

***Taneja Aerospace and Aviation Limited*** 

**Annual Report 2020-21**



**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Dr. Prahlada Ramarao	Chairman
Ramesh Jaiswara	Director (w.e.f. September 02, 2020)
Salil Taneja	Director
Rahael Shobhana Joseph	Director
Muralidhar Chitteti Reddy	Director
Arvind Nanda	Director

**CHIEF FINANCIAL OFFICER**

Mahendra Nalluri

**COMPANY SECRETARY**

Syssha Kumar (upto November 18, 2020)

Shruti Zope (w.e.f. February 11, 2021)

**AUDITORS**

M/s. MSKA & Associates

Chartered Accountants

**BANKERS**

Allahabad Bank

Canara Bank

Bank of Baroda (erstwhile Vijaya Bank)

**REGISTERED OFFICE & WORKS**

Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District,

Belagondapalli-635114, Tamil Nadu

Phone: 04347-233508, Fax: 04347-233414

E-mail: [secretarial@taal.co.in](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

## Board's report

To the Members of **Taneja Aerospace and Aviation Limited**

Your Directors have pleasure in presenting the Thirty-Second Annual Report and the Audited Financial Statements for the financial year ended March 31, 2021.

### FINANCIAL HIGHLIGHTS (Rs. in Lakhs)

Particulars	2020-21	2019-20
Gross Income	3481.50	3252.23
Expenditure	2653.81	2644.03
Profit/ (Loss) after Tax	622.75	584.07

### OPERATIONS

During the year under review, the total income of the Company was Rs. 3481.50 Lakhs as compared to Rs. 3252.23 Lakhs during the comparable previous year. The total comprehensive income for the year was Rs. 621.02 Lakhs as compared to Rs 585.62 Lakhs during the comparable previous year.

In March, 2020, the World Health Organization declared COVID-19 a global pandemic. The Company remains watchful of the potential impact of this pandemic and continues to assess its impact on the business operations based on all relevant internal and external information. The impact of COVID-19 pandemic on the overall economic environment may affect the underlying assumptions and estimates.

The Company has taken appropriate measures to ensure the safety and health of all its employees and ensured due compliance with various directives issued by State Government authorities.

The financial impact on the performance of the Company during Financial Year 2021-22 will be evaluated and reported appropriately in the next year.

### TRANSFER TO RESERVES

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

### DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2021, in order to conserve the resources.

### DEMERGED CHARTER OPERATION

During the Financial Year 2019-20, the aircraft which was being operated by TAAL Enterprises Limited under the Company's NSOP license as per the Scheme of Arrangement approved by the Hon'ble Madras High Court, veered off the runway during landing and was extensively damaged.

During the year under review, TAAL Enterprises Limited has received insurance claim against the damaged aircraft.

This has not impacted the Company's financial performance as all risks and rewards are being passed on to TAAL Enterprises Limited as per the approved Scheme of Arrangement.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

During the year under review, Mr. Ramesh Jaiswara was appointed as Additional Director with effect from September 02, 2020 and designated as Whole-Time Director of the Company with effect from from October 1, 2020 to September 30, 2022.

Ms. Sysha Kumar resigned from the position of Company Secretary and Compliance Officer with effect from November 18, 2020.

Ms. Shruti Zope was appointed as Company Secretary and Compliance Officer of the Company with effect from February 11, 2021 pursuant to Section 203 of the Act & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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.

### 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 2020-21.

The Company has framed a Policy for determining Material Subsidiaries which is available on its website : 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.

## MEETINGS OF THE BOARD

The Board met 4 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, 2021 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 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.

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, 2021 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, 2021, 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 focuses 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.

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

# Taneja Aerospace and Aviation Limited

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Annual Report on CSR Activities for the Financial Year ended March 31, 2021 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 2020-21.

## 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 : June 09, 2021  
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 a huge transformation and growth. It is still considered to be a sunrise sector and the Aerospace and Defence manufacturing sector is very much a part of 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. The companies like Tata, Mahindra, Reliance, L&T, Wipro, LMW, Bharat Forge, have entered this sector and are competing on the basis of pricing that is based on aggressive entry strategy. The financial strength and corporate credibility of these companies provides them with the ability to look at this market space 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 the agencies that generate work for the Company such as Vikram Sarabhai Space Center 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 has increased its customer base with the addition of new customers in Aerospace and Defence activities.

### Division Wise Performance

The Company has two divisions – Manufacturing (AMC) and Services.

The division wise revenue of the Company for Financial Year 2020-21 as compared to previous period is as below:

(Rs. in Lakhs)

Name of the Division	2020-21	2019-20
Manufacturing (AMC)	1,600.45	1,431.19
Services	1,851.56	1,793.62
<b>Total</b>	<b>3,452.01</b>	<b>3,224.81</b>

The Aircraft Manufacturing Complex ('AMC') Division manufactures aerospace components and structures. Majority of the revenue of the Division for over two decades has come from supplies/services provided to the defense sector establishments such as Hindustan Aeronautics Limited, Defence Research and Development Organization, Bharat Electronics Limited, Indian Air Force, Defense 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). 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.

### 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.

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.

### 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, 2021, 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	2020-21	2019-20	Change
Debtors Turnover	4.01	5.08	(21%)
Inventory Turnover	482.80	27.21	1674%
Interest Coverage Ratio	4.23	2.55	65%
Current Ratio	1.18	1.02	16%
Debt Equity Ratio	0.08	0.20	60%
Operating Profit Margin (%)	44.57%	48.42%	(7.95%)
Net Profit Margin (%)	18.04%	18.15%	(0.6%)
Return on Net Worth	5.96%	5.95%	0.1%

Inventory Turnover Ratio is not strictly comparable on account of business mix. Interest Coverage and Debt Equity Ratios improved due to reduction in borrowings and repayment of term loans during the year.

## Cautionary Statement

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



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF 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 endeavor 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 & comprise of 6 Directors including 2 Independent Directors and 1 Executive Director.

The composition of the Board, their attendance at the Board Meetings held during the year & at the last Annual General Meeting, ('AGM') number of Directorships in other public companies & memberships in various committees across all public companies as on March 31, 2021 are as follows:

Name of the Director	Category	Number of Board Meetings held during the Year 2020-21			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	4	4	4	Yes	-	-	-
Mr. Salil Taneja	Promoter-NED	4	4	4	Yes	1	-	-
Mr. Muralidhar Chitteti Reddy*	NED	4	4	4	No	-	1	-
Mrs. Rahael Shobhana Joseph	Promoter-NED	4	4	4	No	1	2	1
Mr. Arvind Nanda	Independent-NED	4	4	4	Yes	1	3	-
Mr. Ramesh Jaiswara	ED	2	2	2	Yes	-	-	-

NED-Non-Executive Director; ED-Executive Director

\* Stepped down as Whole-time Director designated as Managing Director with effect from March 31, 2020 and continued as Non-Executive Director (non-independent category) from April 01, 2020;

<sup>^</sup> This 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
Dr. Prahlada Ramarao	-	-
Mr. Salil Taneja	TAAL Enterprises Limited	Promoter-ED
Mr. Muralidhar Chitteti Reddy	-	-
Mrs. Rahael Shobhana Joseph	TAAL Enterprises Limited	Promoter-NED
Mr. Arvind Nanda	TAAL Enterprises Limited	Independent-NED
Ramesh Jaiswara	-	-

During the year under review, 4 Board Meetings were held as under:

Sr. No.	Date of Meeting
1.	June 24, 2020
2.	September 02, 2020
3.	November 11, 2020
4.	February 11, 2021

As on March 31, 2021, 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

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

Dr. Prahlada Ramarao will attain the age of 75 years on February 05, 2022 and pursuant to Regulation 17(1A) of the Listing Regulations, approval of the shareholders is required for continuing the Directorship of a Non-Executive Director attaining the age of 75 years. Accordingly, the same is placed before the approval of the shareholders in the notice convening the AGM.

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

# Taneja Aerospace and Aviation Limited

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

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 & Analysis, Internal Audit Reports.

The composition of the Audit Committee & attendance of each member is as follows:

Name of Director	Chairman/ Member	No. of Meetings Attended
Mr. Arvind Nanda	Chairman	4
Dr. Prahlada Ramarao	Member	4
Mrs. Rahael Shobhana Joseph	Member	4

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

Sr. No.	Date of Meeting
1.	June 24, 2020
2.	September 02, 2020
3.	November 11, 2020
4.	February 11, 2021

Mr. Arvind Nanda, Chairman and Dr. Prahlada Ramarao, Member of Audit Committee were present at the last Annual General Meeting held on September 29, 2020.

## MANAGERIAL REMUNERATION

### a) Nomination and Remuneration Committee

The Company has a Nomination & Remuneration Committee ('NRC') of the Directors.

