

***Taneja Aerospace and Aviation Limited*** 

**Annual Report 2021-22**



**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Dr. Prahlada Ramarao	Chairman of the Board & Director
Ramesh Jaiswara	Whole-Time Director ( upto March 31, 2022)
Rakesh Duda	Director (w.e.f March 31, 2022) designated as Managing Director (w.e.f. May 16, 2022)
Salil Taneja	Director
Rahael Shobhana Joseph	Director
Muralidhar Chitteti Reddy	Director
Arvind Nanda	Director

**CHIEF FINANCIAL OFFICER**

Mahendra Nalluri

**COMPANY SECRETARY**

Shruti Zope

**AUDITORS**

M/s. MSKA & Associates  
Chartered Accountants

**BANKERS**

Indian Bank (erstwhile Allahabad Bank)  
Canara 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](mailto:secretarial@taal.co.in), Website: [www.taal.co.in](http://www.taal.co.in)  
CIN: L62200TZ1988PLC014460

**REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Private Limited

# Taneja Aerospace and Aviation Limited

## BOARDS' REPORT

To,  
The Members,  
Taneja Aerospace and Aviation Limited

Your Directors have pleasure in presenting the Thirty-third Annual Report and the Audited Financial Statements for the financial year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Gross Income	3,198.58	3481.50
Expenditure	1,916.70	2653.81
Profit/ (Loss) after Tax	546.89	622.75

## OPERATIONS

During the year under review, the total income of the Company was Rs 3,198.58 Lakhs as compared to Rs. 3481.50 Lakhs during the comparable previous year. The total comprehensive income for the year was Rs. 531.70 Lakhs as compared to Rs. 621.02 Lakhs during the comparable previous year.

## TRANSFER TO RESERVES

During the year, the Company has not transferred any amount to General Reserves.

## DIVIDEND

The Board of Directors of the Company had declared 1<sup>st</sup> interim dividend of Re. 0.50/- (Rs. Fifty paise only) and 1<sup>st</sup> interim dividend of Rs. 2/- (Rs. Two only) on each fully paid 2,49,30,736 equity shares of Rs. 5/- each amounting to Rs. 1,24,65,368/- and Rs. 4,98,61,472/- respectively during the Financial Year 2021-22 and Financial Year 2022-23.

The 1<sup>st</sup> and 2<sup>nd</sup> interim dividend(s) were paid to those members of the Company whose names appeared in the Register of Members of the Company as on March 03, 2022 and May 21, 2022 respectively. The Interim Dividend declared during the year shall be considered as the Final Dividend for the Financial Year 2021-22.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 ('Act') and Articles of Association of the Company, Mrs. Rahael Shobhana Joseph, Director of the Company, retires by rotation and being eligible, offers herself, for re-appointment.

During the year under review, Mr. Rakesh Duda was appointed as Additional Director (Non-Executive, Non-Independent category) with effect from March 31, 2022 and subsequently designated as Managing Director (Executive category) of the Company for a period of 3 years with effect from May 16, 2022 to May 15, 2025.

Mr. Ramesh Jaiswara, Director designated as Whole-Time Director of the Company ceased as such with effect from March 31, 2022.

The Independent Directors have given Declaration pursuant to Section 149(7) of the Act & Regulation 25(8) of ('Listing Regulations') stating that they meet the criteria of independence.

The Board is assured that the Independent Directors of the Company possess adequate proficiency, experience, expertise and integrity.

The annual performance evaluation has been done by the Board of its own performance and that of its committees and individual Directors based on the criteria for evaluation of performance of Independent Directors and the Board of Directors and its Committees, as approved by the Nomination and Remuneration Committee which the Board found to be satisfactory.

The details of familiarization program of Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company & related matters are put up on the Company's website: [www.taal.co.in](http://www.taal.co.in).

## SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

As on the date of this report, the Company has one subsidiary company. In accordance with Section 129 (3) of the Act, a statement containing salient features of the financial statement of the subsidiary company in Form AOC-1 is provided in financial statements forming part of this Annual Report.

A report on the performance and financial position of the subsidiary company is provided in the Financial Statements forming part of this Annual Report for the Financial Year 2021-22.

The Company has framed a Policy for determining Material Subsidiaries which is available on its website : [www.taal.co.in](http://www.taal.co.in)

## PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the Listing Regulations, a separate section on Management Discussion & Analysis is forming part of this Report.

## CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 of the Listing Regulations, a separate section on Corporate Governance Report together with Certificates is forming part of this Report.

The Whole-time Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations. Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report.

Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report.

## MEETINGS OF THE BOARD

The Board met 8 times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report.

The intervening gap between the Meetings was within the period prescribed under the Act / Listing Regulations.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in preparation of 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 & applied them consistently & made judgments & estimates, that are reasonable & prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year March 31, 2022 and of the profit 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 & other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis;
- v) that the directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- vi) that the directors have devised proper systems to ensure compliance with provisions of all applicable laws & that such systems were adequate & operating effectively.

## ANNUAL RETURN

As per Section 134(3)(a) of the Act, the Annual Return referred to in Section 92(3) has been placed on the website of the Company at [www.taal.co.in](http://www.taal.co.in)

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

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

## POLICY ON NOMINATION & REMUNERATION OF DIRECTORS

The Nomination & Remuneration Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director & other matters is available on the website at [www.taal.co.in](http://www.taal.co.in)

The criteria for performance evaluation as laid down by Nomination & Remuneration Committee ('NRC') have been defined in the Nomination & Remuneration Policy.

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 'B'.

A statement showing details of employees in terms of Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

However, in terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the members and others entitled there to. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting ('AGM'). If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## AUDITORS

### a. Statutory Auditors

M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) was appointed as the Statutory Auditors of the Company in the 28<sup>th</sup> AGM held on September 26, 2017 for a period of five years i.e. till the conclusion of the 33<sup>rd</sup> AGM of the Company. Accordingly, M/s. MSKA & Associates holds the office of Statutory Auditors till the ensuing AGM.

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

### b. Secretarial Auditor

Pursuant to Section 204 of the Act and the Rules made thereunder, the Board of Directors has appointed Giriraj A. Mohta, Practicing Company Secretary as Secretarial Auditor to undertake Secretarial Audit of the Company for the period ended March 31, 2022 onwards.

The Report of the Secretarial Auditors in Form MR 3 is annexed herewith as an Annexure 'C' to this Report.

With respect to observations made by the Secretarial Auditor in their audit report for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, Guarantees & Investments covered under Section 186 of the Act has been given in Notes to Financial Statements forming part of this Annual Report.

## RISK MANAGEMENT

The Company faces both internal and external risks. Also, we focus on risks in the short, medium as well as long term. Risk management is an integrated aspect of Company's business operations. On a regular basis, an extensive risk assessment is conducted in which business lines and corporate functions identify all significant risks. The risks are then consolidated and assessed on their potential impact and probability, which is then reported to the Board of Directors. Responsibilities are assigned for significant risks and mitigating initiatives are established and tracked.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has duly constituted CSR Committee in compliance with the Section 135 of the Act and the applicable Rules.

# Taneja Aerospace and Aviation Limited

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The composition of CSR Committee is mentioned in Report on Corporate Governance forming part of this Report.

Annual Report on CSR Activities for the Financial Year ended March 31, 2022 forms part of this Report as Annexure 'D'.

## INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to the Financial Statements are commensurate with the size and nature of business by virtue of internal audit of the Company. Internal Audits are periodically conducted by an external firm of Chartered Accountants who monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Board also take quarterly review of internal audit functioning and accounting systems, in order to take suitable corrective actions in case of any deviations.

During the year, such controls were tested by the Statutory Auditors and no material weakness in control design of operations were observed by them.

## AUDIT COMMITTEE AND VIGIL MECHANISM

Pursuant to Section 177 of the Act, an Audit Committee constituted by the Board consists of at least three directors with independent directors forming a majority.

The composition of Audit Committee is mentioned in Report on Corporate Governance forming part of this Report.

The Whistle Blower Policy / Vigil Mechanism of the Company as established by the Board is available on its website of the Company at [www.taal.co.in](http://www.taal.co.in)

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company has not entered into any contracts with related parties which were not on arm's length basis or not in the ordinary course of business and further would be considered material in accordance with the policy of the Company on Materiality of Related Party Transactions.

Hence, there is no information required to be provided in Form AOC-2, while the particulars of all related party transactions in terms of Ind AS 24 has been given in Notes to Financial Statements forming part of this Annual Report.

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website: [www.taal.co.in](http://www.taal.co.in)

## 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. There is no change in the nature of business of the Company.
3. There was no change in the authorized as well as paid up share capital of the Company during the year under review.
4. There have been no material changes and commitment, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial report relates and the date of the report.
5. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the year under review, there were no cases filed under the said Act.
6. The Company has complied with applicable Secretarial Standards.
7. In terms of provisions of Section 148 of the Act read with Rule 3 of Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain the cost records and as such the same are maintained for the Financial Year 2021-22.

## ACKNOWLEDGEMENTS

Your 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**

Date : May 23, 2022  
Place : Bengaluru

Dr. Prahlada Ramarao  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure And Development

Over the last two decades, the Indian aviation sector has been through huge transformation and growth and is still considered to be a sunrise sector. This sector that has to keep the growth momentum intact to cater the growing demand of the aspirational class as well as the requirements of the defense sector.

A number of large players have emerged in aviation & space manufacturing sectors. These companies have entered this sector and are competing on the basis of pricing that is based on aggressive entry or market consolidation strategy. The financial strength and corporate credibility of these companies provides them with the ability to look at markets with a medium and long term perspective.

The rapid onset of the COVID-19 pandemic and the overall financial crunch faced by the Government of India and its agencies such as Vikram Sarabhai Space Centre and Hindustan Aeronautics Limited are unable to place orders and if orders are placed, these agencies are not able to supply material on-time for processing because of financial constraints and other exigencies. This affects execution and the economics of order execution.

The company earns revenues from manufacturing and leasing services. The major part of the manufacturing revenue has been coming from supplies/services provided to the defence sector establishments such as Hindustan Aeronautics Limited, Defence Research and Development Organization, Bharat Electronics Limited, Indian Air Force, Defence Electronics Research Laboratory, Vikram Sarabhai Space Centre, Aeronautical Development Establishment, Centre for Airborne Systems, etc.

The Company has leased hangar space and buildings to a Commercial Maintenance, Repair and Overhaul (MRO) organization. The Company also generates income from the use of infrastructure facilities including runway and hangars. Due to pandemic, commercial passenger traffic has come down affecting the MRO Facility.

### Performance

Particulars	2021-22	2020-21
Total Income	<b>3,198.58</b>	3481.50
Profit after Tax	<b>546.89</b>	622.75

### Opportunities

With the Government opening up and providing opportunities to the private sector, global and domestic players are collaborating and establishing joint ventures for manufacturing of aerospace components and MRO facilities for civil and military aviation sectors. In addition, the ongoing Government initiative in the outer space missions has opened up new opportunities. Given the emergence of larger players in the sector, it became incumbent for the Company to re-position itself as a company that has state of the art technology pursuits. The manufacturing legacy of the Company was coming in the way of this transformation. Hence it became incumbent to hive off the existing manufacturing facilities before taking a plunge into something more contemporary and technologically sophisticated in

the same domain. A Salem based aerospace company (Aerospace Engineers Pvt Ltd - AEPL) showed interest in buying our certain machinery and equipment and this deal has been concluded. This Company has also shown interest to take our some of the infrastructure / facilities on rent for a two years period.

Post the COVID-19 pandemic, it is expected that air passenger traffic would increase and the resultant growth in airline fleet sizes is expected to increase demand for MRO facilities of civil aircraft.

### Threats

Aerospace & Defence Manufacturing and MRO sectors face severe challenges in the form of technology obsolescence due to the dominance of emerging domestic and international players and delays in finalization of orders. Economic slowdown which is likely to exist for some time, could also have an adverse impact on the business.

### Outlook

A stronger collaboration between the government and the private sector under the Atmanirbhar Program is expected to provide a fillip to growth. With increased demand and the ability of the Indian industry to leverage this for sustained technology upgradation, India has the potential to transform itself into an aerospace manufacturing hub in the near future.

There is a renewed thrust of indigenous manufacturing especially in defense. The Company, being one of the first organized players in defense space, will explore new opportunities in the area under Atmanirbhar Bharat Scheme.

### Risks and Concerns

Manufacturing for the aerospace sector is a complex exercise which is capital-intensive, has high technological requirements and a prolonged gestation period. In addition, quality assurance and quality control of aerospace products is also critical. While the industry has come a long way, it is still evolving to overcome the challenges of costly raw materials, skilled labour and technological requirements. Apart from above, any changes in government policies may adversely impact the business making it economically unviable.

The delayed lease rentals from the major customer and the resultant outstanding amount may affect the upkeep of the infrastructure.

### Internal Control Systems

Through regular internal review systems, the Company's internal control system is being continuously strengthened to meet the needs of Manufacturing and Services Divisions.

### 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, 2022, the Company had 146 permanent employees.

# Taneja Aerospace and Aviation Limited

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## Key Financial Ratios

In accordance with the Listing Regulations, as amended, the Company is required to provide details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios. The Company has identified the following ratios as key financial ratios:

Particulars	2021-22	2020-21	Change
Debtors Turnover	3.97	4.63	14%
Inventory Turnover	872.65	54.94	1488%
Debt- Service coverage ratio	3.86	1.40	175%
Current Ratio	2.00	1.16	72%
Debt Equity Ratio	0.03	0.08	65%
Operating Profit Margin (%)	57.99%	44.57%	30%
Net Profit Margin (%)	17.04%	17.99%	-5%
Return on Net Worth	6.13%	5.96%	3%

- a) Inventory Turnover ratio improved due to the company is more focusing on job work/ sub-contracting
- b) Debt- Equity Ratio, Debt- Service coverage and Operating Profit Margin ratio are improved due to repayment of all debt outstanding with Banks, resulted reduction of interest cost to company.
- c) Current ratio improved due to re-classification of assets held for sale and improved liquidity position of the company.

## 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 CORPORATE GOVERNANCE

The Company has a strong value system comprising of honesty, integrity, secularity and 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 and we continuously endeavour to improve our standards of governance

### BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has an optimum combination of executive and non-executive directors & comprises of 6 Directors.

The composition of the Board, their attendance at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting and other details are as follows:

Name of the Director	Category	Number of Board Meetings held during the Year 2021-22			Whether attended last AGM	No. of Directorships in other public companies <sup>^</sup>	Committee positions in other public companies <sup>§</sup>	
		Held	Entitled to attend	Attended			Member	Chairman
Dr. Prahlada Ramarao	Independent-NED	8	8	8	No	-	-	-
Mr. Salil Taneja	Promoter-NED	8	8	8	Yes	2	-	-
Mr. Muralidhar Chitteti Reddy	Non-Independent NED	8	8	8	Yes	1	1	-
Mrs. Rahael Shobhana Joseph*	Promoter-ED	8	8	7	Yes	1	2	1
Mr. Arvind Nanda	Independent-NED	8	8	8	Yes	2	3	-
Mr. Rakesh Duda**	Non-Independent NED	-	-	-	NA	-	-	-
Mr. Ramesh Jaiswara***	ED	8	8	8	Yes	-	-	-

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

\* Mrs. Rahael Shobhana Joseph who was serving as Non-Executive Director on the Board was designated Whole-Time Director (Executive category) from August 06, 2021. The shareholders accorded their consent for said appointment at their Annual General Meeting held on September 28, 2021.

\*\* Appointed as Additional Director (Non-Executive, Non-Independent category) with effect from March 31, 2022

\*\*\* Ceased as Director w.e.f March 31, 2022

<sup>^</sup> This includes the directorship held in deemed public company but does not include directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (Act).

<sup>§</sup> This includes only Audit and Stakeholders Relationship Committees. Number of Memberships in Committee(s) of Mr. Muralidhar Chitteti Reddy and Mr. Arvind Nanda includes the membership in Audit committee of unlisted public company.

The names of the listed entities where the person is a director and the category of directorship is as under:

Name of the Director	Name of the Listed entity	Category
Mr. Salil Taneja	TAAL Enterprises Limited	Promoter-ED
Mrs. Rahael Shobhana Joseph	TAAL Enterprises Limited	Promoter-NED
Mr. Arvind Nanda	TAAL Enterprises Limited	Independent-NED

During the financial year 2021-22, Eight Board meetings held as under:

Sr. No.	Date of Meetings
1	April 14, 2021
2	June 06, 2021
3	August 05, 2021
4	November 01, 2021
5	January 21, 2022
6	February 08, 2022
7	February 22, 2022
8	March 22, 2022

As on March 31, 2022, the composition of the Board was in conformity with Regulation 17 of the SEBI (Listing Obligations and 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

Pursuant to the Articles of Association of the Company and the Companies Act, 2013 (Act), Mrs. Rahael Shobhana Joseph, Director of the Company retires by rotation at ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment.

Brief resume of Director(s) proposed to be re-appointed is given in the Notice convening the General Meeting.

#### AUDIT COMMITTEE

Audit Committee of the Board is mainly entrusted with the responsibility to supervise the Company's financial reporting process. The composition, powers, role, scope and terms of reference

# Taneja Aerospace and Aviation Limited

of the Audit Committee are in conformity with the stipulations under Regulation 18 of the Listing Regulations and Section 177 of the Act.

The Audit Committee, inter alia, performs the functions of reviewing annual/ quarterly financials, approval of related party transactions, recommending appointment of Auditors and their remuneration, Review of the Management Discussions and Analysis, Internal Audit Reports.

The composition of Audit Committee and attendance of each member is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. Arvind Nanda	Chairman	5
Dr. Prahlada Ramarao	Member	5
Mrs. Rahael Shobhana Joseph	Member	5

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

Sr. No.	Date of Meeting
1	April 14, 2021
2	June 06, 2021
3	August 05, 2021
4	November 01, 2021
5	February 08, 2022

Mr. Arvind Nanda, Chairman, of Audit Committee was present at the last Annual General Meeting held on September 28, 2021.

## MANAGERIAL REMUNERATION

### a. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a Nomination and Remuneration Committee of Directors ("NRC").

Terms of reference of NRC are in conformity with Regulation 19 of Listing Regulations & Section 178 of the Act. NRC, inter alia, performs functions of recommending to the Board appointment of directors and senior management, create evaluation framework for independent directors and the Board and recommend to the Board remuneration payable to directors and senior management.

The composition of NRC and attendance of members is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. Arvind Nanda	Chairman	1
Dr. Prahlada Ramarao	Member	1
Mr. Muralidhar Chitteti Reddy*	Member	-
Mrs. Rahael Shobhana Joseph*	Member	1

Consequent to change in designation of Mrs. Rahael Shobhana Joseph from Non-Executive Director to Executive Director, the Committee was re-constituted and Mr. Muralidhar Chitteti Reddy was appointed as a member in place of Mrs. Rahael Shobhana Joseph.

During year under review, one meeting of NRC held as under:

Sr. No.	Date of Meeting
1	August 05, 2021

The Company does not have any Employee Stock Option Scheme.

