

Taneja Aerospace and Aviation Limited 

Annual Report 2015-16

COMPANY INFORMATION

BOARD OF DIRECTORS

Salil Taneja	Chairman & Whole-time Director
N Chandra	Director
C S Kameswaran	Director
R Poornalingam	Director
R Surie	Director
Preeti Taneja	Director

COMPANY SECRETARY

Chetan Nathani

AUDITORS

M/s. MZSK & Associates
Chartered Accountants

BANKERS

Allahabad Bank
Canara Bank
Vijaya Bank

REGISTERED OFFICE & WORKS

Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District,
Belagondapalli-635114, Tamil Nadu
Phone: 04347-233508, Fax: 04347-233414
E-mail: secretarial@taal.co.in, Website: www.taal.co.in
CIN: L62200TZ1988PLC014460

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.

Taneja Aerospace and Aviation Limited

Directors' Report

To the Members of Taneja Aerospace and Aviation Limited

Your Directors present herewith the Twenty-seventh Annual Report and the Audited Financial Statements for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	2015-16	2014-15
Gross Income	6256.11	3171.68
Expenditure	6682.51	4194.96
Profit/ (Loss) after Tax and Prior Period Items	(430.50)	(476.91)

DIVIDEND

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

SCHEME OF ARRANGEMENT

During the year under review, pursuant to the Scheme of Arrangement between Taneja Aerospace and Aviation Ltd. and TAAL Enterprises Ltd. (TEL) as sanctioned by the Hon'ble Madras High Court vide its Order dated June 22, 2015, the Company demerged its Charter business and investments in First Airways Inc. USA and TAAL Tech India P Ltd. with effect from August 21, 2015. Pursuant to the said Scheme of Arrangement, 50,000 equity shares of Rs 10/- each held by the Company in TEL were reduced & Cancelled.

OPERATIONS

The Company has registered a significant growth in revenue during the year on account of improved business environment and mostly driven by exports.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. R Poornalingam, Mr. R. Suri and Mr. N Chandra Independent Directors of the Company are proposed to be re-appointed as Independent Directors of the Company.

Mr. Ajay Gupta resigned as Chief Financial Officer of the Company w.e.f October 1, 2015.

Mr. Arif Ahmad was appointed as Chief Financial Officer of the Company w.e.f. February 11, 2016.

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

Performance evaluation of Independent Directors, Board, Committees and other individual Directors has been done by the Board of Directors of the Company.

The details of familiarization programme of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on its website www.taal.co.in

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Salil Taneja retires by rotation and being eligible, offers himself, for re-appointment.

Mr. Raj Sureka ceased to be a Director of the Company w.e.f. October 1, 2015.

AUDITORS

M/s. MZSK & Associates, Chartered Accountants retire as Statutory Auditors of the Company at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Pursuant to the provisions of Section 139 of the Act & the rules framed thereunder, it is proposed to appoint M/s. MZSK & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of one year from the conclusion of the forthcoming AGM until the conclusion of 28th AGM of the Company.

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

SUBSIDIARY AND ASSOCIATE COMPANIES

During the year under review, TAAL Enterprises Ltd., TAAL Tech India P. Ltd. and First Airways Inc. USA, ceased to be subsidiaries of the Company.

TAAL Aerosystems P. Ltd. ceased to be an Associate Company effective from April 7, 2015

As on date of this report, the Company has only one subsidiary. A Report in Form AOC-1 on performance & financial position of the subsidiary is forming part of this Annual Report.

The Company has framed a Policy for determining Material Subsidiaries which is available on its website www.taal.co.in

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

Pursuant to the SEBI (LODR) Regulations, 2015, a separate section on Management Discussion & Analysis and Corporate Governance Report together with Certificates is forming part of this Report.

Directors' Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis;
- v) Post demerger, Internal financial Controls system of the Company are undergoing changes, which are in the process of being documented and evaluated; and
- 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.taal.co.in

Details pertaining to remuneration of Directors and employees required under Section 197(12) of the Act, read with Rules framed thereunder are forming part of this Report as Annexure C.

SECRETARIAL AUDIT REPORT

The Report of the Secretarial Auditors in Form MR-3 is forming part of this Report as Annexure D. With reference to the observations mentioned in the Secretarial Audit Report, during the year under review, the Company has appointed a Woman Director.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, Guarantees and Investments covered under Section 186 of the Act has been given 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. The Company has identified the key risk as delays in award of Government orders and forex risk for its core manufacturing.

INTERNAL FINANCIAL CONTROLS

Post demerger, Internal financial Controls system of the Company are undergoing changes, which are in the process of being documented and evaluated.

AUDIT COMMITTEE AND VIGIL MECHANISM

The Composition of Audit Committee is mentioned in the Corporate Governance Report which is forming part of this Report.

The Whistle Blower Policy/ Vigil Mechanism of the Company was established by the Board and is available on website www.taal.co.in

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There is no information required to be provided in Form AOC-2 with regard to particulars of contracts or arrangement with related parties. While the particulars of all Related Party Transactions in terms of AS-18 are forming part of the financial statements.

GENERAL

1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact 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

SEBI vide its Order dated March 22, 2016, debarred Sharepro Services (India) P Ltd. (Sharepro), Registrar and Share Transfer Agent (RTA) of the Company, from dealing in Capital Market. SEBI has also advised clients of Sharepro to shift their activity relating to RTA to another RTA registered with SEBI.

Accordingly, the Company has appointed Bigshare Services P Ltd. as its RTA in place of Sharepro.

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, Defence Research and Developmental Organizations, Aviation Authorities and other Indian Services and the Central and State Governments. The Directors also express their gratitude and sincere appreciation to all the employees of the Company for their contribution, hard work and commitment.

For and on behalf of the Board of Directors

Pune
August 10, 2016

Salil Taneja
Chairman

Taneja Aerospace and Aviation Limited

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Aviation industry in the Country is totally dependent for its business and growth on Indian Defence Manufacturing Organizations; Research and Developmental Organizations; Aerospace Organizations and Defence Services which are predominately under the Government. Also, the cycle time for the products to reach regular commercial stage is longer. This has bearing on the Aviation companies performance in terms of consistency and growth.

OPPORTUNITIES

As part of its Make in India initiative, the Government has taken a number of steps to promote domestic manufacturing:

1. New Defense procurement policy for domestic industry;
2. FDI limits relaxation to 49% through automatic route and even 100% through Government route.
3. Reducing dependence on imports; and
4. New National Civil Aviation policy

This will have a positive impact on the medium and long term.

SEGMENT WISE PERFORMANCE

(Rs. in Lakhs)

Particulars (TOTAL REVENUE)	2015-16	2014-15
AMM	4577.89	1,044.22
Airfield	1164.48	1,057.51
Others	292.88	769.45
Total	6035.25	2871.18

THREATS

Losing out of business opportunities due to administrative policy delays by various Government agencies would lead to cost escalation, unhealthy competition and business becomes economically unviable with either zero or negative return.

OUTLOOK

While the above will create huge opportunities in the long term, there are lots of implementation issues in the short term. Thus the industry will spend initial years in streamlining and creating foundation for future growth.

RISKS AND CONCERNS

The Company has a significant exposure to foreign exchange risk and the delay in finalizing of orders is a matter of concern.

INTERNAL CONTROL SYSTEMS

The Company is realigning its internal control systems to meet the needs of demerged entity consisting of main manufacturing business and the airfield business.

FINANCIAL PERFORMANCE

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

(Rs. in Lakhs)

Particulars	2015-16	2014-15
Gross Income	6,256.11	3,171.68
Expenditure	5,745.62	3,162.39
Profit/ Loss before Interest, Tax, Depreciation and Amortization	510.49	9.29
Profit/ Loss after Interest, Tax, Depreciation and Extraordinary Items	(430.50)	(476.91)
Earnings Per Share	(1.73)	(1.91)

The Company has received an export order from one of the renowned foreign OEM and recorded highest ever export sales of Rs. 3,303.88 Lakhs. On the domestic front too the Company more than doubled its turnover to Rs. 1,136.64 Lakhs from Rs. 513.99 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 170 permanent 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, raw material prices, changes in Government regulations, tax regime, economic developments within the country and other factors such as litigation and labour negotiations.

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has a strong value system comprising of honesty, integrity, secularity & equal opportunity for all. The Company strives to provide its stakeholders with maximum information relating to the affairs of the Company with an attempt to bring about total transparency in its working. We believe that good governance is the corner stone of any successful organization & we continuously endeavor to improve our standards of governance.

BOARD OF DIRECTORS

The Board consists of 6 Directors of which 3 Directors are independent as on March 31, 2016.

The composition of the Board, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, the number of Directorships in other public companies and memberships in various committees across all public companies as on March 31, 2016 are as follows:

Name of the Director	Category	Financial Year 2015-16 Attendance at		No. of Directorships in other public companies^	Committee positions in other public companies\$	
		Board Meetings	Last AGM		Member	Chairman
Salil Taneja	Promoter-ED	5	No	1	-	-
C. S. Kameswaran	NED	6	Yes	1	-	-
B. R. Taneja**	Promoter-NED	4	No	NA	NA	NA
R. Surie	Independent-NED	6	No	-	-	-
K. Rustumji***	NED	2	No	NA	NA	NA
R. Poornalingam	Independent-NED	6	Yes	2	-	-
N. Chandra	Independent-NED	6	Yes	-	-	-
Raj Sureka@	NED	-	No	NA	NA	NA
Preeti Taneja##	Promoter-NED	2	No	-	-	-

NED-Non-Executive Director; ED-Executive Director;

NA-Not Applicable

**Ceased to be Director w.e.f. August 15, 2015

@ Appointed as a Director w.e.f August 14, 2015 & Ceased to be a Director w.e.f. October 01, 2015

***Ceased to be Director w.e.f. August 14, 2015

##Appointed as a Director w.e.f August 14, 2015

^ This does not include directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (Act).

\$This includes only Audit and Stakeholders Relationship Committees.

Taneja Aerospace and Aviation Limited

Corporate Governance Report (Contd.)

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

Sr. No.	Date of Meeting
1.	May 26, 2015
2.	May 26, 2015
3.	May 30, 2015
4.	August 14, 2015
5.	November 13, 2015
6.	February 11, 2016

As on March 31, 2016, the composition of the Board was in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Board has complete access to all the relevant information available within the Company.

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

In terms of the Articles of Association of the Company and the relevant provisions of the Act, Mr. Salil Taneja, Director of the Company retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

In compliance with the relevant provisions of the Act, the re-appointment of Mr. R. Surie, Mr. N. Chandra and Mr. R. Poornalingam, as Independent Director(s) is being placed before the Members at the ensuing AGM for their approval.

Brief resume of the Directors proposed to be appointed/ re-appointed is given in the Notice convening the AGM.

AUDIT COMMITTEE

The terms of reference of the Audit Committee are in conformity with provisions of Section 177 of the Act, & the stipulations of Regulation 18 of Listing Regulations.

Composition, Meetings and Attendance during the year:

The composition of Audit Committee & attendance of member is indicated alongside their names:

Name of Director	Chairman/ Member	No. of Meetings Attended
R. Poornalingam [^]	Chairman	5
N. Chandra	Member	5
R. Surie ^{**}	Member	5
K. Rustumji [*]	Member	-

[^]Nominated as Chairman of Audit Committee w.e.f. May 26, 2015

^{**} Ceased to be Chairman of Audit Committee w.e.f April 1, 2015

^{*} Ceased to be Member of Audit Committee w.e.f. May 26, 2015

During the year under review, Five Audit Committee Meetings were held as under:

Sr. No.	Date of Meeting
1.	May 26, 2015
2.	May 30, 2015
3.	August 14, 2015
4.	November 13, 2015
5.	February 11, 2016

Mr. R. Poornalingam, Chairman of the Audit Committee was present at the last AGM.

MANAGERIAL REMUNERATION

a) NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee of the Board of Directors.

The Nomination and Remuneration Committee is empowered to fix, review and recommend the remuneration payable to the Whole Time Director of the Company from time to time including the annual increase in his remuneration.

Composition, Meetings and Attendance during the year:

The composition of Nomination and Remuneration Committee and attendance of each Member is indicated alongside their names:

Name of Director	Chairman/ Member	No. of Meeting attended
R. Poornalingam	Chairman	2
R. Surie	Member	2
N. Chandra	Member	2
K. Rustumji [*]	Member	0

^{*}Director upto August 13, 2015

During the year under review, Two Nomination and Remuneration Committee Meetings were held as under:

Sr. No.	Date of Meeting
1.	August 14, 2015
2.	February 11, 2016

The Company does not have any Employee Stock Option Scheme.

b) REMUNERATION POLICY:

Based on the recommendations of Nomination and Remuneration Committee, the remuneration payable to the Whole Time Director is decided by the Board which inter-alia is based on the criteria such as industry bench-marks, financial performance of the Company, performance of the Whole Time Director etc.

Corporate Governance Report (Contd.)

The Company pays remuneration by way of salary, perquisites & allowance to Whole Time Director. No remuneration was paid by way of commission to any Non-Executive Director.

Non-Executive Directors were paid sitting fees of Rs. 10,000/- each for attending Board and Committee Meetings. With effect from May 27, 2015, sitting fees for attending each Board and Audit Committee Meetings was increased to Rs. 20,000/-.

Performance evaluation of the Independent Directors shall be done by the Board of Directors on such criteria's as deemed appropriate by the Board of Directors.

The Company has framed a Remuneration Policy upon the recommendation of Nomination and Remuneration Committee and as approved by the Board.

c) REMUNERATION TO DIRECTORS:

A statement on the remuneration paid/ payable to the Whole-time Director and sitting fees paid to Non-Executive Directors during the year under review is given below:

Name of Director(s)	Salary & Perquisites (Rs.)	Sitting fees (Rs.)
Salil Taneja	95,40,000	-
C. S. Kameswaran	-	1,40,000
B. R. Taneja*	-	60,000
R. Surie	-	2,10,000
K. Rustumji^	-	30,000
R. Poornalingam	-	2,50,000
N. Chandra	-	2,50,000
Raj Sureka^^	-	-
Preeti Taneja	-	40,000
Total	95,40,000	9,80,000

* Ceased to be Director w.e.f. August 15, 2015

^ Ceased to be Director w.e.f. August 14, 2015

^^ Ceased to be Director w.e.f. October 1, 2015

Note: Salary and perquisites includes contribution to Provident Fund and Superannuation, Leave Travel Allowance, Medical Reimbursement.

Service of Whole-time Director may be terminated by either party giving other party notice as per the notice period mentioned in their Agreement or the Company paying salary for said notice period in lieu thereof. There is no separate provision for payment of severance fees

Details of shares of the Company held by its Non-Executive Directors as on March 31, 2016 are given below:

Name of Director	Number of Equity Shares
R. Surie	1,67,094
C. S. Kameswaran	-
R. Poornalingam	-
N. Chandra	750
Preeti Taneja	-

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee of the Board of Directors to look into the redressal of shareholders' and investors' complaints relating to transfer or credit of shares, non-receipt of Annual Reports/ dividends etc.

Composition, Meetings and Attendance during the year:

The composition of Stakeholders Relationship Committee and attendance of members is indicated alongside their names:-

Name of Director	Chairman/ Member	No. of Meetings Attended
N. Chandra	Chairman	4
K. Rustumji*	Member	1
C. S. Kameswaran	Member	4
R. Poornalingam	Member	4

* Director upto August 13, 2015

During the year under review, Four Committee Meetings were held as under:

Sr. No.	Date of Meeting
1.	May 26, 2015
2.	August 14, 2015
3.	November 13, 2015
4.	February 11, 2016

INDEPENDENT DIRECTORS' MEETING:

The Independent Directors met on May 30, 2016 in conformity with the stipulations in Regulation 25 of the Listing Regulations.

COMPLIANCE OFFICER

Mr. Chetan Nathani, Company Secretary is the Compliance Officer of the Company for ensuring compliance with the requirements of the Listing Regulations and under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

During the year under review all the complaints/ grievances that were received from the shareholders/ investors, were attended to and satisfactorily resolved. No valid transfer/ transmission of shares were pending as on March 31, 2016.

Taneja Aerospace and Aviation Limited

Corporate Governance Report (Contd.)

Details of investor complaints received and redressed during the financial year 2015-16:

Number of complaints pending at the beginning of the year	1
Number of complaints received during the year	6
Number of complaints disposed of during the year	7
Number of complaints remaining unresolved at the end of the year	Nil

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is posted on the website of the Company.

CEO/ CFO CERTIFICATION

In accordance with Regulation 17(8) of the Listing Regulations, the Chairman and the CFO have given their certificate to the Board.

GENERAL BODY MEETINGS

Location and time of Annual General Meetings held in last 3 years:

Year	Date	Location	Time	No. of Special Resolutions passed
2014-15	September 30, 2015	Registered office at Belagondapalli	2.00 p.m.	-
2013-14	December 30, 2014	- do -	- do -	5
2012-13	September 30, 2013	- do -	- do -	1

Special resolution moved at the Annual General Meeting for year 2012-13 was passed unanimously by show of hands. The special resolutions moved at the Annual General Meeting for year 2013-14 were passed with requisite majority by way of e-voting and poll.

OTHER DISCLOSURES

- Details of related party transactions are furnished under Notes to Financial Statement.
- There were no instances of material non-compliances and no strictures or penalties imposed on the Company either by SEBI, Stock Exchange or any statutory authorities on any matter related to capital markets during the last three years.
- Mrs. Preeti Taneja, Director is relative of Mr. Salil Taneja, Chairman. Except as mentioned herein, none of the other Directors have any relation inter-se.
- The quarterly internal auditors report is placed before the Audit Committee.

- The Company has established vigil mechanism and whistle blower policy. It is hereby affirmed that no personnel has been denied access to the audit committee.