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

The composition of NRC and attendance of each Member is as follows:

Name of Director	Chairman/ Member	No. of Meeting attended
Mr. Arvind Nanda	Chairman	2
Dr. Prahlada Ramarao	Member	2
Mrs. Rahael Shobhana Joseph	Member	2

During the year under review, two NRC Meetings were held as under:

Sr. No.	Date of Meeting
1.	September 02, 2020
2.	February 11, 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 the remuneration paid/ payable to the Whole-time Director and sitting fees paid to Non-Executive Directors during the year under review is given below:

Name of Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting fees (Rs.)
Mr. Ramesh Jaiswara	20,21,000	-	-
Mr. Muralidhar Chitteti Reddy	-	-	90,000
Mr. Salil Taneja	-	-	90,000
Dr. Prahlada Ramarao	-	-	1,90,000
Mrs. Rahael Shobhana Joseph	-	-	1,90,000
Mr. Arvind Nanda	-	-	2,00,000
<b>Total</b>	<b>20,21,000</b>	<b>-</b>	<b>7,60,000</b>

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

Service of the Whole-time Director may be terminated by either party giving the other party notice as per the notice period mentioned in their Agreement or the Company paying salary for

said notice period in lieu thereof. There is no separate provision for payment of severance fees.

Details of shares of the Company held by its Non-Executive Directors as on March 31, 2021 are given below:

Name of Director	Number of Equity Shares
Mr. Salil Taneja	3,500*
Mr. Muralidhar Chitteti Reddy	20,200*
Dr. Prahlada Ramarao	-
Mrs. Rahael Shobhana Joseph	3,500*
Mr. Arvind Nanda	25

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

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The composition of SRC and attendance of each Member is as follows:

Name of Director	Chairman/ Member	No. of Meetings Attended
Mrs. Rahael Shobhana Joseph	Chairman	1
Dr. Prahlada Ramarao	Member	1
Mr. Arvind Nanda	Member	1

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

Sr. No.	Date of Meeting
1.	November 11, 2020

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility ('CSR') Committee of the Directors as per Section 135 of the Act.

The composition of CSR Committee and attendance of each Member is as follows:

Name of Director	Chairman/ Member	No. 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 Meeting of CSR Committee was held as under:

Sr. No.	Date of Meeting
1.	February 11, 2021

## 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 (Prohibition of Insider Trading) Regulations, 2015 & other SEBI Regulations, as amended from time to time.

During the year under review, all the complaints/ grievances that were received from the shareholders/ investors, were attended to and satisfactorily resolved. No valid transfer/ transmission of shares were pending as on March 31, 2021.

Details of investor complaints received and redressed during the Financial Year 2020-21 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

## INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on February 11, 2021 in conformity with the stipulations in Regulation 25 of the Listing Regulations, 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.

## CODE OF CONDUCT

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

## CEO/ CFO CERTIFICATION

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

## GENERAL BODY MEETINGS

Location and time of AGM held in last 3 years:

Year	Date	Location	Time	No. of Special Resolutions passed
2019-20	September 29, 2020	Registered office at Belagondapalli	2.00 p.m.	3
2018-19	September 28, 2019	- do -	- do -	-
2017-18	September 29, 2018	- do -	- do -	1

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

No Special Resolution was passed in last year through Postal ballots. At the forthcoming AGM, there is no item on the Agenda that needs approval by postal ballot.

## 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).

# Taneja Aerospace and Aviation Limited

## General Shareholder Information

AGM Date and Time	September 28, 2021, at 11.30 a.m
Venue	Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu (Metting convened electronically)
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 2021-22 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

### 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:

(In Rs.)

Month	Market Price		BSE 500 INDEX	
	High	Low	High	Low
April, 2020	23.35	14.30	12,760.95	10,498.79
May, 2020	28.40	17.60	12,432.27	11,483.79
June, 2020	29.90	24.50	13,790.81	12,493.50
July, 2020	30.50	24.00	14,571.36	13,431.20
August, 2020	46.05	23.15	15,480.45	14,174.24
September, 2020	37.55	27.95	15,324.79	14,200.86
October, 2020	33.00	26.55	15,606.91	14,972.47
November, 2020	33.95	24.75	17,134.36	15,125.40
December, 2020	36.90	29.00	18,343.95	17,028.60
January, 2021	40.00	32.05	19,345.29	17,927.75
February, 2021	36.25	30.20	20,230.60	17,977.70
March, 2021	37.90	28.50	20,390.36	19,009.22

Source: BSE website

### REGISTRAR AND SHARE TRANSFER AGENT

Shareholders may contact Registrar and Share Transfer Agent ('RTA') of the Company at the following addresses:

<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: investor@bigshareonline.com
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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, 2021

Shareholding of Nominal Value of Rs.		No. of Shareholders	% to total	No. of shares held	% to Total
1	5000	15507	92.46	28,93,734	11.61
5001	10000	523	3.12	8,25,887	3.31
10001	20000	323	1.93	9,43,504	3.78
20001	30000	162	0.97	8,16,540	3.28
30001	40000	55	0.32	3,86,398	1.55
40001	50000	56	0.33	5,30,466	2.13
50001	100000	75	0.45	10,71,982	4.30
100001	and above	70	0.42	1,74,62,225	70.04
<b>TOTAL</b>		<b>16,771</b>	<b>100</b>	<b>2,49,30,736</b>	<b>100.00</b>

### SHAREHOLDING PATTERN

Sr. No.	Category	As on March 31, 2021	
		No. of shares	% of total no. of shares
1	Promoters	1,27,32,016	51.07
2	Bodies Corporate	7,24,484	2.91
3	Public	1,07,45,380	43.10
4	NRIs	1,88,315	0.75
5	Others	5,40,541	2.17
<b>TOTAL</b>		<b>2,49,30,736</b>	<b>100%</b>

### DEMATERIALISATION OF SHARES AND LIQUIDITY

96.45% of total Equity Share Capital is held in demat with NSDL & CDSL as on March 31, 2021.

### CORPORATE FILINGS:

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

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

The Company has 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 2020-21, the following Credit Ratings are obtained by the Company:

Facilities	Amount (Rs. In Crores)	Rating
Long Term Fund Facilities	4.75	IVR BB minus / stable outlook
Long Term Debt - Term Loan	8.35	IVR BB minus / stable outlook
Short Term Non Fund based Facilities	11.00	IVR A4

Out of the aforesaid credit facilities, Rs. 10.21 Crore is outstanding as on March 31, 2021.

## 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

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 2020-21 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	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. Ramesh Jaiswara
Business Development & Marketing	Mr. Salil Taneja, Mr. Muralidhar Chetteti Reddy, Mr. Ramesh Jaiswara, Mr. Arvind Nanda
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

- 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 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 : June 09, 2021  
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

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 2021-22. For the purpose of this declaration, Senior Management Personnels comprises of employees in the Vice President and above Cadre as on March 31, 2021.

For Taneja Aerospace and Aviation Limited

Date : June 09, 2021

**Dr. Prahlada Ramarao**

Place : Bengaluru

**Chairman**

## 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 (Listing Obligations and Disclosure Requirements) 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

C. P. No: 18967

UDIN : A050038C000482459

Date : June 09, 2021

Place : Pune

## 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 Limited

We, Ramesh Jaiswara, Whole-Time 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, 2021 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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:

- i. There are no significant changes in internal control over financial reporting during the financial year ended March 31, 2021;
- ii. All significant changes in accounting policies during the financial year ended March 31, 2021 and that the same have been disclosed in the notes to the financial statements; and
- iii. 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.

**Ramesh Jaiswara**  
**Whole-time Director**

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

Date : June 09, 2021

Place : Bengaluru

## 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 (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 March 31, 2021 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 Taneja Baldev	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

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 : A050038C000482459

Date : June 09, 2021

Place : Pune

# Taneja Aerospace and Aviation Limited

## Annexure 'A' to the Directors Report

Information required under Section 134(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the Financial Year ended on March 31, 2021

### 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. 4.71 Lakhs lacs units of energy were consumed, costing Rs. 67.69 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 ('R&D').

(Rs. in lakhs)

Sr. No.	Particulars	2020-21	2019-20
i)	Capital Expenditure	NIL	NIL
ii)	Recurring Expenditure	3.49	3.49
	<b>Total</b>	<b>3.49</b>	<b>3.49</b>
	Total R&D as a percentage to turnover	0.10	0.11

### 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. 9.83 Lakhs & foreign exchange outgo was Rs. 6.61 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 2020-21, Ratio of remuneration of each Director to median remuneration of employees of the Company for the Financial Year 2020-21:

Sr. No.	Name of Directors/ KMP and Designation	% increase in remuneration in Financial Year 2020-21	Ratio of remuneration of Director to median remuneration of employees
1	Ramesh Jaiswara Additional Director w.e.f. September 02, 2020 Whole Time Director (w.e.f. October 01, 2020)	NA	6.17:1
2	Sysha Kumar Company Secretary (up to November 18, 2020)	1%	2.09:1
3	Shruti Zope Company Secretary (w.e.f. February 11, 2021)	NA	0.39:1
4	Mahendra Nalluri Chief Financial Officer	25%	4.20:1

- 2) The median remuneration of employees of the Company during the Financial Year was Rs. 3.27 Lakhs per annum.
- 3) During the year under review, there is slight change in median remuneration of employees.
- 4) The number of permanent employees on the rolls of the company as on March 31, 2021 is 146.
- 5) There was marginal increase in the salaries of employees other than the 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, 2021

[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 Limited

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 Limited (hereinafter called "the Company").