### b. Remuneration Policy:

- Based on recommendations of NRC, the remuneration payable to Whole Time Director, Key Managerial Personnel and Senior Management is decided by the Board which inter-alia is based on the criteria such as industry benchmarks, financial performance of the Company, performance of the Whole Time Director etc.
- The Company pays remuneration by way of salary, perquisites and allowances to its Whole Time Director. No remuneration was paid by way of commission to any Non-Executive Director.
- The Company paid sitting fees of Rs. 20,000/- each for attending Board and Audit Committee Meetings and Rs. 10,000/- each for all other committee meetings to the Non-Executive Directors.
- Performance evaluation of the Independent Directors shall be done by the Board of Directors on the performance evaluation criteria's as recommended by the NRC and approved by the Board of Directors.
- The Company has framed a Remuneration Policy upon the recommendation of NRC and as approved by the Board.

### c. Remuneration to Directors:

A Statement on remuneration paid/ payable to the Whole-time Director and sitting fees paid to NEDs, during FY 2021-22 is given below:

Name of Director(s)	Salary & Perquisites (Rs. In Lakhs)	Commission (Rs.)	Sitting fees (Rs.)
Mr. Ramesh Jaiswara <sup>^</sup>	34.98	-	-
Mr. Muralidhar Chitteti Reddy	-	-	1.70
Mr. Salil Taneja	-	-	1.70
Dr. Prahlada Ramarao	-	-	2.90
Mrs. Rahael Shobhana Joseph*	23.52	-	1.40
Mr. Arvind Nanda	-	-	3.00
<b>Total</b>	<b>58.50</b>	<b>-</b>	<b>10.70</b>

<sup>^</sup> Ceased as Director w.e.f. March 31, 2022

\*During the year under review, Mrs. Rahael Shobhana Joseph was paid sitting fees and salary in the capacity of Non-Executive Director and Executive Director respectively.

Note: Salary and perquisites include other allowances, Contribution to Provident Fund and Superannuation, Leave Travel Allowance, Medical Reimbursement and Accommodation provided.

Details of shares of the Company held by NEDs as on March

31, 2022:

Name of Director	Number of Equity Shares
Mr. Salil Taneja	3,500*
Mr. Muralidhar Chitteti Reddy	5,200*
Mr. Arvind Nanda	250
Mr. Rakesh Duda	1500

\* includes shares held in the name of the spouse.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee ("SRC") to look into the redressal of shareholder and investors' complaints like Transfer or Credit of Shares, non-receipt of Annual Reports/ Dividends etc.

The composition of SRC and attendance of each member is as under:

Name of the Director	Chairman/ Member	Number of Meetings Attended
Mr. Arvind Nanda	Chairman	1
Dr. Prahlada Ramarao	Member	1
Mrs. Rahael Shobhana Joseph*	Member	1

Consequent to change in designation of Mrs. Rahael Shobhana Joseph from Non-Executive Director to Executive Director, the Committee was re-constituted and Mrs. Rahael Shobhana Joseph was designated as member of the said Committee.

During the year under review, one meetings of SRC were held as under:

Sr. No.	Date of Meeting
1	November 01, 2021

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has a CSR Committee as per Section 135 of the Act.

The composition of CSR and attendance of members is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. Muralidhar Chitteti Reddy	Chairman	1
Mr. Arvind Nanda	Member	1
Mr. Salil Taneja	Member	1

During the year under review, one CSR Committee Meeting was held as under:

Sr. No.	Date of Meeting
1.	June 09, 2021

## INDEPENDENT DIRECTORS MEETING

The Independent Directors met on February 08, 2022 in conformity with the stipulations in Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to discuss:

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of Executive Directors.
- The quality, quantity and timeliness of flow of information

between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

## COMPLIANCE OFFICER

Ms. Shruti Zope, Company Secretary is the Compliance Officer of the Company for ensuring compliance with the requirements of the Listing Regulations, the SEBI Insider Trading Regulations and other SEBI Regulations.

During the year, all complaints/ grievances received from shareholders including via SEBI SCORES, ROC and Stock Exchanges, have been attended to and resolved. No valid transfer/ transmission of shares were pending as on March 31, 2022.

Details of investor complaints received and redressed during Financial Year 2021-22 are as follows:

Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	0
Number of complaints disposed of during the year	0
Number of complaints remaining unresolved at the end of the year	0

## CODE OF CONDUCT

The Board has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on website of the Company: [www.taal.co.in](http://www.taal.co.in)

## CEO/ CFO CERTIFICATION

MD and CFO Certificate under Regulation 17(8) of Listing Regulations is enclosed herewith.

## GENERAL BODY MEETINGS

Details of Annual General Meetings held in last three years:

Year	Date	Venue/ Deemed Venue	Time	Number of Special Resolutions passed
2020-21	28.09.2021	Registered office at Belagondapalli	11.30 a.m.	2
2019-20	29.09.2020	Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu	2.00 p.m.	3
2018-19	28.09.2019	- do -	- do -	-

The special resolutions moved at the Annual General Meeting for year 2019-20 were passed with requisite majority by way of e-voting and poll.

## POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the approval of Shareholders of the Company was sought for passing the following Special Resolution through postal ballot process:

1. Authorization to sell/ transfer / dispose off the certain machineries

# Taneja Aerospace and Aviation Limited

and equipment's of the Company situated at Belagondapalli, Tamil Nadu pursuant to Section 180(1)(a) of the Companies Act, 2013;

The Board of Directors of the Company had appointed Mr. M. D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries in practice, Coimbatore as the Scrutinizer for conducting the postal ballot through remote e-voting in a fair and transparent manner and for the purpose of ascertaining the requisite majority. The postal ballot results were declared on February 25, 2022.

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	1,28,60,144	1,28,59,116	99.99%	1,028	0.01%
<b>Total</b>	<b>1,28,60,144</b>	<b>1,28,59,116</b>	<b>99.99%</b>	<b>1,028</b>	<b>0.01%</b>

Special Resolution was passed by the shareholders with requisite majority.

## MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results and other statutory notices of the Company are published in leading newspapers in India which include Financial Express, Malai Malar/Makkal Kural (Salem edition). After the declaration of the quarterly, half-yearly and annual result, the same are submitted to the BSE Limited (BSE) as well as uploaded on the Company's website : [www.taal.co.in](http://www.taal.co.in).

## General Shareholder Information

AGM Date and Time	September 28, 2021, at 11:30 a.m.
Deemed Venue as AGM will be held electronically through Video or Other Audio Visual Means	Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu
Financial Year	April 01, 2020 to March 31, 2021
Dividend Payment date	Not Applicable
Listed on Stock Exchange	BSE Ltd, PJ Towers, Dalal Street, Fort, Mumbai - 400 001
Security Code (BSE)	522229
ISIN Number allotted to equity shares	INE692C01020
Registered Office	Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu

The Company has paid annual listing fees for the Financial Year 2022-23 to the Stock Exchange where the shares of the Company are listed.

## DESIGNATED EXCLUSIVE EMAIL ID OF THE COMPANY

The Company has the following E-mail Id exclusively for investor servicing: [secretarial@taal.co.in](mailto:secretarial@taal.co.in)

## STOCK MARKET DATA & SHARE PRICE PERFORMANCE

### BSE Limited (BSE):

The performance of Company's scrip on BSE as compared to BSE

500 Index is as under:

Month	Market Price		BSE 500 INDEX	
	High	Low	High	Low
April, 2021	34.00	28.00	20150.78	18982.96
May, 2021	38.50	30.30	21082.4	19444.49
June, 2021	42.00	33.10	21715.1	20951.07
July, 2021	56.50	37.3	21895.01	21346.66
August, 2021	60.00	41.00	23198.73	21844.65
September, 2021	66.95	43.00	24345.46	23133.26
October, 2021	99.90	53.50	25454.92	23746.52
November, 2021	87.75	65.05	24902.17	22881.93
December, 2021	126.00	85.30	24257.45	22428.02
January, 2022	168.00	119.10	25150.53	22900.34
February, 2022	148.80	93.55	24315.95	21857.13
March, 2022	118.50	91.50	23803.16	21339.78

Source: BSE website

## REGISTRAR AND SHARE TRANSFER AGENT

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

<p><b>Bigshare Services Private Ltd.</b>            Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,            Makwana Road, Marol, Andheri – East, Mumbai - 400059            Tel.: 022- 62638200 Fax.: 022- 62638299            e-mail: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a></p>
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As regard to shareholding in electronic form shareholders are requested to write to their respective Depository Participant & 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 Company's shares are traded compulsorily in Demat segment on the Stock Exchanges. Shares of the Company can be transferred only in dematerialized form except in case of request received for transmission or transposition of shares. Members holding shares in physical form are requested to convert their holdings to dematerialized form as transfer of physical shares are no longer permitted as per SEBI Regulations. Pursuant to Regulation 40(9) of the Listing Regulations, certificate on half yearly basis have been filed with the Stock Exchange for 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 have been filed with the Stock Exchange, which inter-alia gives details about the reconciliation of Share Capital (both physical and demat).

## DISTRIBUTION OF SHAREHOLDING OF THE COMPANY AS ON MARCH 31, 2022

Shareholding of Nominal Value of Rs.	No. of Shareholders	% to Total	No. of Shares held	% to Total	
1	5000	19,968	94,9410	1,44,15,140	11.562
5001	10000	448	2.1301	35,55,505	2.8523
10001	20000	260	1.2362	37,17,980	2.9826
20001	30000	116	0.5515	29,17,795	2.3407
30001	40000	45	0.2140	16,12,215	1.2934

Shareholding of Nominal Value of Rs.		No. of Shareholders	% to Total	No. of Shares held	% to Total
40001	50000	52	0.2472	24,90,485	1.9979
50001	10000	64	0.3043	45,84,220	3.6776
10001	and above	79	0.3756	9,13,60,340	73.2913
<b>Total</b>		<b>21,032</b>	<b>100.00</b>	<b>12,46,53,680</b>	<b>100.00</b>

## SHAREHOLDING PATTERN

Sr. No.	Category	As on March 31, 2022	
		No. of shares	% of total no. of shares
1	Promoters	1,27,71,037	51.23
2	Bodies Corporate	7,68,692	3.08
3	Public	1,08,54,030	43.54
4	NRIs	4,00,088	1.60
5	Others	1,36,889	0.55
<b>TOTAL</b>		<b>2,49,30,736</b>	<b>100.00</b>

## DEMATERIALISATION OF SHARES AND LIQUIDITY

96.52% of total Equity Share Capital is held in demat with NSDL & CDSL as on March 31, 2022.

## 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](http://www.bseindia.com)

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

The Company has no outstanding GDRs/ ADRs and the Company has not issued any GDRs/ADRs or any convertible instruments during the year under review.

## PLANT LOCATION

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

## ADDRESS FOR CORRESPONDENCE

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

## CREDIT RATINGS

During Financial Year 2021-22, the Company was not required to obtain the credit rating as there were NIL fund based and non-fund based credit limits.

## OTHER DISCLOSURES

- i) Details of related party transactions are furnished under Notes to Financial Statement.
- ii) 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.
- iii) None of the Directors have any relation inter-se except Mr. Salil Taneja and Mrs. Rahael Shobhana Joseph.
- iv) The quarterly internal audit reports are placed before the Audit Committee.

- v) 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.
- vi) Familiarization Programmes for Independent Directors and various policies including Policy on determination of material subsidiaries and dealing with related party transactions are placed on the Company's website: [www.taal.co.in](http://www.taal.co.in)
- vii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part Financial Year 2021-22 is Rs. 8.00 Lakhs.
- viii) The below table discloses the list of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

Core skills/ expertise/ competencies are identified	Directors who have the identified skills / expertise / competencies
Business Management, Planning & Strategy	Mr. Salil Taneja, Dr. Prahlada Ramarao, Mr. Muralidhar Chetteti Reddy, Mr. Arvind Nanda, Mrs. Rahael Shobhana Joseph, Mr. Rakesh Duda, Mr. Ramesh Jaiswara*
Business Development & Marketing	Mr. Salil Taneja, Mr. Muralidhar Chetteti Reddy, Mr. Ramesh Jaiswara*, Mr. Arvind Nanda, Mr. Rakesh Duda
Operations, Research & Development	Mr. Salil Taneja, Dr. Prahlada Ramarao, Mr. Muralidhar Chetteti Reddy, Mr. Arvind Nanda, Mrs. Rahael Shobhana Joseph, Mr. Ramesh Jaiswara*
Finance and Accounts & Administration & Others	Mr. Salil Taneja, Mr. Muralidhar Chetteti Reddy, Mr. Arvind Nanda, Dr. Prahlada Ramarao, Mrs. Rahael Shobhana Joseph, Mr. Ramesh Jaiswara*

\*ceased to be a Director with effect from March 31, 2022

- ix) In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.
- x) 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.
- xi) The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations.
- xii) A certificate from Company Secretary in Practice is enclosed herewith confirming that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

For and on behalf of the Board of Directors

Date : May 30, 2022

Place : Bengaluru

**Dr. Prahlada Ramarao**

**Chairman**

# Taneja Aerospace and Aviation Limited

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## DECLARATION REGARDING COMPLIANCE WITH COMPANY'S CODE OF CONDUCT

As required by Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this is to confirm that the Company has adopted a Code of Conduct for all Board Members & Senior Management of the Company. The Code of Conduct is available on the Company's website : [www.taal.co.in](http://www.taal.co.in)

As per Regulation 26 of the Listing Regulations, this is to confirm that the Company has received from the Senior Management Personnels of the Company and from the Members of the Board, a

declaration of compliance with the Code of Conduct for the Financial Year 2022-23.

For the purpose of this declaration, Senior Management Personnels comprises of employees in the Vice President and above Cadre as on March 31, 2022.

**For Taneja Aerospace and Aviation Limited**

Date : May 23, 2022

Place : Bengaluru

Dr. Prahlada Ramarao

Chairman

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## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
Taneja Aerospace and Aviation Limited

We have examined the compliance of conditions of Corporate Governance by Taneja Aerospace and Aviation Limited ("Company") for the year ended March 31, 2021, 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 review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance as stipulated in the said Regulations. 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 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 Giriraj A. Mohta & Company**  
**Company Secretaries**  
**Giriraj A. Mohta**  
**Membership No.: 50038**

Date : May 23, 2022

Place : Pune

C. P. No: 18967

UDIN : A050038D000365210

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## CEO/ CFO CERTIFICATION TO THE BOARD

*Under Regulation 17(8) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ('Listing Regulations')*

To,  
The Board of Directors  
Taneja Aerospace and Aviation Ltd

We, Rakesh Duda, Managing Director and Mahendra Nalluri, 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, 2022 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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 & 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 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (D) We have indicated to the Auditors and the Audit Committee:
- There are no significant changes in internal control over financial reporting during the financial year ended March 31, 2022;
  - All significant changes in accounting policies during the financial year ended March 31, 2022 and that the same have been disclosed in the notes to the financial statements; and
  - 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.

**Rakesh Duda**  
Managing Director

Date : May 23, 2022

Place : Delhi

**Mahendra Nalluri**  
Chief Financial Officer

Date : May 23, 2022

Place : Hosur

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*Pursuant to regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)*

The Members,  
Taneja Aerospace And Aviation Limited,  
Belagondapalli Village,  
Thally Road, Denkanikotta  
Belagondapalli 635114

We have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the last financial Year, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of (Taneja Aerospace And Aviation Limited, CIN: L62200TZ1988PLC014460) having its Registered office at Belagondapalli Village, Thally Road, Denkanikotta Belagondapalli 635114, for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below who are on the Board of the Company as on 31<sup>st</sup> March 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI/Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	DIN	Name of the Director	Designation	Date of Appointment in the Company
1	07548289	Dr. Prahlada Ramarao	Director	02.12.2017
2	00328668	Mr. Salil Baldev Taneja	Director	01.01.1994
3	01621083	Mr. Muralidhar Chitteti Reddy	Director	02.12.2017
4	01846107	Mr. Arvind Nanda	Director	14.08.2018
5	02427554	Mrs. Rahael Shobhana Joseph	Director	14.12.2017
6	08837423	Mr. Ramesh Jaiswara	Director	02.09.2020
7	05234273	Mr. Rakesh Duda <sup>^</sup>	Director	31.03.2022

<sup>^</sup>Appointed as with effect from March 31, 2022.

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

**For Giriraj A. Mohta & Company**  
**Company Secretaries**

**Giriraj A. Mohta**  
**Membership No.: 50038**

C. P. No: 18967

UDIN: A050038D000365166

Date : May 23, 2022

Place : Pune

# Taneja Aerospace and Aviation Limited

## Annexure 'A' to the Directors Report

Information required under Section 134(3)33(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the financial year ended on March 31, 2022

### 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. 4.06 lakhs lacs units of energy were consumed, costing Rs. 51.83 lakhs.

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 250 KVA genset 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 Defense 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	2021-22	2020-21
i)	Capital Expenditure	NIL	NIL
ii)	Recurring Expenditure	3.49	3.49
	Total	3.49	3.49
	Total R&D as a percentage to turnover	0.10	0.10

### 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 which was generating the direct inflow of Foreign Exchange.

- b. During the year, foreign exchange earnings were Rs. Nil Lakhs & foreign exchange outgo was Rs. 8.74 Lakhs.

## Annexure 'B' to the Board's 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 the Financial Year 2021-22, Ratio of remuneration of each Director to median remuneration of employees of the Company for the Financial Year 2021-22:

Sr. No.	Name of Directors/ KMP and Designation	% increase in remuneration in FY 2020-21	Ratio of remuneration of Director to median remuneration of employees
1	Mr. Ramesh Jaiswara Whole Time Director	3%	10.26
2	Mrs. Shobhana Rahael Joseph Whole Time Director w.e.f. August 05, 2021	NA	6.89
3	Ms. Shruti Zope Company Secretary	12%	2.77
4	Mr. Mahendra Nalluri Chief Financial Officer	25%	5.30

- 2) The median remuneration of employees of the Company during the financial year was Rs. 3.41 Lakhs p.a.

- 3) During the year under review, there is slightly change in median remuneration of employees.

- 4) The number of permanent employees on the rolls of the company as on March 31, 2022 is 38.

- 5) There was marginal increase in the salaries of employees other than the managerial personnel and managerial personnel in the last financial year.

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



## Annexure 'C' TO THE BOARD'S REPORT

### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[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 M/s. Taneja Aerospace and Aviation Ltd (hereinafter called "the Company").

Secretarial Audit was conducted for the period from April 01, 2021 to March 31, 2022, 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, 2022, 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, 2022 according to the provisions of the list of laws and regulations mentioned hereunder. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The following are 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 & 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 - Not applicable;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable;
  - 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;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not applicable;

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 all the laws applicable specifically to the Company.

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 under review.

# Taneja Aerospace and Aviation Limited

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- 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 Executive Directors, Non-Executive Directors and Independent Directors as required by Section 149 of the Companies Act, 2013

Adequate notice is given to all directors about Board Meetings held during the year, 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.

During the financial year under review, Company had received Show cause Notices from Registrar of Companies (ROC) under Section 211 read with Schedule XIV and Section 211 (3A) of the Companies Act, 1956 pertaining to earlier years and the Company is in process of replying the same.