- Following documents/ policies are placed on website of the Company at www.taal.co.in:

- Whistle blower policy;
- The policy for determining material subsidiaries;
- The policy on dealing with related party transactions;
- Familiarisation Programme for Independent Directors;
- Terms and conditions of appointment of Independent Directors;
- Composition of Committees of the Board of Directors; and
- Code of Conduct for Board of Directors and Senior Management Personnel.

MEANS OF COMMUNICATION

The quarterly results are published in one English daily newspaper & one vernacular (Tamil) daily newspaper.

The quarterly results and other details are also displayed on website of the Company at www.taal.co.in.

No presentations were made to Institutional Investors or Analysts during the year under review.

DESIGNATED E-MAIL ID OF THE COMPANY

The Company has following E-mail ID exclusively for investor servicing: secretarial@taal.co.in

GENERAL SHAREHOLDERS' INFORMATION

AGM Date and Time	Wednesday, September 28, 2016 at 2.00 p.m.
Venue	Registered office at Belagondapalli
Financial Year	April 1 to March 31
Listed on Stock Exchanges	BSE Limited (Equity) Luxembourg Stock Exchange (GDR)
Security Code (BSE)	522229
Security Code (Luxembourg)	US 8753891089
ISIN allotted to equity shares	INE692C01020
Registered Office & Works/ Plant Location & Address for Correspondence	Belagondapalli Village, Thally Rd, Denkanikottai, Krishnagiri Dist., Belagondapalli-635114, Tamil Nadu

The Company has paid Listing Fees for the Financial Year 2016-17 to BSE Limited where the Equity Shares of the Company are listed.

Corporate Governance Report (Contd.)

STOCK MARKET DATA & SHARE PRICE PERFORMANCE BSE LIMITED (BSE):

The performance of the Company's scrip on BSE as compared to BSE 500 Index is as under: (Rs.)

Month	Market Price		BSE 500 INDEX	
	High	Low	High	Low
April 2015	93.80	57.75	11567.60	10613.36
May 2015	88.35	75.30	11072.84	10411.97
June 2015	90.85	68.75	11054.86	10354.81
July 2015	136.65	85.00	11340.45	10912.86
August 2015	123.50	71.00	11438.18	10031.72
September 2015	102.30	65.20	10577.34	9931.88
October 2015	83.10	55.00	10994.76	10495.71
November 2015	72.00	50.15	10747.69	10264.44
December 2015	84.00	55.10	10646.36	10110.55
January 2016	79.75	50.65	10691.89	9567.77
February 2016	62.95	48.50	10077.14	9011.98
March 2016	59.40	49.00	10211.26	9239.71

Source: BSE website

REGISTRAR AND SHARE TRANSFER AGENT

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

<p>Bigshare Services P. Ltd. E/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai-400 072 Tel.: 022-40430200 Fax.: 022- 28475207 e-mail: investor@bigshareonline.com</p>
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As regard to the shareholding in electronic form shareholders are requested to write to their respective Depository Participant and provide Bank Mandate details, N-ECS particulars, email ID etc. so as to facilitate expeditious payment of Corporate Action, if any.

SHARE TRANSFER SYSTEM

The Equity Shares of the Company are traded compulsorily in demat segment on the Stock Exchange. Shares received for transfer in physical mode are processed and valid transfers are approved within prescribed time limit.

Pursuant to Regulation 40(9) of the Listing Regulations, certificate on half yearly basis were filed with BSE in due compliance of share transfer formalities by the Company. In terms of guidelines issued by SEBI, the Reconciliation of Share Capital Audit Report for all the quarters were filed with BSE, which inter-alia gives details about the reconciliation of Share Capital (both physical and demat).

SHAREHOLDING DISTRIBUTION OF THE COMPANY AS ON MARCH 31, 2016:

Shareholding of nominal value of Rs	No. of Share Holder(s)	% to Total	No. of Shares	% to Total
Upto 5,000	14317	93.11	2539910	10.19
5,001 10,000	437	2.84	694807	2.79
10,001 20,000	281	1.83	803061	3.22
20,001 30,000	118	0.77	589173	2.36
30,001 40,000	43	0.28	310975	1.25
40,001 50,000	38	0.25	362603	1.45
50,001 1,00,000	62	0.40	883836	3.55
1,00,001 and above	80	0.52	18746371	75.19
Total	15376	100	24930736	100

DEMATERIALISATION OF SHARES AND LIQUIDITY

96.18% of total Equity Share Capital is held in demat form with NSDL and CDSL as on March 31, 2016.

CORPORATE FILINGS:

The financial and other information filed by the Company with BSE (through BSE Listing Centre), from time to time is available on the website of BSE Limited at www.bseindia.com.

OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any ADRs/ Warrants or convertible instruments during the year under review. However, the Company has 13,145 GDRs (equivalent to 26,290 Equity Shares) outstanding, which constituted 0.11% of Company's total Equity Share Capital as on March 31, 2016.

PLANT LOCATION:

The Company has aircraft manufacturing and maintenance facilities at the Factory at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu.

ADDRESS FOR CORRESPONDENCE:

Registered Office at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu.

For and on behalf of the Board of Directors

Place: Pune

Salil Taneja

Date: August 10, 2016

Chairman

Taneja Aerospace and Aviation Limited

Corporate Governance Report (Contd.)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT, PURSUANT TO REGULATION 17 OF THE LISTING REGULATIONS

As required by Regulation 17(5)(a) of the Listing Regulations, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the Company's website.

I confirm that the Company has in respect of Financial Year ended on March

31, 2016, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team comprises of employees in the Vice President and above Cadre as on March 31, 2016.

For Taneja Aerospace and Aviation Limited

Place: Pune

Salil Taneja

Date: August 10, 2016

Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Taneja Aerospace and Aviation Limited

We have examined the compliance of conditions of Corporate Governance by Taneja Aerospace and Aviation Limited ("The company") for the year ended March 31, 2016, as stipulated in Regulations 17 to 27 of the SEBI (LODR) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the company has complied, in all material respect, with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Navin Maheshwari & Company
Company Secretaries

Navin Murli Maheshwari
Membership No.: 23569
C. P. No: 8434

Place: Pune

Date: August 10, 2016

CEO/ CFO CERTIFICATION TO THE BOARD (Under Regulation 17 (8) of Listing Regulations)

To
The Board of Directors
Taneja Aerospace and Aviation Limited

We, Salil Taneja, Whole-time Director and Arif Ahmad, Chief Financial Officer of Taneja Aerospace and Aviation Limited, to the best of our knowledge and belief, certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

- (C) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Post demerger, Internal financial controls system of the Company are undergoing changes, which are in the process of being documented and evaluated.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) There are no significant changes in internal control over financial reporting during the financial year ended March 31, 2016;
 - (2) All significant changes in accounting policies during the financial year ended March 31, 2016 and that the same have been disclosed in the notes to the financial statements; and
 - (3) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Pune

Salil Taneja

Arif Ahmad

Date: May 30, 2016

Whole-time Director

Chief Financial Officer

Annexure 'A' to the Directors Report

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 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	L62200TZ1988PLC014460
ii)	Registration Date	22/07/1988
iii)	Name of the Company	Taneja Aerospace and Aviation Limited
iv)	Category/ Sub-Category	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	Belagondapalli Village, Thally Road, Denkanikotta, Belagondapalli-635114 (Tamil Nadu) Tel.: +91 (04347) 233508 e-mail: secretarial@taal.co.in
vi)	Whether listed company	Yes
vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	Sharepro Services (India) P. Ltd. 3, Chintamani Apartments, Lane No. 13, Off V.G. Kale Path, 824/D, Bhandarkar Rd, Pune-411004. Tel.: +91-20-25662855 e-mail:sharepropune@vsnl.net

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	%to total turnover of the Company
1	AMM	30305	75.85
2	Airfield	52231	19.29

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held*	Applicable Section
1	Katra Auto Engineering P. Ltd. MMPDA Towers, 2nd Floor, Royapettah High Rd, Chennai-600014	U50300TN2007PTC062038	Subsidiary	100	2(87)

* Includes shares held by Nominee of the Company.

Taneja Aerospace and Aviation Limited

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				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	
A. Promoters & Promoter group									
(1) Indian									
a) Individual/ HUF	32500	-	32500	0.13	32500	-	32500	0.13	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	12699516	-	12699516	50.94	12699516	-	12699516	50.94	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	12732016	-	12732016	51.07	12732016	-	12732016	51.07	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A) (1)+(A)(2)	12732016	-	12732016	51.07	12732016	-	12732016	51.07	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	300	300	0.00	0	300	300	0.00	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1793523	0	1793523	7.19	1466650	0	1466650	5.89	-1.3
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1793523	300	1793823	7.19	1466650	300	1466950	5.89	-1.3
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	1872373	117201	1989574	7.98	1327500	117201	1444701	5.79	-2.19
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4364383	864676	5229059	20.97	4912236	833476	5745712	23.05	2.08
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2960116	-	2960116	11.87	3320948	200	3321148	13.32	1.45
c) Others (specify):-									
c)(1) Trusts	7500	-	7500	0.03	7501	-	7501	0.03	0.00
c)(2) Non-Residents	188448	200	188648	0.76	186218	200	186418	0.75	-0.01
Sub-total (B)(2):-	9392820	982077	10374897	41.61	9754403	951077	10705480	42.94	1.33
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11186343	982377	12168720	48.81	11221053	951377	12172430	48.82	0.01
C. Shares held by Custodian for GDRs & ADRs									
Public	30000	-	30000	0.12	26290	-	26290	0.11	0.01
Sub-total (C)	30000	-	30000	0.12	26290	-	26290	0.11	0.01
Grand Total (A+B+C)	23948359	982377	24930736	100.00	23979359	951377	24930736	100.00	-

ii. Shareholding of Promoters & Promoter Group

Sl 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	Indian Seamless Enterprises Ltd	10964620	43.98	7.2	10964620	43.98	2.01	-
2	Vishkul Leather Garments Pvt. Ltd	1689179	6.78	6.3	1689179	6.78	6.30	-
3	Lighto Technologies Pvt Ltd	45717	0.18	-	45717	0.18	-	-
4	Salil Baldev Taneja	3200	0.01	-	3200	0.01	-	-
5	Baldevraj Topanram Taneja	300	0.00	-	300	0.00	-	-
6	Alka P Mehta	29000	0.12	-	29000	0.12	-	-
	Total	12732016	51.07	13.5	12732016	51.07	8.31	-

iii. Change in Promoters' & Promoter Group Shareholding (please specify, if there is no change): No change during the year

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and 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	1084625	4.35	01.04.2015	N.A		N.A	
					(65000)	Sale	1019625	4.09
					(80000)	Sale	939625	3.77
					(90468)	Sale	849157	3.41
					(16405)	Sale	832752	3.34
					(15000)	Sale	817752	3.28
					(90000)	Sale	727752	2.92
(10000)	Sale	717752	2.88					
2	Neeta Jatin Jhaveri	250000	1.00	01.04.2015	N.A		N.A	1.00
					(100000)	Sale	150000	0.60
					(65852)	Sale	84148	0.34
					(45850)	Sale	38298	0.15
					(38298)	Sale	0	0.00
3	Tara Jain	247800	0.99	01.04.2015	NA	NA	247800	0.99
				31.03.2016				
4	Hindustan Candle Mfg.co. Pvt. Ltd.	160297	0.64	01.04.2015	N.A		N.A	0.64
				24.04.2015	(17000)	Sale	143297	0.57
				17.07.2015	(20000)	Sale	123297	0.49
				25.12.2015	(22264)	Sale	101033	0.41
5	Orange Mauritius Investments Limited	708898	2.84	31.03.2016				
				01.04.2015	NA	NA	708898	2.84
		708898	2.84	31.03.2016			708898	2.84

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

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
6	Mukul Mahavir Prasad Agarwal	0	0.00	01.04.2015	550000	Purchase	550000	2.20
		550000	2.20	31.03.2016				
7	Prakash Chandra Modi	227600	0.91	01.04.2015				
				09.10.2015	32400	Purchase	260000	1.04
		260000	1.04	31.03.2016				
8	Bhagwandas K Sahu	210787	0.85	01.04.2015				
				29.05.2015	89213	Purchase	300000	1.20
				12.06.2015	25000	Purchase	325000	1.30
				03.07.2015	250	Purchase	325250	1.30
				21.08.2015	3750	Purchase	329000	1.32
				28.08.2015	3500	Purchase	332500	1.33
				13.11.2015	17500	Purchase	350000	1.40
				17.03.2015	12500	Purchase	362500	1.45
				24.03.2016	22500	Purchase	385000	1.54
				31.03.2016	4000	Purchase	389000	1.56
		389000	1.56	31.03.2016				
9	Mitali Duttakar	113274	0.43	01.04.2015				
				17.04.2015	(5000)	sale	108274	0.43
				24.04.2015	(18274)	sale	90000	0.36
		90000	0.36	31.03.2016				
10	Bas Engineering Pvt Ltd	533930	2.14	01.04.2015				
				08.05.2015	15730	Purchase	549660	2.20
				15.05.2015	44727	Purchase	594387	2.38
				16.10.2015	(35229)	sale	559158	2.24
				23.10.2015	(23483)	sale	535675	2.15
				30.10.2015	(41946)	sale	493729	1.98
				06.11.2015	(134417)	sale	359312	1.44
				20.11.2015	(7155)	sale	352157	1.41
				27.11.2015	(2201)	sale	349956	1.40
				04.12.2015	(77367)	sale	272589	1.09
				25.12.2015	(22610)	sale	249979	1.00
				01.01.2016	(20000)	sale	229979	0.92
		229979	0.92	31.03.2016				
11	Utkarsh Munot	161721	0.65	01.04.2015	N.A		N.A	
				16.10.2015	(9936)	sale	151785	0.61
				18.12.2015	(12185)	sale	139600	0.56
				25.12.2015	(12815)	sale	126785	0.51
				01.01.2016	(10000)	sale	116785	0.47
		116785	0.47	31.03.2016				
12	Vikrant Puri	239219	0.96	01.04.2015	N.A.		N.A.	
				10.04.2015	(8006)	sale	231213	0.93
				17.04.2016	(52618)	sale	178595	0.72
				24.04.2016	(178595)	sale	0	0.00
		0	0.00	31.03.2016				
13	K Swapna	147183	0.59	01.04.2015				
				07.08.2015	(7900)	sale	139283	0.56
				25.09.2015	(1500)	sale	137783	0.55
				09.10.2015	(37783)	sale	100000	0.40
		100000	0.40	31.03.2016				

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/Decrease in Shareholding	Reasons	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year 31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Salil Taneja - ED	3200	0.01	01.04.2015			3200	0.01
		3200	0.01	31.03.2016			3200	0.01
2	Mr. R. Surie-Independent -NED	181054	0.73	01.04.2015			181054	0.73
		167094	0.66	25.06.2015 31.03.2016	(13960)	Sale	167094	0.66
3	Mr. C. S. Kameswaran-NED	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0
4	Mr. R. Poornalingam-Independent -NED	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0
5	Mr. Nirmal Chandra-Independent -NED	750	0.003	01.04.2015			750	0.003
		750	0.003	31.03.2016			750	0.003
6	Mrs. Preeti Taneja - NED%	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0
7	Mr. B R Taneja - NED*	300	0.001	01.04.2015			300	0.001
		300	0.001	31.03.2016			300	0.001
8	Mr. K Rustumji - NED **	200	0.0008	01.04.2015			200	0.0008
		200	0.0008	31.03.2016			200	0.0008
9	Mr. Arif Ahmad - CFO^^	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0
10	Mr. Chetan Nathani - Company Secretary\$	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0
11	Mr. Ajay Gupta - CFO ^	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0
12	Ms. Priya Nair - Company Secretary ^^	0	0	01.04.2015			0	0
		0	0	31.03.2016			0	0

* Ceased to be a Director w.e.f. August 15, 2015

** Ceased to be a Director w.e.f. August 14, 2015

^ Ceased to be CFO w.e.f. October 1, 2015

^^ Ceased to be Company Secretary w.e.f. May 29, 2015

^^^ Appointed as CFO w.e.f. February 11, 2016

\$ Appointed as Company Secretary w.e.f. August 14, 2015

% Appointed as Director w.e.f. August 14, 2015

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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	4227.46	228.97	849.03	5305.47
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4227.46	228.97	849.03	5305.47
Change in Indebtedness during the financial year				
Addition	340.0	0	0.50	340.50
Reduction	505.35	17.96	0	523.31
Net Change	(165.35)	(17.96)	0.50	(182.81)
Indebtedness at the end of the financial year			-	
i) Principal Amount	4062.11	211.11	849.53	5122.66
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4062.11	211.11	849.53	5122.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Salil Taneja- WTD	
1	Gross salary	95.40	95.40
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	Total (A)	95.40	95.40
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		R. Surie	B.R. Taneja	K. Rustumji	Preeti Taneja	C.S.Kameswaran	Nirmal Chandra	R. Poornalingam	
1	Independent Directors								
	Fee for attending board/ committee meetings	2.10	-	-	-	-	2.50	2.50	7.10
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	2.10	-	-	-	-	2.50	2.50	7.10
2	Other Non-Executive Directors								
	Fee for attending board / committee meetings	-	0.60	0.30	0.40	1.40	-	-	2.70
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	0.60	0.30	0.40	1.40	-	-	2.70
	Total (B)=(1+2)	-	-	-	-	-	-	-	9.80
	Total Managerial Remuneration	-	-	-	-	-	-	-	105.20
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	NA

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C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD (Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Chetan Nathani - Company Secretary*	Arif Ahmad - CFO**	Ajay Gupta - CFO^	Priya Nair Company Secretary^^	
1	Gross salary	3.75	4.93	5.30	1.88	15.86
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(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	3.75	4.93	5.30	1.88	15.86

* Appointed as Company Secretary w.e.f August 14, 2015

** Appointed as CFO w.e.f February 11, 2016

^ Ceased to be CFO w.e.f October 1, 2015

^^ Ceased to be Company Secretary w.e.f May 29, 2015

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Taneja Aerospace and Aviation Limited

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:
Harmonic filter installed at powerhouse which reduces the power loss.

