver and reimbursement of medi-claim and health insurance as per Company policy.

### Remuneration in the event of loss or inadequacy of profits etc.

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of WTD, the aforesaid remuneration payable to him shall not, without the approval of the Central Government (if required) exceed the limits prescribed under the Act and Rules made there under or any amendment, modification, variation or re-enactment thereof.

# TAAL Enterprises Limited

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

The Board recommends the resolution set out in Item No. 6 of the Notice for the approval of the Shareholders of the Company, vide Special Resolution.

None of the Directors, except Mr. C S Kameswaran or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Registered Office:  
2nd Floor, MMPDA Towers,  
184, Royapettah High Rd,  
Chennai- 600 014  
Pune, October 3, 2016

By Order of the Board of Directors  
**Sakina Sami**  
Company Secretary

DETAILED PROFILE OF THE DIRECTORS SEEKING APPOINTMENT IS AS UNDER:

	<b>C S Kameswaran</b>	<b>Shobhana Joseph</b>	<b>Nirmal Chandra</b>
Age	65 years	39 year	67 years
Qualification	CA, Post Graduate in Business Administration	B. Sc. Management	Graduate in Mechanical Engineering
Date of Appointment	April 22, 2016	April 18, 2016	April 18, 2016
Category	Whole-time Director	Non-Executive Non-Independent Director	Non-Executive Independent Director
Experience & Expertise in specific functional Area	Three decades of rich working experince in leading large and medimum scale industries in various capacities covering the areas of Corporate Plainning Finance and Management.	Associated with Group CSR Activation & other social activities	Mr. Nirmal Chandra has over 4 decades of experience in Steel/ Tube industry in various functional areas such as Marketing, Purchase, Administration, Production and Planning
Relationship with other Directors, Key Managerial Personnel's of the Company	None	None	None
Shareholding of Directors	Nil	Nil	Nil
Directorship held in other Companies	Taneja Aerospace and Aviation Ltd. TAAL Tech India P. Ltd.	Nil	Taneja Aerospace and Aviation Ltd.
Member/ Chairman of Committees of other Companies	Member of Stakeholders Relationship Committee-Taneja Aerospace and Aviation Ltd.	None	Member of Audit Committee and Nomination and Remuneration Committee-Taneja Aerospace and Aviation Ltd. Chairman of Stakeholders Relationship Committee of Taneja Aerospace and Aviation Ltd.

## IMPORTANT COMMUNICATION TO MEMBERS

Pursuant to the provisions of the Companies Act, 2013, the Central Government has taken "Green Initiative" by allowing companies to serve notice/ documents including Annual Reports by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. The members can also download these documents from the Company's website i.e. [www.taalent.co.in](http://www.taalent.co.in). To support this "Green Initiative" in full measure, members who have not registered/ updated their email addresses so far, are requested to register/ update their e-mail addresses by sending e-mail to [pune@linkintime.co.in](mailto:pune@linkintime.co.in) with subject as '**E-mail for Green Initiative**' mentioning their Folio No./ Client ID. Members holding shares in Demat form may register/ update their e-mail addresses with the Depository through their concerned Depository Participant(s).