**For Giriraj A. Mohta & Co.  
Company Secretaries**

Giriraj A. Mohta  
ACS No. 50038  
CP No. 18967

UDIN : A050038D000365232

Place : Pune

Date : May 23, 2022

## **Annexure A**

**To,**

The Members

Taneja Aerospace And Aviation Ltd  
Belagondapalli Village, Thally Road,  
Denkanikottai Belagondapalli 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 & 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 Giriraj A. Mohta & Co.  
Company Secretaries**

Giriraj A. Mohta  
ACS No. 50038  
CP No. 18967

UDIN : A050038D000365232

Place : Pune

Date : May 23, 2022

## Annexure ‘D’ to the Board’s Report

### Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year ended March 31, 2022

{Pursuant to Section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014}

#### 1. Brief outline on CSR Policy of the Company:

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

As per the CSR Policy, Company can undertake any of the program or activities as mentioned in Schedule VII of the Companies Act, 2013 and which will include any modification or amendment thereof. The CSR policy of the Company is placed on the website of the Company at <https://www.taal.co.in>

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Muralidhar Chitteti Reddy	Chairman/ Non-Executive Director	1	1
2	Mr. Salil Taneja	Member/ Non-Executive Director	1	1
3	Mr. Arvind Nanda	Member/ Independent Director	1	1

3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.taal.co.in>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
6. Average net profit of the Company as per section 135(5): Rs. 687.68 Lakhs
7. Prescribed CSR Expenditure:
  - a) Two percent of average net profit of the company as per section 135(5): Rs. 13.75 Lakhs
  - b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - c) Amount required to be set off for the financial year, if any: Nil
  - d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 13.75 Lakhs
8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
Rs. 13.75 Lakhs	-	-		-	

- (b) Details of CSR amount spent against ongoing projects for the financial year:

The Company has not spent any amount against ongoing projects in the financial year under review.

# Taneja Aerospace and Aviation Limited

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (Rs in Lakhs.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Promoting Education among children	(i)	Yes	Tamil Nadu	Krishnagiri	12.94	Yes	-	-
2	Promoting healthcare including Preventive healthcare	(i)	Yes	Tamil Nadu	Krishnagiri	0.40	Yes	-	-
<b>TOTAL</b>						<b>13.34</b>			

(d) Amount spent in Administrative Overheads: Rs.0.41 Lakhs

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 13.75 Lakhs

(g) Excess Amount for set off, if any.

Sr. No.	Particular	Amount (Rs.in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	13.75 Lakhs
(ii)	Total amount spent for the Financial Year	13.75 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): NIL

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable

(d) Provide details of the Capital Asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**For and on behalf of the Board of Directors**

**Muralidhar Chitteti Reddy**  
**Director and Chairman of CSR Committee**  
**DIN : 01621083**

**Salil Taneja Director**  
**Director**  
**DIN: 00328668**

Date : May 23, 2022  
 Place : Hyderabad

Date : May 23, 2022  
 Place : Pune

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Taneja Aerospace and Aviation Limited** **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of Taneja Aerospace and Aviation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

# Taneja Aerospace and Aviation Limited

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We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Standalone Financial Statements.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow 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) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 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.
    - iv. **(1) Under Rule 11(e)(i)** - The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) Under Rule 11(e)(ii)** - The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (3) Under Rule 11(e)(iii)** - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. **Under Rule 11(f)** - The first interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

The second interim dividend declared by the Company post year end is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates  
Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**  
Partner

Place: Bengaluru  
Date: May 23, 2022

Membership Number: 216181  
UDIN: 22216181AJKXUE9810

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION LIMITED

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates  
Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**

Partner

Membership Number: 216181

UDIN: 22216181AJKXUE9810

Place: Bengaluru

Date: May 23, 2022

# Taneja Aerospace and Aviation Limited

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have intangible assets. Accordingly, the provision stated in paragraph 3(i)(a)(B) of the order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties as disclosed in the financial statements are held in the name of the Company except for one immovable property aggregating to Rs. 198.08 Lacs as at March 31, 2022. As explained to us, Registration of title deeds is in progress in respect of this immovable property.

Following immovable properties are not held in the name of the Company:

Sr. No.	Description of Property	Gross carrying value	Held in Name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of company)
1	Freehold Land	INR 198.08 Lacs	HRCE, Arulmigu Shree Basaveshwara Swamy, Arulmigu Bettadamma Temple, Arulmigu Shree Palagai Karagam temple and Arul Migy Uttamma Karagam Temple	No	From FY 2016-17 onwards	Pending with Tamil Nadu Government to transfer title deeds

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has been sanctioned working capital limits less than Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Hence, reporting under this clause is not applicable.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance,



income-tax, duty of custom, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, 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
Finance Act, 1994	Service Tax	124.27	2008-09 to 2012-13	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	80.24	2008-09 to 2011-12	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	23.73	2012-13	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	57.50	2013-14 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	6.93	2013-14	Customs Excise and Service Tax Appellate Tribunal

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, 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 nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

# Taneja Aerospace and Aviation Limited

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- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- 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 standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) 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 stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi) (b) of the Order are not applicable to the Company
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on overall review of standalone financial statement, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx) (a) to (b) of the Order are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**  
Partner

Place: Bengaluru  
Date: May 23, 2022

Membership Number: 216181  
UDIN: 22216181AJKXUE9810

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STAND-ALONE FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION LIMITED

[Referred to in paragraph 2(f) 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 Standalone Financial Statements for the year ended March 31, 2022]

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

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Taneja Aerospace and Aviation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements 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) (the "Guidance Note").

#### 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone

financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements

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

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**  
Partner

Place: Bengaluru  
Date: May 23, 2022

Membership Number: 216181  
UDIN: 22216181AJKXUE9810

# Taneja Aerospace and Aviation Limited

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	8,549.47	9,453.81
Capital work-in-progress	5	383.04	-
Investment property	6	990.55	1,081.81
Financial assets			
Investments	7	652.55	651.55
Other financial Assets	8	25.72	24.75
Other non-current assets	9	60.11	5.26
<b>Total non-current assets</b>		<b>10,661.44</b>	<b>11,217.18</b>
<b>Current assets</b>			
Inventories	10	-	7.15
Financial assets			
Trade receivables	11	712.94	859.95
Cash and cash equivalents	12	293.76	451.80
Bank balances other than cash and cash equivalents	13	33.99	17.75
Current tax assets (net)	14	115.32	35.01
Other current assets	15	22.43	57.14
Assets held for sale	4.3	691.63	-
<b>Total current assets</b>		<b>1,870.07</b>	<b>1,428.80</b>
<b>Total assets</b>		<b>12,531.51</b>	<b>12,645.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,246.54	1,246.54
Other equity	17	9,619.48	9,212.44
<b>Total equity</b>		<b>10,866.02</b>	<b>10,458.98</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	-	185.59
Other financial liabilities	19	240.71	204.55
Provisions	20	13.39	178.93
Deferred Tax liability (Net)	35	123.55	-
Other non-current liabilities	21	353.71	387.65
<b>Total non-current liabilities</b>		<b>731.36</b>	<b>956.72</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	300.00	643.46
Trade payables	23	-	2.43
Total outstanding dues of micro enterprises and small enterprises		189.11	190.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		144.57	170.23
Other financial liabilities	24	293.91	206.40
Other current liabilities	25	6.54	17.70
Provisions	20	6.54	17.70
<b>Total current liabilities</b>		<b>934.13</b>	<b>1,230.28</b>
<b>Total liabilities</b>		<b>1,665.49</b>	<b>2,187.00</b>
<b>Total equity and liabilities</b>		<b>12,531.51</b>	<b>12,645.98</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these standalone financial statements			

As per our report of even date attached

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

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

**Pradeep Mysore Suresh**  
**Partner**  
 Membership Number : 216181

**Rakesh Duda**  
**Managing Director**  
 DIN : 05234273

**Salil Taneja**  
**Director**  
 DIN : 00328668

**Mahendra Nalluri**  
**Chief Financial Officer**

**Shruti Zope**  
**Company Secretary**  
 Membership No. A40609

Place : Bengaluru  
 Date : May 23, 2022

Place : New Delhi  
 Date : May 23, 2022

Place : Pune  
 Date : May 23, 2022

Place : Bengaluru  
 Date : May 23, 2022

Place : Pune  
 Date : May 23, 2022

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	26	3,119.72	3,452.01
Other income	27	78.86	29.49
<b>Total income</b>		<b>3,198.58</b>	<b>3,481.50</b>
<b>Expenses</b>			
Cost of material consumed	28	84.15	206.65
Other direct costs	29	335.58	358.02
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	-	75.11
Employee benefits expenses	31	647.27	894.20
Finance costs	32	94.30	256.02
Depreciation expenses	33	322.35	408.81
Other expenses	34	433.05	455.00
<b>Total expenses</b>		<b>1,916.70</b>	<b>2,653.81</b>
<b>Profit before exceptional items and tax</b>		<b>1,281.88</b>	<b>827.69</b>
Exceptional items	46	476.23	-
<b>Profit before tax</b>		<b>805.65</b>	<b>827.69</b>
<b>Income tax expense:</b>	35		
<b>Current tax</b>			
Current tax		132.18	138.00
Adjustment relating to earlier years		(2.82)	66.94
Deferred tax		129.40	-
<b>Total income tax expense</b>		<b>258.76</b>	<b>204.94</b>
<b>Profit for the year</b>		<b>546.89</b>	<b>622.75</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains/ (losses) on defined benefit plans		(21.04)	(1.73)
Income tax effect		5.85	-
<b>Other comprehensive income for the year</b>		<b>(15.19)</b>	<b>(1.73)</b>
<b>Total comprehensive income for the year</b>		<b>531.70</b>	<b>621.02</b>
<b>Earnings per share</b>	36		
Basic earnings per share (INR)		2.19	2.50
Diluted earnings per share (INR)		2.19	2.50
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these standalone financial statements			

As per our report of even date attached

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**

**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**

**Partner**

Membership Number : 216181

**Rakesh Duda**

**Managing Director**

DIN : 05234273

**Salil Taneja**

**Director**

DIN : 00328668

**Mahendra Nalluri**

**Chief Financial Officer**

Place : Bengaluru  
Date : May 23, 2022

**Shruti Zope**

**Company Secretary**

Membership No. A40609  
Place : Pune  
Date : May 23, 2022

Place : Bengaluru

Date : May 23, 2022

Place : New Delhi

Date : May 23, 2022

Place : Pune

Date : May 23, 2022

Place : Bengaluru

Date : May 23, 2022

Place : Pune

Date : May 23, 2022

# Taneja Aerospace and Aviation Limited

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 5 each issued, subscribed and fully paid up				
Opening	2,49,30,736	1,246.54	2,49,30,736	1,246.54
<b>Add:</b> Changes in equity share capital during the year	-	-	-	-
Closing	<b>2,49,30,736</b>	<b>1,246.54</b>	2,49,30,736	1,246.54

### (B) Other equity

Particulars	Reserve and surplus				Items of Other comprehensive income	Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit liability (net of taxes)	
<b>Balance as on April 1, 2021</b>	<b>5,203.53</b>	<b>5.83</b>	<b>1,271.86</b>	<b>2,731.22</b>	-	<b>9,212.44</b>
Profit for the year	-	-	-	546.89	-	546.89
Other comprehensive income (net of taxes)	-	-	-	-	(15.19)	(15.19)
Transferred to retained earnings	-	-	-	(15.19)	15.19	-
Total Comprehensive income for the year	-	-	-	531.70	-	531.70
Interim dividend paid	-	-	-	(124.66)	-	(124.66)
<b>Balance as at March 31, 2022</b>	<b>5,203.53</b>	<b>5.83</b>	<b>1,271.86</b>	<b>3,138.26</b>	-	<b>9,619.48</b>

Particulars	Reserve and surplus				Items of Other comprehensive income	Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit liability (net of taxes)	
<b>Balance as on April 1, 2020</b>	<b>5,203.53</b>	<b>5.83</b>	<b>1,271.86</b>	<b>2,110.20</b>	-	<b>8,591.42</b>
Profit for the year	-	-	-	622.75	-	622.75
Other comprehensive income (net of taxes)	-	-	-	-	(1.73)	(1.73)
Transferred to retained earnings	-	-	-	(1.73)	1.73	-
Total Comprehensive income for the year	-	-	-	621.02	-	621.02
<b>Balance as at March 31, 2021</b>	<b>5,203.53</b>	<b>5.83</b>	<b>1,271.86</b>	<b>2,731.22</b>	-	<b>9,212.44</b>

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**

**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**

**Partner**

Membership Number : 216181

**Rakesh Duda**

**Managing Director**

DIN : 05234273

**Salil Taneja**

**Director**

DIN : 00328668

**Mahendra Nalluri**

**Chief Financial Officer**

**Shruti Zope**

**Company Secretary**

Membership No. A40609

Place : Bengaluru

Date : May 23, 2022

Place : New Delhi

Date : May 23, 2022

Place : Pune

Date : May 23, 2022

Place : Bengaluru

Date : May 23, 2022

Place : Pune

Date : May 23, 2022

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>805.65</b>	827.69
Adjustments for:		
Depreciation expenses	322.35	408.81
Finance costs	58.13	185.56
Gain on sale of investments	-	(0.66)
Gain on sale of property, plant and equipments	(9.10)	-
Provision for doubtful debts	6.25	16.26
Interest income	(28.88)	(21.09)
<b>Operating profit before working capital changes</b>	<b>1,154.40</b>	1,416.57
<b>Changes in working capital</b>		
(Decrease) / increase in trade payables, provisions and other liabilities	(141.46)	(376.23)
Decrease / (increase) in inventories	7.15	111.37
Decrease / (increase) in trade receivables and other assets	160.12	(62.22)
<b>Cash generated from operations</b>	<b>1,180.21</b>	1,089.49
Income tax (paid) / refund (Net)	(209.67)	279.22
<b>Net cash flows generated from operating activities (A)</b>	<b>970.54</b>	1,368.71
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment (including capital work-in-progress)	(456.91)	(111.27)
Proceeds from sales of investments in mutual funds	-	58.20
Proceeds from sale/ disposal of property, plant and equipments	9.72	-
Capital contribution	(1.00)	-
Interest received	27.03	21.09
<b>Net cash flows (used in)/generated from investing activities (B)</b>	<b>(421.16)</b>	(31.98)
<b>Cash flows from financing activities</b>		
Repayment of non-current borrowings (Net)	(185.59)	(739.08)
Repayment of current borrowings (Net)	(343.46)	(112.24)
Dividend paid	(120.24)	-
Interest paid	(58.13)	(185.56)
<b>Net cash flows used in financing activities (C)</b>	<b>(707.42)</b>	(1,036.88)
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(158.04)</b>	299.85
Cash and cash equivalents at the beginning of the year	451.80	151.95
Cash and cash equivalents at the end of the year	<b>293.76</b>	<b>451.80</b>
<b>Cash and cash equivalents comprise</b>		
On current accounts	252.00	285.53
On fixed deposits with maturity of less than three months	41.76	166.27
<b>Total cash and cash equivalents</b>	<b>293.76</b>	<b>451.80</b>
Summary of significant accounting policies (Refer note 2)		
The accompanying notes are an integral part of these standalone financial statements		

As per our report of even date attached

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**

**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**  
**Partner**

Membership Number : 216181

**Rakesh Duda**  
**Managing Director**

DIN : 05234273

**Salil Taneja**  
**Director**

DIN : 00328668

**Mahendra Nalluri**  
**Chief Financial Officer**

Place : Bengaluru

**Shruti Zope**  
**Company Secretary**

Membership No. A40609

Place : Bengaluru  
Date : May 23, 2022

Place : New Delhi  
Date : May 23, 2022

Place : Pune  
Date : May 23, 2022

Place : Bengaluru  
Date : May 23, 2022

Place : Pune  
Date : May 23, 2022

# Taneja Aerospace and Aviation Limited

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## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

### 1 General Information

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 & Maintenance, Repair and Overhaul (MRO) and allied services.

The standalone financial statements of the Company were approved in the meeting of the Board of Directors held on May 23, 2022.

### 2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

#### 2.1 Basis of Preparation of Financial Statements

##### (a) Statement of Compliance with Ind AS

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies have been consistently applied to all the years presented 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 hitherto in use.

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021. Consequent to above, the Company has changed the classification/presentation of previous year balances to the extent applicable.

##### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for items that have been measured at fair value as required by relevant Ind AS.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Embedded derivative and
- iii) Asset classified as held for sale

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its

operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### (c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer note 3 for detailed discussion on estimates and judgments.

#### 2.2 Property, plant and equipments

- a) Property, plant and equipments are stated at their original cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipments 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 indirect taxes wherever credit of the duty or tax is availed of.
- b) All indirect expenses incurred during acquisition / construction of property, plant and equipments & including interest cost on funds deployed for the property, plant and equipments are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use.
- c) Advances paid towards the acquisition of property, plant and equipments outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.
- d) Subsequent expenditure relating to property, plant and equipments 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.



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

- 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.

**Depreciation methods, estimated useful lives**

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 property, plant and equipments is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipments is provided for upto the date of sale, deduction or discard of property, plant and equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Based on the technical experts assessment of useful life, following class of property, plant and equipments are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. These estimates are based on the technical evaluation which considered the nature and usage of the assets, the operating conditions of the assets, anticipated technological changes and maintenance support etc.

Property, plant and equipments	Useful Life
Plant & Equipments	15-48 years
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

**2.3 Investment properties**

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

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

Depreciation on investment properties is provided on a pro-rata basis on straight line method over the estimated useful

lives. Useful life of assets, as assessed by the Management, corresponds to those prescribed by Schedule II- Part 'C'.

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

**2.4 Foreign Currency Transactions**

**(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(b) Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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 denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

**2.5 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities ;
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable ;
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### 2.6 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

Rental income arising from operating leases (leases of hangar) is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

Training fees received, being non-refundable, is accounted over the training period.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

Revenue recognized in excess of billings is classified as contract assets ('Unbilled revenue') included in other current financial assets.

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

### Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109 , Financial Instruments, and where no significant uncertainty as to measurability or collectability exists. The Company recognizes duty drawback and income from duty credit scrips only when there is reasonable assurance that the conditions attached to them will be complied with, and the duty drawback and duty credit scrips will be received. Commission income is recognised when the right to receive payment is established.

### 2.7 Taxes

Tax expense for the year, comprising current tax, deferred tax and minimum alternate tax credit are included in the determination of the net profit or loss for the year.

#### (a) Current income tax

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. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### (b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022**

credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**(c) Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.8 Leases****As a lessee**

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right-Of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

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

**2.9 Inventories**

Inventories are valued at the lower of cost and net realisable value.

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

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.

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.

Work-in-progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work -in-progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

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.

### 2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one

or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.12 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.

### 2.13 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

### 2.14 Investment in Subsidiary

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

- (a) at cost, or
- (b) in accordance with Ind AS 109.

Company accounts for its investment in subsidiary at cost.

### 2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Financial assets

- (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the Effective Interest Rate method (EIR).