The Company is basically a low energy consumer. During the year under review, approx. 8.67 lacs units of energy were consumed, costing Rs. 76.06 lacs.

Minimizing environmental pollution by reducing carbon discharge to the atmosphere with reduced running of diesel or engine driven power sources.

- ii. The steps taken by the company for utilizing alternate sources of energy:
a) Using 250KVA genet only in case of emergency.
- iii. The capital investment on energy conservation equipment's: Nil

II. Technology absorption:

- i. The efforts made towards technology absorption:

Major work carried out by the Company is with Defence sector & most of these work are confidential in nature.

- ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

Better Quality, minimized rejections, improved production throughput, operator's knowledge enhancement and skill improvement, increased indigenization efforts for DPSUs and armed services (IN & IAF).

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

- a. The details of technology imported- Nil
b. The year of import- Nil
c. Whether the technology been fully absorbed- Nil
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof- Nil

- iv. The expenditure incurred on Research and Development.

Sr. No.	Particulars	2015-16	2014-15
i)	Capital Expenditure	Nil	Nil
ii)	Recurring Expenditure	13.75	17.03
	Total	13.75	17.03
	Total R&D as a percentage to turnover	0.21	0.54

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 was involved in the export process (deemed in nature) which was not generating the direct inflow of Foreign Exchange, but into INR.

- b) The information on foreign exchange earnings and outgo are contained in Notes to the Accounts.

Annexure 'C' to the Director Report

Details pertaining to remuneration pursuant to Section 197(12) of the Companies Act, 2013 read with Rules thereunder:

- 1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in financial year 2015-16 and Ratio of remuneration of each Director to median remuneration of employees of the Company for financial year 2015-16:

Sr. No.	Name of Directors/ KMP and Designation	Remuneration of Directors/ KMP for financial year 2015-16 (Rs. in Lacs)	% increase in remuneration in FY 2015-16	Ratio of remuneration of Director to median remuneration of employees
1	Salil Taneja, Whole-time Director	95.40	-	45:1
2	Chetan Nathani, Company Secretary*	3.75	N.A.	N.A.
3	Arif Ahmad, Chief Financial Officer [^]	4.93	N.A.	N.A.
4	Ajay Gupta, Chief Financial Officer ^{^^}	5.30	-	N.A.
5	Priya Nair, Company Secretary**	1.88	-	N.A.

* Details not given as Mr. Chetan Nathani was appointed as Company Secretary during the Financial year 2015-16 i.e. on August 14, 2015.

** Ceased to be Company Secretary w.e.f May 29, 2015

[^] Details not given as Mr. Arif Ahmad was appointed as CFO during the Financial year 2015-16 i.e. on February 11, 2016.

^{^^} Ceased to be CFO w.e.f October 1, 2015

- 2) The median remuneration of employees of the Company during the financial year was Rs. 2.13 Lacs p.a.
 3) In the financial year under review, there was no increase in median remuneration of employees.
 4) There were 170 permanent employees on the roll of the Company as on March 31, 2016.
 5) There was no increase in the salaries of employees other than the managerial personal and managerial personnel in the last financial year.
 6) Statement showing details of top ten employees in terms of remuneration drawn and the employees in receipt of remuneration aggregating to Rs. 8. 50 lacs per month and above:

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	Salil Taneja	Whole-time Director	49	95.40	B.Sc. (Engg.), MBA (Fin.), Ohio, Yale, USA	26	December 01, 2014	ISMT Ltd.
2	Sudhir Kumar	CEO	62	30.22	BE (Mech.)	37	May 2, 2015	Hindustan Aeronautics Ltd.
3	Biswanath Sar	EVP	56	19.10	BE (Mech.)	30	September 15, 2014	-
4	Soundrarajan	Sr. GM	49	22.92	AME	24	July 28, 1992	-
5	K Jegannath	AVP (Airport & Projects)	45	16.08	Masters in Technology in Structural Engineering	26	April 10, 2015	SYConE CPMC Ltd, Bangalore
6	Sanjeev Tiwari	Sr. AME (Avionics) and Maint. Mgr.	47	13.8	AME	26	January 19, 2008	Tata Steels Ltd
7	Partha Prathim Ray	Sr. AME (A&E)	54	12.36	AME	29	November 19, 2007	Tata Steels Ltd
8	Arun Mohan	SR AME	32	9.00	AME	10	October 1, 2006	-
9	Vijaya Kumari	Manger – Accounts & Finance	45	8.71	M. Com	20	December 7, 2000	Karvy Consultants Ltd
10	Arif Ahmad	CFO*	30	4.93	B.Com, CA - Inter	6	July 13, 2015	MIS Pvt. Ltd.,

*Appointed w.e.f. February 11, 2016.

- 7) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

Taneja Aerospace and Aviation Limited

Annexure 'D' - Secretarial Audit Report

FORM MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
TANEJA AEROSPACE AND AVIATION LTD
Belagondapalli Village, Thally Road,
Denkanikotta Belagondapalli TN 635114

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Taneja Aerospace and Aviation Ltd (hereinafter called "the Company").

Secretarial Audit was conducted for the period from April 1, 2015 to March 31, 2016, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of the following list of laws and regulations with our observations on the same:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under: The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except as mentioned subsequently in this report.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:

The Company is a listed public company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

- (iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

a. The Aircraft Act, 1934

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period July 1, 2015 to March 31, 2016.
- (ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

We further report that:-

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013 (except that there was no woman director appointed till August 13, 2015).

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Place: Pune
Date: July 21, 2016

Devendra Deshpande
FCS No. 6099
CP No. 6515

Annexure to Secretarial Audit Report

To,
The Members
TANEJA AEROSPACE AND AVIATION LTD
Belagondapalli Village, Thally Road,
Denkanikotta Belagondapalli TN 635114

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Place: Pune
Date: July 21, 2016

Devendra Deshpande
FCS No. 6099
CP No. 6515

Taneja Aerospace and Aviation 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)

S r . No.	Name of Subsidiary	Reporting Currency in case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share- holding*
1	Katra Auto Engineering Pvt. Ltd.	-	5.00	(1.78)	649.41	646.20	0.00	0.00	(0.20)	0.00	(0.20)	Nil	100%

* Includes share held by a Nominee of the Company.

Notes:

A Name of Subsidiaries which are yet to commence operations - Katra Auto Engineering Pvt. Ltd.

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

Sr. No.	Name of Subsidiary companies
1	TAAL Enterprises Limited^
2	TAAL Tech India Private Limited^
3	First Airways Inc.^

^ Ceased to be subsidiary of the Company pursuant to the Scheme of Arrangement as sanctioned by the Hon'ble Madras High Court vide its Order dt. June 22, 2015.

PART "B": ASSOCIATES

Notes:

A Name of Associates which are yet to commence operations- None

B Name of Associates which have been liquidated or sold during the year - TAAL Aerosystems Private Limited

Salil Taneja
Chairman

Arif Ahmad
Chief Financial Officer

For and on behalf of the Board of Directors
Chetan Nathani
Company Secretary

Pune, May 30, 2016

Independent Auditor's Report

To the Members of Taneja Aerospace and Aviation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Taneja Aerospace and Aviation Limited ("the Company"), which comprises the Balance Sheet as at 31st 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 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 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 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no 13 to the standalone financial statements which states that the Company has an outstanding MAT Credit Entitlement of Rs. 146.38 Lakhs as on March 31, 2016 (Previous Year Rs. 134.69 Lakhs). Based on future projections, the management is of the view that the MAT Credit Entitlement will be utilized within the time limit prescribed as per the provisions of Income Tax Act, 1961. However, we are unable to comment on the above projections and the recoverability thereon.

Our opinion is not qualified in respect of this matter.

This matter was also emphasised in the report of the predecessor auditors on the standalone financial statements for the year ended 31st March, 2015.

Other Matter

The standalone financial statements of the Company for the year ended 31st March, 2015, were audited by another auditor. They had qualified their report dated August 14, 2015 with respect to:

- Certain advertisement and travelling expenses being reimbursement to a group company for which no evidence/supporting is provided.;
- Recoverability of the inter corporate deposit and trade receivable from LightO Technologies Private Limited (a related party);
- Impact of the Scheme of Arrangement between the Company and TAAL Enterprises Limited on the standalone financial statements as the impact of the same was not provided in the

Taneja Aerospace and Aviation Limited

financial statements even though the appointed date of the Scheme was from October 1, 2014; and

- d. Need to strengthen policies, procedures and overall controls over recoverability of debtors, valuation of work in progress and accounting for direct and indirect taxes including statutory compliances.

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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26 to the standalone financial statements.
- 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

Abuali Darukhanawala

Partner

Membership No. 108053

Place: Mumbai
Date: May 30, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION 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 Taneja Aerospace and Aviation Limited

We have audited the internal financial controls over financial reporting of Taneja Aerospace and Aviation 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 conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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.

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

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

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 May 30, 2016, which expressed an unqualified opinion on those financial statements.

For MZSK & Associates

Chartered Accountants

Firm Registration No. 105047W

Abuali Darukhanawala

Partner

Membership No. 108053

Place: Mumbai

Date: May 30, 2016

Taneja Aerospace and Aviation 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 Taneja Aerospace and Aviation Limited on the financial statements for the year ended 31st March, 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 title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.

iii. The Company has granted loans to three Companies 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 loans 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 loans 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 parties have not repaid the principal amounts 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	4.91	4.91	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
Employees' Provident Funds and Miscellaneous Provisions Act 1952	Employers Contribution	4.50	Apr-15 to Aug-15	20th of subsequent Month	Amount not yet paid.	Not applicable
	Employees Contribution					

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of

any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty	622.67	F.Y. 2007-08	CESTAT
Finance Act, 1994	Service tax	80.24*	F.Y. 2005-06 to F.Y. 2009-10	CESTAT
Central Excise Act, 1944	Excise Duty	23.73	F.Y. 2012-2013	CESTAT
Central Excise Act, 1944	Excise Duty	57.50	F.Y. 2013-14 to F.Y. 2014-15	Adjudicating Authority
Central Excise Act, 1944	Excise Duty	80.24	F.Y. 2008-09 to F.Y. 2011-12	CESTAT
Finance Act, 1994	Service Tax	124.37	F.Y. 2008-09 to F.Y. 2012-13	CESTAT
Sales tax	Sales Tax	44.00	F.Y. 2012-13 F.Y. 2013-14	Adjudicating Authority

* Net of amounts paid under protest.

- 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. In our opinion, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The company has not raised any money initial public offer or further public offer (including debt instruments) during the year.
- 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 given to us and based on our examination of the records of the Company, the Company has paid the following amounts for managerial remuneration which is in excess of the amount as mandated under section 197 read with Schedule V to the Act. The amount involved was refunded to the Company on 31st

March, 2016 and the same is realised in bank on May 3, 2016.

Payment made to: Director/ WTD/ MD/ Manager	Amount paid/ provided in excess of the limits prescribed – Rs. In Lakhs	Amount due for recovery as at 31st March, 2016	Steps taken to secure the recovery of the amount
Director	6.00	Nil	Not applicable as the amount has been subsequently received.

- 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 given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. 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

Abuali Darukhanawala

Partner

Membership No. 108053

Place: Mumbai

Date: May 30, 2016

Taneja Aerospace and Aviation Limited

Balance Sheet as at March 31, 2016

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,246.54	1,246.54
Reserves and Surplus	3	7,263.64	7,694.14
		8,510.18	8,940.68
Non-Current Liabilities			
Long-Term Borrowings	4	2,616.67	2,902.05
Other Long-Term Liabilities	5	849.53	849.03
Long-Term Provisions	6	161.91	131.73
		3,628.11	3,882.81
Current Liabilities			
Short-Term Borrowings	7	841.22	1,061.11
Trade Payables	8		
Micro, Small and Medium Enterprises		-	-
Other Trade Payables		2,473.92	587.96
Other Current Liabilities	9	1,490.05	1,125.64
Short-Term Provisions	10	68.82	92.96
		4,874.01	2,867.67
Total		17,012.30	15,691.16
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		11,698.26	11,955.44
Non-Current Investments	12	5.00	5.00
Long-Term Loans and Advances	13	792.43	780.69
		12,495.69	12,741.13
Current Assets			
Inventories	14	919.66	486.99
Trade Receivables	15	2,131.44	712.34
Cash and Bank Balances	16	371.37	235.44
Short-Term Loans and Advances	17	1,094.14	1,515.26
		4,516.61	2,950.03
Total		17,012.30	15,691.16
Significant Accounting Policies	1		
Notes are an Integral part of the Financial Statements	2 - 41		

As per our report of even date attached

For MZSK & Associates

Chartered Accountants

Firm Registration No. 105047W

Abuali Darukhanawala

Partner

Membership No. 108053

Mumbai, May 30, 2016

For and on behalf of the Board of Directors of

Taneja Aerospace and Aviation Limited

CIN: L62200TZ1988PLC014460

Salil Taneja

Chairman

DIN : 00328668

Arif Ahmad

Chief Financial Officer

Chetan Nathani

Company Secretary

Pune, May 30, 2016

Annual Report 2015-16

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

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from Operations (Net)	18	5,871.30	2,517.91
Revenue from Trading Activities	19	163.96	353.27
Other Income	20	220.85	300.50
Total Revenue		6,256.11	3,171.68
EXPENSES			
Cost of Materials Consumed	21	3,650.35	412.50
Purchase of Trading Goods		160.74	346.34
Changes in Inventory of Work-In-Progress	22	(195.36)	(7.00)
Operational and Other Expenses	23	993.43	1,444.36
Employee Benefits Expense	24	1,136.46	966.19
Finance Costs	25	633.69	688.65
Depreciation & Amortisation Expense	11	303.20	343.92
Total Expenses		6,682.51	4,194.96
Loss before Extraordinary Items and Tax		(426.40)	(1,023.28)
Less: Prior Period Items		4.10	8.95
Less: Permanent Diminution in Investment in Associate	12	-	0.75
Loss before Tax		(430.50)	(1,032.98)
Tax Expense:			
Current Tax		-	-
Short Provision of MAT for A.Y. 2008-09		11.69	-
MAT Credit Entitlement		(11.69)	-
Deferred Tax Charge/ (Benefit)		-	(564.38)
FBT for Earlier Year		-	0.42
Short Tax Provision for Earlier Years		-	7.89
Total Tax (Benefit)/ Expense		-	(556.07)
Loss for the Year		(430.50)	(476.91)
Profit/(Loss) from continuing operations before tax		(430.50)	(1,015.11)
Tax Expense		-	(556.07)
Profit/(Loss) from continuing operations after tax		(430.50)	(459.04)
Profit/(Loss) from discontinuing operations before tax	35	-	(17.87)
Tax Expense	35	-	-
Profit/(Loss) from discontinuing operations after tax		-	(17.87)
Earnings per equity share (In Rs.) - Basic and Diluted (Face value of Rs. 5/- each)	27	(1.73)	(1.91)
Significant Accounting Policies	1		
Notes are an Integral part of the Financial Statements	2 - 41		

As per our report of even date attached

For and on behalf of the Board of Directors of
Taneja Aerospace and Aviation Limited
CIN: L62200TZ1988PLC014460

For MZSK & Associates

Chartered Accountants
Firm Registration No. 105047W

Salil Taneja
Chairman
DIN : 00328668

Abuali Darukhanawala

Partner
Membership No. 108053
Mumbai, May 30, 2016

Arif Ahmad
Chief Financial Officer

Chetan Nathani
Company Secretary

Pune, May 30, 2016

Taneja Aerospace and Aviation Limited

Cash Flow Statement for the year ended March 31, 2015

(Rs. in Lakhs)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Loss before extraordinary items and tax	(426.40)	(1,023.28)
	Adjustments for :		
	Depreciation & Amortisation Expense	303.20	343.92
	Prior Period Items	(4.10)	(8.95)
	Finance Costs	550.94	588.32
	Provision for Doubtful Debts	93.59	195.11
	Sundry Creditors Written Back	(19.11)	(81.20)
	Interest Income	(81.61)	(201.24)
	Operating Profit before Working Capital Changes	416.51	(187.32)
	Adjustments for :		
	Trade and Other Receivables	(1,802.02)	2,152.97
	Inventories	(432.66)	(63.49)
	Trade and Other Payables	1,958.37	823.75
	Cash Generated from/ (used in) Operations	140.20	2,725.91
	Direct Taxes Paid (Net of Refunds)	(129.10)	178.87
	Net Cash Flow from/ (used in) Operating Activities	11.10	2,904.78
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital Advance	(46.07)	(114.17)
	Interest Income	81.61	182.59
	Inter Corporate Deposit Given (Net)	804.04	(1,829.50)
	Investment in Equity of Subsidiary Companies	-	(10.00)
	Net Cash Flow from/ (used in) Investing Activities	839.58	(1,771.08)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Additions/ (Repayments) of Loans	(163.81)	(1,207.01)
	Finance Costs	(550.94)	(588.32)
	Net Cash Flow from/ (used in) Financing Activities	(714.75)	(1,795.33)
	Net Increase/ (Decrease) in Cash and Cash Equivalents	135.93	(661.63)
	Cash and Cash Equivalents at the beginning of the year	235.44	976.04
	Cash and Cash Equivalents transferred pursuant to Demerger (Refer Note No. 34.2)	-	(78.97)
	Cash and Cash Equivalents at the end of the year	371.37	235.44
	Net Increase/ (Decrease) in Cash and Cash Equivalents	135.93	(661.63)
	Cash and cash equivalents comprise		
	Balances with banks		
	On current accounts	258.94	134.08
	Margin money or under lien deposits	112.16	101.32
	Cash on hand	0.27	0.04
	Total cash and bank balances at the end of the year	371.37	235.44

The cash flows for the year ended March 31, 2015 are arrived at after giving effect to the transaction of Demerger of 'Air Charter Business' of the Company to TAAL Enterprises Limited w.e.f. October 1, 2014. (Refer Note No. 34)

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS) - 3 on Cash Flow Statement issued by the ICAI.
- Figures in bracket indicate Cash Outflow.