Secretarial Audit was conducted for the period from April 01, 2020 to March 31, 2021, 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, 2021, 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, 2021 according to the provisions of the list of laws and regulations mentioned hereunder, virtually due to COVID 19 pandemic. 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.
- 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 entity and the Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

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

- a. The Aircraft Act, 1934

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period 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 except that during the audit period, the Company was required to have 6 Directors on the Board of the Company in terms of Regulation 17(1) of Listing Regulations with effect from April 01, 2020. As informed by the Company, Company could not appoint the Director due extra ordinary and unprecedented circumstances posed due to COVID-19 Pandemic and duly paid the penalty amounts levied by BSE Limited for the period of non-compliance which were subsequently waived off by the BSE Limited, considering the representations made by the Company, for waiver of fees.

## **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.

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

**Giriraj A. Mohta**

Membership No.: 50038

C.P. No: 18967

UDIN : A050038C000482503

Date : June 09, 2021

Place : Pune

## **Annexure A**

To,  
The Members

### **Taneja Aerospace And Aviation Limited**

Belagondapalli Village, Thally Road,  
Denkanikotta 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 & Company  
Company Secretaries**

**Giriraj A. Mohta**

Membership No.: 50038

C.P. No: 18967

UDIN : A050038C000482503

Date : June 09, 2021

Place : Pune

**Annexure ‘D’ to the Board’s Report**

**Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year ended March 31, 2021**

[Pursuant to section 135 of the 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		
3	Mr. Arvind Nanda	Member / Independent Director		

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. 422.01 Lakhs**

7. Prescribed CSR Expenditure:

- a) Two percent of average net profit of the company as per section 135(5): **Rs. 8.44 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. 8.44 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 the Fund	Amount	Date of transfer
<b>Rs. 8.44 Lakhs</b>	-	-	-	-	-

(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.

(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.	Distributed Food packets during COVID-19 pandemic to needy people	(i)	Yes	Tamil Nadu	Krishnagiri	0.60	Yes	-	-

# Taneja Aerospace and Aviation Limited

(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
2.	Construction of road towards rural development	(x)	Yes	T a m i l Nadu	Krishnagiri	2.50	Yes	-	-
3.	Provided Laptops to Government School	(ii)	Yes	T a m i l Nadu	Krishnagiri	3.08	Yes	-	-
4.	Skill Development for enhancement of employment vocation skills	(ii)	Yes	T a m i l Nadu	Krishnagiri	2.26	No	Hosur Industries Association	-
<b>TOTAL</b>						<b>8.44</b>			

- (d) Amount spent in Administrative Overheads: **NIL**
- (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 8.44 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)	8.44 Lakhs
(ii)	Total amount spent for the Financial Year	8.44 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. : **NA**
- (d) Provide details of the Capital Asset(s) created or acquired ( including complete address and location of the capital asset) : **NA**
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): **NA**

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

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

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

Date : June 09, 2021  
Place : Hyderabad

Date : June 09, 2021  
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, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and 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, 2021, 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.

#### Emphasis of Matter

We draw attention to Note 45 to the standalone financial statements which states that the Company had carried on the demerged charter business and activities including banking transactions, statutory compliances and all other commercial activities relating to the demerged charter business for and on account of and in trust for TAAL Enterprises Limited (TEL) until the time TAAL Enterprises Limited (a related party) obtains the requisite statutory licenses for carrying on the demerged charter business. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of TAAL Enterprises Limited.

This matter was also emphasized in our Independent Auditors Reports from the years ended March 31, 2017.

Our opinion is not modified in respect of this matter.

#### 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 of the current period. 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.

#### Key Audit Matter

Accuracy of recognition, measurement and disclosures of revenues and other related balances as per Ind AS 115 "Revenue from Contracts with Customers"

Refer the disclosures related to revenue recognition in Note 2 to the accompanying Financial Statements.

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax etc., where applicable.

Revenue is identified as a key audit area which has significant risk of being recognised in an incorrect period or before the control has been transferred to the customer and hence identified as a Key Audit Matter.

Our audit procedures in respect of the recognition of revenue included the following:

Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115").

Obtained an understanding and assessed the design and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition.

Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/ contracts and related logistics documents.

Assessed manual journals posted to revenue to identify unusual items & tested the same on a sample basis.

Evaluated the appropriateness of disclosures in accordance with Ind AS 115.

#### 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 Management report, Board'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.

# Taneja Aerospace and Aviation Limited

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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.

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

- As required by the Companies (Auditor's Report) Order, 2016 ("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.
- As required by Section 143(3) of the Act, we report that:
  - 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.

- 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.
  - 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.
  - 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.
  - On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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".
  - 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:
    - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
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 MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Deepak Rao**  
**Partner**

Membership No. 113292  
UDIN: 21113292AAAAGX1925

Place: Bengaluru  
Date: June 09, 2021

## 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

**Deepak Rao**  
**Partner**  
Membership No. 113292  
UDIN: 21113292AAAAGX1925

Place: Bengaluru  
Date: June 09, 2021

# 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, 2021

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

Additionally, following immovable properties are not held in the name of the Company:

No. of cases	Leasehold/ Freehold	Gross Block as at March 31, 2021	Net Block as at March 31, 2021	Remarks
1.	Freehold	Rs 198.08 Lakhs	Rs 198.08 Lakhs	Registration of Land documents is pending

- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3(iii)(a) to (c) 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. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues 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, service tax, sales-tax, duty of custom, duty of excise, value added tax, 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	80.14*	2008-09 to 2011-12	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	23.68*	2012-13	Customs Excise and Service Tax Appellate Tribunal



Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	53.19*	2013-14 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	6.24*	2013-14	Customs Excise and Service Tax Appellate Tribunal

\*Net amount after adjusting Rs. 5.26 lakhs paid as deposits.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. 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 or on the Company by its officers or employees.
- xi. According to the information and explanations given to us, based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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) 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 financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

**Deepak Rao**  
**Partner**  
 Membership No. 113292  
 UDIN: 21113292AAAAGX1925

Place: Bengaluru  
 Date: June 09, 2021

# Taneja Aerospace and Aviation Limited

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

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

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

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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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"). 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 internal financial controls with reference to standalone 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 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.

### Opinion

In our opinion, the Company has, in all material respects, 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, 2021, 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.

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

**Deepak Rao**  
**Partner**  
Membership No. 113292  
UDIN: 21113292AAAAGX1925

Place: Bengaluru  
Date: June 09, 2021

## BALANCE SHEET AS AT MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	9,453.81	9,704.53
Investment property	5	1,081.81	1,128.63
<b>Financial Assets</b>			
Investments	6	651.55	651.55
Other non-current assets	7	5.26	11.38
<b>Total Non-current assets</b>		<b>11,192.43</b>	<b>11,496.09</b>
<b>Current assets</b>			
Inventories	8	7.15	118.52
<b>Financial assets</b>			
Investments	6	-	57.54
Trade receivables	9	859.95	631.07
Cash and cash equivalents	10	451.80	151.95
Bank balances other than cash and cash equivalents	11	17.75	117.84
Loans	12	24.75	25.79
Current tax assets (net)	13	35.01	519.17
Other current assets	14	57.14	132.81
<b>Total Current assets</b>		<b>1,453.55</b>	<b>1,754.69</b>
<b>Total Assets</b>		<b>12,645.98</b>	<b>13,250.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,246.54	1,246.54
Other equity	16	9,212.44	8,591.42
<b>Total Equity</b>		<b>10,458.98</b>	<b>9,837.96</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	185.59	924.67
Other financial liabilities	18	204.55	166.41
Provisions	19	178.93	180.18
Other non-current liabilities	20	387.65	419.34
<b>Total Non-current liabilities</b>		<b>956.72</b>	<b>1,690.60</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	286.11	398.35
Trade payables	22	192.49	154.68
Other financial liabilities	23	527.58	828.89
Other current liabilities	24	206.40	327.38
Provisions	19	17.70	12.92
<b>Total Current liabilities</b>		<b>1,230.28</b>	<b>1,722.22</b>
<b>Total Liabilities</b>		<b>2,187.00</b>	<b>3,412.82</b>
<b>Total Equity and Liabilities</b>		<b>12,645.98</b>	<b>13,250.78</b>
<b>Significant accounting policies</b>	2		
<b>The accompanying notes (2-50) are an integral part of the standalone financial statements</b>			