Fair Value Through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair Value Through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit or Loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

### (iv) De-recognition of financial assets

A financial asset is de-recognized only when :

- a) the rights to receive cash flows from the financial asset is transferred; or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

### (b) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

##### *Financial guarantee contracts*

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### (iii) De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender

on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

#### (c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.16 Employee benefits

### (a) Short-term obligations

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

### (b) 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.

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

### (c) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise.

### (d) Other long term employee benefits

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

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

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

### (e) Termination benefits

Liability for termination benefits like expenditure on Voluntary Retirement Scheme/ Retrenchment is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs

## 2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## 2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision

maker. The chief operating decision maker regularly monitors and reviews the operating results 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 segment in which the Company operates is 'Aerospace and Aviation'. The Company does not have any geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the individual segment, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Company operates in a single business segment of aerospace and aviation.

## 2.19 Assets Held for Sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

### 2.20 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

### Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (a) Defined Benefits and other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

### 3.2 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### (a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### (b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### (c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### (d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### (e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 4 Property, plant and equipment

#### 4.1 Financial Year 2021-22

	Gross block					Depreciation					Net block	
	As on April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale (Refer Note 4.3)	As at March 31, 2022	As on April 1, 2021	For the year	Deductions/ Adjustments	Assets classified as held for sale (Refer Note 4.3)	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>Owened assets</b>												
Freehold land	6,576.52	-	-	-	6,576.52	-	-	-	-	-	6,576.52	6,576.52
Buildings	464.29	-	-	-	464.29	106.22	18.40	-	-	124.62	339.67	358.07
Plant and equipments	3,811.55	-	(82.03)	(1,072.14)	2,657.38	1,313.42	203.00	(81.41)	(380.51)	1,054.50	1,602.88	2,498.13
Furniture and fixtures	5.11	-	-	-	5.11	2.63	0.19	-	-	2.82	2.29	2.48
Office equipments	25.45	-	-	-	25.45	19.67	2.91	-	-	22.58	2.87	5.78
Computer hardware	14.81	0.40	-	-	15.21	12.20	0.62	-	-	12.82	2.39	2.61
Vehicles	27.22	18.61	-	-	45.83	17.00	5.97	-	-	22.97	22.86	10.22
<b>Total</b>	<b>10,924.95</b>	<b>19.01</b>	<b>(82.03)</b>	<b>(1,072.14)</b>	<b>9,789.79</b>	<b>1,471.14</b>	<b>231.09</b>	<b>(81.41)</b>	<b>(380.51)</b>	<b>1,240.31</b>	<b>8,549.47</b>	<b>9,453.81</b>

#### 4.2 Financial Year 2020-21

	Gross block					Depreciation					Net block	
	As on April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>Owened assets</b>												
Freehold Land	6,472.88	103.64	-	-	6,576.52	-	-	-	-	-	6,576.52	6,472.88
Buildings	464.29	-	-	-	464.29	73.77	32.45	-	-	106.22	358.07	390.52
Plant and Equipment	3,811.55	-	-	-	3,811.55	990.99	322.43	-	-	1,313.42	2,498.13	2,820.56
Furniture and fixtures	5.11	-	-	-	5.11	2.37	0.26	-	-	2.63	2.48	2.74
Office Equipment	25.45	-	-	-	25.45	17.00	2.67	-	-	19.67	5.78	8.45
Computer - Hardware	13.43	1.38	-	-	14.81	11.26	0.94	-	-	12.20	2.61	2.17
Vehicles	20.97	6.25	-	-	27.22	13.76	3.24	-	-	17.00	10.22	7.21
<b>Total</b>	<b>10,813.68</b>	<b>111.27</b>	<b>-</b>	<b>-</b>	<b>10,924.95</b>	<b>1,109.15</b>	<b>361.99</b>	<b>-</b>	<b>-</b>	<b>1,471.14</b>	<b>9,453.81</b>	<b>9,704.53</b>

**4.3** The Board of Directors, at its meeting held on January 21, 2022, considered and granted approval for sale / dispose off certain old machineries' and equipment's of the Company. The same has been approved by shareholders of the company in their Extra ordinary general meeting through postal ballot results declared on February 24, 2022. Further these identified assets has been classified as assets held for sale under current assets. The carrying value of such assets held for sale amounted to INR 691.63 lakhs as on March 31, 2022.

**4.4** Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	198.08 (31st March 2021 - 198.08 lakhs)	HRCE, Arulmigu Shree Basaveshwara Swamy, Arulmigu Bettadamma Temple, Arulmigu Shree Palagai Karagam Temple, Arul Migy Uttamma Karagam Temple	No	FY 2016-17	Pending with Tamil Nadu Government Authorities to transfer title deeds

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 5 Capital work-in-progress

#### 5.1 Financial Year 2021-22

	As on April 1, 2021	Additions	Deductions/ Adjustments	Capitalisation	As on March 31, 2022
Capital work - in progress	-	383.04	-	-	383.04
<b>Total</b>	-	<b>383.04</b>	-	-	<b>383.04</b>

#### 5.2 Financial Year 2020-21

	As on April 1, 2020	Additions	Deductions/ Adjustments	Capitalisation	As on March 31, 2021
Capital work - in progress	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

#### Capital work-in-progress ageing schedule

##### Financial Year 2021-22

Capital work-in-progress	Capital - work - in progress ageing schedule				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	383.04	-	-	-	383.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>383.04</b>	-	-	-	<b>383.04</b>

### 6 Investment property

#### 6.1 Financial Year 2021-22

	Gross block					Depreciation					Net block	
	As on April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2022	As on April 1, 2021	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Hangar (Building)	1,315.93	-	-	-	1,315.93	234.12	91.26	-	-	325.38	990.55	1,081.81
<b>Total</b>	<b>1,315.93</b>	-	-	-	<b>1,315.93</b>	<b>234.12</b>	<b>91.26</b>	-	-	<b>325.38</b>	<b>990.55</b>	<b>1,081.81</b>

#### 6.2 Financial Year 2020-21

	Gross block					Depreciation					Net block	
	As on April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Hangar (Building)	1,315.93	-	-	-	1,315.93	187.30	46.82	-	-	234.12	1,081.81	1,128.63
<b>Total</b>	<b>1,315.93</b>	-	-	-	<b>1,315.93</b>	<b>187.30</b>	<b>46.82</b>	-	-	<b>234.12</b>	<b>1,081.81</b>	<b>1,128.63</b>

During the year, the Company has recognised rental income of INR 1,509.72 lakhs (March 31, 2021 - INR 1,424.26 lakhs) in the standalone Statement of Profit and Loss for investment properties.

Investment properties is leased out under operating leases. Disclosure on future rent receivable is included in note 38.

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

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 7 Financial assets - Investments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Unquoted equity shares (non-trade, stated at cost)</b>		
Katra Auto Engineering Private Limited - 50,000 shares (Previous year 50,000) of INR 10/- each	5.00	5.00
Capital contribution *	647.55	646.55
	<u>652.55</u>	<u>651.55</u>
* Long-term loan in nature of equity into 100% subsidiary.		
<u>Classified as :</u>		
Current	-	-
Non-current	652.55	651.55
<b>Total financial assets - investments</b>	<u>652.55</u>	<u>651.55</u>

### 8 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	21.31	24.75
Balances with banks		
On unpaid dividend accounts	4.41	-
<b>Total other financial assets</b>	<u>25.72</u>	<u>24.75</u>

### 9 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with revenue authorities	5.26	5.26
Capital advance to suppliers	54.85	-
<b>Total other non-current assets</b>	<u>60.11</u>	<u>5.26</u>

### 10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials in stock	-	7.15
<b>Total inventories</b>	<u>-</u>	<u>7.15</u>

### 11 Trade receivables

Particulars	As at March 31, 2022	IP5
<u>Unsecured</u>		
Considered good	712.94	859.95
Credit impaired	30.53	24.39
Less : Allowance for expected credit loss	(30.53)	(24.39)
	<u>712.94</u>	<u>859.95</u>
<u>Further classified as:</u>		
Receivables from related parties	-	-
Receivables from others	712.94	859.95
<b>Total trade receivables</b>	<u>712.94</u>	<u>859.95</u>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### Ageing of trade receivables

As on March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables -considered good	662.86	35.04	15.04	-	-	712.94
Undisputed trade receivables -credit impaired	-	5.88	1.91	22.74	-	30.53
Disputed trade receivables -considered good	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-

As on March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables -considered good	809.83	50.12	-	-	-	859.95
Undisputed trade receivables -credit impaired	-	1.65	22.74	-	-	24.39
Disputed trade receivables -considered good	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-

### 12 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	252.00	285.53
Margin money deposits with banks (Less than 3 months maturity)	41.76	166.27
<b>Total cash and cash equivalents</b>	<b>293.76</b>	<b>451.80</b>

### 13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Margin money deposits with banks (3 months to 12 months maturity)	33.99	17.75
<b>Total bank balances other than cash and cash equivalents</b>	<b>33.99</b>	<b>17.75</b>

### 14 Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	115.32	35.01
[Net of provision for tax: INR 132.18 lakhs; (March 31, 2021: INR 138.00 lakhs)]		
<b>Total current tax assets (net)</b>	<b>115.32</b>	<b>35.01</b>

### 15 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	6.49	37.12
Advance to staff	1.71	2.08
Prepaid expenses	11.87	17.94
Interest accrued but not due	1.86	-
Unbilled revenue	0.50	-
<b>Total other current assets</b>	<b>22.43</b>	<b>57.14</b>

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 16 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
4,00,00,000 (March 31, 2021 - 4,00,00,000) equity shares of INR 5/- each	2,000.00	2,000.00
10,00,000 (March 31, 2021 - 10,00,000) 15% Redeemable Cumulative Preference Shares of INR 50/- each	500.00	500.00
	<b>2,500.00</b>	2,500.00
<b>Issued, subscribed and paid-up</b>		
2,49,30,736 (March 31, 2021 - 2,49,30,736) equity shares of INR 5/- each fully paid-up	1,246.54	1,246.54
<b>Total</b>	<b>1,246.54</b>	1,246.54

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	2,49,30,736	1,246.54	2,49,30,736	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	2,49,30,736	1,246.54	2,49,30,736	1,246.54

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

The Company has only one class of equity shares of INR 5/- each. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company has only one class of preference shares, there are no preference shares issued till date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	1,26,53,299	50.75	1,26,53,299	50.75

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

#### (f) Shareholding of Promoters

Name of the Promoter	No of shares held	% of shares	% of change during the year
Salil Baldev Taneja	3,500	0.01%	-
Alka Metha	29,000	0.12%	-
Vishkul Enterprises Private Limited	39,521	0.16%	0.16%
Laurus Tradecon Private Ltd	45,717	0.18%	-
Indian Seamless Enterprises Limited	1,26,53,299	50.75%	-

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 17 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Capital reserve</b>		
Opening balance	5.83	5.83
<b>Closing balance</b>	<b>5.83</b>	<b>5.83</b>
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.		
<b>(b) Securities premium account</b>		
Opening balance	5,203.53	5,203.53
<b>Closing balance</b>	<b>5,203.53</b>	<b>5,203.53</b>
Securities premium account is used to record the premium received on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of Companies Act, 2013.		
<b>(c) General reserve</b>		
Opening balance	1,271.86	1,271.86
<b>Closing balance</b>	<b>1,271.86</b>	<b>1,271.86</b>
The General reserve represents the adjustment on account of scheme of amalgamation approved by the High court in the FY 2009-10.		
<b>(d) Retained earnings</b>		
Opening balance	2,731.22	2,110.20
Net Profit/(Net Loss) for the year	546.89	622.75
Re-measurement gains/ (losses) on defined benefit plans	(15.19)	(1.73)
	<b>3,262.92</b>	2,731.22
Less: Interim dividend	(124.66)	-
<b>Closing balance</b>	<b>3,138.26</b>	<b>2,731.22</b>
Retained earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.		
<b>Total Other equity</b>	<b>9,619.48</b>	<b>9,212.44</b>

### 18 Non-current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured loans:</b>		
Term loan from banks	-	540.24
Other non-current borrowings	-	2.70
Less: Current maturities	-	357.35
<b>Total non-current borrowings</b>	<b>-</b>	<b>185.59</b>

The term loan from bank outstanding as at March 31, 2021 amounting to INR 540.24 lakhs is closed during the current year. The loan was secured by a first charge on assignment of Hangar-2 rental / receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu as a collateral security. The loan carried an interest rate of base rate + 2.30% to base rate + 2.50% per annum.

The other non-current borrowing from banks outstanding as at March 31, 2022 amounting to INR Nil (March 31, 2021 : INR 2.70 lakhs) loan was secured by the respective charge on motor vehicle. During the year ended March 31, 2022, the loan amount was repaid to the Bank and the securities have been discharged.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 19 Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit from lessee	237.21	197.55
Deposit from customers	3.50	7.00
<b>Total other non-current financial liabilities</b>	<b>240.71</b>	<b>204.55</b>

### 20 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Non-current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity (funded)	3.83	139.41
(b) Provision for leave encashment (unfunded)	9.56	39.52
<b>Total non-current provisions</b>	<b>13.39</b>	<b>178.93</b>
<b><u>Current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity (funded)	4.60	12.51
(b) Provision for leave encashment (unfunded)	1.94	5.19
<b>Total current provisions</b>	<b>6.54</b>	<b>17.70</b>
<b>Total provisions</b>	<b>19.93</b>	<b>196.63</b>

### 21 Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred rental income	353.71	387.65
<b>Total other non-current liabilities</b>	<b>353.71</b>	<b>387.65</b>

### 22 Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Secured</u></b>		
(a) Working capital borrowings from banks	-	286.11
(b) Current maturities of non-current borrowings	-	357.35
<b><u>Unsecured</u></b>		
(a) Short term borrowings from related parties	300.00	-
<b>Total current borrowings</b>	<b>300.00</b>	<b>643.46</b>

#### **Details of securities and other terms**

- i) The working capital borrowings from bank outstanding as at March 31, 2021 amounting to INR 286.11 lakhs has been closed during the year. The loan was secured against hypothecation of stock and book-debts on pari-passu basis and second charge on property, plant and equipment including specific free hold lands to the extent of 26.87 acres and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. The borrowing carried an interest of MCLR plus 5.30% per annum. During the year ended March 31, 2022, the loan have been repaid and securities have been discharged.
- ii) During the year, the Company has obtained a short term loan from a related party to meet its working capital requirements. The loan is unsecured and repayable by July 2022 unless extended. The loan carries an interest of 10% per annum.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 23 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises*	-	2.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	189.11	190.06
<b>Total trade payables</b>	<b>189.11</b>	<b>192.49</b>

#### Trade Payables ageing schedule

##### As on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSE	-	-	-	-	-
Due to Others	112.62	9.00	3.21	64.28	189.11
Disputed - dues to MSME	-	-	-	-	-
Disputed - dues to Others	-	-	-	-	-

##### As on March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSE	2.43	-	-	-	2.43
Due to Others	117.86	7.92	18.95	45.33	190.06
Disputed - dues to MSME	-	-	-	-	-
Disputed - dues to Others	-	-	-	-	-

\* The identification of micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act) is based on confirmation received from suppliers. The Company has accrued INR Nil (March 31, 2021: INR Nil) towards interest payable to the vendors under the MSMED Act.

Particulars	As at March 31, 2022	As at March 31, 2021
i. The principal amount due thereon remaining unpaid as at the year end, interest amount due and remaining unpaid as at the year end		
a) Principal	-	2.32
b) Interest	-	0.11
<b>Total</b>	-	<b>2.43</b>
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 24 Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Expenses payables	111.65	97.24
Employee related liabilities#	28.51	72.99
Unpaid dividend	4.41	-
<b>Total other current financial liabilities</b>	<b>144.57</b>	<b>170.23</b>

# Includes INR 3.66 lakhs (March 31, 2021 : INR 1.54 lakhs) due to Whole-time director.

### 25 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	106.40	82.67
Advance from customers	146.91	77.38
Deferred revenue	1.39	10.61
Deferred rent income	39.21	35.74
<b>Total other current liabilities</b>	<b>293.91</b>	<b>206.40</b>

### 26 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sales – Aviation</b>		
Domestic sales	45.39	296.62
Export sales	-	9.83
<b>Services – Aviation</b>		
Domestic conversion charges	962.21	1,294.00
Rental income & other maintenance services	2,083.94	1,809.96
Training & other services	28.18	41.60
<b>Total revenue from operations</b>	<b>3,119.72</b>	<b>3,452.01</b>

#### Performance obligations and remaining performance obligations

Aggregate amount of the transaction price allocated to long-term fixed price contracts that are partially or fully unsatisfied as on March 31, 2022 is INR 819.70 lakhs (March 31, 2021 - INR 1,078.45 lakhs) of which the Company expects to recognize 88% (INR 711.70 lakhs) as revenue in 2022-23 (March 31, 2021 - INR 978.45 lakhs), and 12% (INR 108.00 lakhs) as revenue in 2023-24 (March 31, 2021 - INR 134 lakhs). All other contracts are for periods one year or less. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

### 27 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Miscellaneous income	0.16	2.87
Foreign exchange variance income	-	1.54
Write back of advances/ provisions	17.47	3.33
Gain on sale of investments / assets	-	0.66
Agricultural income	23.25	-
Profit on sale of property, plant and equipment	9.10	-
Interest income*	28.88	21.09
<b>Total other income</b>	<b>78.86</b>	<b>29.49</b>

\* Includes interest on income tax refunds of INR Nil (March 31, 2021: INR 16.11 lakhs)

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 28 Cost of raw materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	7.15	43.41
Add : Purchases	77.00	170.39
Less : Inventory at the end of the year	-	7.15
<b>Total raw materials consumed</b>	<b>84.15</b>	<b>206.65</b>

### 29 Other direct costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Vendor charges	335.58	358.02
<b>Total other direct costs</b>	<b>335.58</b>	<b>358.02</b>

### 30 Changes in inventories of finished goods, work-in-progress and stock-in trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the beginning of the year:</b>		
Opening work-in-progress	-	28.44
Opening finished goods (Include goods-in transit)	-	46.67
	(I)	75.11
<b>Inventories at the end of the year:</b>		
Closing work-in-progress	-	-
Closing finished goods (Include goods-in-transit)	-	-
	(II)	-
<b>(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(I)-(II)</b>	<b>75.11</b>

### 31 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus and other allowances	571.40	788.23
Contribution to provident and other funds	36.56	56.77
Gratuity	18.79	21.89
Staff welfare expenses	20.52	27.31
<b>Total Employee benefits expense</b>	<b>647.27</b>	<b>894.20</b>

### 32 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on term loans	44.24	135.25
Interest on working capital loans	13.89	50.31
Other finance costs	36.17	70.46
<b>Total finance costs</b>	<b>94.30</b>	<b>256.02</b>

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 33 Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note 4)	231.09	361.99
Depreciation on investment properties (Refer note 6)	91.26	46.82
<b>Total depreciation and amortization expense</b>	<b>322.35</b>	<b>408.81</b>