As per our report of even date attached

For and on behalf of the Board of Directors of
Taneja Aerospace and Aviation Limited
CIN: L62200TZ1988PLC014460

For MZSK & Associates

Chartered Accountants
Firm Registration No. 105047W

Salil Taneja
Chairman
DIN : 00328668

Abuali Darukhanawala

Partner
Membership No. 108053
Mumbai, May 30, 2016

Arif Ahmad
Chief Financial Officer

Chetan Nathani
Company Secretary

Pune, May 30, 2016

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

Company Background

Taneja Aerospace & Aviation Limited (TAAL) is a public limited company incorporated in India under the Companies Act, 1956. TAAL is engaged in the business of manufacture and sale of various parts and components to aviation industry, providing services related to Airfield & MRO and allied services.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The 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, except for certain fixed assets which are being carried at revalued amounts, 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 with those of previous year.

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 requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.3 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

1.4 Fixed Assets

- a) Fixed assets are stated at their original cost of acquisition or construction except in case of certain assets which have been revalued, at its revalued amount, less accumulated depreciation and impairment loss, if any. 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) Considering the nature of business activity, Runway has been treated as Plant and Equipment and depreciation has been provided accordingly.
- f) Assets received on amalgamation are recorded at its fair value.
- g) 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.

1.5 Depreciation

Depreciation is provided on Straight Line Method on Building, Plant and Equipment and Computer Hardware and on Written Down Value Method on all other assets, 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.

Taneja Aerospace and Aviation Limited

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

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

1.6 Impairment of Assets

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

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

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

1.7 Inventories

- a) Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.
- b) Stock of certain aero structures, components, work in progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.
- c) In determining the cost of raw materials, components, stores, spares and loose tools, the first in first out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- d) Cost of certain aero structures, work in progress and finished goods include material cost, labour costs and appropriate factory overheads.
- e) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.
- f) Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

1.8 Investments

- a) **Accounting treatment**
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 long-term investments.
- b) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term 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.
- c) **Classification in the financial statements**
Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

1.9 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.

1.10 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.

1.11 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) Revenue from long-term fixed price contracts to manufacture aero structures, spares, etc. is recognised under proportionate completion method and the stage of completion for this purpose is determined based on technical estimate of actual work completed.
- c) Rental Income from Hanger Utilisation is accounted based on agreement/ contract entered into with the third party on accrual basis.
- d) Charter Income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft. The revenue is recognised net of Service Tax.
- e) Training Fees received, being non-refundable, is accounted in the year of receipt.
- f) Revenue from long term fixed price contracts for supply of certain sets of components and assemblies is recognised on the basis of proportionate completion method and billed in terms of agreement with and certification by the customer. Cost of processing incurred on sets of components which are not billable is included in work in progress.
- g) 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.
- h) Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.

1.12 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.

1.13 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, 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.

1.14 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 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.

1.15 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.

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

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

Taneja Aerospace and Aviation Limited

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.

1.16 Provision for Taxation

Tax expense for the period comprises of Current Tax, Deferred Tax and Minimum Alternate Tax Credit.

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.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably to be realised.

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.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products 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 Company has considered business segments as the primary segments for disclosure. The business segments are 'Aviation' and 'Trading of Electrical Goods'. 'Charter Business' has been demerged w.e.f. October 1, 2014 being the appointed date of Scheme of Arrangement. The Company does not have any geographical segment.

1.18 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.

1.19 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.

1.20 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.

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

2 SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised Capital		
4,00,00,000 (Previous year 4,00,00,000) Equity Shares of Rs. 5/- each	2,000.00	2,000.00
10,00,000 (Previous year 10,00,000) 15% Redeemable Cumulative Preference Shares of Rs. 50/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Paid Up Capital		
2,49,30,736 (Previous year 2,49,30,736) Equity Shares of Rs. 5/- each fully paid up	<u>1,246.54</u>	<u>1,246.54</u>

2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs
Equity Shares at the beginning of the year	24,930,736	1,246.54	24,930,736	1,246.54
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	24,930,736	1,246.54	24,930,736	1,246.54

2.2 Details of shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% holding	No. of shares	% holding
Indian Seamless Enterprises Limited	10,964,620	43.98	10,964,620	43.98
Vishkul Leather Garments Private Limited	1,689,179	6.78	1,689,179	6.78

2.3 Terms/Rights attached to Equity Shares

The Company has only one class of equity share having par value of Rs. 5/- 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.

2.4 As at 31st March, 2016, the Company has 13,145 (Previous Year 15,000) Global Depository Receipt's (GDR's) outstanding for conversion into Equity Shares [equivalent to 26,290 (Previous Year 30,000) Equity Shares].

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

3 RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
Balance as at the beginning and as at the end of the year	5.83	5.83
Securities Premium Account		
Balance as at the beginning of the year	5,203.53	6,600.75
Less: Transferred pursuant to Scheme of Arrangement (Refer Note No. 34.4 & 34.5)	-	1,397.22
Balance as at the end of the year	5,203.53	5,203.53
General Reserve		
Balance as at the beginning and as at the end of the year	1,271.86	1,271.86
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,212.92	1,736.72
Less: Depreciation adjustment consequent to revision in useful lives (Refer Note No. 11)	-	46.89
Add: Net Profit/(Loss) for the year	(430.50)	(476.91)
Balance as at the end of the year	782.42	1,212.92
	<u>7,263.64</u>	<u>7,694.14</u>

4 LONG TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans:		
Term Loan from Banks	3,220.89	3,393.78
Less: Current Maturities (Refer Note No. 9)	604.22	491.73
	<u>2,616.67</u>	<u>2,902.05</u>

4.1 Maturity Profile of Secured Term Loans from Banks

(Rs. In Lakhs)

Particulars	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans from Banks	721.79	421.36	442.98	1030.54

4.2 Details of Securities and other terms:

The Term Loan from Bank outstanding as on 31st March, 2016 amounting to Rs. 15.09 Crores (including Current Maturities of Long Term Borrowings) is secured by a first charge on assignment of Hanger-1 rental/receivables from lessee and specific free hold lands to the extent of 36.93 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. Second Pari Passu Charge is created on other fixed assets (both movable and immovable) of the Company along with other consortium banks as collateral security.
The Term Loan from Bank outstanding as on 31st March, 2016 amounting to Rs. 17.12 Crores (including Current Maturities of Long Term Borrowings) is secured by a first charge on assignment of Hanger-2 rental/receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu as collateral security.

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Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

5 OTHER LONG TERM LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Deposit from Lessee	845.28	845.28
Deposit from Customers	4.25	3.75
	849.53	849.03

6 LONG TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits (Refer Note No. 32)		
Gratuity	118.88	88.93
Leave Encashment	43.03	42.80
	161.91	131.73

7 SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans:		
Working Capital Borrowing from Banks	841.22	832.14
	841.22	832.14
Unsecured Loans:		
Loans and Advances from Related Party (Refer Note No. 31)	-	228.97
	-	228.97
	841.22	1061.11

7.1 Details of Securities and other terms

Working Capital Loan from Banks is secured against hypothecation of Stocks and Book Debts on pari-passu basis and second charge on Fixed Assets including specific free hold lands to the extent of 26.87 acres and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu.

8 TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Micro, Small and Medium Enterprises *	-	-
Other Trade Payables	2,473.92	587.96
	2,473.92	587.96

* As informed to us by the Management, the Company owes no dues which are outstanding as at 31st March, 2016 and 31st March 2015 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.

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

9 OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Borrowings (Refer Note No. 4)	604.22	491.73
Advance from Customers	224.09	283.67
Statutory Liabilities *	112.47	100.80
Employee Related Liabilities #	150.45	130.51
Leave Encashment Payable	5.83	-
Expenses Payable	179.44	110.13
Other Liabilities	213.55	8.80
	1,490.05	1,125.64

* Includes payable towards TDS, Excise Duty, Service Tax, VAT and Employee Related Statutory Obligations.

Including Rs.76.47 Lakhs due to Whole Time Director's (Previous Year Rs. 39.93 Lakhs).

10 SHORT TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision For Audit Fees	3.35	8.32
Provision For Taxes [Net of Advance Tax Rs 27.69 lacs(PY Rs 24.22 lacs)]	27.04	50.88
Provision For Expenses #	38.43	33.76
	68.82	92.96

Includes Provisions related to Bonus, Purchases, Travelling Expenses, etc.

11 FIXED ASSETS

(Rs. In Lakhs)

Description	Gross Block				Depreciation/ Amortisation						Net Block		
	As at April 01, 2015	Additions	Transferred pursuant to Demerger (Refer Note No. 34.2)	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Transferred pursuant to Demerger (Refer Note No. 34.2)	Deductions	Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets:													
Freehold Land	6274.80	-	-	-	6274.80	-	-	-	-	-	-	6274.80	6274.80
Buildings	2389.45	7.00	-	-	2396.45	554.90	65.02	-	-	-	619.92	1776.53	1834.55
Plant and Equipment	6769.73	22.20	-	-	6791.93	2944.31	230.46	-	-	-	3174.77	3617.16	3825.42
Office Equipment	164.43	6.86	-	-	171.29	160.52	0.73	-	-	-	161.25	10.04	3.91
Furniture and Fixtures	70.54	1.56	-	-	72.10	66.59	1.01	-	-	-	67.60	4.50	3.95
Computer - Hardware	21.43	8.41	-	-	29.84	17.17	4.12	-	-	-	21.29	8.55	4.26
Vehicles	36.57	-	-	-	36.57	28.04	1.86	-	-	-	29.90	6.67	8.53
Total	15726.95	46.03	-	-	15772.98	3771.53	303.20	-	-	-	4074.73	11698.26	11955.42
Previous Year	15167.70	589.98	30.74	-	15726.95	3403.83	343.92	23.25	-	* 46.89	3771.53	11955.42	11763.87

* As per Schedule II of the Companies Act, 2013 written down value of Fixed Assets whose lives have expired as at 1st April 2014 amounting to Rs. 46.89 Lakhs have been adjusted against opening balance in Statement of Profit and Loss. (Refer Note No. 3)

Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Significant Accounting Policy on Depreciation. [Refer Note No. 1.5]

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

12 NON CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unquoted, at cost fully paid up		
Investment in Equity Shares		
A. Subsidiary Companies		
(i) First Airways Inc., USA *	-	-
Nil Shares (Previous Year Nil) of USD 1/- each		
(ii) TAAL Tech India Private Limited *	-	-
Nil Shares (Previous Year Nil) of Rs. 10/- each		
(iii) Katra Auto Engineering Private Limited	5.00	5.00
50,000 Shares (Previous Year 50,000) of Rs. 10/- each		
(iv) TAAL Enterprises Limited	-	-
Nil Shares (Previous Year Nil) of Rs. 10/- each		
	<u>5.00</u>	<u>5.00</u>
B. Associate Company		
(i) TAAL Aerosystems Private Limited **	-	0.75
Nil Shares (Previous Year 7,500) of Rs. 10/- each		
Less: Investment Written off	-	0.75
	<u>-</u>	<u>-</u>
	<u>5.00</u>	<u>5.00</u>

* Refer Note No. 34.1

** TAAL Aerosystems Private Limited had applied for Dissolution on March 30th, 2015 and accordingly dissolved effective from April 7th, 2015. Hence, the same has been written off.

13 LONG TERM LOANS AND ADVANCES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Capital Advance to Subsidiary (Refer Note No. 31)	646.05	646.00
MAT Credit Entitlement #	146.38	134.69
	<u>792.43</u>	<u>780.69</u>

In the opinion of the management, based on the projected future taxable profits, the outstanding MAT Credit Entitlement of Rs. 146.38 Lakhs as at March 31, 2016 will be utilized within the stipulated time period prescribed as per the provisions of Income Tax Act, 1961. However, in case of inadequate profit, difference will be charged to respective years Statement of Profit and Loss.

14 INVENTORIES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Material and Components	420.55	183.24
Work-In-Progress	499.11	303.75
	<u>919.66</u>	<u>486.99</u>

For mode of valuation of each class of inventories, Refer Note No.1.7

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

15 TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	620.16	281.51
(ii) Considered doubtful	291.68	198.09
	<u>911.84</u>	<u>479.60</u>
Less: Provision for doubtful debts	291.68	198.09
	<u>620.16</u>	<u>281.51</u>
Other unsecured debts (considered good)	1511.28	430.83
	<u>2,131.44</u>	<u>712.34</u>

16 CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balance with banks in current accounts	258.94	134.08
Margin money deposits with banks. (Less than 3 months maturity)	25.18	7.07
Cash on hand	0.27	0.04
Other bank balances		
Margin money deposits with banks (More than 3 months maturity)	86.98	94.25
	<u>371.37</u>	<u>235.44</u>

17 SHORT TERM LOANS AND ADVANCES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Advance Income Tax [Net of Provision Rs 99.83 lacs (PY Rs 90.69 lacs)]	570.52	465.26
Loans and Advances to Related Parties (Refer Note No. 31)	110.15	931.20
Advance to Suppliers	323.48	46.79
Prepaid Expenses	30.42	20.33
Sundry Deposits	58.72	34.16
Advance to Employees	0.85	17.52
	<u>1,094.14</u>	<u>1,515.26</u>

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Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

18 REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sales – Aviation		
Gross Domestic Sales	1,195.67	540.35
Less: Excise Duty	59.03	26.36
Net Domestic Sales	<u>1,136.64</u>	<u>513.99</u>
Export Sales	3,303.88	5.95
Services – Aviation		
Domestic Conversion Charges	135.87	480.83
Export Conversion Charges	-	7.63
Charter Income	-	416.19
Rental Services	1,255.06	1,040.70
Training & Other Services	39.85	52.62
	<u>5,871.30</u>	<u>2,517.91</u>

19 REVENUE FROM TRADING ACTIVITIES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Trading Goods	160.74	346.34
Sale Commission on Trading Goods	3.22	6.93
	<u>163.96</u>	<u>353.27</u>

20 OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income		
From ICD's	72.54	139.85
From Banks	9.07	12.01
From Others *	3.52	49.37
Miscellaneous Income #	116.61	18.07
Sundry Creditors Written Back	19.11	81.20
	<u>220.85</u>	<u>300.50</u>

* Includes Interest on Income Tax Refunds of Rs. 3.52 Lakhs (PY Rs. 47.66 Lakhs).

Includes Agriculture Income of Rs 6.80 Lakhs (Previous Year Rs. 12.41 Lakhs).

21 COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening Stock of Raw Material and Components	183.24	126.75
Add: Purchases during the year	3,887.66	468.99
Less: Closing Stock of Raw Material and Components	420.55	183.24
Consumption of Raw Material and Components	<u>3,650.35</u>	<u>412.50</u>

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

21.1 Value of Raw Materials and Components consumed during the Year

Particulars	Percentage (%)		Value (Rs. In Lakhs)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Imported *	87.13	25.44	3,180.60	104.92
Indigenous	12.87	74.56	469.74	307.58
	<u>100.00</u>	<u>100.00</u>	<u>3,650.35</u>	<u>412.50</u>

* The imported raw material and components are presumed to be consumed during the year of purchase.

21.2 CIF Value of Imports of Raw Material, Spares, etc. for the year Rs. 3180.60 Lakhs (Previous Year Rs. 104.92 Lakhs)

22 CHANGES IN INVENTORY OF WORK-IN-PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Closing Stock of Work-In-Progress	499.11	303.75
	<u>499.11</u>	<u>303.75</u>
Opening Stock of Work-In-Progress	303.75	296.75
	<u>303.75</u>	<u>296.75</u>
(Increase) / Decrease in Inventory	<u>(195.36)</u>	<u>(7.00)</u>

23 OPERATIONAL AND OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Charter Expenses:		
Aircraft Fuel Charges	-	89.07
Aircraft Lease Rent	-	176.37
Aircraft Repairs and Maintenance	-	23.96
Rent - Flight Parking & Equipment	-	14.53
Other Aircraft Operating Expenses	-	59.07
Power & Fuel Expenses	91.15	104.68
Repairs and Maintenance Plant and Equipment	20.43	31.87
Repairs and Maintenance Building	8.15	3.95
Repairs and Maintenance Others	22.72	9.49
Selling Expenses	123.49	65.12
Rent	10.90	42.70
Rates & Taxes	55.59	55.98
Insurance	10.25	19.97
Traveling & Conveyance	86.69	140.54
Vendor Charges	152.92	118.54
Provision for Doubtful Debts	93.59	195.11
Other Administrative Expenses *	92.27	81.14
Legal, Professional & Consultancy Charges	129.75	139.57
Exchange Fluctuation Loss/ (Gain) [Net]	4.32	0.97
(Other than considered as Finance Cost)		
Auditors Remuneration #	7.96	6.11
Manager's Remuneration	83.25	65.62
	<u>993.43</u>	<u>1,444.36</u>

* Includes Printing & Stationery Expenses, Security Charges, Agriculture Expenses, Communication Expenses, Sitting Fees & Miscellaneous Expenses.