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

**Deepak Rao**

**Partner**

Membership No. 113292

**Ramesh Jaiswara**

**Whole-Time Director**

DIN : 08837423

**Salil Taneja**

**Director**

DIN : 00328668

**Mahendra Nalluri**

**Chief Financial Officer**

**Shruti Zope**

**Company Secretary**

Membership No. A40609

Place : Bengaluru

Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Pune

Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Pune

Date : June 09, 2021

# Taneja Aerospace and Aviation Limited

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	25	3,452.01	3,224.81
Other income	26	29.49	27.42
<b>Total Income</b>		<b>3,481.50</b>	<b>3,252.23</b>
<b>Expenses</b>			
Cost of material consumed	27	206.65	308.81
Other direct costs		358.02	64.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	75.11	13.80
Employee benefits expense	29	894.20	943.44
Finance costs	30	256.02	385.54
Depreciation and amortization expense	31	408.81	395.82
Other expenses	32	455.00	532.12
<b>Total Expenses</b>		<b>2,653.81</b>	<b>2,644.03</b>
<b>Profit / (Loss) before tax</b>		<b>827.69</b>	<b>608.19</b>
<b>Income tax expense:</b>	33		
Current tax			
Current year tax		138.00	24.12
Adjustment relating to earlier years (Assessment closed during the year)		66.94	-
Deferred tax		-	-
<b>Total Income tax expense</b>		<b>204.94</b>	<b>24.12</b>
<b>Profit / (loss) for the year</b>		<b>622.75</b>	<b>584.07</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		(1.73)	1.55
Income tax effect		-	-
<b>Other comprehensive income for the year</b>		<b>(1.73)</b>	<b>1.55</b>
<b>Total Comprehensive income for the year</b>		<b>621.02</b>	<b>585.62</b>
<b>Earnings / (Loss) per share</b>	34		
Basic earnings / (loss) per share (INR)		2.50	2.35
Diluted earnings / (loss) per share (INR)		2.50	2.35
<b>Significant accounting policies</b>	2		
<b>The accompanying notes (2-50) are an integral part of the standalone financial statements</b>			

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

**Deepak Rao**  
Partner  
Membership No. 113292

**Ramesh Jaiswara**  
Whole-Time Director  
DIN : 08837423

**Salil Taneja**  
Director  
DIN : 00328668

**Mahendra Nalluri**  
Chief Financial Officer

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

Place : Bengaluru  
Date : June 09, 2021

Place : Bengaluru  
Date : June 09, 2021

Place : Pune  
Date : June 09, 2021

Place : Bengaluru  
Date : June 09, 2021

Place : Pune  
Date : June 09, 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	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: issue during the year	-	-	-	-
Closing	2,49,30,736	1,246.54	2,49,30,736	1,246.54

### (B) Other equity

Particulars	Reserve and surplus				Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	
Balance as on April 1, 2019	5,203.53	5.83	1,271.86	1,524.58	8,005.80
Profit / (Loss) for the year	-	-	-	584.07	584.07
Other comprehensive income	-	-	-	1.55	1.55
Total Comprehensive income for the year	-	-	-	585.62	585.62
<b>Balance as at March 31, 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>

Particulars	Reserve and surplus				Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	
<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 / (Loss) for the year	-	-	-	622.75	622.75
Other comprehensive income	-	-	-	(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 (2-50) are an integral part of the 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

**Deepak Rao**  
Partner

Membership No. 113292

Place : Bengaluru

Date : June 09, 2021

**Ramesh Jaiswara**  
Whole-Time Director

DIN : 08837423

Place : Bengaluru

Date : June 09, 2021

**Salil Taneja**  
Director

DIN : 00328668

Place : Pune

Date : June 09, 2021

**Mahendra Nalluri**  
Chief Financial Officer

Place : Bengaluru  
Date : June 09, 2021

**Shruti Zope**  
Company Secretary

Membership No. A40609

Place : Pune

Date : June 09, 2021

# Taneja Aerospace and Aviation Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>827.69</b>	608.19
Adjustments for:		
Depreciation, amortization and impairment expense	<b>408.81</b>	395.82
Finance costs	<b>185.56</b>	323.05
Gain on sale of investments / Assets	<b>(0.66)</b>	(5.19)
Gain on changes in fair value of investments	-	(0.25)
Provision for doubtful debts / Bad-debts written off	<b>16.26</b>	18.08
Interest income	<b>(21.09)</b>	(6.52)
<b>Operating profit before working capital changes</b>	<b>1,416.57</b>	1,333.18
<b>Changes in working capital</b>		
(Decrease) / increase in trade payables, provisions and other liabilities	<b>(376.23)</b>	(487.39)
Decrease / (increase) in inventories	<b>111.37</b>	191.81
(Decrease) / increase in trade receivables and other assets	<b>(162.31)</b>	316.11
<b>Cash generated used in operations</b>	<b>989.40</b>	1,353.71
Income tax (paid) / refund (Net)	<b>279.22</b>	(143.53)
<b>Net cash flows used in operating activities (A)</b>	<b>1,268.62</b>	1,210.18
<b>Cash flows from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	<b>(111.27)</b>	(200.80)
Purchase of investments in mutual funds	-	(102.02)
Proceeds from sales of investments in mutual funds	<b>58.20</b>	100.00
Interest received	<b>21.09</b>	6.52
<b>Net cash flows from investing activities (B)</b>	<b>(31.98)</b>	(196.30)
<b>Cash flows from Financing activities</b>		
Addition / (Re-payment) of non-current borrowings	<b>(739.08)</b>	(700.69)
Addition / (Re-payment) of current borrowings	<b>(112.24)</b>	(194.14)
Interest paid	<b>(185.56)</b>	(323.05)
<b>Net cash flows from financing activities (C)</b>	<b>(1,036.88)</b>	(1,217.88)
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>199.76</b>	(204.00)
Cash and cash equivalents at the beginning of the year	<b>269.79</b>	473.79
Cash and cash equivalents at the end of the year	<b>469.55</b>	269.79
<b>Cash and cash equivalents comprise</b>		
On current accounts	<b>285.53</b>	117.44
Fixed deposits with maturity of less than three months	<b>166.27</b>	34.29
Cash on hand	-	0.23
	<b>451.80</b>	151.96
<b>Bank balances other than cash and cash equivalents</b>		
Margin money or under lien deposits	<b>17.75</b>	117.84
<b>Total cash and bank balances at end of the year</b>	<b>469.55</b>	269.79
<b>Summary of significant accounting policies ( Refer note 2)</b>		
<b>The accompanying notes (2-50) are an integral part of the standalone financial statements</b>		

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

**Deepak Rao**

**Partner**

Membership No. 113292

**Ramesh Jaiswara**

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DIN : 00328668

**Mahendra Nalluri**

**Chief Financial Officer**

**Shruti Zope**

**Company Secretary**

Membership No. A40609

Place : Bengaluru

Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Pune

Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Pune

Date : June 09, 2021

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

### 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 & MRO and allied services.

### 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 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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.

##### (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.

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle ;
- ▶ It is held primarily for the purpose of trading ;

- ▶ It is due to be settled within twelve months after the reporting period, or ;
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The Company 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 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'.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

- 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 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	
Plant & Equipments	15-48 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'.

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

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.



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

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.

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

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised goods and services to the customers in an amount that reflects

the consideration we expect to receive in exchange for those goods and services and where there is no uncertainty as to measurement or collectability of consideration.

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

Rental income arising from operating leases (leases of hangar) is accounted for on a straight-line basis (except where the rentals are structured to increase in line with expected general inflation) over the lease terms based on agreement/contract entered into with the third party on accrual basis and is included in revenue in the Statement of Profit or Loss due to its operating nature.

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

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company 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 Company 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 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

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

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 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

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

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

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

#### As a lessor

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

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021**

asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from 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.

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.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

### 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 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

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

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.

### (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 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.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

### (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 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.

## 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.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

### 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 segments are 'Aviation' and 'Trading of Goods'. 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 individual segments, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, the Company's entire business falls under two operational segment and hence the necessary information has been disclosed in the Balance Sheet and the Statement of Profit and Loss.