### 34 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	51.83	71.20
Repairs and maintenance plant & equipment	39.31	16.90
Repairs and maintenance building	0.18	0.18
Repairs and maintenance others	17.10	17.53
Selling expenses	10.11	13.98
Rent	18.46	21.02
Rates & taxes	66.87	62.18
Insurance	22.77	17.65
Travelling & conveyance	26.55	23.98
Vendor charges	42.90	39.70
CSR expenses (Refer note 48)	13.75	8.44
Allowance for expected credit loss*	6.25	16.26
Foreign exchange variance expenses	1.82	-
Office & other administrative expenses	38.93	40.36
Legal, professional & consultancy charges	68.00	97.38
Auditors remuneration	8.22	8.24
<b>Total Other expenses</b>	<b>433.05</b>	<b>455.00</b>

\* Movement in allowance for expected credit loss during the year :

Details	Year ended March 31, 2022	Year ended March 31, 2021
Opening allowance for expected credit loss	24.39	19.61
Add: Created during the year	6.25	16.26
Less: Written off during the year	(0.11)	(11.48)
Closing allowance for expected credit loss (Refer note 11)	<b>30.53</b>	<b>24.39</b>

The following is the break-up of Auditors remuneration (exclusive of taxes)

Details	Year ended March 31, 2022	Year ended March 31, 2021
<b>As Auditor:</b>		
Statutory audit and limited review fees	8.00	8.00
<b>In other capacity:</b>		
Re-imbursment of expenses	0.22	0.24
<b>Total</b>	<b>8.22</b>	<b>8.24</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 35 Income Tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(A) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
On employee benefits	112.84	-
On provision for doubtful debts	8.49	-
MAT credit entitlement	386.91	-
<b>Deferred tax liabilities</b>		
On property, plant and equipment	(631.79)	-
	<u>(123.55)</u>	<u>-</u>
<b>(B) Recognition of deferred tax asset to the extent of deferred tax liability</b>		
<b>Balance sheet</b>		
Deferred tax asset	508.24	-
Deferred tax liabilities	(631.79)	-
Deferred tax assets / (liabilities), net	<u>(123.55)</u>	<u>-</u>
Deferred tax expenses / (credit) (as per Statement of Profit and Loss)	123.55	-
	<u>123.55</u>	<u>-</u>
<b>(C) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :</b>		
<b>Tax expenses as per Statement of Profit &amp; Loss</b>		
Current tax	132.18	138.00
Adjustment for earlier years	(2.82)	66.94
Deferred tax	129.40	-
<b>Sub-total</b>	<u>258.76</u>	<u>204.94</u>
Income tax impact on OCI	(5.85)	-
<b>Total</b>	<u>(252.91)</u>	<u>204.94</u>
<b>Profit from continuing operations before income tax expense</b>	<u>805.65</u>	<u>827.69</u>
<b>Tax Rate</b>	<u>27.82%</u>	<u>29.12%</u>
<b>Tax computed using statutory tax rate</b>	<u>224.13</u>	<u>241.02</u>
Tax effect of:		
Utilization of carry forward losses and depreciation	-	(102.93)
Adjustment for earlier years	(2.82)	66.94
Recognition of deferred taxes for earlier years	40.09	-
Difference in tax rates	-	(0.09)
Others	(8.49)	-
<b>Income tax expenses</b>	<u>252.91</u>	<u>204.94</u>

### 36 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2022	March 31, 2021
Profit attributable to equity shareholders of the Company	546.89	622.75
Weighted average number of equity shares for basic EPS	2,49,30,736	2,49,30,736
Basic - Earnings per share (INR)	2.19	2.50
Diluted - Earnings per share (INR)	2.19	2.50

Diluted EPS is same as Basic EPS, as there are no outstanding potential shares as on date as well as in the corresponding previous year.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 37 Employee benefits

#### (A) Defined contribution plans

Particulars	March 31, 2022	March 31, 2021
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss		
<b>Employer's contribution to provident fund, family pension fund and other funds</b>	<b>36.56</b>	56.77

#### (B) Defined benefit plans

Gratuity payable to employees

##### i) Actuarial assumptions

Particulars	March 31, 2022	March 31, 2021
Discount rate (per annum)	7.20%	6.90%
Rate of increase in salary	6%	6%
Expected average remaining working lives of employees (years)	12.41	11.44
Withdrawal rate	5%	5%
Retirement age	58 years	58 years
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult

##### ii) Changes in the present value of defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
<b>Present value of obligation at the beginning of the year</b>	<b>164.90</b>	153.19
Interest cost	5.08	9.96
Past service cost	-	-
Current service cost	13.70	13.50
Curtailements	-	-
Settlements	-	-
Benefits paid	(182.44)	(13.49)
Actuarial (gain) / loss on obligations	21.04	1.73
<b>Present value of obligation at the end of the year</b>	<b>22.28</b>	164.90

##### iii) Changes in fair value of plan assets

Particulars	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the period	12.98	12.15
Interest income	0.90	0.83
Mortality charges and taxes	(0.01)	(0.01)
Benefits paid	-	-
Return on plan assets excluding interest income - gain / (loss)	(0.02)	0.01
Fair value of plan assets at the end of the period	<b>13.85</b>	12.98

##### iv) Expense recognised in the statement of profit and loss

Particulars	March 31, 2022	March 31, 2021
Current service cost	13.71	13.50
Interest cost	5.08	9.96
Expected return on plan assets	(0.89)	(0.82)
Actuarial (gain) / loss on obligations	21.04	1.73
<b>Total expenses recognized in the statement of profit and loss*</b>	<b>38.94</b>	24.37

\*Included in employee benefits expense - refer note 31. Actuarial (gain) / loss on gratuity of INR 21.04 lakhs for the year ended March 31, 2022 (March 31, 2021: INR 1.73 lakhs) is included in other comprehensive income.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

v) **Assets and liabilities recognised in the Balance Sheet:**

Particulars	March 31, 2022	March 31, 2021
<b>Present value of unfunded obligation as at the end of the year</b>	<b>22.28</b>	164.90
Less : Funded with Life Insurance Corporation	<b>13.85</b>	12.98
<b>Unfunded net asset / (liability) recognised in the Balance Sheet</b>	<b>8.43</b>	151.92

vi) **The major categories of plans assets are as follows:**

Particulars	March 31, 2022	March 31, 2021
Fund managed by LIC of India	13.85	12.98
<b>Total amount</b>	<b>13.85</b>	12.98

vii) **A quantitative sensitivity analysis for significant assumption as at March 31, 2022 & March 31, 2021 is as shown below:**

Particulars	March 31, 2022	March 31, 2021
<b>Impact on defined benefit obligation</b>		
Discount rate		
1% increase	<b>20.82</b>	151.86
1% decrease	<b>23.99</b>	177.92
Salary rate		
1% increase	<b>23.81</b>	153.35
1% decrease	<b>20.96</b>	176.43
Withdrawal rate		
1% increase	<b>22.43</b>	155.00
1% decrease	<b>22.11</b>	174.78

viii) **Maturity profile of defined benefit obligation**

Particulars	March 31, 2022	March 31, 2021
<b>Year</b>		
Upto one year	<b>4.60</b>	12.51
One to two years	<b>1.19</b>	21.66
Two to three years	<b>6.01</b>	10.52
More than three years	<b>13.56</b>	180.01

(C) The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

### 38 Leases

**Operating leases where Company is a lessor:**

The Company has entered into lease transactions mainly for leasing of hangars for a period of 25 years. The terms of lease include terms of renewal. The operating lease income recognised in the Statement of Profit and Loss amounts to INR 1509.71 lakhs (March 31, 2021 - INR 1424.26 lakhs) included in note 26.

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

Particulars	March 31, 2022	March 31, 2021
Within one year	<b>1,600.30</b>	1670.67
After one year but not more than five years	<b>7,420.72</b>	7,132.10
More than five years	<b>14,113.36</b>	16,133.71

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 39 Related party disclosures

#### (A) Names of related parties and description of relationship with the Company:

<b>Ultimate Holding company</b>
Vishkul Enterprises Private Limited
<b>Holding company</b>
Indian Seamless Enterprises Limited
<b>Subsidiary company</b>
Katra Auto Engineering Private Limited
<b>Others entities under common control</b>
ISMT Limited (Till March 10, 2022)
Laurus Tradecon Private Limited (erstwhile known as Lighto Technologies Private Limited)
TAAL Enterprises Limited
TAAL Tech India Private Limited
First Airways Inc.
Knox Investments Private Limited
<b>Key Management Personnel (KMP)</b>
Mr. Ramesh Jaiswara (Whole-time Director till March 31, 2022)
Mr. Rakesh Duda (Managing Director from May 16, 2022)
Mrs. Rahael Shobhana Joseph (Whole-time Director from August 05, 2021)
<b>Directors</b>
Dr. Prahlada Ramarao
Mr. Salil Taneja
Mrs. Rahael Shobhana Joseph
Mr. Arvind Nanda
Mr. Muralidhar Chittetti Reddy

#### (B) Details of transactions and closing balances of related parties in the ordinary course of business for the year ended:

	March 31, 2022	March 31, 2021
<b>Particulars</b>		
<b>(i) Subsidiary company</b>		
<b>Transactions during the year:</b>		
Loan in the nature of equity contribution advanced to subsidiary company	1.00	-
<b>Balance as at the year end</b>		
Investment	5.00	5.00
Balance receivable (Loan in the nature of equity contribution) *	647.55	646.55
<b>(ii) Others entities under common control</b>		
<b>Loans taken from related parties during the year</b>		
- Taal Tech India Private Limited	320.00	325.00
<b>Loan re-paid to related parties during the year</b>		
- Taal Tech India Private Limited	20.00	325.00
<b>Other income</b>		
- Knox Investments Private Limited	-	0.27
<b>Interest paid</b>		
- Taal Tech India Private Limited	29.78	20.89

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
<b>Commission received for bank guarantee</b>		
- TAAL Enterprises Limited	-	2.75
<b>Balance payable as at year end - Loans taken from related parties during the year</b>		
- Taal Tech India Private Limited	<b>300.00</b>	-
(iii) <b>Key Management Personnel (KMP)</b>		
<b>Compensation of key management personnel</b>		
<b>Managerial remuneration #</b>		
- Mr. Ramesh Jaiswara	<b>34.98</b>	20.21
- Mrs. Rahael Shobhana Joseph	<b>23.52</b>	-
<b>Director sitting fees</b>		
- Mr. Arvind Nanda	<b>3.00</b>	2.00
- Mr. Muralidhar Chittetti Reddy	<b>1.70</b>	0.90
- Dr. Prahlada Ramarao	<b>2.90</b>	1.90
- Mr. Salil Taneja	<b>1.70</b>	0.90
- Mrs. Rahael Shobhana Joseph	<b>1.40</b>	1.90
<b>Balance payable as at the year end</b>		
- Mr. Ramesh Jaiswara	<b>3.66</b>	1.54

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

# The Managerial remuneration 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.

### 40 Segment reporting

The Chief Operating Decision Maker (CODM) regularly monitors and review the operating results 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. The Company operates only in one segment i.e. "Aerospace and aviation". The Company operates predominantly within one geographical segment i.e. India and accordingly, this is considered as the only secondary segment.

#### Major customers

Revenue from one customer of the Company's aviation segment amounting to INR 1,724.97 lakhs (March 31, 2021: INR 1,504.74 lakhs) is more than 10% of Company's total revenue.

### 41 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using Effective Interest Rate (EIR) of non-current financial liabilities consisting of security and other deposits are not significantly different from the carrying amounts.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits and other financial assets.

### 42 Fair value hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	March 31, 2022	March 31, 2021
<b>Level 1</b>	Nil	Nil
<b>Level 2</b>	Nil	Nil
<b>Level 3</b>		
<b><u>Financial assets measured at amortized cost</u></b>		
Cash and cash equivalents	293.76	451.80
Bank balances other than cash and cash equivalents	33.99	17.75
Trade receivables	712.94	859.95
Other financial assets	25.72	24.75
Investment in subsidiary	652.55	651.55
<b>Total financial assets at amortized cost</b>	<b>1,718.96</b>	<b>2,005.80</b>
<b><u>Financial liabilities measured at amortized cost</u></b>		
Borrowings	300.00	829.05
Trade payables	189.11	192.49
Other financial liabilities	385.28	374.78
<b>Total financial liabilities at amortized cost</b>	<b>874.39</b>	<b>1,396.32</b>

The fair values of deposits from lessee were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

The carrying amount of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, investments in subsidiary, other financial assets, borrowings, trade payables and other financial liabilities are considered to be the same as their fair values.

### 43 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is co-ordinated by the Board of Directors and focuses on securing long-term and short-term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

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

##### (i) Interest rate risk

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

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

##### Interest rate sensitivity

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

Particulars	Increase/ decrease in basis points	Effect on profit before tax
<b>March 31, 2022*</b>		
INR	-	-
INR	-	-
<b>March 31, 2021</b>		
INR	+45	(3.73)
INR	(45)	3.73

\*As at March 31, 2022, the Company does not have any borrowing at floating interest rate.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### (ii) Foreign currency risk

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

#### *Foreign currency sensitivity*

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

Particulars	Change in US\$ rate	Effect on profit before tax
March 31, 2022	+2.5%	(1.30)
	(2.50%)	1.30
March 31, 2021	+2.5%	(1.26)
	(2.50%)	1.26

### (B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before giving any property on lease and has not had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and where it operates. Further, the Company have created a allowance for expected credit loss amounted to INR 30.53 lakhs (March 31, 2021 : INR 24.39 lakhs)

### (C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	less than 12 months	1 to 4 years	More than 4 years	Total
<b><u>March 31, 2022</u></b>				
Short-term borrowings	300.00	-	-	300.00
Long-term borrowings	-	-	-	-
Trade payables	189.11	-	-	189.11
Other financial liabilities	148.07	-	237.21	385.28
	<b>637.18</b>	<b>-</b>	<b>237.21</b>	<b>874.39</b>

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	less than 12 months	1 to 4 years	More than 4 years	Total
<b>March 31, 2021</b>				
Short-term borrowings	286.11	-	-	286.11
Long-term borrowings	357.35	185.59	-	542.94
Trade payables	192.49	-	-	192.49
Other financial liabilities	177.23	-	197.55	374.78
	<b>1,013.18</b>	<b>185.59</b>	<b>197.55</b>	<b>1,396.32</b>

### 44 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has distributed dividend of INR 0.50/- per fully paid share to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure i.e. equity and debt. Total debt comprises of non-current and current borrowing from banks. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Subsequent to year ended, the Board of Directors of the company has declared interim dividend of INR 2/- per fully paid equity share in the Board meeting held on May 14, 2022.

#### Dividends

Particulars	March 31, 2022	March 31, 2021
<u>Equity shares</u>		
Interim dividend for the year ended March 31, 2022 of INR 0.50/- (March 31, 2021 - INR Nil) per fully paid-up share	124.66	-

Particulars	March 31, 2022	March 31, 2021
Total equity (i)	10,866.02	10,458.98
Borrowings	300.00	829.04
Less: Cash and cash equivalents	293.76	451.80
Total debt (ii)	6.24	377.24
Overall financing (iii) = (i) + (ii)	10,872.26	10,836.21
Gearing ratio (ii) / (iii)	0.001	0.035

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

### 45 A) Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts:		
(i) Service Tax	124.37	124.37
(ii) Excise Duty	168.40	168.40
(iii) Others	170.00	170.00
	<b>462.77</b>	<b>462.77</b>

- (i) This relates to services tax demands received of INR 124.37 lakhs (March 31, 2021: INR 124.37 lakhs) for the years 2008-09 to 2012-13 towards service tax liability on reverse charge basis for receipt of service of supply of tangible goods for use which are disputed by the Company. The Company has filed an appeal against these orders and the appeal is pending with the appellate authorities.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

(iii) This relates to various excise duty demands received towards manufacture and supply of goods without payment of duty of INR 80.24 lakhs (March 31, 2021: INR 80.24 lakhs) for the years 2008-09 to 2011-12, INR 23.73 lakhs (March 31, 2021: INR 23.73 lakhs) for the year 2012-13, INR 57.50 lakhs (March 31, 2021: INR 57.50 lakhs) for the years 2013-14 to 2014-15 and INR 6.93 lakhs (March 31, 2021: INR 6.93 lakhs) which are disputed by the Company. The Company has filed an appeal against these orders and the appeal is pending with the appellate authorities.

(iii) This relates to damages claimed by a customer towards breach of contractual obligations of INR 170 lakhs (March 31, 2021: INR 170 lakhs) during the year 2005-06 which are disputed by the Company in the City Civil Court of Bangalore.

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

### B) Capital and other commitments (to the extent not provided for)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Bank guarantees*	34.46	194.83
(b) Indemnity issued to customers	-	514.75

\* This relates to Bank guarantees obtained by the Company to issue the same to the customers and the commission of customs, amounted to INR 34.46 Lakhs (March 31, 2021: INR 194.83 Lakhs)

46 The Board of Directors, at its meeting held on November 01, 2021 considered and approved Voluntary Retirement Scheme/ Voluntary Separation Scheme ('Scheme') for certain category of employees, Pursuant to the scheme, eligible employees have opted and availed the Scheme, the Company has incurred an expenditure of INR 387.89 lakhs towards such aforementioned scheme and this has been disclosed as exceptional item. and;

The Board of Directors at its meeting held on March 22, 2022 considered and approved Retrenchment Scheme for workmen, Pursuant to the scheme, the Company has incurred an expenditure of INR 88.34 lakhs towards such aforementioned scheme and this has been disclosed as exceptional item.

47 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.

### 48 Corporate Social Responsibility expenditure (CSR)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Gross amount required to be spent by the Company during the year	13.75	8.44

b) Details of amount spent towards CSR is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Paid	Yet to be paid	Paid	Yet to be paid
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above*	13.75	-	8.44	-

\* the amount spent is towards construction of school and related administrative expenses

c) There is no cumulative shortfall in CSR expenditure at the end of the year (March 31, 2021 : Nil)

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

49 As per Clause 9.2 of the Scheme of Arrangement as approved / sanctioned by the Hon'ble Madras High Court, Taneja Aerospace and Aviation Limited (TAAL) will carry on the business and activities relating to the demerged charter business for and on account of and in trust for TAAL Enterprises Limited (TEL) until the time TEL obtains the requisite statutory licences required for carrying on the demerged charter business. The said licences are yet to be obtained and accordingly the demerged charter business has continued to be operated by TAAL in trust for and on behalf of TEL including banking transactions, statutory compliances and all other commercial activities. Accordingly, the accounting entries pertaining to the demerged charter business are accounted in the books of account of TEL.

### 50 Ratios

Particulars	FY 2021-22	FY 2020-21	% of change	Numerator	Denominator
Current ratio	2.00	1.16	72%	Current assets	Current liabilities
Debt- equity ratio	0.03	0.08	65%	Borrowings	Equity
Debt- service coverage ratio	3.86	1.40	175%	Earnings available for debt service	Debt service
Return on equity ratio	5.03%	5.95%	-15%	Net profit after taxes	Average shareholders' equity
Inventory turnover ratio	872.65	54.94	1488%	Revenue from operations	Average inventory
Trade receivables turnover ratio	3.97	4.63	14%	Revenue from operations	Average trade receivables
Trade payables turnover ratio	4.47	13.18	66%	Direct and indirect expenses	Average trade payables
Net capital turnover ratio	0.29	0.33	-13%	Revenue from operations	Equity
Net profit ratio	17.04%	17.99%	-5%	Net profit	Revenue from operations
Return on capital employed	8.06%	9.60%	-16%	Earnings before interest and taxes	Capital employed

- a) Current ratio improved due to re-classification of assets held for sale and improved liquidity position of the company.
- b) Debt- Equity Ratio and Debt- Service coverage ratio are improved due to repayment of all debt outstanding with Banks.
- c) Inventory Turnover ratio improved due to the company is more focusing on job work/ sub contracting.