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Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

(Rs. In Lakhs)

# Auditors Remuneration :	Year ended March 31, 2016	Year ended March 31, 2015
Audit Fees	3.00	3.25
Tax Audit Fees	0.25	1.00
Fees for Other Services	3.00	1.50
Out of Pocket Expenses/Travelling	1.71	0.36
	7.96	6.11

24 EMPLOYEE BENEFITS EXPENSE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and Wages	946.29	818.04
Contribution to Provident and Other Funds (Refer Note No. 32)	113.22	73.77
Staff Welfare Expenses	76.95	74.38
	1,136.46	966.19

25 FINANCE COSTS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expenses:		
Working Capital Loan	130.19	154.57
Term Loans	420.76	387.36
Inter Corporate Deposits (Refer Note No. 31)	-	46.38
Other Finance Costs #	82.74	100.34
	633.69	688.65

Includes Interest on Delayed Payment of Statutory Liabilities amounting to Rs. 28.10 Lakhs (Previous Year Rs. 34.86 Lakhs).

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

26 A) Contingent Liabilities (to the extent not provided for) (Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts:		
(i) Custom Duty	622.67	622.67
(ii) Service Tax	204.61	441.37
(iii) Excise Duty	161.47	161.47
(iv) Sales Tax	44.00	55.00

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

B) Capital and Other Commitments (to the extent not provided for) (Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital Commitment towards the new project	-	-
(b) Letters of Credit	71.85	291.61
(c) Bank Guarantees	1,202.50	1,198.71
(d) Indemnity issued to customers	627.00	229.80
(e) EPCG Export sales obligation to be fulfilled	-	681.70
(f) Guarantee given to bank on behalf of others *	1,087.68	760.00

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

27 Earnings Per Equity Share (Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Loss after tax available for Equity Shareholders	(430.50)	(476.91)
Weighted Average number of Equity Shares of nominal value of Rs. 5/- each	24,930,376	24,930,376
Computation of EPS - Basic* (in Rs.)	(1.73)	(1.91)

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

28 Earnings in Foreign Currency (On Accrual Basis) (Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Export of Goods	-	5.95
Export of Services	-	7.63
Other Receipts	-	2.34
Total	-	15.92

29 Expenditure in Foreign Currency (On Accrual Basis) (Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Parts and Components	3,174.89	108.58
Travelling Expenses	0.84	2.08
Aircraft Lease Rent	-	176.37
Subscription Fees	-	4.26
Other	4.14	10.53
Total	3,179.87	301.82

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

30 Disclosure as required by Regulation 34(3) of the Listing Agreement

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

(Rs. In Lakhs)					
Name of the Company	Holding	Nature of Transaction	Max. Balance during the Period	Balance as at March 31, 2016	Balance as at March 31, 2015
<u>Subsidiary Company</u>					
Katra Auto Engineering Private Limited	100%	Investment	5.00	5.00	5.00
Katra Auto Engineering Private Limited * #	100%	Advance Receivable	646.05	646.05	646.00
<u>Associate Companies</u>					
ISMT Limited *	-	Advance Receivable - ICD	242.37	100.00	150.00
ISMT Limited	-	Advance Receivable - Current A/c	92.37	10.15	92.37
LightO Technologies Private Limited *	-	Advance Receivable - ICD	688.84	-	688.84
LightO Technologies Private Limited	-	Advance Receivable - Current A/c	44.89	-	(8.80)
TAAL Enterprises Limited	-	Amount Payable towards Current A/c	285.57	211.01	228.97
TAAL Tech India Private Limited	-	Amount Payable towards Current A/c	2.54	2.54	-

* These loans and advances fall under the category of loans and advances in the nature of loans where there is no repayment schedule and are repayable on demand.

This loan is interest free and was given to the subsidiary for purchase of land.

b) Investment by the loanee in the shares of the parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan:

Investment held by LightO Technologies Private Limited in Taneja Aerospace and Aviation Limited - 45,717 equity shares (Previous Year 45,717 equity shares).

31 Disclosure in respect of Related Parties pursuant to Accounting Standard 18

Relationship	Name of the Related Party
a. Subsidiary Company	Katra Auto Engineering Private Limited
b. Associate Companies	ISMT Limited LightO Technologies Private Limited Indian Seamless Enterprises Limited TAAL Enterprises Limited TAAL Tech India Private Limited First Airways Inc
c. Key Management Personnel	Mr. Salil Taneja (Whole Time Director)

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

Transactions/ Balances with Related Parties:	(Rs. In Lakhs)		
Particulars	Subsidiary	Associates	Key Management Personnel
Investment in Equity shares made during the year	-	-	-
	(5.00)	(-)	(-)
Inter-Corporate Deposit Received during the year	-	831.20	-
	(-)	(2,216.81)	(-)
Inter-Corporate Deposit Given during the year	0.05	-	-
	(0.50)	(1,410.15)	(-)
Sale of Trading Goods	-	160.74	-
	(-)	(346.34)	(-)
Sale Commission on Trading Goods	-	3.22	-
	(-)	(6.93)	(-)
Sale of Goods	-	-	-
	(-)	(42.53)	(-)
Directors' Sitting Fees	-	-	0.10
	(-)	(-)	(0.40)
Rent Paid	-	2.37	-
	(-)	(3.69)	(-)
Interest Paid	-	-	-
	(-)	(46.38)	(-)
Interest Income	-	72.54	-
	(-)	(70.12)	(-)
Managerial Remuneration #	-	-	95.40
	(-)	(-)	(65.62)
Guarantee given to bank on behalf of others	-	1,087.68	-
	(-)	(760.00)	(-)
Balance Payable as at year end	-	* 524.85	76.47
	(-)	* (228.97)	(32.05)
Balance Receivable as at year end	646.05	596.28	-
	(646.00)	(1,246.09)	(-)

(Figures in brackets relate to previous year)

* Includes Rs. 211.01 Lakhs (Previous Year Rs. 228.97 Lakhs) payable by the Company (TAAL) to its Associate Company 'TAAL Enterprises Limited' (TEL) on account of the Charter Business, which is still being carried on by TAAL on behalf of TEL, as the Aircraft License is yet to be transferred in the name of TEL (Refer Note No. 34.6).

Excludes contribution to Gratuity Fund and Provision for Leave Encashment as separate figures are not ascertainable for the Managerial Personnel. Further, the Company has not paid any commission to the Managerial Personnel.

Note: No amounts pertaining to related parties have been provided for as doubtful debts. Also, no amounts have been written off or written back during the year.

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

32 The Accounting Standard 15 (Revised 2005) on “Employee Benefits” has been adopted by the Company effective from April 1, 2007.

a. Defined Contribution Plan :

The Company has recognised the following amount as an expense and included under the head “ Personnel Cost”:

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Employer's Contribution to Provident Fund, Family Pension Fund and Other Funds	64.58	45.33

b. Defined Benefit Plan as per Actuarial Valuation:

I. Changes in present value of Defined Benefit Obligations:

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Gratuity (Funded)		
Present Value of Obligations as at 1st April, 2015 (1st April, 2014)	88.93	81.81
Current Service Cost	11.67	8.93
Interest Cost	7.22	6.83
Past Service Cost	-	-
Actuarial (Gain)/Loss	14.87	12.68
Benefits Paid	(2.17)	(15.22)
Present Value of Obligations as at 31st March, 2016 (31st March, 2015)	120.52	95.03
Leave Encashment (Non Funded)		
Present Value of Obligations as at 1st April, 2015 (1st April, 2014)	42.80	34.46
Current Service Cost	12.35	6.69
Interest Cost	3.67	2.93
Past Service Cost	-	-
Actuarial (Gain)/Loss	(6.81)	7.01
Benefits Paid	(3.13)	(5.32)
Present Value of Obligations as at 31st March, 2016 (31st March, 2015)	48.88	45.77

Note: The above disclosure of Gratuity and Leave Encashment for the year ended 31st March, 2015 includes the details of ‘Air Charter Business’ of the Company which was demerged as on the appointed date as per the Scheme of Arrangement (Refer Note No. 34).

II. Changes in fair value of plan assets: The Company has not made any direct investment in plan assets.

III. Amounts recognized in the Balance Sheet in respect of:

Particulars	(Rs. In Lakhs)			
	Gratuity (Funded)		Leave Encashment (Non Funded)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Present Value of Obligation as at 31st March, 2016 (31st March, 2015)	120.52	95.03	48.88	45.77
Less: Funded with LIC	1.64	4.36	-	-
Net Liability	118.88	90.67	48.88	45.77

IV. Expenses recognised in the Statement of Profit & Loss (under the head “Personnel Cost”):

Particulars	(Rs. In Lakhs)			
	Gratuity (Funded)		Leave Encashment (Non Funded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Current Service Cost	11.67	8.93	12.35	6.69
Interest Cost	7.22	6.83	3.67	2.93
Past Service Cost	-	-	-	-
Actuarial (Gain)/ Loss	14.87	12.68	(6.81)	7.01
Expenses recognised in the Statement of Profit and Loss	33.76	28.44	9.21	16.63

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

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

Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Discount Rate	7.90%-8.10%	7.80%	7.90%-8.10%	7.80%
Expected Rate of Return on Plan Assets	8.35%	-	-	-
Salary Escalation Rate	7%-10%	5%-10%	7%-10%	5%-10%

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.

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

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

(Rs. In Lakhs)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	INR	Foreign Currency	INR
Trade Payable				
USD	28.41	1,884.56	-	-
	<u>28.41</u>	<u>1884.56</u>	<u>-</u>	<u>-</u>
Advance From Associate				
USD	4.69	311.30	-	-
	<u>4.69</u>	<u>311.30</u>	<u>-</u>	<u>-</u>
Trade Receivable				
USD	-	-	0.12	7.63
	<u>-</u>	<u>-</u>	<u>0.12</u>	<u>7.63</u>

34.1 The shareholders of the Company at their meeting (convened on the directions of the Hon'ble High Court of Madras) held on April 15, 2015 approved the Scheme of Arrangement ("Scheme") under section 391 to 394 of the Companies Act, 1956 between Taneja Aerospace and Aviation Limited ('TAAL') and its wholly owned subsidiary TAAL Enterprises Limited ('TEL'), where the Air Charter Business including investment in First Airways Inc, USA (Wholly Owned Subsidiary) and Engineering Design Services Business conducted through TAAL Tech India Private Limited (Subsidiary) would be demerged into TEL w.e.f. October 1, 2014 being the appointed date.

Subsequently, the said Scheme was sanctioned by the Hon'ble High Court of Judicature at Madras vide its Order dated June 22, 2015 (certified copy of which was received on July 23, 2015). The certified copy of the said Order has been filed with the Registrar of Companies, Coimbatore on August 21, 2015 and as such the scheme has become effective from that date.

34.2 Pursuant to the Scheme, the said transfer has been affected at the values appearing in the books of the Company as at 30th September, 2014 and recorded as such in the books of account of the transferee Company. The book value of such assets and liabilities as on that date are detailed out below:

Assets Transferred	Amount in Rs.
Non Current Assets	
(a) Fixed Assets	748,602
(b) Non Current Investments	56,249,320
Current Assets	
(a) Cash and Bank Balances	7,897,165
(b) Short Term Loans and Advances	90,322,414
Total Assets	155,217,501

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

Liabilities Transferred	Amount in Rs.
Current Liabilities	
(a) Trade Payables	329,037
(b) Other Current Liabilities	15,666,158
Total Liabilities	15,995,195
Net Assets Transferred	139,222,306

34.3 Further in terms of the Scheme, as on record date, shareholders of the Company holding 8 (Eight) Equity Shares of nominal value of Rs. 5/- each fully paid have received 1 (One) Equity Share of nominal value of Rs. 10/- each credited as fully paid in TAAL Enterprises Limited.

34.4 As stipulated in the Scheme, excess of net assets so transferred, amounting to Rs. 139,222,306 has been adjusted against Security Premium Account in the financial statements.

34.5 Pursuant to the Scheme, Investment of the Company in Equity Shares of 'TAAL Enterprises Limited' (TEL) amounting to Rs. 500,000 was cancelled simultaneously upon allotment of shares by TEL to the shareholders of Taneja Aerospace and Aviation Limited (TAAL) and this amount was adjusted against Security Premium Account of TAAL.

34.6 As per Clause 9.2 of the Scheme of Arrangement, 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.

35 In accordance with Accounting Standard 24, "Discontinuing Operations", the financial results of the Air Charter Business (discontinuing operations) is as under:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(Rs. In Lakhs)		
a) Statement of Profit and Loss		
Revenue from Operations	-	416.19
Other Income	-	-
Total Revenue	-	416.19
Cost of Materials Consumed	-	8.34
Employee Benefits Expense	-	44.76
Finance Costs	-	8.10
Depreciation & Amortisation Expense	-	2.64
Operational and Other Expenses	-	370.22
Total Expenses	-	434.06
(Loss) / Profit from Discontinuing Operations before Tax	-	(17.87)
Less : - Tax Expenses	-	-
Net (Loss) / Profit from Discontinuing Operations after Tax	-	(17.87)
b) Carrying amount of Assets and Liabilities		
Carrying amount of assets as at the balance sheet date relating to discontinuing business to be disposed off	-	-
Carrying amount of liabilities as at the balance sheet date relating to discontinuing business to be settled	-	-
c) Net Cash Flow Attributable to the 'Discontinuing Operations'		
Cash Flow from Operating Activities	-	(58.46)
Cash Flow from Investing Activities	-	-
Cash Flow from Financing Activities	-	59.15
Net Cash Inflow / (Outflow)	-	0.69

Taneja Aerospace and Aviation Limited

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

36 Segment Reporting

(Rs. In Lakhs)

Particulars	Aviation	Charter Business	Trading of Electrical Goods	Total 2015-16	Aviation	Charter Business	Trading of Electrical Goods	Total 2014-15
a. Segment Revenue								
Segmental Revenue from :								
External Sales and Services	5,871.30	-	163.96	6,035.26	2,101.72	416.19	353.27	2,871.18
Unallocable Revenue	-	-	-	220.85	-	-	-	300.50
Total Revenue	5,871.30	-	163.96	6,256.11	2,101.72	416.19	353.27	3,171.68
b. Segment Result								
Operating Profit/(Loss)	(16.78)	-	3.22	(13.56)	(632.28)	(9.77)	6.93	(635.13)
Add: Unallocable Revenue	-	-	-	220.85	-	-	-	300.50
Less: Finance Costs	-	-	-	633.69	-	8.10	-	688.65
Less: Extraordinary Items	-	-	-	4.10	-	-	-	9.70
Profit/ (Loss) before Tax	(16.78)	-	3.22	(430.50)	(632.28)	(17.87)	6.93	(1,032.98)
Less: Tax (Benefit)/ Expense	-	-	-	-	-	-	-	(556.07)
Loss for the Year	(16.78)	-	3.22	(430.50)	(632.28)	(17.87)	6.93	(476.91)
c. Other Information								
Segment Assets	15,622.93	-	445.15	16,068.08	13,788.59	-	265.10	14,053.69
Unallocable Assets	-	-	-	944.22	-	-	-	1,637.47
Total Assets	15,622.93	-	445.15	17,012.30	13,788.59	0.00	265.10	15,691.16
Segment Liabilities	4,191.62	-	10.33	4,201.95	1,959.40	-	276.51	2,235.91
Unallocable Liabilities	-	-	-	4,300.17	-	-	-	4,514.57
Total Liabilities	4,191.62	-	10.33	8,502.12	1,959.40	0.00	276.51	6,750.48
Capital Employed	-	-	-	8,510.18	-	-	-	8,940.68
d. Cost Incurred for Acquiring								
Assets	46.03	-	-	46.03	589.98	-	-	589.98
Segment Depreciation	303.20	-	-	303.20	341.28	2.64	-	343.92

As per Accounting Standard 17, the Company has two segments viz "Aviation and Trading of Electrical Goods". Charter Business has been demerged w.e.f. October 1, 2014 being the appointed date of the Scheme of Arrangement (Refer Note No. 34.1).

- (i) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to Enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.
- (ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective Segments. Investments, Tax Related Assets and Other Assets and Liabilities which cannot be allocated to a segment on a reasonable basis have been included under Unallocable Assets and Liabilities.

37 The Company considers its investment in and loan to subsidiary as strategic and long term in nature and accordingly, in the view of the management, any decline in the value of such long term investment in subsidiary is considered as temporary in nature and hence no provision for diminution in value is considered necessary.

38 Deferred tax calculation results into working of deferred tax assets as at 31st March, 2016 as well as at 31st March 2015. However as a matter of prudence, the Company has not recognised deferred tax asset.

Notes to Financial Statements for the year ended March 31, 2016 (Contd.)

- 39 Current Assets and Loans and Advances are of the value stated if realised in the ordinary course of business.
- 40 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.
- 41 Current year figures are for 12 months ended 31st March 2016 in respect of residual undertaking remaining after demerger whereas previous year figures include the results of entire undertaking from start of Financial Year (i.e 1st April 2014) to period prior to appointed date of demerger (i.e upto 30th September 2014). Since the Statement of Profit and Loss and the Cash Flow Statement of the previous year include the Results and Cash Flows of Air Charter Business upto 30th September, 2014, the current year figures are not comparable with the previous year figures.

As per our report of even date attached

For MZSK & Associates

Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala

Partner
Membership No. 108053
Mumbai, May 30, 2016

For and on behalf of the Board of Directors of
Taneja Aerospace and Aviation Limited
CIN: L62200TZ1988PLC014460

Salil Taneja

Chairman
DIN : 00328668

Arif Ahmad

Chief Financial Officer

Chetan Nathani

Company Secretary

Pune, May 30, 2016

Taneja Aerospace and Aviation Limited

Independent Auditor's Report

To the Members of Taneja Aerospace and Aviation Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Taneja Aerospace and Aviation Limited (hereinafter referred to as "the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st 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 state of affairs of the Group as at 31st 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 the following matters in the Notes to the consolidated financial statements:

We draw attention to Note no:12 to the standalone financial statements which states that the Company has an outstanding MAT Credit Entitlement of Rs. 146.38 Lakhs as on March 31, 2016 (Previous Year Rs. 134.69 Lakhs). Based on future projections, the management is of the view that the MAT Credit Entitlement will be utilized within the time limit prescribed as per the provisions of Income Tax Act, 1961. However, we are unable to comment on the above projections and the recoverability thereon.