### 2.19 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.

### 3 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.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 4 Property, plant and equipment

#### 4.1 Financial Year 2020-21

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2020	Additions/ Adjustments	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>Owned 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>10,924.95</b>	<b>1,109.15</b>	<b>361.99</b>	<b>-</b>	<b>1,471.14</b>	<b>9,453.81</b>	<b>9,704.53</b>

#### 4.2 Financial Year 2019-20

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As on April 1, 2019	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
<b>Owned assets</b>									
Freehold Land	6,274.80	198.08	6,472.88	-	-	-	-	6,472.88	6,274.80
Buildings	464.29	-	464.29	55.25	18.52	-	73.77	390.52	409.04
Plant and Equipment	3,813.30	(1.75)	3,811.55	670.51	321.44	0.96	990.99	2,820.56	3,142.79
Furniture and fixtures	5.11	-	5.11	2.00	0.37	-	2.37	2.74	3.11
Office Equipment	23.55	1.90	25.45	12.46	4.54	-	17.00	8.45	11.09
Computer - Hardware	13.07	0.36	13.43	10.08	1.18	-	11.26	2.17	2.99
Vehicles	20.97	-	20.97	10.81	2.95	-	13.76	7.21	10.16
<b>Total</b>	<b>10,615.09</b>	<b>198.59</b>	<b>10,813.68</b>	<b>761.11</b>	<b>349.00</b>	<b>0.96</b>	<b>1,109.15</b>	<b>9,704.53</b>	<b>9,853.98</b>

### 5 Investment property

#### 5.1 Financial Year 2020-21

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2020	Additions/ Adjustments	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	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>-</b>	<b>1,315.93</b>	<b>187.30</b>	<b>46.82</b>	<b>-</b>	<b>234.12</b>	<b>1,081.81</b>	<b>1,128.63</b>

#### 5.2 Financial Year 2019-20

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As on April 1, 2019	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Hangar (Building)	1,315.93	-	1,315.93	140.48	46.82	-	187.30	1,128.63	1,175.45
<b>Total</b>	<b>1,315.93</b>	<b>-</b>	<b>1,315.93</b>	<b>140.48</b>	<b>46.82</b>	<b>-</b>	<b>187.30</b>	<b>1,128.63</b>	<b>1,175.45</b>

During the year, the Company has recognised rental income of INR 1,424.26 lakhs (March 31, 2020 - INR 1,343.64 lakhs) in the 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 36.

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

\* The Company has paid INR 198.08 lakhs in FY 2016-17 for purchase of temple lands to Govt. Authority, registration of land documents is pending.

The Company has mortgaged 68.27 acres of land, building and plant & equipment's to Banks (Refer note 17 & 21).



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 6 Financial assets - Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<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 Advance to Subsidiary*	646.55	646.55
	<b>651.55</b>	<b>651.55</b>
* Long-term loan in nature of equity into 100% subsidiary.		
<b>Investments measured at Fair Value Through Profit and Loss (FVTPL) (fully paid)</b>		
- Investments in Mutual Funds (Quoted) (Refer footnote i)	-	57.54
<u>Classified as :</u>		
Current	-	57.54
Non-current	651.55	651.55
<b>Total Financial assets - Investments</b>	<b>651.55</b>	<b>709.09</b>

#### Details of investments in mutual funds (Quoted) designated at FVTPL:

Particulars	Units as on March 31, 2021	As at March 31, 2021	Units as on March 31, 2020	As at March 31, 2020
Tata Liquid Fund Direct Plan - Growth	-	-	1,837.25	57.54

### 7 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with revenue authorities	5.26	11.38
<b>Total Other non-current assets</b>	<b>5.26</b>	<b>11.38</b>

### 8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials in stock	7.15	43.41
Work-in-progress in stock (At cost)	-	28.44
Finished Goods	-	46.67
<b>Total Inventories</b>	<b>7.15</b>	<b>118.52</b>

### 9 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured</u>		
Considered good	859.95	631.07
Considered Significant credit risk	24.39	19.61
Less : Allowance for bad and doubtful debts	(24.39)	(19.61)
	<b>859.95</b>	<b>631.07</b>
<u>Further classified as:</u>		
Receivables from related parties	-	33.60
Receivables from others	859.95	597.47
<b>Total Trade receivables</b>	<b>859.95</b>	<b>631.07</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 10 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
On current accounts	285.53	117.43
Margin money deposits with banks (Less than 3 months maturity)	166.27	34.29
Cash on hand	-	0.23
<b>Total Cash and cash equivalents</b>	<b>451.80</b>	<b>151.95</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposits with banks (More than 3 months maturity)	17.75	117.84
<b>Total Bank balances other than cash and cash equivalents</b>	<b>17.75</b>	<b>117.84</b>

### 12 Current financial assets - Loans

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured, considered good</u>		
Security deposits	24.75	25.79
<b>Total Current financial assets - Loans</b>	<b>24.75</b>	<b>25.79</b>

### 13 Current tax assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax	35.01	519.17
[Net of provision for tax: INR 138 lakhs; (March 31, 2020: INR 24.12 lakhs)]		
<b>Total Current tax assets (Net)</b>	<b>35.01</b>	<b>519.17</b>

### 14 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to suppliers	37.12	31.20
Advance to staff	2.08	2.54
Prepaid expenses	17.94	51.10
Unbilled revenue	-	47.97
<b>Total Other current assets</b>	<b>57.14</b>	<b>132.81</b>

### 15 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
4,00,00,000 (March 31, 2020 - 4,00,00,000) Equity Shares of INR 5/- each fully paid-up	2,000.00	2,000.00
10,00,00,000 (March 31, 2020 - 10,00,00,000) 15% Redeemable Cumulative Preference Shares of INR 50/- each fully paid-up	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, 2020 - 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 Standalone Financial Statements for the year ended March 31, 2021

(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, 2021		As at March 31, 2020	
	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 shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	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.

**16 Other Equity**

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	<b>Capital reserve</b>		
	Opening balance	5.83	5.83
	<b>Closing balance</b>	5.83	5.83
(b)	<b>Securities premium account</b>		
	Opening balance	5,203.53	5,203.53
	<b>Closing balance</b>	5,203.53	5,203.53
(c)	<b>General reserve</b>		
	Opening balance	1,271.86	1,271.86
	<b>Closing balance</b>	1,271.86	1,271.86
(d)	<b>Retained earnings</b>		
	Opening balance	2,110.20	1,524.58
	Net Profit/(Net Loss) for the year	622.75	584.07
	Re-measurement gains/ (losses) on defined benefit plans	(1.73)	1.55
	<b>Closing balance</b>	2,731.22	2,110.20
	<b>Total Other equity</b>	9,212.44	8,591.42

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 17 Non-current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured loans:</b>		
Term loan from banks	540.24	1,566.23
Other non-current borrowings	2.70	4.70
Less: Current maturities	357.35	646.27
<b>Total Non-current borrowings</b>	<b>185.59</b>	<b>924.67</b>

The term loan from bank outstanding as at March 31, 2021 amounting to INR Nil (March 31, 2020 : INR 681.12 lakhs) (including current maturities of non-current borrowings) is secured by a first charge on assignment of Hangar-1 rental / receivables from lessee and specific free hold lands to the extent of Nil acres (March 31, 2020 : 37.47 acres) of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. Second Pari Passu Charge is created on other property, plant and equipment (both movable and immovable) of the Company along-with other consortium banks as a collateral security. During the year the company has re-paid all loan outstanding and taken back the land title deeds.

The term loan from bank outstanding as at March 31, 2021 amounting to INR 540.24 lakhs (March 31, 2020: INR 697.30 lakhs) (including current maturities of non-current borrowings) is secured by a first charge on assignment of Hangar-2 rental / receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu as a collateral security.

The term loan from bank outstanding as at March 31, 2021 amounting to INR Nil (March 31, 2020: INR 187.50 lakhs) (including current maturities of non-current borrowings) is secured by a exclusive charge on plant & equipment to be procured under the facility & continuing security of specific free hold lands already mortgaged with bank as a collateral security. During the year the company has re-paid all loan outstanding and security also discharged from Bank.

The other non-current borrowing from banks outstanding as at March 31, 2021 amounting to INR 2.70 lakhs (March 31, 2020 : INR 4.70 lakhs) (including current maturities of other non-current borrowings) is secured by the respective charge on motor vehicle.

The Company has availed moratorium as per RBI circular for loans outstanding.

#### Maturity profile of secured term loans (as at March 31, 2021)

Particulars	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Non-current borrowings	142.13	43.45	-	-

### 18 Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit from lessee	197.55	159.41
Deposit from customers	7.00	7.00
<b>Total Other non-current financial liabilities</b>	<b>204.55</b>	<b>166.41</b>

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 19 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b><u>Non-current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity	139.41	144.45
(b) Provision for leave encashment (unfunded)	39.52	35.72
<b>Total Non-current provisions</b>	<b>178.93</b>	<b>180.18</b>
<b><u>Current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity	12.51	8.73
(b) Provision for leave encashment (unfunded)	5.19	4.19
<b>Total Current provisions</b>	<b>17.70</b>	<b>12.92</b>
<b>Total Provisions</b>	<b>196.63</b>	<b>193.10</b>

### 20 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred rent income	387.65	419.34
<b>Total Other non-current liabilities</b>	<b>387.65</b>	<b>419.34</b>

### 21 Current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b><u>Secured</u></b>		
(a) Working capital borrowings from banks	286.11	398.35
<b>Total Current borrowings</b>	<b>286.11</b>	<b>398.35</b>

#### Details of securities and other terms

Working capital loans from banks is secured against hypothecation of stock and book-debts on pari-passu basis and second charge on property, plant and equipment including specific free hold lands to the extent of 26.87 acres (March 31, 2020 - 26.87 acres) and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. Loan is at MCLR plus 5.30% p.a rate of interest.