### 51 Additional regulatory information required by Schedule III

#### (i) Details of benami property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

#### (ii) Wilful defaulter

The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iii) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

#### (iv) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

#### (v) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

#### (vi) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

# Taneja Aerospace and Aviation Limited

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## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### (vii) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

### (viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (ix) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52 Previous period/ year's figures have been regrouped/ reclassified wherever necessary in line with the amendments to Schedule III of the Companies Act, 2013 announced on March 24, 2021.

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As per our report of even date attached

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**

**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**

**Partner**

Membership Number : 216181

Place : Bengaluru

Date : May 23, 2022

**Rakesh Duda**

**Managing Director**

DIN : 05234273

Place : New Delhi

Date : May 23, 2022

**Salil Taneja**

**Director**

DIN : 00328668

Place : Pune

Date : May 23, 2022

**Mahendra Nalluri**

**Chief Financial Officer**

Date : May 23, 2022

Place : Bengaluru

Date : May 23, 2022

**Shruti Zope**

**Company Secretary**

Membership No. A40609

Place : Pune

Date : May 23, 2022

## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT

To the Members of Taneja Aerospace and Aviation Limited

Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Taneja Aerospace and Aviation Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of report of other auditor on separate financial statements and on the other financial information of subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

# Taneja Aerospace and Aviation Limited

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## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

## Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 6,50,07,501 as at March 31, 2022, total revenues of Rs. Nil and net cash flows amounting to Rs. 57,758 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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 report of the other auditor and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and 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, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, 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 are disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 44 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - iv. **(1) Under Rule 11(e)(i)-** The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of the subsidiary that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or the subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (2) **Under Rule 11(e)(ii)** - The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been received by the Holding Company or the subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) **Under Rule 11(e)(iii)** - Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard, nothing has come to our or other auditors’ notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. **Under Rule 11(f)** - On the basis of our verification and on consideration of the reports of the statutory auditor of the subsidiary that is an Indian company under the Act, first interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
- The second interim dividend declared by the Holding Company post year end is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of one subsidiary, as the provisions of the aforesaid section is not applicable to private company.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiary included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no qualifications/adverse remarks.

**For M S K A & Associates  
Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**

Partner

Place: Bengaluru

Date: May 23, 2022

Membership Number:216181

UDIN: 22216181AJKXMI5720

# Taneja Aerospace and Aviation Limited

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## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION LIMITED

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**  
Partner

Place: Bengaluru  
Date: May 23, 2022

Membership Number: 216181  
UDIN: 22216181AJKXMI5720

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TANEJA AEROSPACE AND AVIATION LIMITED

[Referred to in paragraph 1f 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 Consolidated Financial Statements for the year ended March 31, 2022]

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Taneja Aerospace and Aviation Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

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

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal

financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies, which are companies incorporated in India.

#### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

#### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration Number: 105047W

**Pradeep Mysore Suresh**  
Partner

Place: Bengaluru  
Date: May 23, 2022

Membership Number: 216181  
UDIN: 22216181AJKXMI5720

# Taneja Aerospace and Aviation Limited

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	9,198.80	10,103.14
Capital work-in-progress	5	383.04	-
Investment property	6	990.55	1,081.80
Financial assets			
Other financial assets	7	25.72	24.75
Other non-current assets	8	60.12	5.26
<b>Total non-current assets</b>		<b>10,658.23</b>	<b>11,214.95</b>
<b>Current assets</b>			
Inventories	9	-	7.15
Financial assets			
Trade receivables	10	712.94	859.95
Cash and cash equivalents	11	294.49	451.95
Bank balances other than cash and cash equivalents	12	33.99	17.75
Current tax assets (net)	13	115.32	35.01
Other current assets	14	22.43	57.14
Assets held for sale	4.3	691.63	-
<b>Total current assets</b>		<b>1,870.80</b>	<b>1,428.95</b>
<b>Total assets</b>		<b>12,529.03</b>	<b>12,643.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,246.54	1,246.54
Other equity	16	9,616.90	9,210.06
<b>Total equity</b>		<b>10,863.44</b>	<b>10,456.60</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	-	185.59
Other financial liabilities	18	240.71	204.55
Provisions	19	13.39	178.93
Deferred tax liabilities(net)	34	123.55	-
Other non-current liabilities	20	353.71	387.65
<b>Total non-current liabilities</b>		<b>731.36</b>	<b>956.72</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	300.00	643.46
Trade payables	22	-	2.43
Total outstanding dues of micro enterprises and small enterprises		-	2.43
Total outstanding dues of creditors other than micro enterprises and small enterprises		189.08	190.04
Other financial liabilities	23	144.70	170.55
Other current liabilities	24	293.91	206.40
Provisions	19	6.54	17.70
<b>Total current liabilities</b>		<b>934.23</b>	<b>1,230.58</b>
<b>Total liabilities</b>		<b>1,665.59</b>	<b>2,187.30</b>
<b>Total equity and liabilities</b>		<b>12,529.03</b>	<b>12,643.90</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date attached

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

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

**Pradeep Mysore Suresh**  
**Partner**  
 Membership Number : 216181

**Rakesh Duda**  
**Managing Director**  
 DIN : 05234273

**Salil Taneja**  
**Director**  
 DIN : 00328668

**Mahendra Nalluri**  
**Chief Financial Officer**

**Shruti Zope**  
**Company Secretary**  
 Membership No. A40609

Place : Bengaluru  
 Date : May 23, 2022

Place : New Delhi  
 Date : May 23, 2022

Place : Pune  
 Date : May 23, 2022

Place : Bengaluru  
 Date : May 23, 2022

Place : Pune  
 Date : May 23, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	25	3,119.72	3,452.01
Other income	26	78.86	29.49
<b>Total income</b>		<b>3,198.58</b>	<b>3,481.50</b>
<b>Expenses</b>			
Cost of material consumed	27	84.15	206.65
Other direct costs	28	335.58	358.02
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	-	75.11
Employee benefits expenses	30	647.27	894.20
Finance costs	31	94.30	256.02
Depreciation expenses	32	322.35	409.59
Other expenses	33	433.27	455.12
<b>Total expenses</b>		<b>1,916.92</b>	<b>2,654.71</b>
<b>Profit /(loss) before exceptional items and tax</b>		<b>1,281.66</b>	<b>826.79</b>
Exceptional items	45	476.23	-
<b>Profit / (Loss) before tax</b>		<b>805.43</b>	<b>826.79</b>
<b>Income tax expense:</b>	34		
Current tax			
Current tax		132.18	138.00
Adjustment relating to earlier years		(2.82)	66.94
Deferred tax		129.40	-
<b>Total Income tax expense</b>		<b>258.76</b>	<b>204.94</b>
<b>Profit for the year</b>		<b>546.67</b>	<b>621.85</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be re-classified to profit or loss in subsequent periods</i>			
Re-measurement gains / (losses) on defined benefit plans		(21.04)	(1.73)
Income tax effect		5.85	-
<b>Other comprehensive income for the year</b>		<b>(15.19)</b>	<b>(1.73)</b>
<b>Total comprehensive income for the year</b>		<b>531.48</b>	<b>620.12</b>
<b>Earnings per share</b>	35		
Basic earnings per share (INR)		2.19	2.49
Diluted earnings per share (INR)		2.19	2.49
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date attached

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**

**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**

**Partner**

Membership Number : 216181

**Rakesh Duda**

**Managing Director**

DIN : 05234273

**Salil Taneja**

**Director**

DIN : 00328668

**Mahendra Nalluri**

**Chief Financial Officer**

Place : Bengaluru  
Date : May 23, 2022

**Shruti Zope**

**Company Secretary**

Membership No. A40609  
Place : Pune  
Date : May 23, 2022

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Date : May 23, 2022

Place : Pune

Date : May 23, 2022

# Taneja Aerospace and Aviation Limited

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 5 each issued, subscribed and fully paid-up				
Opening	2,49,30,736	1,246.54	2,49,30,736	1,246.54
Add: Changes in equity share capital during the year	-	-	-	-
Closing	<u>2,49,30,736</u>	<u>1,246.54</u>	<u>2,49,30,736</u>	<u>1,246.54</u>

### (B) Other equity

Particulars	Reserve and surplus				Items of Other comprehensive income	Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit liability (net of taxes)	
<b>Balance as on April 1, 2021</b>	<b>5,203.53</b>	<b>5.83</b>	<b>1,271.86</b>	<b>2,728.84</b>	-	<b>9,210.06</b>
Profit for the year	-	-	-	546.68	-	546.68
Other comprehensive income (net of taxes)	-	-	-	-	(15.19)	(15.19)
Transferred to retained earnings	-	-	-	(15.19)	15.19	-
Total comprehensive income for the year	-	-	-	<b>531.49</b>	-	<b>531.49</b>
Interim dividend paid	-	-	-	(124.65)	-	(124.65)
<b>Balance as at March 31, 2022</b>	<u><b>5,203.53</b></u>	<u><b>5.83</b></u>	<u><b>1,271.86</b></u>	<u><b>3,135.68</b></u>	-	<u><b>9,616.90</b></u>

Particulars	Reserve and surplus				Items of Other comprehensive income	Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit liability (net of taxes)	
<b>Balance as on April 1, 2020</b>	<b>5,203.53</b>	<b>5.83</b>	<b>1,271.86</b>	<b>2,108.72</b>	-	<b>8,589.94</b>
Profit for the year	-	-	-	621.85	-	621.85
Other comprehensive income (net of taxes)	-	-	-	-	(1.73)	(1.73)
Transferred to retained earnings	-	-	-	(1.73)	1.73	-
Total comprehensive income for the year	-	-	-	<b>620.12</b>	-	<b>620.12</b>
<b>Balance as at March 31, 2021</b>	<u><b>5,203.53</b></u>	<u><b>5.83</b></u>	<u><b>1,271.86</b></u>	<u><b>2,728.84</b></u>	-	<u><b>9,210.06</b></u>

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**

**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**

**Partner**

Membership Number : 216181

**Rakesh Duda**

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Date : May 23, 2022

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Place : Pune

Date : May 23, 2022

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>805.43</b>	826.79
Adjustments for:		
Depreciation expenses	322.35	409.59
Finance costs	58.13	185.56
Gain on sale of investments	-	(0.66)
Gain on sale of property, plant and equipments	(9.10)	-
Provision for doubtful debts	6.26	16.26
Interest income	(28.88)	(21.09)
<b>Operating profit before working capital changes</b>	<b>1,154.19</b>	1,416.45
<b>Changes in working capital</b>		
(Decrease) / increase in trade payables, provisions and other liabilities	(139.80)	(376.22)
Decrease / (increase) in inventories	7.15	111.37
(Decrease) / increase in trade receivables and other assets	158.25	(62.23)
<b>Cash generated from operations</b>	<b>1,179.79</b>	1,089.37
Income tax (paid) / refund (net)	(209.67)	279.22
<b>Net cash flows generated from operating activities (A)</b>	<b>970.12</b>	1,368.59
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment (including capital work-in-progress)	(456.91)	(111.27)
Proceeds from sales of investments in mutual funds	-	58.20
Proceeds from sale/ disposal of property, plant and equipments	9.72	-
Interest received	27.02	21.09
<b>Net cash flow used in investing activities (B)</b>	<b>(420.16)</b>	(31.98)
<b>Cash flow from financing activities</b>		
Repayment of non-current borrowings (net)	(185.59)	(739.08)
Repayment of current borrowings (net)	(343.46)	(112.24)
Dividend paid	(120.24)	-
Interest paid	(58.13)	(185.56)
<b>Net cash flow used in financing activities (C)</b>	<b>(707.42)</b>	(1,036.88)
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(157.46)</b>	299.73
Cash and cash equivalents at the beginning of the year	451.95	152.22
Cash and cash equivalents at the end of the year	294.49	451.95
<b>Cash and cash equivalents comprise</b>		
On current accounts	252.73	285.68
Fixed deposits with maturity of less than 3 months	41.76	166.27
<b>Total cash and cash equivalents</b>	<b>294.49</b>	451.95
Summary of significant accounting policies (Refer note 2)		
The accompanying notes are an integral part of the consolidated financial statements		

As per our report of even date attached

**For MSKA & Associates**  
**Chartered Accountants**

Firm Registration No. 105047W

**For and on behalf of the Board of Directors of**  
**Taneja Aerospace and Aviation Limited**

CIN: L62200TZ1988PLC014460

**Pradeep Mysore Suresh**  
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# Taneja Aerospace and Aviation Limited

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## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

### 1 General Information

Taneja Aerospace & Aviation Limited (“TAAL” or the “parent company” or “the Company”) together with its subsidiary (collectively, the “Group”) 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 & Maintenance, Repair and Overhaul (MRO) and allied services.

The consolidated financial statements of the Group were approved in the meeting of the Board of Directors held on May 23, 2022.

### 2 Significant accounting policies

Significant accounting policies adopted by the Group are as under:

#### 2.1 Basis of Preparation of consolidated financial statements

##### (a) Statement of Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies have been consistently applied to all the years presented 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 hitherto in use.

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the Group has changed the classification/presentation of previous year balances to the extent applicable.

##### (b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for items that have been measured at fair value as required by relevant Ind AS.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Embedded derivative and
- iii) Asset classified as held for sale

All assets and liabilities have been classified as current or non-current as per the Group’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

##### (c) Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management’s evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer note 3 for detailed discussion on estimates and judgments.

##### (d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ▶ Exposure, or rights, to variable returns from its involvement with the investee; and
- ▶ The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee;
- ▶ Rights arising from other contractual arrangements;
- ▶ The Group's voting rights and potential voting rights;
- ▶ The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment's are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Details of subsidiary consolidated:

<b>Name of the Company</b>	Katra Auto Engineering Private Limited
<b>Relationship</b>	Direct Subsidiary
<b>Country of Incorporation</b>	India
<b>Ownership Interest held by the Parent</b>	March 31, 2022: 100% (March 31, 2021: 100%)
<b>Accounting Period</b>	April 1, 2021 - March 31, 2022 (April 1, 2020 - March 31, 2021)
<b>Audited / Un-audited</b>	Audited

## 2.2 Property, plant and equipment

- a) Property, plant and equipments are stated at their original cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipments 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 indirect taxes wherever credit of the duty or tax is availed of.
- b) All indirect expenses incurred during acquisition / construction of property, plant and equipments including interest cost on funds deployed for the property, plant and equipments are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

- c) Advances paid towards the acquisition of property, plant and equipments outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.
- d) Subsequent expenditure relating to property, plant and equipments 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 it's corresponding asset, the component is depreciated over it's shorter life.

### Depreciation methods, estimated useful lives

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 property, plant and equipments is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipments is provided for upto the date of sale, deduction or discard of property, plant and equipments 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 experts assessment of useful life, following class of property, plant and equipments are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. These estimates are based on the technical evaluation which considered the nature and usage of the assets, the operating conditions of the assets, anticipated technological changes and maintenance support etc.

Property, plant and equipment	Useful Life
Plant & equipments	15-48 years
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property, plant and equipments are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipments is provided on pro-rata basis from the date of acquisition. Depreciation on sale / deduction from property, plant and equipments is provided upto the date preceding the date of sale / deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### 2.3 Investment properties

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

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

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

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

### 2.4 Foreign currency transactions

#### (a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(b) Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are re-stated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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 denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

**2.5 Fair value measurement**

The Group measures financial instruments such as derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability; or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to Group.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**2.6 Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Group satisfies a performance obligation.

Rental income arising from operating leases (leases of hangar) is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Training fees received, being non-refundable, is accounted over the training period.

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

The Group presents revenues net of indirect taxes in its Statement of Profit and loss.

Revenue recognized in excess of billings is classified as contract assets (Unbilled revenue) included in other current financial assets.

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

### Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109 - "Financial Instruments", and where no significant uncertainty as to measurability or collectability exists. Group recognizes duty drawback and income from duty credit scrips only when there is reasonable assurance that the conditions attached to them will be complied with and the duty drawback and duty credit scrips will be received. Commission income is recognised when the right to receive payment is established.

## 2.7 Taxes

Tax expense for the year comprising current tax, deferred tax and minimum alternate tax credit are included in the determination of the net profit or loss for the year.

### (a) Current income tax

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. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the income-tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### (c) Deferred tax

Deferred income tax is provided in full, using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income-tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income-tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.8 Leases

### As a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains,

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022**

a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right-Of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**As a lessor**

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

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

**2.9 Inventories**

Inventories are valued at the lower of cost and net realisable value.

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

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.

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.

Work-in-progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work-in-progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

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.

**2.10 Impairment of non-financial assets**

Group assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, Group estimates the assets recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an assets carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value -in - use and its fair value less costs to sell. In assessing value -in - use , the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**2.11 Provisions and contingent liabilities**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

### 2.12 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.

### 2.13 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and cash equivalents includes deposits maintained by Group with banks, which can be withdrawn by Group at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

### 2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (ii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the Effective Interest Rate method (EIR).

Fair Value Through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair Value Through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in OCI is re-classified from equity to Statement of Profit and Loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Fair Value Through Profit or Loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### (iii) Impairment of financial assets

In accordance with Ind AS 109 - "Financial Instruments", Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.

ECL is the difference between all contractual cash flows that are due to Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls) discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

### (iv) De-recognition of financial assets

A financial asset is de-recognized only when:

- a) the rights to receive cash flows from the financial asset is transferred; or

- b) entity retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset the financial asset is not de-recognized.

### (b) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

*Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

*Financial guarantee contracts*

Financial guarantee contracts issued by Group are those contracts that require a payment to be made to re-imburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### (iii) De-recognition

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

### (c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of Group or the counterparty.

## 2.15 Employee Benefits

### (a) Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

### (b) Defined contribution plan

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

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where Group has no further obligations. Such benefits are classified as defined contribution schemes as Group does not carry any further obligations apart from the

contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

### (c) Defined benefit plans

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

### (d) Other long term employee benefits

#### Compensated Absences:

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

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

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

### (e) Termination benefits

Liability for termination benefits like expenditure on Voluntary Retirement Scheme/ Retrenchment is recognised at the earlier of when the Group can no longer withdraw the offer of termination benefit or when the Group recognises any related restructuring costs.

## 2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events that have changed the number of equity shares outstanding, without a corresponding change in resources.



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating results 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. Group has considered business segments as the primary segments for disclosure. The business segments are 'Aviation' and 'Trading of Goods'. Group does not have any geographical segment. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Group operates in a single business segment of aerospace and aviation.

### 2.18 Assets Held for Sale

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

### 2.19 Rounding off amounts

All amounts disclosed in consolidated financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

### 3. Significant accounting judgments, estimates and assumptions and recent pronouncements

The preparation of consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

#### 3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Group. Such changes are reflected in the assumptions when they occur.