Our opinion is not qualified in respect of this matter.

This matter was also emphasised in the report of the predecessor auditors on the consolidated financial statements for the year ended 31st March, 2015.

Other Matters

We did not audit the financial statement of one subsidiary whose financial statement reflect total assets of Rs. 649.27 Lakhs as at 31st March, 2016 and total revenues of Rs. Nil and net cash flows

amounting to Rs. (0.13) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports 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.

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

The consolidated financial statements of the Group for the year ended 31st March, 2015, were audited by another auditor. They had qualified their report dated August 14, 2015 with respect to:

- a. Certain advertisement and travelling expenses being reimbursement to a group company for which no evidence/supporting is provided;
- b. Recoverability of the inter corporate deposit and trade receivable from LightO Technologies Private Limited (a related party);
- c. Impact of the Scheme of Arrangement between the Company and TAAL Enterprises Limited on the standalone financial statements as the impact of the same was not provided in the financial statements even though the appointed date of the Scheme was from October 1, 2014; and
- d. Need to strengthen policies, procedures and overall controls over recoverability of debtors, valuation of work in progress and accounting for direct and indirect taxes including statutory compliances.

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) 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 of the Holding Company as on 31st 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 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 25 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 companies incorporated in India.

For MZSK & Associates

Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala

Partner
Membership No. 108053

Place: Mumbai
Date: May 30, 2016

Taneja Aerospace and Aviation Limited

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION 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 Taneja Aerospace and Aviation Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Taneja Aerospace and Aviation Limited ("the Company") (hereinafter referred to as "the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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.

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

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

Opinion

In our opinion, the Subsidiary company which is a company 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the

adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in 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 consolidated financial statements of the Company, and its subsidiary which comprise the Consolidated Balance Sheet as at March 31, 2016, and the related Consolidated Statement of Profit and Loss and Consolidated 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 consolidated financial statements of the Company and its subsidiary and this report does not affect our report dated May 30, 2016, which expressed an unqualified opinion on those financial statements.

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

Abuali Darukhanawala
Partner
Membership No. 108053

Place: Mumbai
Date: May 30, 2016

Taneja Aerospace and Aviation Limited

Consolidated Balance Sheet as at March 31, 2016

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,246.54	1,246.54
Reserves and Surplus	3	7,262.63	7,693.34
		8,509.17	8,939.88
Non-Current Liabilities			
Long-Term Borrowings	4	2,616.67	2,902.05
Other Long-Term Liabilities	5	849.53	849.03
Long-Term Provisions	6	161.91	131.73
		3,628.11	3,882.81
Current Liabilities			
Short-Term Borrowings	7	841.22	1,061.11
Trade Payables	8		
Micro, Small and Medium Enterprises		-	-
Other Trade Payables		2,473.92	587.96
Other Current Liabilities	9	1,490.20	1,125.77
Short-Term Provisions	10	68.82	92.96
		4,874.16	2,867.80
Total		17,011.44	15,690.49
ASSETS			
Non-Current Assets			
Goodwill on Consolidation		0.78	0.78
Fixed Assets	11		
Tangible Assets		12,347.61	12,604.79
		12,348.39	12,605.57
Long-Term Loans and Advances	12	146.38	134.69
Current Assets			
Inventories	13	919.66	486.99
Trade Receivables	14	2,131.44	712.34
Cash and Bank Balances	15	371.43	235.63
Short-Term Loans and Advances	16	1,094.14	1,515.27
		4,516.67	2,950.23
Total		17,011.44	15,690.49
Significant Accounting Policies	1		
Notes are an Integral part of the Consolidated Financial Statements	2 - 39		

As per our report of even date attached

For MZSK & Associates

Chartered Accountants

Firm Registration No. 105047W

Abuali Darukhanawala

Partner

Membership No. 108053

Mumbai, May 30, 2016

For and on behalf of the Board of Directors of

Taneja Aerospace and Aviation Limited

CIN: L62200TZ1988PLC014460

Salil Taneja

Chairman

DIN : 00328668

Arif Ahmad

Chief Financial Officer

Chetan Nathani

Company Secretary

Pune, May 30, 2016

Annual Report 2015-16

Statement of Consolidated Profit and Loss for the year ended March 31, 2016 (Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from Operations (Net)	17	5,871.30	2,517.91
Revenue from Trading Activities	18	163.96	353.27
Other Income	19	220.85	300.50
Total Revenue		6,256.11	3,171.68
EXPENSES			
Cost of Materials Consumed	20	3,650.35	412.50
Purchase of Trading Goods		160.74	346.34
Changes in Inventory of Work-In-Progress	21	(195.36)	(7.00)
Operational and Other Expenses	22	993.62	1,445.16
Employee Benefits Expense	23	1,136.47	966.19
Finance Costs	24	633.70	688.65
Depreciation & Amortisation Expense	11	303.20	343.92
Total Expenses		6,682.72	4,195.76
Loss before Extraordinary Items and Tax		(426.61)	(1,024.08)
Less: Prior Period Items		4.10	8.95
Less: Permanent Diminution in Investment in Associate		-	0.75
Loss before Tax		(430.71)	(1,033.78)
Tax Expense:			
Current Tax		-	-
Short Provision of MAT for A. Y. 2008-09		11.69	-
MAT Credit Entitlement		(11.69)	-
Deferred Tax Charge/ (Benefit)		-	(564.38)
FBT for Earlier Year		-	0.42
Short Tax Provision for Earlier Years		-	7.89
Total Tax (Benefit)/ Expense		-	(556.07)
Loss for the Year		(430.71)	(477.71)
Profit/(Loss) from continuing operations before tax		(430.71)	(1,015.90)
Tax Expense		-	(556.07)
Profit/(Loss) from continuing operations after tax		(430.71)	(459.83)
Profit/(Loss) from discontinuing operations before tax	33	-	(17.87)
Tax Expense	33	-	-
Profit/(Loss) from discontinuing operations after tax		-	(17.87)
Earnings per equity share (In Rs.) - Basic and Diluted (Face value of Rs. 5/- each)	26	(1.73)	(1.92)
Significant Accounting Policies	1		
Notes are an Integral part of the Consolidated Financial Statements	2 - 39		

As per our report of even date attached

For MZSK & Associates

Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala

Partner
Membership No. 108053
Mumbai, May 30, 2016

For and on behalf of the Board of Directors of
Taneja Aerospace and Aviation Limited
CIN: L62200TZ1988PLC014460

Salil Taneja

Chairman
DIN : 00328668

Arif Ahmad

Chief Financial Officer

Chetan Nathani

Company Secretary

Pune, May 30, 2016

Taneja Aerospace and Aviation Limited

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

(Rs. in Lakhs)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Loss before extraordinary items and tax	(426.61)	(1,024.08)
	Adjustments for :		
	Depreciation & Amortisation Expense	303.20	343.92
	Prior Period Items	(4.10)	(8.95)
	Finance Costs	550.94	588.32
	Provision for Doubtful Debts	93.59	195.11
	Sundry Creditors Written Back	(19.11)	(81.20)
	Interest Income	(81.61)	(201.24)
	Operating Profit before Working Capital Changes	416.30	(188.12)
	Adjustments for :		
	Trade and Other Receivables	(1,802.04)	2,152.97
	Inventories	(432.66)	(63.49)
	Trade and Other Payables	1,958.43	823.76
	Cash Generated from/ (used in) Operations	140.03	2,725.12
	Direct Taxes Paid (Net of Refunds)	(129.10)	178.87
	Net Cash Flow from/ (used in) Operating Activities	10.93	2,903.99
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital Advance	(46.04)	(113.67)
	Interest Income	81.61	182.59
	Inter Corporate Deposit Given (Net)	804.05	(1,829.50)
	Investment in Equity of Subsidiary Companies	-	(10.00)
	Net Cash Flow from/ (used in) Investing Activities	839.62	(1,770.58)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Additions/ (Repayments) of Loans	(163.81)	(1,207.01)
	Finance Costs	(550.94)	(588.32)
	Net Cash Flow from/ (used in) Financing Activities	(714.75)	(1,795.33)
	Net Increase/ (Decrease) in Cash and Cash Equivalents	135.80	(661.92)
	Cash and Cash Equivalents at the beginning of the year	235.63	976.52
	Cash and Cash Equivalents transferred pursuant to Demerger (Refer Note No. 32.2)	-	(78.97)
	Cash and Cash Equivalents at the end of the year	371.43	235.63
	Net Increase/ (Decrease) in Cash and Cash Equivalents	135.80	(661.92)
	Cash and cash equivalents comprise		
	Balances with banks		
	On current accounts	259.00	134.27
	Margin money or under lien deposits	112.16	101.32
	Cash on hand	0.27	0.04
	Total cash and bank balances at the end of the year	371.43	235.63

The cash flows for the year ended March 31, 2015 are arrived at after giving effect to the transaction of Demerger of 'Air Charter Business' of the Parent Company to TAAL Enterprises Limited w.e.f. October 1, 2014. (Refer Note No. 32)

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS) - 3 on Cash Flow Statement issued by the ICAI.
- Figures in bracket indicate Cash Outflow.

As per our report of even date attached

For MZSK & Associates

Chartered Accountants

Firm Registration No. 105047W

Abuali Darukhanawala

Partner

Membership No. 108053

Mumbai, May 30, 2016

For and on behalf of the Board of Directors of

Taneja Aerospace and Aviation Limited

CIN: L62200TZ1988PLC014460

Salil Taneja

Chairman

DIN : 00328668

Arif Ahmad

Chief Financial Officer

Pune, May 30, 2016

Chetan Nathani

Company Secretary

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 Taneja Aerospace and Aviation Limited “the Company” and its subsidiary (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, except for certain fixed assets which are being carried at revalued amounts, 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 company 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 company 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) 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.
- c) 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.
- d) The following subsidiary company has 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	Katra Auto Engineering Private Limited	Direct Subsidiary	India	100%	Apr15-Mar16	Audited

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 defer 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

An operating cycle is the time between the acquisition of assets or inventories for processing and their realisation in cash or cash equivalents. Based on the nature of their products/services, all the Group Companies have 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) Fixed assets are stated at their original cost of acquisition or construction except in case of certain assets which have been revalued, at its revalued amount, less accumulated depreciation and impairment loss, if any. 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.

Taneja Aerospace and Aviation Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2016 (Contd.)

- 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) Considering the nature of business activity, Runway has been treated as Plant and Equipment and depreciation has been provided accordingly.
- f) Assets received on amalgamation are recorded at its fair value.
- g) 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.

1.6 Depreciation

Depreciation is provided on Straight Line Method on Building, Plant and Equipment and Computer Hardware and on Written Down Value Method on all other assets, 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. Based on the technical evaluation which considered the nature and usage of the assets, the operating conditions of the assets, anticipated technological changes and maintenance support etc., useful life of the following asset class is estimated to be higher than that prescribed in the said Act:

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

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.

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

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

1.8 Inventories

- a) Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.
- b) Stock of certain aero structures, components, work in progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.
- c) In determining the cost of raw materials, components, stores, spares and loose tools, the first in first out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. d) Cost of certain aero structures, work in progress and finished goods include material cost, labour costs and appropriate factory overheads.
- e) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.
- f) Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty

Notes to Consolidated Financial Statements for the year ended March 31, 2016 (Contd.)

payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

1.9 Investments

a) Accounting treatment

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 long-term investments.

- b) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term 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.

c) Classification in the financial statements

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

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) Revenue from long-term fixed price contracts to manufacture aero structures, spares, etc. is recognised under proportionate completion method and the stage of completion for this purpose is determined based on technical estimate of actual work completed.
- c) Rental Income from Hanger Utilisation is accounted based on agreement/ contract entered into with the third party on accrual basis.
- d) Charter Income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft. The revenue is recognised net of Service Tax.
- e) Training Fees received, being non-refundable, is accounted in the year of receipt.
- f) Revenue from long term fixed price contracts for supply of certain sets of components and assemblies is recognised on the basis of proportionate completion method and billed in terms of agreement with and certification by the customer. Cost of processing incurred on sets of components which are not billable is included in work in progress.
- g) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The

Taneja Aerospace and Aviation Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2016 (Contd.)

amounts recognised as sale is exclusive of Sales Tax/VAT and are net of returns.

- h) 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, 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.

1.16 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 Parent Company 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 Company 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 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.

1.18 Provision for Taxation

Tax expense for the period comprises of Current Tax, Deferred Tax and Minimum Alternate Tax Credit. 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. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2016 (Contd.)

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 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 products and services provided, with each segment representing a strategic business unit that offers different products 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 'Aviation' and 'Trading of Electrical Goods'. 'Charter Business' has been demerged w.e.f. October 1, 2014 being the appointed date of Scheme of Arrangement. The Group does not have any geographical segment.

1.20 Contingencies and Events Occurring after the Date of Balance Sheet

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

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

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

2 SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at	
	March 31, 2016	March 31, 2015
Authorised Capital		
4,00,00,000 (Previous year 4,00,00,000) Equity Shares of Rs. 5/- each	2,000.00	2,000.00
10,00,000 (Previous year 10,00,000) 15% Redeemable Cumulative Preference Shares of Rs. 50/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Paid Up Capital		
2,49,30,736 (Previous year 2,49,30,736) Equity Shares of Rs. 5/- each fully paid up	<u>1,246.54</u>	<u>1,246.54</u>

2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at		As at	
	March 31, 2016		March 31, 2015	
	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs
Equity Shares at the beginning of the year	24,930,736	1,246.54	24,930,736	1,246.54
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<u>24,930,736</u>	<u>1,246.54</u>	<u>24,930,736</u>	<u>1,246.54</u>

2.2 Details of shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholders	As at		As at	
	March 31, 2016		March 31, 2015	
	No. of shares	% holding	No. of shares	% holding
Indian Seamless Enterprises Limited	10,964,620	43.98	10,964,620	43.98
Vishkul Leather Garments Private Limited	1,689,179	6.78	1,689,179	6.78

2.3 Terms/Rights attached to Equity Shares

The Parent Company has only one class of equity share having par value of Rs. 5/- 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.

2.4 As at 31st March, 2016, the Parent Company has 13,145 (Previous Year 15,000) Global Depository Receipt's (GDR's) outstanding for conversion into Equity Shares [equivalent to 26,290 (Previous Year 30,000) Equity Shares].

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

3 RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
Balance as at the beginning of the year	5.83	5.80
Add: Reversal of Goodwill created on Acquisition of Associate	-	0.03
Balance as at the end of the year	5.83	5.83
Securities Premium Account		
Balance as at the beginning of the year	5,203.53	6,600.75
Less: Transferred pursuant to Scheme of Arrangement (Refer Note No. 32.4 & 32.5)	-	1,397.22
Balance as at the end of the year	5,203.53	5,203.53
General Reserve		
Balance as at the beginning and as at the end of the year	1,271.86	1,271.86
Add: Transfer from Profit and Loss Account	-	-
Balance as at the end of the year	1,271.86	1,271.86
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,212.12	1,431.37
Less: Depreciation adjustment consequent to revision in useful lives [Refer Note No. 11]	-	46.89
Add: Net Profit/ (Loss) for the year	(430.71)	(477.71)
Less: Transfer pursuant to the scheme of demerger (Refer Note No. 32)	-	(305.35)
Balance as at the end of the year	781.41	1,212.12
	7,262.63	7,693.34

4 LONG TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans:		
Term Loan from Banks	3,220.89	3,393.78
Less: Current Maturities (Refer Note No. 9)	604.22	491.73
	2,616.67	2,902.05

4.1 Maturity Profile of Secured Term Loans from Banks

(Rs. In Lakhs)

Particulars	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans from Banks	721.79	421.36	442.98	1030.54

4.2 Details of Securities and other terms:

<p>The Term Loan from Bank outstanding as on 31st March, 2016 amounting to Rs. 15.09 Crores (including Current Maturities of Long Term Borrowings) is secured by a first charge on assignment of Hanger-1 rental/receivables from lessee and specific free hold lands to the extent of 36.93 acres of land and development thereon of the Parent Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. Second Pari Passu Charge is created on other fixed assets (both movable and immovable) of the Parent Company along with other consortium banks as collateral security.</p>
<p>The Term Loan from Bank outstanding as on 31st March, 2016 amounting to Rs. 17.12 Crores (including Current Maturities of Long Term Borrowings) is secured by a first charge on assignment of Hanger-2 rental/receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Parent Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu as collateral security.</p>

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

5 OTHER LONG TERM LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Deposit from Lessee	845.28	845.28
Deposit from Customers	4.25	3.75
	<u>849.53</u>	<u>849.03</u>

6 LONG TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits (Refer Note No. 30)		
Gratuity	118.88	88.93
Leave Encashment	43.03	42.80
	<u>161.91</u>	<u>131.73</u>

7 SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans:		
Working Capital Borrowing from Banks	841.22	832.14
	<u>841.22</u>	<u>832.14</u>
Unsecured Loans:		
Loans and Advances from Related Party (Refer Note No. 29)	-	228.97
	-	228.97
	<u>841.22</u>	<u>1,061.11</u>

7.1 Details of Securities and other terms

Working Capital Loan from Banks is secured against hypothecation of Stocks and Book Debts on pari-passu basis and second charge on Fixed Assets including specific free hold lands to the extent of 26.87 acres and development thereon of the Parent Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu.

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Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

8 TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Micro, Small and Medium Enterprises *	-	-
Other Trade Payables	<u>2,473.92</u>	<u>587.96</u>
	<u>2,473.92</u>	<u>587.96</u>

* As informed to us by the Management, the Group owes no dues which are outstanding as at 31st March, 2016 and 31st March 2015 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.