### 22 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises*	2.43	6.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	190.06	148.49
<b>Total Trade payables</b>	<b>192.49</b>	<b>154.68</b>
* 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, 2020: INR Nil) towards interest payable to the vendors under the MSMED Act.		
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	6.08
b) Interest	0.11	0.11
<b>Total</b>	<b>2.43</b>	<b>6.19</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
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.	-	-

### 23 Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings	357.35	646.27
Expenses payables	97.24	101.02
Employee related liabilities#	72.99	81.60
<b>Total other current financial liabilities</b>	<b>527.58</b>	<b>828.89</b>

# Includes INR 1.54 lakhs (March 31, 2020 : INR 5.94 lakhs) due to Whole-time Director.

### 24 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory due payable*	82.67	70.09
Advance from customers	77.38	193.94
Deferred revenue	10.61	27.61
Deferred rent income	35.74	35.74
<b>Total Other current liabilities</b>	<b>206.40</b>	<b>327.38</b>

\* Includes payable towards TDS, GST and other employee related statutory obligations.

### 25 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sales – Aviation</b>		
Domestic sales	296.62	405.60
Export sales	9.83	-
<b>Services – Aviation</b>		
Domestic conversion charges	1,294.00	1,025.60
Rental income & other maintenance services	1,809.96	1,699.48
Training & other services	41.60	94.14
<b>Total Revenue from operations</b>	<b>3,452.01</b>	<b>3,224.81</b>

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 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, 2021 is INR 1,186.47 lakhs of which the Company expects to recognize 89% (INR 1053.21 lakhs) as revenue in 2021-22, and 11% (INR 133.26 lakhs) as revenue in 2022-23. 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, 2021	Year ended March 31, 2020
Miscellaneous income	2.87	7.68
Foreign exchange variance income	1.54	-
Write back of advances/ Provisions	3.33	7.78
Gain on sale of investments / Assets	0.66	5.19
Gain on changes in fair value of investments	-	0.25
Interest income*	21.09	6.52
<b>Total Other income</b>	<b>29.49</b>	<b>27.42</b>

\* Includes interest on income tax refunds of INR 16.11 lakhs (March 31, 2020: INR Nil)

### 27 Cost of raw materials consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	43.41	221.42
Add : Purchases	170.39	130.80
Less : Inventory at the end of the year	7.15	43.41
<b>Total Raw materials consumed</b>	<b>206.65</b>	<b>308.81</b>

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

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the beginning of the year:</b>			
Opening work-in-progress		28.44	88.91
Opening finished goods (Include goods-in transit)		46.67	-
	(I)	<b>75.11</b>	88.91
<b>Inventories at the end of the year:</b>			
Closing work-in-progress		-	28.44
Finished goods (Include goods-in-transit)		-	46.67
	(II)	<b>-</b>	75.11
<b>(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(I)-(II)</b>	<b>75.11</b>	<b>13.80</b>

### 29 Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages, bonus and other allowances	788.23	807.73
Contribution to provident and other funds	56.77	59.55
Gratuity	21.89	36.76
Staff welfare expenses	27.31	39.40
<b>Total Employee benefits expense</b>	<b>894.20</b>	<b>943.44</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 30 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on term loans	135.25	252.17
Interest on working capital	50.31	70.68
Other finance costs	70.46	62.69
<b>Total Finance costs</b>	<b>256.02</b>	<b>385.54</b>

### 31 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, plant and equipment (Refer note 4)	361.99	349.00
Depreciation on Investment properties (Refer note 5)	46.82	46.82
<b>Total Depreciation and amortization expense</b>	<b>408.81</b>	<b>395.82</b>

### 32 Operational and other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Repairs and Maintenance Plant & Equipment	16.90	22.50
Power and fuel	71.20	77.69
Repairs and maintenance Building	0.18	2.82
Repairs and maintenance Others	17.53	24.54
Selling expenses	13.98	15.07
Rent	21.02	20.54
Rates & taxes	62.18	78.35
Insurance	17.65	16.23
Travelling & conveyance	23.98	38.91
Vendor charges	39.70	35.16
CSR expenses (Refer note 48)	8.44	5.00
Provision for doubtful debts / Bad debts written off *	16.26	18.08
Office & other administrative expenses	40.36	47.25
Legal, professional & consultancy charges	97.38	118.52
Loss on sale of asset	-	0.47
Auditors remuneration^	8.24	10.98
<b>Total Operational and other expenses</b>	<b>455.00</b>	<b>532.12</b>

\* The bad-debts written-off / provision for doubtful debts movement during the year :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance of provision for doubtful debts	19.61	486.17
Add: Provision provided during the year (net of provision written back during the year INR 11.48 lakhs (March 31, 2020 - INR 484.64 lakhs)	16.26	18.08
Less: Written off during the year	(11.48)	(484.64)
Closing balance of provision for doubtful debts (Refer note 9)	<b>24.39</b>	<b>19.61</b>



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>As Auditor:</b>		
Statutory audit	3.50	3.50
<b>In other capacity:</b>		
Limited review	4.50	4.50
GST audit fee	0.24	0.70
Reimbursement of expenses	-	2.28
<b>Total</b>	<b>8.24</b>	<b>10.98</b>

### 33 Income Tax

Sr. No	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A)	<b>Deferred tax relates to the following:</b>		
	<b>Deferred tax assets</b>		
	MAT credit entitlement	-	-
		-	-
(B)	<b>Recognition of deferred tax asset to the extent of deferred tax liability</b>		
	<b>Balance sheet</b>		
	Deferred tax asset	-	-
	Deferred tax liabilities	-	-
	Deferred tax assets / (liabilities), net	-	-
	Deferred tax expenses / (credit) (As per Statement of Profit and Loss)	-	-
		-	-
(C)	<b>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	138.00	24.12
	Adjustment for earlier years	66.94	-
	Deferred tax	-	-
	<b>Total</b>	<b>204.94</b>	<b>24.12</b>
	<b>Profit from continuing operations before income tax expense</b>	<b>827.69</b>	<b>608.19</b>
	<b>Tax Rate</b>	<b>29.12%</b>	<b>31.20%</b>
	<b>Tax computed using statutory tax rate</b>	<b>241.02</b>	<b>189.76</b>
	Tax effect of:		
	Utilization of carry forward losses	(102.93)	(164.83)
	Adjustment for earlier years	66.94	-
	Difference in tax rates	(0.09)	(0.81)
	<b>Income tax expense</b>	<b>204.94</b>	<b>24.12</b>

### 34 Earnings / (Loss) per share

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

Diluted earnings / (loss) per share amounts are calculated by dividing the profit / (loss) 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.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

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

Particulars	March 31, 2021	March 31, 2020
Profit / (Loss) attributable to equity shareholders of the Company	622.75	584.07
Weighted average number of equity shares for basic EPS	2,49,30,736	2,49,30,736
Basic - Earnings / (loss) per share (INR)	2.50	2.35
Diluted - Earnings / (loss) per share (INR)	2.50	2.35

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.

### 35 Employee benefits

#### (A) Defined contribution plans

Particulars	March 31, 2021	March 31, 2020
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>56.77</b>	<b>59.55</b>

#### (B) Defined benefit plans

Gratuity payable to employees

##### i) Actuarial assumptions

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.90%	6.80%
Rate of increase in salary	5%-7%	5%-7%
Expected average remaining working lives of employees (years)	11.44	11.70
Withdrawal rate	4%-5%	4%-5%

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Present value of obligation at the beginning of the year</b>	<b>153.19</b>	144.19
Interest cost	9.96	10.65
Past service cost	-	-
Current service cost	13.50	11.77
Curtailements	-	-
Settlements	-	-
Benefits paid	(13.49)	(11.87)
Actuarial (gain) / loss on obligations	1.73	(1.55)
<b>Present value of obligation at the end of the year*</b>	<b>164.89</b>	153.19

\*Included in provision for employee benefits (Actuarial (gain) / loss on gratuity of INR 1.73 lakhs) for the year ended March 31, 2021 (March 31, 2020: INR (1.55 lakhs)) is included in other comprehensive income.