#### Defined benefits and other long-term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

### 3.2 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### (a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### (b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### (c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### (d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### (e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 4 Property, plant and equipment

#### 4.1 Financial Year 2021-22

	Gross block					Depreciation					Net block	
	As on April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale (Refer Note 4.3)	As at March 31, 2022	As on April 1, 2021	For the year	Deductions/ Adjustments	Assets classified as held for sale (Refer Note 4.3)	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>Owned assets</b>												
Freehold land	7,225.86	-	-	-	7,225.86	-	-	-	-	-	7,225.86	7,225.86
Buildings	464.29	-	-	-	464.29	106.22	18.40	-	-	124.62	339.67	358.07
Plant and equipments	3,811.55	-	(82.03)	(1,072.15)	2,657.37	1,313.42	203.00	(81.41)	(380.51)	1,054.50	1,602.87	2,498.13
Furniture and fixtures	5.11	-	-	-	5.11	2.63	0.19	-	-	2.82	2.29	2.48
Office equipments	25.45	-	-	-	25.45	19.67	2.91	-	-	22.58	2.87	5.78
Computer hardware	14.81	0.40	-	-	15.21	12.20	0.62	-	-	12.82	2.39	2.61
Vehicles	27.22	18.61	-	-	45.83	17.00	5.97	-	-	22.97	22.85	10.22
<b>Total</b>	<b>11,574.29</b>	<b>19.01</b>	<b>(82.03)</b>	<b>(1072.15)</b>	<b>10,439.12</b>	<b>1,471.14</b>	<b>231.09</b>	<b>(81.41)</b>	<b>(380.51)</b>	<b>1,240.31</b>	<b>9,198.80</b>	<b>10,103.14</b>

#### 4.2 Financial Year 2020-21

	Gross block					Depreciation					Net block	
	As on April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>Owned assets</b>												
Freehold land	7,122.22	103.64	-	-	7,225.86	-	-	-	-	-	7,225.86	7,122.22
Buildings	464.29	-	-	-	464.29	73.77	32.45	-	-	106.22	358.07	390.52
Plant and equipments	3,811.55	-	-	-	3,811.55	990.99	322.43	-	-	1,313.42	2,498.13	2,820.56
Furniture and fixtures	5.11	-	-	-	5.11	2.37	0.26	-	-	2.63	2.48	2.74
Office equipment	25.45	-	-	-	25.45	17.00	2.67	-	-	19.67	5.78	8.45
Computer hardware	13.43	1.38	-	-	14.81	11.26	0.94	-	-	12.20	2.61	2.17
Vehicles	20.97	6.25	-	-	27.22	13.76	3.24	-	-	17.00	10.22	7.21
<b>Total</b>	<b>11,463.02</b>	<b>111.27</b>	<b>-</b>	<b>-</b>	<b>11,574.29</b>	<b>1,109.15</b>	<b>361.99</b>	<b>-</b>	<b>-</b>	<b>1,471.14</b>	<b>10,103.14</b>	<b>10,353.87</b>

4.3 The Board of Directors, at its meeting held on January 21, 2022, considered and granted approval for sale / dispose off certain old machineries' and equipment's of the Company. The same has been approved by shareholders of the company in their Extra ordinary general meeting through postal ballot results declared on February 24, 2022. Further these identified assets has been classified as assets held for sale under current assets. The carrying value of such assets held for sale amounted to INR 691.63 lakhs as on March 31, 2022.

4.4 Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	198.08 (March 31, 2021 - 198.08 lakhs)	HRCE, Arulmigu Shree Basaveshwara Swamy, Arulmigu Bettadamma Temple, Arulmigu Shree Palagai Karagam Temple, Arul Migy Uttamma Karagam Temple	No	FY 2016-17	Pending with Tamil Nadu Government Authorities to transfer title deeds

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 5. Capital - work - in progress

#### 5.1 Financial Year 2021-22

	As on April 1, 2021	Additions	Deductions/ Adjustments	Capitalisation	As on March 31, 2022
Capital work - in progress	-	383.04	-	-	383.04
<b>Total</b>	-	<b>383.04</b>	-	-	<b>383.04</b>

#### 5.2 Financial Year 2020-21

	As on April 1, 2020	Additions	Deductions/ Adjustments	Capitalisation	As on March 31, 2021
Capital work - in progress	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

#### a) Capital - work - in progress aging schedule

##### Financial year 2021-22

Capital - work - in progress	Capital - work - in progress aging schedule				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	383.04	-	-	-	383.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>383.04</b>	-	-	-	<b>383.04</b>

#### 6.1 Financial Year 2021-22

	Gross block					Depreciation					Net block	
	As on April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2022	As on April 1, 2021	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Hangar (Building)	1,315.93	-	-	-	1,315.93	234.12	91.26	-	-	325.38	990.55	1,081.80
<b>Total</b>	<b>1,315.93</b>	-	-	-	<b>1,315.93</b>	<b>234.12</b>	<b>91.26</b>	-	-	<b>325.38</b>	<b>990.55</b>	<b>1,081.80</b>

#### 6.2 Financial Year 2020-21

	Gross block					Depreciation					Net block	
	As on April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Hangar (Building)	1,315.93	-	-	-	1,315.93	187.30	46.82	-	-	234.12	1,081.80	1,128.63
<b>Total</b>	<b>1,315.93</b>	-	-	-	<b>1,315.93</b>	<b>187.30</b>	<b>46.82</b>	-	-	<b>234.12</b>	<b>1,081.80</b>	<b>1,128.63</b>

During the year, the Company has recognised rental income of INR 1,509.72 lakhs (March 31, 2021 - INR 1,424.26 lakhs) in the consolidated Statement of Profit and Loss for investment properties.

Investment properties is leased out under operating leases. Disclosure on future rent receivable is included in note 37.

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

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 7 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	21.31	24.75
Balances with banks		
On unpaid dividend accounts	4.41	-
<b>Total other financial assets</b>	<b>25.72</b>	<b>24.75</b>

### 8 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with revenue authorities	5.26	5.26
Capital advance to suppliers	54.86	-
<b>Total other non-current assets</b>	<b>60.12</b>	<b>5.26</b>

### 9 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials in stock	-	7.15
<b>Total inventories</b>	<b>-</b>	<b>7.15</b>

### 10 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
<u>Unsecured</u>		
Considered good	712.94	859.95
Credit impaired	30.53	24.39
Less : Allowance for expected credit loss	(30.53)	(24.39)
	<b>712.94</b>	<b>859.95</b>
<u>Further classified as:</u>		
Receivables from related parties	-	-
Receivables from others	712.94	859.95
<b>Total trade receivables</b>	<b>712.94</b>	<b>859.95</b>

#### Ageing of trade receivables

As on March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables -considered good	662.86	35.04	15.04	-	-	712.94
Undisputed trade receivables -credit impaired	-	5.88	1.91	22.74	-	30.53
Disputed trade receivables -considered good	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

As on March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables -considered good	809.83	50.12	-	-	-	859.95
Undisputed trade receivables -credit impaired	-	1.65	22.74	-	-	24.39
Disputed trade receivables -considered good	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-

### 11 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	252.73	285.68
Margin money deposits with banks (Less than 3 months original maturity)	41.76	166.27
<b>Total cash and cash equivalents</b>	<b>294.49</b>	<b>451.95</b>

### 12 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Margin money deposits with banks (3 months to 12 months remaining maturity)	33.99	17.75
<b>Total bank balances other than cash and cash equivalents</b>	<b>33.99</b>	<b>17.75</b>

### 13 Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	115.32	35.01
[Net of provision for tax: INR 132.18 lakhs; (March 31, 2021: INR 138.00 lakhs)]		
<b>Total current tax assets (net)</b>	<b>115.32</b>	<b>35.01</b>

### 14 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	6.49	37.12
Advance to employees	1.71	2.08
Prepaid expenses	11.87	17.94
Interest accrued but not due	1.86	-
Unbilled revenue	0.50	-
<b>Total other current assets</b>	<b>22.43</b>	<b>57.14</b>

### 15 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
4,00,00,000 (March 31, 2021 - 4,00,00,000) Equity shares of INR 5/- each	2,000.00	2,000.00
10,00,000 (March 31, 2021 - 10,00,000) 15% Redeemable cumulative preference shares of INR 50/- each	500.00	500.00
	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, subscribed and paid up</b>		
2,49,30,736 (March 31, 2021 - 2,49,30,736) Equity shares of INR 5/- each fully paid-up	1,246.54	1,246.54
<b>Total</b>	<b>1,246.54</b>	<b>1,246.54</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	2,49,30,736	1,246.54	2,49,30,736	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	2,49,30,736	1,246.54	2,49,30,736	1,246.54

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

The Company has only one class of equity shares of INR 5/- each. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Group has only one class of preference shares, there are no preference shares issued till date.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	1,26,53,299	50.75	1,26,53,299	50.75

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**(f) Shareholding of Promoters**

Name of the Promoter	No of shares held	% of shares	% of change during the year
Salil Baldev Taneja	3,500	0.01%	-
Alka Metha	29,000	0.12%	-
Vishkul Enterprises Private Limited	39,521	0.16%	0.16%
Laurus Tradecon Pvt Ltd	45,717	0.18%	-
Indian Seamless Enterprises Limited	1,26,53,299	50.75%	-

**16 Other Equity**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Capital reserve</b>		
Opening balance	5.83	5.83
<b>Closing balance</b>	5.83	5.83
The Group recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.		
<b>(b) Securities premium account</b>		
Opening balance	5,203.53	5,203.53
<b>Closing balance</b>	5,203.53	5,203.53

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium account is used to record the premium received on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of Companies Act, 2013.		
<b>(c) General reserve</b>		
Opening balance	1,271.86	1,271.86
<b>Closing balance</b>	<b>1,271.86</b>	<b>1,271.86</b>
The General reserve represents the adjustment on account of scheme of amalgamation approved by the High court in the FY 2009-10.		
<b>(d) Retained earnings</b>		
Opening balance	2,728.84	2,108.72
Net Profit for the year	546.68	621.85
Less: Interim dividend paid	(124.65)	-
Re-measurement gains / (losses) on defined benefit plans	(15.19)	(1.73)
<b>Closing balance</b>	<b>3,135.68</b>	<b>2,728.84</b>
Retained earnings represents undistributed accumulated earnings of the group as on the balance sheet date.		
<b>Total Other equity</b>	<b>9,616.90</b>	<b>9,210.06</b>

### 17 Non-current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured loans:</b>		
Term loan from banks	-	540.24
Other non-current borrowings	-	2.70
Less: current maturities	-	357.35
<b>Total Non-current borrowings</b>	<b>-</b>	<b>185.59</b>

The term loan from bank outstanding as at March 31, 2021 amounting to INR 540.24 lakhs is closed during the current year. The loan was secured by a first charge on assignment of Hangar-2 rental / receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu as a collateral security. The loan carried an interest rate of base rate + 2.30% to base rate + 2.50% per annum.

The other non-current borrowing from banks outstanding as at March 31, 2021 amounting to INR 2.70 lakhs is closed during the year. The loan was secured by the respective charge on motor vehicle. During the year ended March 31, 2022, the loan amount was repaid to the Bank and the securities have been discharged.

### 18 Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit from lessee	237.21	197.55
Deposit from customers	3.50	7.00
<b>Total other non-current financial liabilities</b>	<b>240.71</b>	<b>204.55</b>



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022**  
(INR in lakhs, unless otherwise stated)

**19 Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Non-current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity (funded)	3.83	139.41
(b) Provision for leave encashment (unfunded)	9.56	39.52
<b>Total non-current provisions</b>	<b>13.39</b>	<b>178.93</b>
<b><u>Current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity (funded)	4.60	12.51
(b) Provision for leave encashment (unfunded)	1.94	5.19
<b>Total current provisions</b>	<b>6.54</b>	<b>17.70</b>
<b>Total provisions</b>	<b>19.93</b>	<b>196.63</b>

**20 Other non-current liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred rental income	353.71	387.65
<b>Total other non-current liabilities</b>	<b>353.71</b>	<b>387.65</b>

**21 Current borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Secured</u></b>		
(a) Working capital borrowings from banks	-	286.11
(b) Current maturities of non-current borrowings	-	357.35
<b><u>Unsecured</u></b>		
(a) Short term borrowings from related parties	300.00	-
<b>Total current borrowings</b>	<b>300.00</b>	<b>643.46</b>

<b>Details of securities and other terms</b>	
i)	The working capital borrowings from bank outstanding as at March 31, 2021 amounting to INR 286.11 lakhs has been closed during the year. The loan was secured against hypothecation of stock and book-debts on pari-passu basis and second charge on property, plant and equipment including specific free hold lands to the extent of 26.87 acres and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. The borrowing carried an interest of MCLR plus 5.30% per annum. During the year ended March 31, 2022, the loan have been repaid and securities have been discharged.
ii)	During the year, the Company has obtained a short term loan from a related party to meet its working capital requirements. The loan is unsecured and repayable by July 2022 unless extended. The loan carries an interest of 10% per annum.

**22 Trade payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises *	-	2.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	189.08	190.04
<b>Total trade payables</b>	<b>189.08</b>	<b>192.47</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

As on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSME	-	-	-	-	-
Due to others	112.59	9.00	3.23	64.76	189.08
Disputed - dues to MSME	-	-	-	-	-
Disputed - dues to others	-	-	-	-	-

As on March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSME	2.43	-	-	-	2.43
Due to others	117.86	7.92	18.95	45.31	190.04
Disputed - dues to MSME	-	-	-	-	-
Disputed - dues to others	-	-	-	-	-

\* The identification of micro, small and medium enterprise suppliers as defined under the provisions of “The Micro, Small and Medium Enterprise Development Act, 2006” [MSMED Act] is based on confirmation received from suppliers. The Group has accrued INR Nil (March 31, 2021: INR Nil) towards interest payable to the vendors under the MSMED Act.

Particulars	As at March 31, 2022	As at March 31, 2021
i. The principal amount due thereon remaining unpaid as at the year end, interest amount due and remaining unpaid as at the year end:		
a) Principal	-	2.32
b) Interest	-	0.11
<b>Total</b>	-	2.43
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along-with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the year end in respect of principal amount settled during the year.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of dis-allowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 23 Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Expenses payables	111.78	97.56
Employee related liabilities#	28.51	72.99
Unpaid dividend	4.41	-
<b>Total other current financial liabilities</b>	<b>144.70</b>	<b>170.55</b>

# Includes INR 3.66 lakhs (March 31, 2021 : INR 1.54 lakhs) due to whole-time director.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 24 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory due payable	106.40	82.67
Advance from customers	146.91	77.38
Deferred revenue	1.39	10.61
Deferred rental income	39.21	35.74
<b>Total other current liabilities</b>	<b>293.91</b>	<b>206.40</b>

### 25 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sales – Aviation</b>		
Domestic sales	45.39	296.62
Export sales	-	9.83
<b>Services – Aviation</b>		
Domestic conversion charges	962.21	1,294.00
Rental income & other maintenance services	2,083.94	1,809.96
Training & other services	28.18	41.60
<b>Total revenue from operations</b>	<b>3,119.72</b>	<b>3,452.01</b>

#### Performance obligations and remaining performance obligations

Aggregate amount of the transaction price allocated to long-term fixed price contracts that are partially or fully unsatisfied as on March 31, 2022 is INR 819.70 lakhs (March 31, 2021 - INR 1,186.47 lakhs) of which the Company expects to recognize 88% (INR 711.70 lakhs) as revenue in 2022-23 (March 31, 2021 - 89% (INR 1,053.21 lakhs) in subsequent year), and 12% (INR 108.00 lakhs) as revenue in 2023-24 (March 31, 2021 - 11% (INR 133.26)). All other contracts are for periods one year or less. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

### 26 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Miscellaneous income	0.16	2.87
Foreign exchange variance income	-	1.54
Write back of advances/ provisions	17.47	3.33
Gain on sale of investments / assets	-	0.66
Agricultural income	23.25	-
Profit on sale of asset	9.10	-
Interest income*	28.88	21.09
<b>Total other income</b>	<b>78.86</b>	<b>29.49</b>

\* Includes interest on income tax refunds of INR Nil (March 31, 2021: INR 16.11 lakhs)

### 27 Cost of raw materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	7.15	43.41
Add : Purchases	77.00	170.39
Less : Inventory at the end of the year	-	7.15
<b>Total raw material consumed</b>	<b>84.15</b>	<b>206.65</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 28 Other direct costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Vendor charges	335.58	358.02
<b>Total other direct costs</b>	<b>335.58</b>	<b>358.02</b>

### 29 Changes in inventories of finished goods, work-in-progress and stock-in trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the beginning of the year:</b>		
Opening work-in-progress	-	28.44
Opening finished goods (includes goods-in transit)	-	46.67
	(I)	75.11
<b>Inventories at the end of the year:</b>		
Closing work-in-progress	-	-
Closing finished goods (includes goods-in transit)	-	-
	(II)	-
<b>(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(I)-(II)</b>	<b>75.11</b>

### 30 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus and other allowances	571.40	788.23
Contribution to provident and other funds	36.56	56.77
Gratuity	18.79	21.89
Staff welfare expenses	20.52	27.31
<b>Total employee benefits expense</b>	<b>647.27</b>	<b>894.20</b>

### 31 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on term loans	44.24	135.25
Interest on working capital loans	13.89	50.31
Other finance costs	36.17	70.46
<b>Total finance costs</b>	<b>94.30</b>	<b>256.02</b>

### 32 Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note 4)	231.09	361.99
Depreciation on investment properties (Refer note 6)	91.26	46.82
Amortisation of intangible assets	-	0.78
<b>Total depreciation and amortization expense</b>	<b>322.35</b>	<b>409.59</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 33 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	51.83	71.20
Repairs and maintenance plant & equipment	39.30	16.90
Repairs and maintenance building	0.18	0.18
Repairs and maintenance others	17.09	17.53
Selling expenses	10.11	13.98
Rent	18.46	21.02
Rates & taxes	66.87	62.18
Insurance	22.77	17.65
Travelling & conveyance	26.55	23.98
Vendor charges	42.93	39.70
CSR expenses (Refer note 47)	13.75	8.44
Allowance for expected credit loss*	6.25	16.26
Foreign exchange variance expenses	1.83	-
Office & other administrative expenses	38.92	40.36
Legal, professional & consultancy charges	68.21	97.50
Auditors remuneration	8.22	8.24
<b>Total other expenses</b>	<b>433.27</b>	<b>455.12</b>

\* Movement in allowance for expected credit loss during the year :

Details	Year ended March 31, 2022	Year ended March 31, 2021
Opening allowance for expected credit loss	24.39	19.61
Add: Created during the year	6.25	16.26
Less: Written off during the year	(0.11)	(11.48)
Closing allowance for expected credit loss (Refer note 10)	<b>30.53</b>	<b>24.39</b>

The following is the break-up of auditors remuneration (exclusive of taxes)

Details	Year ended March 31, 2022	Year ended March 31, 2021
<b>As Auditor:</b>		
Statutory audit and limited review fees	8.00	8.00
<b>In other capacity:</b>		
Re-imbursement of expenses	0.22	0.24
<b>Total</b>	<b>8.22</b>	<b>8.24</b>

### 34 Income Tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(A) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
On employee benefits	112.84	-
On provision for doubtful debts	8.49	-
MAT credit entitlement	386.91	-
<b>Deferred tax liabilities</b>		
On property, plant and equipment	(631.79)	-
	<b>(123.55)</b>	<b>-</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(B) Recognition of deferred tax asset to the extent of deferred tax liability</b>		
<b>Balance sheet</b>		
Deferred tax asset	508.24	-
Deferred tax liabilities	(631.79)	-
Deferred tax assets / (liabilities), net	(123.55)	-
Deferred tax expenses / (credit) (As per Statement of Profit and Loss)	123.55	-
	123.55	-
<b>(C) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :</b>		
Tax expenses as per Statement of Profit & Loss		
Current tax	132.18	138.00
Adjustment for earlier years	(2.82)	66.94
Deferred tax	129.40	-
<b>Sub-total</b>	258.76	204.94
Income tax impact on OCI	(5.85)	-
<b>Total</b>	(252.91)	-
<b>Profit from continuing operations before income tax expense</b>	805.43	826.79
<b>Tax Rate</b>	27.82%	29.12%
<b>Tax computed using statutory tax rate</b>	224.07	240.76
Tax effect of:		
Utilization of carry forward losses and depreciation	-	(102.93)
Adjustment for earlier years	(2.82)	66.94
Recognition of deferred taxes for earlier years	40.09	-
Difference in tax rates	-	0.17
Others	(8.43)	-
<b>Income tax expense</b>	252.91	204.94

### 35 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2022	March 31, 2021
Profit attributable to equity shareholders of the Group	546.67	621.85
Weighted average number of equity shares for basic EPS	2,49,30,736	2,49,30,736
Basic - Earnings per share (INR)	2.19	2.49
Diluted - Earnings per share (INR)	2.19	2.49

Diluted EPS is same as Basic EPS, as there are no outstanding potential shares as on date as well as in the corresponding previous year.