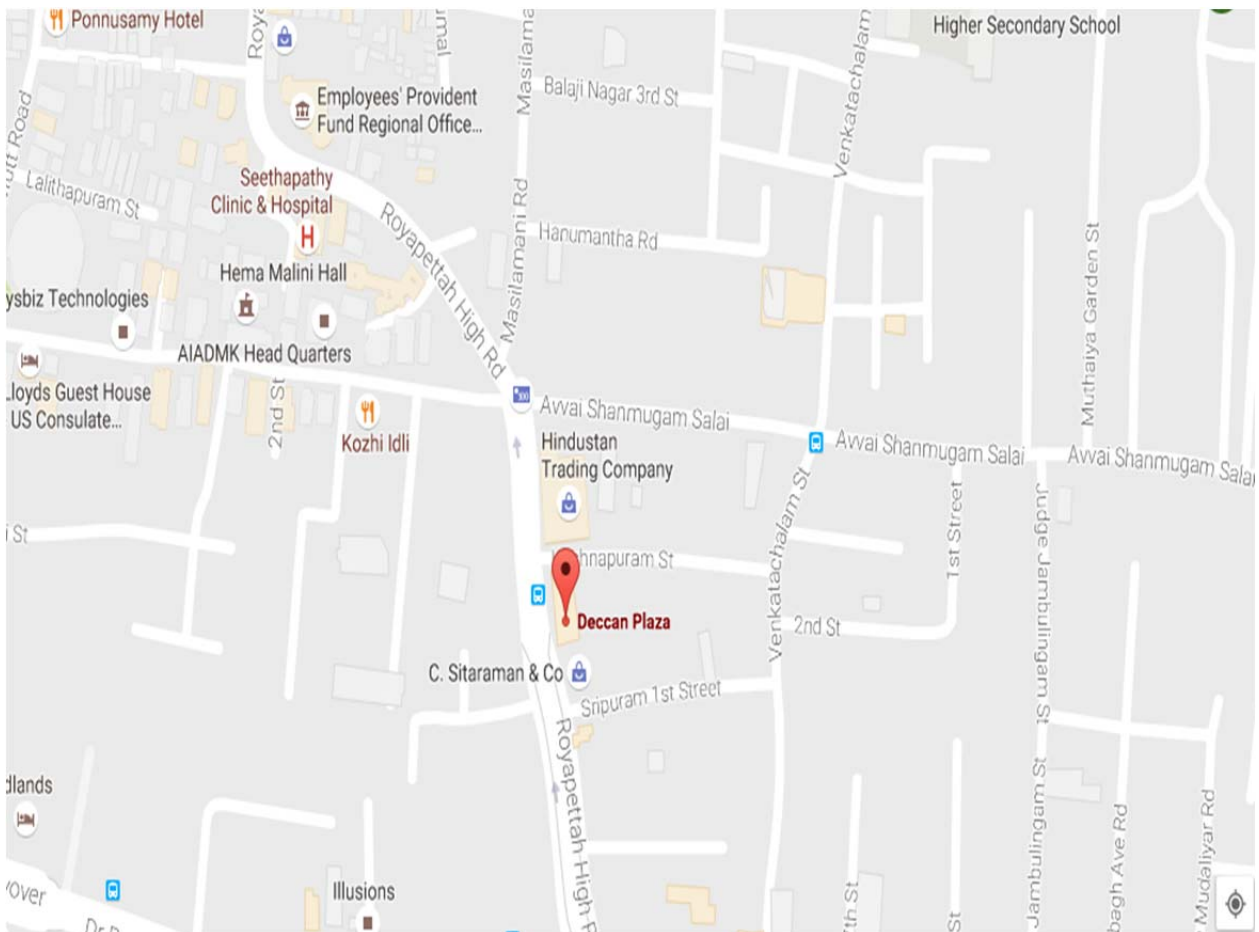
## ROUTE MAP FOR LOCATION OF VENUE OF AGM

**TAAL Enterprises Limited**

**Hotel Regenta Central Deccan #36, Royapettah High Road, Chennai - 600 014**

**(Formerly Known as Hotel Deccan Plaza)**

**Ph: - 044 - 66 77 3333**



## TAAL Enterprises Limited

Regd. Office: 2nd Floor, MMPDA Towers, 184, Royapettah High Road, Chennai-600 014

Phone: 044 4350 8393 E-mail: [secretarial@taalent.co.in](mailto:secretarial@taalent.co.in),

Web: [www.taalent.co.in](http://www.taalent.co.in), CIN: U62200TN2014PLC096373

### 2nd Annual General Meeting

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies

(Management and Administration) Rules, 2014]

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

I/ We, being the member(s), holding ..... shares of the above named company, hereby appoint:

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the ANNUAL GENERAL MEETING of the Company, to be held on Friday, December 23, 2016 at 11.00 a.m. at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai - 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional-See Note 2)	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt: a) the Audited Financial Statement of the Company for the Financial year ended March 31, 2016 together with Reports b) the Audited Consolidated Financial Statement of the Company for the Financial year ended March 31, 2016 together with Report.		
2.	Re-appointment of Mr. C S Kameswaran (DIN: 00553423) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of Statutory Auditors.		
<b>Special Business</b>			
4.	Appointment of Mrs. Shobhana Joseph as Director.		
5.	Appointment of Mr. Nirmal Chandra as Independent Director.		
6.	Appointment and Remuneration of Mr. C S Kameswaran as a Whole-time Director of the Company with effect from April 1, 2016 to March 31, 2017.		

Signed this ..... day of ..... 2016.

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

**Affix  
Re 1/-  
Revenue  
Stamp**

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 the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 2nd Annual General Meeting.
4. Please complete all details including details of member(s) in above box before submission.

## TAAL Enterprises Limited

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Phone: 044 4350 8393, E-mail: secretarial@taalent.co.in,

Web: www.taalent.co.in, CIN: U62200TN2014PLC096373

### 2nd Annual General Meeting

#### ATTENDANCE SLIP

Name and Address of the Shareholder :

Folio No. / DP id & Client id :

Number of shares held :

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

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

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on Friday, December 23, 2016 at Hotel Regenta Central Deccan #36, Royapettah High Road, Chennai-600 014 at 11.00 a.m.

.....  
Member's/ Proxy's Signature

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

#### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	# DEFAULT PAN
161015002	

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

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

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