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.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### iii) Expense recognised in the Statement of Profit and Loss

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Current service cost	13.50	11.77
Past service cost	-	-
Interest cost	9.96	10.65
Expected return on plan assets	(0.82)	-
Actuarial (gain) / loss on obligations	-	-
Settlements	-	-
Curtailments	-	-
<b>Total Expenses recognized in the Statement of Profit and Loss</b>	<b>22.64</b>	<b>22.42</b>

### iv) Assets and liabilities recognised in the Balance Sheet:

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Present value of unfunded obligation as at the end of the year</b>	<b>164.89</b>	153.19
Less : Funded with Life Insurance Corporation	12.98	12.15
<b>Unfunded net asset / (liability) recognised in the Balance Sheet</b>	<b>151.91</b>	<b>141.04</b>

### v) Expected contribution to the fund in the next year

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Total amount</b>	<b>151.91</b>	141.00

### vi) A quantitative sensitivity analysis for significant assumption as at March 31, 2021 & March 31, 2020 is as shown below:

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Impact on defined benefit obligation</b>		
Discount rate		
1% increase	151.86	141.24
1% decrease	177.92	165.14
Salary rate		
1% increase	153.35	142.47
1% decrease	176.43	163.91
Withdrawal rate		
1% increase	155.00	144.00
1% decrease	174.78	162.38

### vii) Maturity profile of defined benefit obligation

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Year</b>		
Upto one year	12.51	8.73
One to two years	21.66	12.32
Two to three years	10.52	31.28
More than three years	180.01	136.88

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 36 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, increase in rents in future periods, which are inline with general inflation and terms of cancellation. The operating lease payments recognised in the Statement of Profit and Loss amounts to INR 1424.26 lakhs (March 31, 2020 - INR 1343.64 lakhs) included in note 25.

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

Particulars	March 31, 2021	March 31, 2020
Within one year	1,670.67	1,424.26
After one year but not more than five years	7,132.10	6,604.42
More than five years	16,133.71	18,039.68

### 37 Related party disclosures

#### (A) Names of related parties and description of relationship as identified and certified by the Company:

<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
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. Muralidhar Chittetti Reddy (Managing Director upto March 31, 2020)
Mr. Ramesh Jaiswara (Whole-Time Director from October 01, 2020)
<b>Non whole-time director</b>
Dr. Prahlada Ramarao
Mr. Salil Taneja
Mrs. Rahael Shobhana Joseph
Mr. Arvind Nanda
Mr. Muralidhar Chittetti Reddy (From April 01, 2020)

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

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

Sr. No	Particulars	March 31, 2021	March 31, 2020
(i)	<b>Subsidiary companies</b>		
	Investment	5.00	5.00
	Balance receivable as at the year end (Loan in the nature of equity contribution) *	646.55	646.55
(ii)	<b>Others entities under common control</b>		
	<b>Loans taken from related parties during the year</b>		
	- Taal Tech India Private Limited	325.00	-
	<b>Loan re-paid to related parties during the year</b>		
	- Taal Tech India Private Limited	325.00	-
	<b>Re-imburement of expenditure during the year (net) / Rent</b>		
	- TAAL Enterprises Limited	-	4.50
	<b>Other income</b>		
	- Knox Investments Private Limited	0.27	-
	<b>Interest paid</b>		
	- Taal Tech India Private Limited	20.89	-
	<b>Commission received for bank guarantee</b>		
	- TAAL Enterprises Limited	2.75	3.12
	<b>Balance receivable as at the end of the year</b>		
	- Laurus Tradecon Private Limited	-	33.60
	- Knox Investments Private Limited	-	2.18
(iii)	<b>Key Management Personnel (KMP)</b>		
	<b>Compensation of key management personnel</b>		
	<b>Managerial remuneration #</b>		
	- Mr. Ramesh Jaiswara	20.21	-
	- Mr. Muralidhar Chittetti Reddy	-	42.00
	<b>Director sitting fees</b>	7.60	6.70
	<b>Balance payable as at the year end</b>		
	- Mr. Ramesh Jaiswara	1.54	-
	- Mr. Muralidhar Chittetti Reddy	-	5.94
	<b>Balance receivable as at the year end</b>		
	- Mr. Muralidhar Chittetti Reddy	-	0.08

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

# The Managerial remuneration paid to Ramesh Jaiswara (Whole-time director w.e.f October 01, 2020 to March 31, 2021) 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.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 38 Segment reporting

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 segments are 'Aviation' and 'Trading of Goods'. 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 individual segments, and are as set out in the significant accounting policies.

Particulars	Aviation	Trading of Goods	Total 2020-21	Aviation	Trading of Goods	Total 2019-20
<b>a. Segment revenue</b>						
Segmental revenue from :						
External sales and services (including other income)	3,481.50	-	3,481.50	3,252.23	-	3,252.23
<b>Total Segment revenue</b>	<b>3,481.50</b>	<b>-</b>	<b>3,481.50</b>	<b>3,252.23</b>	<b>-</b>	<b>3,252.23</b>
<b>b. Segment result</b>						
Operating Profit / (Loss)	827.69	-	827.69	608.19	-	608.19
<b>Profit/ (Loss) before tax</b>	<b>827.69</b>	<b>-</b>	<b>827.69</b>	<b>608.19</b>	<b>-</b>	<b>608.19</b>
Less: Tax (benefit) / expense	-	-	204.94	-	-	24.12
<b>Profit / (Loss) for the Year</b>	<b>827.69</b>	<b>-</b>	<b>622.75</b>	<b>608.19</b>	<b>-</b>	<b>584.07</b>
<b>c. Other information</b>						
Segment assets	12,610.97	-	12,610.97	12,697.61	34.00	12,731.61
Unallocable assets	-	-	35.01	-	-	519.17
<b>Total Assets</b>	<b>12,610.97</b>	<b>-</b>	<b>12,645.98</b>	<b>12,697.61</b>	<b>34.00</b>	<b>13,250.78</b>
Segment liabilities	2,187.00	-	2,187.00	3,412.82	-	3,412.82
Unallocable liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,187.00</b>	<b>-</b>	<b>2,187.00</b>	<b>3,412.82</b>	<b>-</b>	<b>3,412.82</b>
<b>Capital Employed</b>	<b>10,423.97</b>	<b>-</b>	<b>10,458.98</b>	<b>9,284.79</b>	<b>34.00</b>	<b>9,837.96</b>
<b>d. Cost incurred for :</b>						
- Acquired assets	111.27	-	111.27	200.34	-	200.34
- Depreciation	408.81	-	408.81	395.82	-	395.82

As per Ind AS 108, the Company has two segments viz., "Aviation" and "Trading of Goods".

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under unallocable assets and liabilities.

#### Major customers

Revenue from one customer of the Company's aviation segment amounting to INR 1,504.74 lakhs (March 31, 2020: revenue from four customers amounting to INR 2,179.88 lakhs) is more than 10% of Company's total revenue.

### 39 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.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 40 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:

Particulars	March 31, 2021	March 31, 2020
<b>Level 1 (Quoted price in active markets)</b>		
Investments at fair value through profit and loss	-	57.54
Cash and cash equivalents	<b>451.80</b>	151.95
Bank balances other than cash and cash equivalents	<b>17.75</b>	117.84
<b>Level 2</b>	<b>Nil</b>	Nil
<b>Level 3</b>		
<u>Financial assets measured at amortized cost</u>		
Trade receivables	<b>859.95</b>	631.07
Loans	<b>24.75</b>	25.79
<u>Financial liabilities measured at amortized cost</u>		
Borrowings	<b>829.05</b>	1,969.29
Trade payables	<b>192.49</b>	154.68
Other financial liabilities	<b>374.78</b>	349.03
<u>Financial assets and liabilities measured at amortized cost for which fair value are disclosed</u>		
Deposit from lessee	<b>197.55</b>	162.41

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, trade receivables, margin money, trade payables, other payables and short-term borrowings are considered to be the same as their fair values.

### 41 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.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 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	Effect on profit before tax
<b>March 31, 2021</b>		
INR	+45	(3.73)
INR	-45	3.73
<b>March 31, 2020</b>		
INR	+45	(9.28)
INR	-45	9.28

### (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
<b>March 31, 2021</b>	+2.5%	(1.26)
	-2.50%	1.26
<b>March 31, 2020</b>	+2.5%	(1.29)
	-2.50%	1.29

### (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 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 taking 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.



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### (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>March 31, 2021</b>				
Short-term borrowings	286.11	-	-	286.11
Long-term borrowings	357.35	185.58	-	542.93
Trade payables	192.49	-	-	192.49
Other financial liabilities	374.78	-	-	374.78
	<u>1,210.73</u>	<u>185.58</u>	<u>-</u>	<u>1,396.31</u>
<b>March 31, 2020</b>				
Short-term borrowings	398.35	-	-	398.35
Long-term borrowings	646.27	912.17	12.50	1,570.94
Trade payables	154.68	-	-	154.68
Other financial liabilities	349.03	-	-	349.03
	<u>1,548.33</u>	<u>912.17</u>	<u>12.50</u>	<u>2,473.00</u>

### 42 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 not distributed any dividend 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.