9 OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Borrowings (Refer Note No. 4)	604.22	491.73
Advance from Customers	224.09	283.67
Statutory Liabilities *	112.47	100.80
Employee Related Liabilities #	150.45	130.51
Leave Encashment Payable	5.84	-
Expenses Payable	179.58	110.26
Other Liabilities	<u>213.55</u>	<u>8.80</u>
	<u>1,490.20</u>	<u>1,125.77</u>

* Includes payable towards TDS, Excise Duty, Service Tax, VAT and Employee Related Statutory Obligations.

Including Rs. 76.47 Lakhs due to Whole Time Director's (Previous Year Rs. 39.93 Lakhs).

10 SHORT TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision For Audit Fees	3.35	8.32
Provision For Taxes [Net of Advance Tax Rs 27.69 lacs(PY Rs 24.22 lacs)]	27.04	50.88
Provision For Expenses #	<u>38.43</u>	<u>33.76</u>
	<u>68.82</u>	<u>92.96</u>

Includes Provisions related to Bonus, Purchases, Travelling Expenses, etc.

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

11 FIXED ASSETS

(Rs. In Lakhs)

Description	Gross Block				Depreciation/ Amortisation						Net Block		
	As at April 01, 2015	Additions	Transferred pursuant to Demerger (Refer Note No. 32.2)	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Transferred pursuant to Demerger (Refer Note No. 32.2)	Deductions	Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets:													
Freehold Land	6924.14	-	-	-	6924.14	-	-	-	-	-	-	6924.14	6924.14
Buildings	2389.45	7.00	-	-	2396.45	554.90	65.02	-	-	-	619.92	1776.53	1834.55
Plant and Equipment	6769.73	22.20	-	-	6791.93	2944.30	230.46	-	-	-	3174.76	3617.17	3825.43
Office Equipment	164.43	6.86	-	-	171.29	160.52	0.73	-	-	-	161.25	10.04	3.91
Furniture and Fixtures	70.54	1.56	-	-	72.10	66.58	1.01	-	-	-	67.59	4.51	3.96
Computer - Hardware	21.43	8.40	-	-	29.83	17.17	4.12	-	-	-	21.29	8.54	4.26
Vehicles	36.57	-	-	-	36.57	28.03	1.86	-	-	-	29.89	6.68	8.54
Total	16376.29	46.02	-	-	16422.31	3771.50	303.20	-	-	-	4074.70	12347.61	12604.79
Previous Year	15817.05	589.98	30.74	-	16376.29	3403.83	343.92	23.25	-	* 46.89	3771.53	12604.79	12413.22

* As per Schedule II of the Companies Act, 2013 written down value of Fixed Assets whose lives have expired as at 1st April 2014 amounting to Rs. 46.89 Lakhs have been adjusted against opening balance in Consolidated Statement of Profit and Loss. (Refer Note No. 3).

Pursuant to the enactment of the Companies Act, 2013, the Group has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Significant Accounting Policy on Depreciation [Refer Note No. 1.6].

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Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

12 LONG TERM LOANS AND ADVANCES		(Rs. In Lakhs)
Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
MAT Credit Entitlement #	146.38	134.69
	<u>146.38</u>	<u>134.69</u>

In the opinion of the management, based on the projected future taxable profits, the outstanding MAT Credit Entitlement of Rs. 146.38 Lakhs as at March 31, 2016 will be utilized within the stipulated time period prescribed as per the provisions of Income Tax Act, 1961. However, in case of inadequate profit, difference will be charged to respective years Statement of Profit and Loss.

13 INVENTORIES		(Rs. In Lakhs)
Particulars	As at March 31, 2016	As at March 31, 2015
Raw Material and Components	420.55	183.24
Work-In-Progress	499.11	303.75
	<u>919.66</u>	<u>486.99</u>

For mode of valuation of each class of inventories, Refer Note No.1.8

14 TRADE RECEIVABLES		(Rs. In Lakhs)
Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	620.16	281.51
(ii) Considered doubtful	291.68	198.09
	<u>911.84</u>	<u>479.60</u>
Less: Provision for doubtful debts	291.68	198.09
	<u>620.16</u>	<u>281.51</u>
Other unsecured debts (considered good)	1,511.28	430.83
	<u>2,131.44</u>	<u>712.34</u>

15 CASH AND BANK BALANCES		(Rs. In Lakhs)
Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balance with banks in current accounts	259.00	134.27
Margin money deposits with banks (Less than 3 months maturity)	25.18	7.07
Cash on hand	0.27	0.04
Other bank balances		
Margin money deposits with banks (More than 3 months maturity)	86.98	94.25
	<u>371.43</u>	<u>235.63</u>

16 SHORT TERM LOANS AND ADVANCES		(Rs. In Lakhs)
Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Advance Income Tax [Net of Provision Rs 99.83 lacs (PY Rs 90.69 lacs)]	570.52	465.26
Loans and Advances to Related Parties (Refer Note No. 29)	110.15	931.20
Advance to Suppliers	323.48	46.79
Prepaid Expenses	30.42	20.33
Sundry Deposits	58.72	34.16
Advance to Employees	0.85	17.53
	<u>1,094.14</u>	<u>1,515.27</u>

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

17 REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sales – Aviation		
Gross Domestic Sales	1,195.67	540.35
Less: Excise Duty	59.03	26.36
Net Domestic Sales	1,136.64	513.99
Export Sales	3,303.88	5.95
Services – Aviation		
Domestic Conversion Charges	135.87	480.83
Export Conversion Charges	-	7.63
Charter Income	-	416.19
Rental Services	1,255.06	1,040.70
Training & Other Services	39.85	52.62
	<u>5,871.30</u>	<u>2,517.91</u>

18 REVENUE FROM TRADING ACTIVITIES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Trading Goods	160.74	346.34
Sale Commission on Trading Goods	3.22	6.93
	<u>163.96</u>	<u>353.27</u>

19 OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income		
From ICD's	72.54	139.85
From Banks	9.07	12.01
From Others *	3.52	49.37
Miscellaneous Income #	116.61	18.07
Sundry Creditors Written Back	19.11	81.20
	<u>220.85</u>	<u>300.50</u>

* Includes Interest on Income Tax Refunds of Rs. 3.52 Lakhs (PY Rs. 47.66 Lakhs).

Includes Agriculture Income of Rs 6.80 Lakhs (Previous Year Rs. 12.41 Lakhs).

20 COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening Stock of Raw Material and Components	183.24	126.75
Add: Purchases during the year	3,887.66	468.99
Less: Closing Stock of Raw Material and Components	420.55	183.24
Consumption of Raw Material and Components	<u>3,650.35</u>	<u>412.50</u>

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Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

20.1 Value of Raw Materials and Components consumed during the Year

Particulars	Percentage (%)		Value (Rs. In Lakhs)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Imported *	87.13	25.44	3180.60	104.92
Indigenous	12.87	74.56	469.75	307.58
	<u>100.00</u>	<u>100.00</u>	<u>3650.35</u>	<u>412.50</u>

* The imported raw material and components are presumed to be consumed during the year of purchase.

20.2 CIF Value of Imports of Raw Material, Spares, etc. for the year Rs 3180.60 Laks (Previous Year Rs. 104.92 Lakhs)

21 CHANGES IN INVENTORY OF WORK-IN-PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Closing Stock of Work-In-Progress	499.11	303.75
	<u>499.11</u>	<u>303.75</u>
Opening Stock of Work-In-Progress	303.75	296.75
	<u>303.75</u>	<u>296.75</u>
(Increase) / Decrease in Inventory	<u>(195.36)</u>	<u>(7.00)</u>

22 OPERATIONAL AND OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Charter Expenses:		
Aircraft Fuel Charges	-	89.07
Aircraft Lease Rent	-	176.37
Aircraft Repairs and Maintenance	-	23.96
Rent - Flight Parking & Equipment	-	14.53
Other Aircraft Operating Expenses	-	61.52
Power & Fuel Expenses	91.15	104.68
Repairs and Maintenance Plant and Equipment	20.43	31.87
Repairs and Maintenance Building	8.15	1.49
Repairs and Maintenance Others	22.72	9.49
Selling Expenses	123.49	65.12
Rent	10.90	42.70
Rates & Taxes	55.59	55.98
Insurance	10.25	19.97
Travelling & Conveyance	86.69	140.73
Vendor Charges	152.92	118.54
Provision for Doubtful Debts	93.59	195.11
Office & Other Administrative Expenses *	92.38	81.37
Legal, Professional & Consultancy Charges	129.75	139.88
Exchange Fluctuation Loss/ (Gain) [Net]	4.32	0.97
(Other than considered as Finance Cost)		
Auditors Remuneration #	8.04	6.19
Managerial Remuneration	83.25	65.62
	<u>993.62</u>	<u>1,445.16</u>

* Includes Printing & Stationery Expenses, Security Charges, Agriculture Expenses, Communication Expenses, Sitting Fees & Miscellaneous Expenses.

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

(Rs. In Lakhs)

# Auditors Remuneration :	Year ended March 31, 2016	Year ended March 31, 2015
Audit Fees	3.08	3.33
Tax Audit Fees	0.25	1.00
Fees for Other Services	3.00	1.50
Out of Pocket Expenses/Travelling	1.71	0.36
	<u>8.04</u>	<u>6.19</u>

23 EMPLOYEE BENEFITS EXPENSE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and Wages	946.29	818.04
Contribution to Provident and Other Funds(Refer Note No. 30)	113.22	73.77
Staff Welfare Expenses	76.96	74.38
	<u>1,136.47</u>	<u>966.19</u>

24 FINANCE COSTS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expenses:		
Working Capital Loan	130.19	154.57
Term Loans	420.76	387.36
Inter Corporate Deposits (Refer Note No. 29)	-	46.38
Other Finance Costs #	82.75	100.34
	<u>633.70</u>	<u>688.65</u>

Includes Interest on Delayed Payment of Statutory Liabilities amounting to Rs. 28.10 Lakhs (Previous Year Rs. 34.86 Lakhs).

25 A) Contingent Liabilities (to the extent not provided for)

(Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts:		
(i) Custom Duty	622.67	622.67
(ii) Service Tax	204.61	441.37
(iii) Excise Duty	161.47	161.47
(iv) Sales Tax	44.00	55.00

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 matters stated above to have a material adverse effect on the Group's financial condition, result of operations or cash flows.

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Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

B) Capital and Other Commitments (to the extent not provided for) (Rs. In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital Commitment towards the new project	-	-
(b) Letters of Credit	71.85	291.61
(c) Bank Guarantees	1,202.50	1,198.71
(d) Indemnity issued to customers	627.00	229.80
(e) EPCG Export sales obligation to be fulfilled	-	681.70
(f) Guarantee given to bank on behalf of others*	1,087.68	760.00

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

26 Earnings Per Equity Share (Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Loss after tax available for Equity Shareholders	(430.71)	(477.71)
Weighted Average number of Equity Shares of nominal value of Rs. 5/- each	24,930,376	24,930,376
Computation of EPS - Basic* (in Rs.)	(1.73)	(1.92)

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

27 Earnings in Foreign Currency (On Accrual Basis) (Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Export of Goods	-	5.95
Export of Services	-	7.63
Other Receipts	-	2.34
Total	<u>-</u>	<u>15.92</u>

28 Expenditure in Foreign Currency (On Accrual Basis) (Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Parts and Components	3,174.89	108.58
Travelling Expenses	0.84	2.08
Aircraft Lease Rent	-	176.37
Subscription Fees	-	4.26
Other	4.14	10.53
Total	<u>3,179.87</u>	<u>301.82</u>

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

29 Disclosure in respect of Related Parties pursuant to Accounting Standard 18

Relationship	Name of the Related Party
a. Associate Companies	ISMT Limited LightO Technologies Private Limited Indian Seamless Enterprises Limited TAAL Enterprises Limited TAAL Tech India Private Limited First Airways Inc
b. Key Management Personnel	Mr. Salil Taneja (Whole Time Director)

Transactions/ Balances with Related Parties:

(Rs. In Lakhs)

Particulars	Associates	Key Management Personnel
Investment in Equity Shares made during the year	-	-
	(-)	(-)
Inter-Corporate Deposits Received during the year	831.20	-
	(2,216.81)	(-)
Inter-Corporate Deposits Given during the year	-	-
	(1,410.15)	(-)
Sale of Trading Goods	160.74	-
	(346.34)	(-)
Sale Commission on Trading Goods	3.21	-
	(6.93)	(-)
Sale of Goods	-	-
	(42.53)	(-)
Directors' Sitting Fees	-	0.10
	(-)	(0.40)
Rent Paid	2.37	-
	(3.69)	(-)
Interest Paid	-	-
	(46.38)	(-)
Interest Income	72.54	-
	(70.12)	(-)
Managerial Remuneration #	-	95.40
	(-)	(65.62)
Guarantee given to bank on behalf of others	1,087.68	-
	(760.00)	(-)
Balance Payable as at the year end	*524.85	76.47
	* (228.97)	(32.05)
Balance Receivable as at the year end	596.28	-
	(1,246.09)	(-)

(Figures in brackets relate to previous year)

* Includes Rs. 211.01 Lakhs (Previous Year Rs. 228.97 Lakhs) payable by the Parent Company (TAAL) to its Associate Company 'TAAL Enterprises Limited' (TEL) on account of the Charter Business, which is still being carried on by TAAL on behalf of TEL, as the Aircraft License is yet to be transferred in the name of TEL (Refer Note No. 32.6).

Excludes contribution to Gratuity Fund and Provision for Leave Encashment as separate figures are not ascertainable for the Managerial Personnel. Further, the Company has not paid any commission to the Managerial Personnel.

Note: No amounts pertaining to related parties have been provided for as doubtful debts. Also, no amounts have been written off or written back during the year.

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Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

30 The Accounting Standard 15 (Revised 2005) on "Employee Benefits" has been adopted by the Parent Company effective from April 1, 2007.

a. Defined Contribution Plan :

The Group has recognised the following amount as an expense and included under the head "Personnel Cost":

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Employer's Contribution to Provident Fund, Family Pension Fund and Other Funds	64.58	45.33

b. Defined Benefit Plan as per Actuarial Valuation:

I. Changes in present value of Defined Benefit Obligations:

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Gratuity (Funded)		
Present Value of Obligations as at 1st April, 2015 (1st April, 2014)	88.93	81.81
Current Service Cost	11.67	8.93
Interest Cost	7.22	6.83
Past Service Cost	-	-
Actuarial (Gain)/Loss	14.87	12.68
Benefits Paid	(2.17)	(15.22)
Present Value of Obligations as at 31st March, 2016 (31st March, 2015)	120.52	95.03
Leave Encashment (Non Funded)		
Present Value of Obligations as at 1st April, 2015 (1st April, 2014)	42.80	34.46
Current Service Cost	12.35	6.69
Interest Cost	3.67	2.93
Past Service Cost	-	-
Actuarial (Gain)/Loss	(6.81)	7.01
Benefits Paid	(3.13)	(5.32)
Present Value of Obligations as at 31st March, 2016 (31st March, 2015)	48.88	45.77

Note: The above disclosure of Gratuity and Leave Encashment for the year ended 31st March, 2015 includes the details of 'Air Charter Business' of the Parent Company which was demerged as on the appointed date as per the Scheme of Arrangement (Refer Note No. 32).

II. Changes in fair value of plan assets: The Group has not made any direct investment in plan assets.

III. Amounts recognized in the Balance Sheet in respect of:

(Rs. In Lakhs)

Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Present Value of Obligation as at 31st March, 2016 (31st March, 2015)	120.52	95.03	48.88	45.77
Less: Funded with LIC	1.64	4.36	-	-
Net Liability	118.88	90.67	48.88	45.77

IV. Expenses recognised in the Statement of Profit & Loss (under the head "Personnel Cost"):

(Rs. In Lakhs)

Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Current Service Cost	11.67	8.93	12.35	6.69
Interest Cost	7.22	6.83	3.67	2.93
Past Service Cost	-	-	-	-
Actuarial (Gain)/ Loss	14.87	12.68	(6.81)	7.01
Expenses recognised in the Statement of Profit and Loss	33.76	28.44	9.21	16.63

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

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

Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Discount Rate	7.90%-8.10%	7.80%	7.90%-8.10%	7.80%
Expected Rate of Return on Plan Assets	8.35%	-	-	-
Salary Escalation Rate	7%-10%	5%-10%	7%-10%	5%-10%

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.

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:

Particulars	(Rs. In Lakhs)			
	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	INR	Foreign Currency	INR
Trade Payable				
USD	28.41	1,884.56	-	-
	<u>28.41</u>	<u>1,884.56</u>	<u>-</u>	<u>-</u>
Advance From Associate				
USD	4.69	311.30	-	-
	<u>4.69</u>	<u>311.30</u>	<u>-</u>	<u>-</u>
Trade Receivable				
USD	-	-	0.12	7.63
	<u>-</u>	<u>-</u>	<u>0.12</u>	<u>7.63</u>

32.1 The shareholders of the Parent Company at their meeting (convened on the directions of the Hon'ble High Court of Madras) held on April 15, 2015 approved the Scheme of Arrangement ("Scheme") under section 391 to 394 of the Companies Act, 1956 between Taneja Aerospace and Aviation Limited ('TAAL') and its wholly owned subsidiary TAAL Enterprises Limited ('TEL'), where the Air Charter Business including investment in First Airways Inc, USA (Wholly Owned Subsidiary) and Engineering Design Services Business conducted through TAAL Tech India Private Limited (Subsidiary) would be demerged into TEL w.e.f. October 1, 2014 being the appointed date.

Subsequently, the said Scheme was sanctioned by the Hon'ble High Court of Judicature at Madras vide its Order dated June 22, 2015 (certified copy of which was received on July 23, 2015). The certified copy of the said Order has been filed with the Registrar of Companies, Coimbatore on August 21, 2015 and as such the scheme has become effective from that date.