### 36 Employee benefits

#### (A) Defined contribution plans

Particulars	March 31, 2022	March 31, 2021
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss		
<b>Employer's contribution to provident fund, family pension fund and other funds</b>	36.56	56.77

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

**(B) Defined benefit plans**

**a) Gratuity payable to employees**

**i) Actuarial assumptions**

Particulars	March 31, 2022	March 31, 2021
Discount rate (per annum)	7.20%	6.90%
Rate of increase in salary	6%	6%
Expected average remaining working lives of employees (years)	12.41	11.44
Withdrawal rate	5%	5%
Retirement age	58 years	58 years
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult

**ii) Changes in the present value of defined benefit obligation**

Particulars	March 31, 2022	March 31, 2021
<b>Present value of obligation at the beginning of the year</b>	<b>164.90</b>	153.19
Interest cost	5.08	9.96
Current service cost	13.70	13.50
Benefits paid	(182.44)	(13.48)
Actuarial (gain) / loss on obligations	21.04	1.73
<b>Present value of obligation at the end of the year</b>	<b>22.28</b>	164.90

**iii) Changes in fair value of plan assets**

Particulars	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the period	12.98	12.15
Interest income	0.90	0.83
Mortality charges and taxes	(0.01)	(0.01)
Benefits paid	-	-
Return on plan assets excluding interest income - gain / (loss)	(0.02)	0.01
Fair value of plan assets at the end of the period	13.85	12.98

**iv) Expense recognised in the Statement of Profit and Loss**

Particulars	March 31, 2022	March 31, 2021
Current service cost	13.71	13.50
Interest cost	5.08	9.96
Expected return on plan assets	(0.89)	(0.82)
Actuarial (gain) / loss on obligations	21.04	1.73
<b>Total expenses recognized in the statement of profit and loss*</b>	<b>38.94</b>	24.37

\*Included in employee benefits expense - refer note 30. Actuarial (gain) / loss on gratuity of INR 21.04 lakhs for the year ended March 31, 2022 (March 31, 2021: INR 1.73 lakhs) is included in other comprehensive income.

**v) Assets and liabilities recognised in the balance sheet:**

Particulars	March 31, 2022	March 31, 2021
<b>Present value of unfunded obligation as at the end of the year</b>	<b>22.28</b>	164.90
Less : Funded with Life Insurance Corporation	13.85	12.98
<b>Unfunded net asset / (liability) recognised in the balance sheet</b>	<b>8.43</b>	151.92

**vi) The major categories of plans assets are as follows:**

Particulars	March 31, 2022	March 31, 2021
Fund managed by LIC of India	13.85	12.98
<b>Total amount</b>	<b>13.85</b>	<b>12.98</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

vii) A quantitative sensitivity analysis for significant assumption as at March 31, 2022 & March 31, 2021 is as shown below:

Particulars	March 31, 2022	March 31, 2021
<b>Impact on defined benefit obligation</b>		
Discount rate		
1% increase	20.82	151.86
1% decrease	23.99	177.92
Salary rate		
1% increase	23.81	153.35
1% decrease	20.96	176.43
Withdrawal rate		
1% increase	22.43	155.00
1% decrease	22.11	174.78

viii) Maturity profile of defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
<b>Year</b>		
Upto one year	4.60	12.51
One to two years	1.19	21.66
Two to three years	6.01	10.52
More than three years	13.56	180.01

(C) The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

### 37 Leases

#### Operating leases where Group is a lessor:

The Group has entered into lease transactions mainly for leasing of hangars for a period of 25 years. The terms of lease include terms of renewal. The operating lease income recognised in the Statement of Profit and Loss amounts to INR 1,509.71 lakhs (March 31, 2021 - INR 1,424.26 lakhs) included in note 25.

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

Particulars	March 31, 2022	March 31, 2021
Within one year	1,600.30	1,670.67
After one year but not more than five years	7,420.72	7,132.10
More than five years	14,113.36	16,133.71

### 38 Related party disclosures

(A) Names of related parties and description of relationship with the Company:

#### Ultimate Holding company

Vishkul Enterprises Private Limited

#### Holding company

Indian Seamless Enterprises Limited



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

<b>Others entities under common control</b>
ISMT Limited (Till March 10, 2022)
Laurus Tradecon Private Limited (erstwhile known as Lighto Technologies Private Limited)
TAAL Enterprises Limited
TAAL Tech India Private Limited
First Airways Inc.
Knox Investments Private Limited

<b>Key Management Personnel (KMP)</b>
Mr. Ramesh Jaiswara (Whole-time Director till March 31, 2022)
Mr. Rakesh Duda (Managing Director from May 16, 2022)
Mrs. Rahael Shobhana Joseph (Whole-time Director from August 05, 2021)

<b>Non whole-time director</b>
Dr. Prahlada Ramarao
Mr. Salil Taneja
Mrs. Rahael Shobhana Joseph
Mr. Arvind Nanda
Mr. Muralidhar Chittetti Reddy

**(B) Details of transactions and closing balances of related parties in the ordinary course of business for the year ended:**

Particulars	March 31, 2022	March 31, 2021
<b>(i) Others entities under common control</b>		
<b>Loans taken from related parties during the year</b>		
- Taal Tech India Private Limited	320.00	325.00
<b>Loan re-paid to related parties during the year</b>		
- Taal Tech India Private Limited	20.00	325.00
<b>Other income</b>		
- Knox Investments Private Limited	-	0.27
<b>Interest paid</b>		
- Taal Tech India Private Limited	29.78	20.89
<b>Commission received for bank guarantee</b>		
- TAAL Enterprises Limited	-	2.75
<b>Balance payable as at year end - Loans taken from related parties during the year</b>		
- Taal Tech India Private Limited	300.00	-
<b>(ii) Key Management Personnel (KMP)</b>		
<b>Compensation of key management personnel</b>		
<b>Managerial remuneration #</b>		
- Mr. Ramesh Jaiswara	34.98	20.21
- Mrs. Rahael Shobhana Joseph	23.52	-
<b>Director sitting fees</b>		
- Mr. Arvind Nanda	3.00	2.00
- Mr. Muralidhar Chittetti Reddy	1.70	0.90
- Dr. Prahlada Ramarao	2.90	1.90
- Mr. Salil Taneja	1.70	0.90
- Mrs. Rahael Shobhana Joseph	1.40	1.90
<b>Balance payable as at the year end</b>		
- Mr. Ramesh Jaiswara	3.66	1.54

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

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### 39 Segment reporting

The Chief Operating Decision Maker (CODM) regularly monitors and review the operating results 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. The Group operates only in one segment i.e. "Aerospace and aviation". The Group operates predominantly within one geographical segment i.e. India and accordingly, this is considered as the only secondary segment.

#### Major customers

Revenue from one customer of the Group's aviation segment amounting to INR 1,724.97 lakhs (March 31, 2021: INR 1,504.74 lakhs) is more than 10% of Group's total revenue.

### 40 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short-term nature of these financial instruments.

The amortized cost using Effective Interest Rate (EIR) of non-current financial liabilities consisting of security and other deposits are not significantly different from the carrying amounts.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits and other financial assets.

### 41 Fair value hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	March 31, 2022	March 31, 2021
<b>Level 1</b>	Nil	Nil
<b>Level 2</b>	Nil	Nil
<b>Level 3</b>		
<b><u>Financial assets measured at amortized cost</u></b>		
Cash and cash equivalents	294.49	451.95
Bank balances other than cash and cash equivalents	33.99	17.75
Trade receivables	712.94	859.95
Other financial assets	25.72	24.75
<b>Total financial assets at amortized cost</b>	<b>1,067.14</b>	<b>1,354.40</b>
<b><u>Financial liabilities measured at amortized cost</u></b>		
Borrowings	300.00	829.05
Trade payables	189.08	192.47
Other financial liabilities	385.41	375.10
<b>Total financial liabilities at amortized cost</b>	<b>874.49</b>	<b>1,396.62</b>

The fair values of deposits from lessee were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

The carrying amount of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, investments in subsidiary, other financial assets, borrowings, trade payables and other financial liabilities are considered to be the same as their fair values.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

42 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is co-ordinated by the Board of Directors and focuses on securing long-term and short-term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

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

(i) Interest-rate risk

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

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

Interest rate sensitivity

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

Particulars	Increase/ decrease in basis points	Effect on profit before tax
<b>March 31, 2022*</b>		
INR	-	-
INR	-	-
<b>March 31, 2021</b>		
INR	+45	(3.73)
INR	(45)	3.73

\*As at March 31, 2022, the Company does not have any borrowing at floating interest rate.

(ii) Foreign currency risk

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

Foreign currency sensitivity

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

Particulars	Change in US\$ rate	Effect on profit before tax
March 31, 2022	+2.5%	(1.30)
	(2.50%)	1.30
March 31, 2021	+2.5%	(1.26)
	(2.50%)	1.26

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### (B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's trade receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Group does a proper financial and credibility check on the landlords before giving any property on lease and has not had a single instance of non-refund of security deposit on vacating the leased property. The Group also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Group does not foresee any credit risks on deposits with regulatory authorities.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and where it operates. Further, the Group have created a allowance for expected credit loss amounted to INR 30.53 lakhs (March 31, 2021 : INR 24.39 lakhs)

### (C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Group's financial liabilities:

Particulars	less than 12 months	1 to 4 years	More than 4 years	Total
<b><u>March 31, 2022</u></b>				
Short-term borrowings	300.00	-	-	300.00
Trade payables	189.08	-	-	189.08
Other financial liabilities	148.20	-	237.21	385.41
	<b>637.28</b>	-	<b>237.21</b>	<b>874.49</b>
<b><u>March 31, 2021</u></b>				
Short-term borrowings	286.11	-	-	286.11
Long-term borrowings	357.35	185.59	-	542.94
Trade payables	192.47	-	-	192.47
Other financial liabilities	177.56	-	197.55	375.11
	<b>1,013.49</b>	<b>185.59</b>	<b>197.55</b>	<b>1,396.63</b>

### 43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Company has distributed dividend of INR 0.50/- per fully paid share to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure i.e. equity and debt. Total debt comprises of non-current and current borrowing from banks. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Subsequent to year ended, the Board of Directors of the company has declared interim dividend of INR 2/- per fully paid equity share in the Board meeting held on May 14, 2022.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### Dividends

Particulars	March 31, 2022	March 31, 2021
<u>Equity shares</u>		
Interim dividend for the year ended March 31, 2022 of INR 0.50/- (March 31, 2021 - INR Nil) per fully paid-up share	124.65	-

Particulars	March 31, 2022	March 31, 2021
Total equity (i)	10,863.44	10,456.60
Borrowings	300.00	829.04
Less: Cash and cash equivalents	294.49	451.95
Total debt (ii)	5.51	377.09
Overall financing (iii) = (i) + (ii)	10,868.95	10,833.69
Gearing ratio (ii)/ (iii)	0.001	0.035

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

### 44 A) Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts:		
(i) Service Tax	124.37	124.37
(ii) Excise Duty	168.40	168.40
(iii) Others	170.00	170.00

- (i) This relates to services tax demands received of INR 124.37 lakhs (March 31, 2021: INR 124.37 lakhs) for the years 2008-09 to 2012-13 towards service tax liability on reverse charge basis for receipt of service of supply of tangible goods for use which are disputed by the Company. The Company has filed an appeal against these orders and the appeal is pending with the appellate authorities.
- (ii) This relates to various excise duty demands received towards manufacture and supply of goods without payment of duty of INR 80.24 lakhs (March 31, 2021: INR 80.24 lakhs) for the years 2008-09 to 2011-12, INR 23.73 lakhs (March 31, 2021: INR 23.73 lakhs) for the year 2012-13, INR 57.50 lakhs (March 31, 2021: INR 57.50 lakhs) for the years 2013-14 to 2014-15 and INR 6.93 lakhs (March 31, 2021: INR 6.93 lakhs) which are disputed by the Company. The Company has filed an appeal against these orders and the appeal is pending with the appellate authorities.
- (iii) This relates to damages claimed by a customer towards breach of contractual obligations of INR 170 lakhs (March 31, 2021: INR 170 lakhs) during the year 2005-06 which are disputed by the Company in the City Civil Court of Bangalore.

Future cash outflows in respect of the above, if any, is determined only on receipt of judgment / 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)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Bank guarantees*	34.46	194.83
(b) Indemnity issued to customers	-	514.75

\* This relates to Bank guarantees obtained by the Company to issue the same to the customers amounted to INR 34.46 Lakhs (March 31, 2021: INR 194.83 Lakhs)

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

- 45 The Board of Directors, at its meeting held on November 01, 2021 considered and approved Voluntary Retirement Scheme/ Voluntary Separation Scheme ('Scheme') for certain category of employees, Pursuant to the scheme, eligible employees have opted and availed the Scheme, the Company has incurred an expenditure of INR 387.89 lakhs towards such aforementioned scheme and this has been disclosed as exceptional item. and;

The Board of Directors at its meeting held on March 22, 2022 considered and approved Retrenchment Scheme for workmen, Pursuant to the scheme, the Company has incurred an expenditure of INR 88.34 lakhs towards such aforementioned scheme and this has been disclosed as exceptional item.

### 46 Corporate Social Responsibility expenditure (CSR)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Gross amount required to be spent by the Company during the year	13.75	8.44

- b) Details of amount spent towards CSR is as follows:

Particulars	Paid	Yet to be Paid	Paid	Yet to be Paid
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above*	13.75	-	8.44	-

\* the amount spent is towards construction of school and related administrative expenses

- c) There is no cumulative shortfall in CSR expenditure at the end of the year (March 31, 2021 : Nil)
- 47 As per Clause 9.2 of the Scheme of Arrangement as approved / sanctioned by the Hon'ble Madras High Court, Taneja Aerospace and Aviation Limited (TAAL) will carry on the business and activities relating to the demerged charter business for and on account of and in trust for TAAL Enterprises Limited (TEL) until the time TEL obtains the requisite statutory licences required for carrying on the demerged charter business. The said licences are yet to be obtained and accordingly the demerged charter business has continued to be operated by TAAL in trust for and on behalf of TEL including banking transactions, statutory compliances and all other commercial activities. Accordingly, the accounting entries pertaining to the demerged charter business are accounted in the books of account of TEL.

### 48 Additional regulatory information required by Schedule III

#### (i) Details of benami property held

The group do not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

#### (ii) Wilful defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iii) Relationship with struck off companies

The group do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

#### (iv) Registration of charges or satisfaction with Registrar of Companies

None of the entities in the group have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

#### (v) Compliance with number of layers of companies

The group have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

#### (vi) Details of crypto currency or virtual currency

The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

#### (vii) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(INR in lakhs, unless otherwise stated)

### (viii) Undisclosed income

The Group do not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### (ix) Utilisation of borrowed funds and share premium

The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

49 Previous period/ year's figures have been regrouped/ reclassified wherever necessary in line with the amendments to Schedule III of the Companies Act, 2013 announced on March 24, 2021.

As per our report of even date attached

**For MSKA & Associates**  
**Chartered Accountants**

Firm Registration No. 105047W

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

**Pradeep Mysore Suresh**  
**Partner**

Membership Number : 216181

Place : Bengaluru

Date : May 23, 2022

**Rakesh Duda**  
**Managing Director**

DIN : 05234273

Place : New Delhi

Date : May 23, 2022

**Salil Taneja**  
**Director**

DIN : 00328668

Place : Pune

Date : May 23, 2022

**Mahendra Nalluri**  
**Chief Financial Officer**

Membership No. A40609

Place : Bengaluru

Date : May 23, 2022

**Shruti Zope**  
**Company Secretary**

Membership No. A40609

Place : Pune

Date : May 23, 2022

# 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/ joint ventures

### PART “A”: SUBSIDIARIES

(Rs. in Lakhs)

Sr. No.	Name of Subsidiary	Reporting Currency in case of foreign subsidiaries	Share Capital	Other equity	Total Assets	Total Liabilities	Investments	Turnover	Loss Before Taxation	Provision for Taxation	Loss After Taxation	Proposed Dividend	% of Shareholding*
1	Katra Auto Engineering Private Limited	-	5.00	644.96	650.07	0.12	0.00	0.00	(0.22)	0.00	0.22	Nil	100%

\* Includes share held by a Nominee of the Company.

#### Notes:

A Name of Subsidiaries which are yet to commence operations-

Sr. No.	Name of Subsidiary Company
1	Katra Auto Engineering Private Limited

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

### PART “B”: ASSOCIATES AND JOINT VENTURES- None

For and on behalf of the Board  
of Taneja Aerospace & Aviation Limited

**Rakesh Duda**  
Managing Director  
DIN : 05234273

**Salil Taneja**  
Director  
DIN : 00328668

**Mahendra Nalluri**  
Chief Financial Officer

**Shruti Zope**  
Company Secretary  
Membership No. A40609

Place : New Delhi  
Date : May 23, 2022

Place : Pune  
Date : May 23, 2022

Place : Bengaluru  
Date : May 23, 2022

Place : Pune  
Date : May 23, 2022









If undelivered please return to:

**Bigshare Services Private Limited**  
**Unit: Taneja Aerospace and Aviation Ltd.**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Makwana Road,  
Marol, Andheri (E), Mumbai – 400 059  
Tel.: +91 22 62638200 Fax: +91 22 6363829