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

32.2 Pursuant to the Scheme, the said transfer has been affected at the values appearing in the books of the Parent Company as at 30th September, 2014 and recorded as such in the books of account of the transferee Company. The book value of such assets and liabilities as on that date are detailed out below:

Assets Transferred	Amount in Rs.
Non Current Assets	
(a) Fixed Assets	7,48,602
(b) Non Current Investments	5,62,49,320
Current Assets	
(a) Cash and Bank Balances	78,97,165
(b) Short Term Loans and Advances	9,03,22,414
Total Assets	15,52,17,501

Liabilities Transferred	Amount in Rs.
Current Liabilities	
(a) Trade Payables	3,29,037
(b) Other Current Liabilities	1,56,66,158
Total Liabilities	1,59,95,195
Net Assets Transferred	13,92,22,306

32.3 Further in terms of the Scheme, as on record date, shareholders of the Parent Company holding 8 (Eight) Equity Shares of nominal value of Rs. 5/- each fully paid have received 1 (One) Equity Share of nominal value of Rs. 10/- each credited as fully paid in TAAL Enterprises Limited.

32.4 As stipulated in the Scheme, excess of net assets so transferred, amounting to Rs. 139,222,306 has been adjusted against Security Premium Account of the Parent Company.

32.5 Pursuant to the Scheme, Investment of the Parent Company in Equity Shares of 'TAAL Enterprises Limited' (TEL) amounting to Rs. 500,000 was cancelled simultaneously upon allotment of shares by TEL to the shareholders of Taneja Aerospace and Aviation Limited (TAAL) and this amount was adjusted against Security Premium Account of the Parent Company.

32.6 As per Clause 9.2 of the Scheme of Arrangement, 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.

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

33. In accordance with Accounting Standard 24, "Discontinuing Operations", the financial results of the Air Charter Business (discontinuing operations) is as under:

(As prepared and certified by the Management)

(Rs. In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a) Statement of Profit and Loss		
Revenue from Operations	-	416.19
Other Income	-	-
Total Revenue	<u>-</u>	<u>416.19</u>
Cost of Materials Consumed	-	8.34
Employee Benefits Expense	-	44.76
Finance Costs	-	8.10
Depreciation & Amortisation Expense	-	2.64
Operational and Other Expenses	-	370.22
Total Expenses	<u>-</u>	<u>434.06</u>
(Loss) / Profit from Discontinuing Operations before Tax	<u>-</u>	<u>(17.87)</u>
Less : - Tax Expenses	-	-
Net (Loss) / Profit from Discontinuing Operations after Tax	<u>-</u>	<u>(17.87)</u>
b) Carrying amount of Assets and Liabilities		
Carrying amount of assets as at the balance sheet date relating to discontinuing business to be disposed off	-	-
Carrying amount of liabilities as at the balance sheet date relating to discontinuing business to be settled	-	-
c) Net Cash Flow Attributable to the 'Discontinuing Operations'		
Cash Flow from Operating Activities	-	(58.46)
Cash Flow from Investing Activities	-	-
Cash Flow from Financing Activities	-	59.15
Net Cash Inflow / (Outflow)	<u>-</u>	<u>0.69</u>

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

34 Segment Reporting

(Rs. In Lakhs)

Particulars	Aviation	Charter Business	Trading of Electrical Goods	Total 2015-16	Aviation	Charter Business	Trading of Electrical Goods	Total 2014-15
a. Segment Revenue								
Segmental Revenue from :								
External Sales and Services	5,871.30	-	163.96	6,035.26	2,101.72	416.19	353.27	2,871.18
Unallocable Revenue	-	-	-	220.85	-	-	-	300.50
Total Revenue	5,871.30	-	163.96	6,256.11	2,101.72	416.19	353.27	3,171.68
b. Segment Result								
Operating Profit/(Loss)	(16.99)	-	3.22	(13.77)	(633.08)	(9.77)	6.93	(635.93)
Add: Unallocable Revenue	-	-	-	220.85	-	-	-	300.50
Less: Finance Costs	-	-	-	633.70	-	8.10	-	688.65
Less: Extraordinary Items	-	-	-	4.10	-	-	-	9.70
Profit/ (Loss) before Tax	(16.99)	-	3.22	(430.71)	(633.08)	(17.87)	6.93	(1,033.78)
Less: Tax (Benefit)/ Expense	-	-	-	-	-	-	-	(556.07)
Loss for the Year	(16.99)	-	3.22	(430.71)	(633.08)	(17.87)	6.93	(477.71)
c. Other Information								
Segment Assets	15,627.08	-	445.15	1,6072.23	13,792.92	-	265.11	14,058.02
Unallocable Assets	-	-	-	939.21	-	-	-	1,632.47
Total Assets	15,627.08	-	445.15	1,7011.44	13,792.92	-	265.11	15,690.49
Segment Liabilities	4,191.77	-	10.33	4,202.10	1,959.53	-	276.51	2,236.04
Unallocable Liabilities	-	-	-	4,300.17	-	-	-	4,514.57
Total Liabilities	4,191.77	-	10.33	8,502.27	1,959.53	-	276.51	6,750.61
Capital Employed	-	-	-	8,509.17	-	-	-	8,939.89
d. Cost Incurred for Acquiring								
Assets	46.02	-	-	46.02	589.98	-	-	589.98
Segment Depreciation	303.20	-	-	303.20	341.28	2.64	-	343.92

As per Accounting Standard 17, the Group has two segments viz "Aviation and Trading of Electrical Goods". Charter Business has been demerged w.e.f. October 1, 2014 being the appointed date of the Scheme of Arrangement (Refer Note No. 32.1).

- (i) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to Enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.
- (ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective Segments. Investments, Tax Related Assets and Other Assets and Liabilities which cannot be allocated to a segment on a reasonable basis have been included under Unallocable Assets and Liabilities.

Taneja Aerospace and Aviation Limited

Note to Consolidated Financial Statement for the year ended March 31, 2016 (Contd.)

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

(Rs. In Lakhs)

Name of the Company	As at March 31, 2016		Year ended March 31, 2016		As at March 31, 2015		Year ended March 31, 2015	
	Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss		Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss	
	As % of Conso lidated Net Assets	Net Assets	As % of Conso lidated Profit or Loss	Profit/ (Loss)	As % of Conso lidated Net Assets	Net Assets	As % of Conso lidated Profit or Loss	Profit/ (Loss)
Parent Company								
Taneja Aerospace and Aviation Limited	92.37	7,859.90	99.95	(430.51)	92.74	8,290.47	99.83	(476.91)
Indian Subsidiary								
Direct Subsidiary								
Katra Auto Engineering Private Limited	7.63	649.27	0.05	(0.20)	7.26	649.41	0.17	(0.80)
TOTAL	100.00	8,509.17	100.00	(430.71)	100.00	8,939.88	100.00	(477.71)

Note: The above figures are stated at net values after eliminating intra group transactions, intra group balances and investment in subsidiary as at 31st March, 2016.

36 Deferred tax calculation results into working of deferred tax assets as at 31st March, 2016 as well as at 31st March 2015. However as a matter of prudence, the Group has not recognised deferred tax asset.

37 Current Assets and Loans and Advances are of the value stated if realised in the ordinary course of business.

38 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

39 Current year figures are for 12 months ended 31st March 2016 in respect of residual undertaking remaining after demerger whereas previous year figures include the results of entire undertaking from start of Financial Year (i.e 1st April 2014) to period prior to appointed date of demerger (i.e upto 30th September 2014). Since the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the previous year include the Results and Cash Flows of Air Charter Business upto 30th September, 2014, the current year figures are not comparable with the previous year figures.

As per our report of even date attached

For MZSK & Associates

Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala

Partner
Membership No. 108053
Mumbai, May 30, 2016

For and on behalf of the Board of Directors of
Taneja Aerospace and Aviation Limited
CIN: L62200TZ1988PLC014460

Salil Taneja

Chairman
DIN : 00328668

Arif Ahmad

Chief Financial Officer

Chetan Nathani

Company Secretary

Pune, May 30, 2016

Taneja Aerospace and Aviation Limited

Regd. Office: Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District,
Belagondapalli – 635 114, Tamil Nadu
Phone: 04347 - 233508, Fax: 04347 - 233414, E-mail: secretarial@taal.co.in,
Web: www.taal.co.in, CIN: L62200TZ1988PLC014460

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Taneja Aerospace and Aviation Limited will be held on Wednesday, September 28, 2016 at 2.00 p.m. at the Registered Office of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli-635114, Tamil Nadu 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 Report 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. Salil Taneja (DIN: 00328668), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 140 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s MZSK & Associates, Chartered Accountants (Firm Registration No. 105047W) be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of 1 (One) year from the conclusion of this Annual General Meeting until the conclusion of 28th Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors, plus service tax and such other tax (es), as may be applicable and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.”

Special Business:

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

“**RESOLVED THAT** pursuant to Section 149 read with Schedule IV and other applicable provisions of

the Companies Act, 2013 (‘Act’) and the Rules made thereunder, Mr. R. Poornalingam (DIN: 00955742) Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as Independent Director of the Company, to hold office from this 27th Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company & that he shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to Section 149 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder, Mr. N. Chandra (DIN: 00352214) Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as Independent Director of the Company, to hold office from this 27th Annual General Meeting until the conclusion of the 28th 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 a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 149 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder, Mr. R. Surie (DIN: 01081973) Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as Independent Director of the Company, to hold office from this 27th Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company and that he shall not be liable to retire by rotation.”

By Order of the Board of Directors

Pune, August 10, 2016

Chetan Nathani
Company Secretary

Registered Office:
Belagondapalli Village, Thally Road, Denkanikottai Taluk,
Krishnagiri District, Belagondapalli – 635114, Tamil Nadu

Taneja Aerospace and Aviation Limited

NOTES:

1. The information required to be provided under the SEBI (LODR) Regulations, 2015 (Listing Regulations) regarding the Directors who are proposed to be appointed/ re-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 Participant(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 on Company's website viz. www.taal.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 September 25, 2016 (9.00 a.m. IST) and ends on September 27, 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 September 21, 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
 - (ii) Click on "Shareholders" tab.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Enter the Image Verification as displayed and Click on "Login".
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (Printed on Attendance Slip of AGM) in the PAN field. • In case the Sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. 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 the Electronic Voting Sequence Number ('EVSN') of Taneja Aerospace and Aviation Limited.
- (xi) 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 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.
 - 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 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") and e-voting manual available at www.evotingindia.com under help section or write an email to 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 instructions as prompted by the mobile app while voting on your mobile.
10. The Board of Directors have appointed Mr. T G Janakiraman, 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.
 13. 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.
 14. The Results declared along-with the report of the Scrutinizer shall be placed on the website of the Company at viz. www.taal.co.in and on the website of CDSL viz. www.evotingindia.com. The results shall also be immediately forwarded to the BSE Limited.
 15. 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.
-

Taneja Aerospace and Aviation Limited

16. 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 the Company has designated an exclusive e-mail id viz. "secretarial@taal.co.in" to enable investors to register their complaints, if any.

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.taal.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 investor@bigshareonline.com 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).

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

Item Nos. 4 - 6:

The Board of Directors of the Company ('Board'), upon the recommendation of the Nomination and Remuneration Committee, at its Meeting held on August 10, 2016, had re-appointed Mr. R. Poornalingam, Mr. Nirmal Chandra and Mr. R. Surie, as Independent Director(s) of the Company based on performance evaluation.

The aforesaid Directors also meet the criteria of independence as provided under Section 149(6) of the Act and the rules made thereunder and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015 ('SEBI Regulations').

None of the above Independent Directors are disqualified from being appointed as director in terms of Section 164 of the Act.

In the opinion of the Board, they fulfill the conditions specified in the Act for re-appointment as Independent Directors.

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

Accordingly, the Board recommends the special resolution set out in Item Nos. 4 - 6 of the Notice for the approval of shareholders of the Company.

Brief resume of each of the above Independent Directors as stipulated in the SEBI Regulations are forming part of this Notice.

Mr. R. Poornalingam, Mr. Nirmal Chandra and Mr. R. Surie are interested in the resolution set out respectively at Item nos. 4 - 6 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.

By Order of the Board of Directors

Pune, August 10, 2016

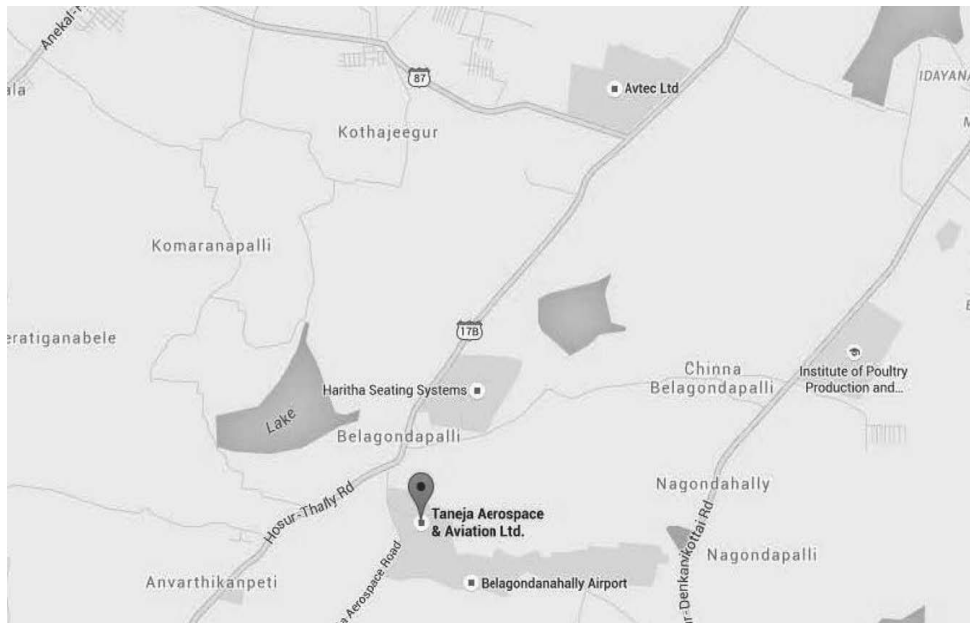
Chetan Nathani
Company Secretary

Registered Office:
Belagondapalli Village, Thally Road, Denkanikottai Taluk,
Krishnagiri District, Belagondapalli – 635114, Tamil Nadu

DETAILED PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IS AS UNDER:

	Salil Taneja	R. Poornalingam	Nirmal Chandra	R Surie
Age	49 years	71 years	67 years	64 years
Qualification	B. Sc. in Mechanical Engg. from Case Western Reserve University, Ohio, USA and Masters in Business Management specialised in finance and marketing from Yale University, USA	Graduate (Hons) in Electrical Engineering, M.A. Economics, Degree in Law, Certificate in Public Administration from the Pennsylvania State University as a Hubert Humphrey Fellow.	Graduate in Mechanical Engineering	B. Tech from IIT, Kanpur & Masters in Business Administration from Harvard School of Management, U.S.A
Date of Appointment	December 1, 2014	November 13, 2014	November 13, 2014	July 12, 1997
Category	Whole-time Director	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Independent Director
Experience & Expertise in specific functional Area	Mr. Salil Taneja has been associated with the Company since its inception and has been instrumental in growing the aviation business of the Company	Mr. R. Poornalingam has around 36 years of administrative experience in many important positions in both the Government of Tamil Nadu and the Government of India	Mr. Nirmal Chandra has around 4 decades of experience in Steel / Tube industry in various functional areas such as Marketing, Purchase, Administration, Production and Planning	Consultancy & Aviation related business
Relationship with other Directors, Key Managerial Personnel's of the Company	Relative of Mrs. Preeti Taneja, Director of the Company	None	None	None
Shareholding of Directors	3,200	NIL	750	1,67,094
Directorship held in other Companies	1. Prime Surgical Centers P. Ltd. 2. TAAL Tech India P. Ltd.	1. Loyal Textile Mills Ltd. 2. Nagapattinam Energy P. Ltd. 3. Tridem Port and Power Company P Ltd. 4. Odisha State Medical Corporation Ltd.	TAAL Enterprises Ltd.	1. CD Aviation (I) P Ltd. 2. Hitech Graphics P Ltd.
Member/ Chairman of Committees of other Companies	None	None	Member of Audit Committee and Nomination and Remuneration Committee - TAAL Enterprises Ltd.	None

ROUTE MAP FOR LOCATION OF VENUE OF AGM



Taneja Aerospace and Aviation Limited

Regd. office: Belagondapalli Village, Thally Road, Denkanikotai Taluk,
Krishnagiri Dist. Belagandopalli - 635 114, Tamil Nadu.

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Taneja Aerospace and Aviation Limited

Regd. Office: Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District,
Belagondapalli – 635114, Tamil Nadu
Phone: 04347 - 233508, Fax: 04347 - 233414,
E-mail: secretarial@taal.co.in, Web: www.taal.co.in, CIN: L62200TZ1988PLC014460

27th 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 Wednesday, September 28, 2016 at 2.00 p.m. at the Registered Office of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli-635114, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote (Optional-See Note 2)	
		For	Against
Ordinary Business			
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. Salil Taneja (DIN: 00328668) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of Statutory Auditors.		
Special Business			
4.	Re-appointment of Mr. R Poornalingam as Independent Director.		
5.	Re-appointment of Mr. N Chandra as Independent Director.		
6.	Re-appointment of Mr. R Surie as Independent Director.		

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 27th Annual General Meeting.
4. Please complete all details including details of member(s) in above box before submission.

Taneja Aerospace and Aviation Limited

Regd. Office: Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri Dist.,
Belagondapalli – 635114, Tamil Nadu
Phone: 04347 - 233508, Fax: 04347 - 233414, E-mail: secretarial@taal.co.in,
Web: www.taal.co.in, CIN: L62200TZ1988PLC014460

27th 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 Wednesday, September 28, 2016 at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri Dist., Belagondapalli-635114, Tamil Nadu at 2.00 p.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)	SEQUENCE NUMBER
160820011	

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