Particulars		March 31, 2021	March 31, 2020
Total equity	(i)	10,458.98	9,837.96
Total debt	(ii)	829.04	1,969.29
Overall financing	(iii) = (i) + (ii)	11,288.01	11,807.25
Gearing ratio	(ii) / (iii)	0.07	0.17

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts:		
(i) Service Tax	124.37	124.37
(ii) Excise Duty	168.40	177.82
(iii) Others	170.00	170.00

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

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Letters of credit	-	7.23
(b) Bank guarantees	194.83	637.86
(c) Indemnity issued to customers	514.75	713.85

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 44 Change in accounting policy

Effective April 1, 2019 the Company has adopted Ind AS 116 - Leases, applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of adoption of IND AS 116 did not have any significant impact on the opening retained earnings, profit for the period and earnings per share.

45 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 including contingent liabilities pertaining to the demerged charter business are accounted in the books of account of TEL.

46 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.

47 Deferred tax calculations result into deferred tax assets as at March 31, 2021 as well as at March 31, 2020. However, as a matter of prudence, the Company has not recognized deferred tax assets.

### 48 Corporate Social Responsibility expenditure (CSR)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Gross amount required to be spent by the Company during the year	8.44	4.98

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	8.44	-	5.00	-

49 In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020. Subsequently, the nation-wide lockdown was lifted by the Government of India, but regional lockdown continued to be implemented in areas with significant number of COVID-19 cases. The Company remains watchful of the potential impact of COVID-19 pandemic, particularly the current "second wave", on resuming normal business operations on a continuing basis. The Management has assessed the impact of this pandemic on the business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Company's revenue from operations and the recoverability and carrying value of certain assets such as property, plant and equipment, inventories, trade receivables and current assets. The impact of COVID-19 pandemic on the overall economic environment may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from impact considered as at the date of approval of these financial statements.

50 Previous year figures have been regrouped / reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

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

**Deepak Rao**

**Partner**

Membership No. 113292

Place : Bengaluru

Date : June 09, 2021

**Ramesh Jaiswara**

**Whole-Time Director**

DIN : 08837423

Place : Bengaluru

Date : June 09, 2021

**Salil Taneja**

**Director**

DIN : 00328668

Place : Pune

Date : June 09, 2021

**Mahendra Nalluri**

**Chief Financial Officer**

Place : Bengaluru

Place : Bengaluru

Date : June 09, 2021

**Shruti Zope**

**Company Secretary**

Membership No. A40609

Place : Pune

Date : June 09, 2021

## 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, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and 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 reports of other auditors 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, 2021, 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.

#### Emphasis of Matter

We draw attention to Note 45 of the Consolidated financial statements which states that the Holding Company had carried on the demerged charter business and activities including banking transactions, statutory compliances and all other commercial activities relating to the demerged charter business for and on account of and in trust for

TAAL Enterprises Limited (TEL) until the time TAAL Enterprises Limited (a related party) obtains the requisite statutory licenses for carrying on the demerged charter business. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of TAAL Enterprises Limited.

This matter was also emphasised in our Independent Auditors Reports from the years ended March 31, 2017.

Our opinion is not modified in respect of this matter.

#### 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 of the current period. 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.

#### Key Audit Matter

Accuracy of recognition, measurement and disclosures of revenues and other related balances as per Ind AS 115 "Revenue from Contracts with Customers"

Refer the disclosures related to revenue recognition in Note 2 to the accompanying Financial Statements.

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax etc., where applicable.

Revenue is identified as a key audit area which has significant risk of being recognised in an incorrect period or before the control has been transferred to the customer and hence identified as a Key Audit Matter.

Our audit procedures in respect of the recognition of revenue included the following:

Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115").

# Taneja Aerospace and Aviation Limited

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Obtained an understanding and assessed the design and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition.

Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/contracts and related logistics documents.

Assessed manual journals posted to revenue to identify unusual items & tested the same on a sample basis.

Evaluated the appropriateness of disclosures in accordance with Ind AS 115.

## **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 information included in the Director's report etc but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

## **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.

## **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 Matter**

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs.649.50 lakhs as at March 31, 2021, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 matter with respect to our reliance on the work done and the reports of the other auditors 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, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India are disqualified as on March 31, 2021 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 43 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules there under.

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

ICAI Firm Registration No. 105047W

**Deepak Rao**  
Partner

Membership No. 113292  
UDIN: 21113292AAAAGY7468

Place: Bengaluru  
Date: June 09, 2021

# 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Deepak Rao  
Partner  
Membership No. 113292  
UDIN: 21113292AAAAGY7468

Place: Bengaluru  
Date: June 09, 2021

## 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 1 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, 2021]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, 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.

### **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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the 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 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 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 company 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.

# Taneja Aerospace and Aviation Limited

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## **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.

## **Opinion**

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, 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, 2021, 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 issued by the ICAI.

## **Other Matter**

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 one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Deepak Rao  
Partner  
Membership No. 113292  
UDIN: 21113292AAAAGY7468

Place: Bengaluru  
Date: June 09, 2021



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	10,103.15	10,353.87
Investment property	5	1,081.80	1,128.63
Goodwill		-	0.78
Other non-current assets	7	5.26	11.38
<b>Total Non-current assets</b>		<b>11,190.21</b>	<b>11,494.66</b>
<b>Current assets</b>			
Inventories	8	7.15	118.52
<b>Financial assets</b>			
Investments	6	-	57.54
Trade receivables	9	859.95	631.06
Cash and cash equivalents	10	451.95	152.22
Bank balances other than cash and cash equivalents	11	17.75	117.84
Loans	12	24.75	25.79
Current tax assets (net)	13	35.01	519.17
Other current assets	14	57.14	132.81
<b>Total Current assets</b>		<b>1,453.70</b>	<b>1,754.95</b>
<b>Total Assets</b>		<b>12,643.91</b>	<b>13,249.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,246.54	1,246.54
Other equity	16	9,210.06	8,589.94
<b>Total Equity</b>		<b>10,456.60</b>	<b>9,836.48</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	185.59	924.67
Other financial liabilities	18	204.55	166.41
Provisions	19	178.93	180.18
Other non-current liabilities	20	387.65	419.34
<b>Total Non-current liabilities</b>		<b>956.72</b>	<b>1,690.60</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	286.11	398.35
Trade payables	22	192.47	154.68
Other financial liabilities	23	527.91	829.20
Other current liabilities	24	206.40	327.38
Provisions	19	17.70	12.92
<b>Total Current liabilities</b>		<b>1,230.59</b>	<b>1,722.53</b>
<b>Total Liabilities</b>		<b>2,187.31</b>	<b>3,413.13</b>
<b>Total Equity and Liabilities</b>		<b>12,643.91</b>	<b>13,249.61</b>
<b>Significant accounting policies</b>	2		
<b>The accompanying notes (2-50) are an integral part of the consolidated financial statements</b>			

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

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

**Ramesh Jaiswara**  
**Whole-Time Director**  
 DIN : 08837423

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

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

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

Place : Bengaluru  
 Date : June 09, 2021

Place : Bengaluru  
 Date : June 09, 2021

Place : Pune  
 Date : June 09, 2021

Place : Bengaluru  
 Date : June 09, 2021

Place : Pune  
 Date : June 09, 2021

# Taneja Aerospace and Aviation Limited

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	25	3,452.01	3,224.81
Other income	26	29.49	27.42
<b>Total Income</b>		<b>3,481.50</b>	<b>3,252.23</b>
<b>Expenses</b>			
Cost of material consumed	27	206.65	308.81
Other direct costs		358.02	64.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	75.11	13.80
Employee benefits expense	29	894.20	943.44
Finance costs	30	256.02	385.74
Depreciation and amortization expense	31	409.59	395.82
Other expenses	32	455.12	532.23
<b>Total Expenses</b>		<b>2,654.71</b>	<b>2,644.15</b>
<b>Profit / (Loss) before tax</b>		<b>826.79</b>	<b>608.08</b>
<b>Income tax expense:</b>	33		
Current tax			
Current year tax		138.00	24.12
Adjustment relating to earlier years (Assessment closed during the year)		66.94	-
<b>Total Income tax expense</b>		<b>204.94</b>	<b>24.12</b>
<b>Profit / (Loss) for the year</b>		<b>621.85</b>	<b>583.96</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		(1.73)	1.55
<b>Other comprehensive income for the year</b>		<b>(1.73)</b>	<b>1.55</b>
<b>Total Comprehensive income for the year</b>		<b>620.12</b>	<b>585.51</b>
<b>Earnings / (Loss) per share</b>	34		
Basic earnings / (loss) per share (INR)		2.49	2.35
Diluted earnings / (loss) per share (INR)		2.49	2.35
<b>Significant accounting policies</b>	2		
<b>The accompanying notes (2-50) are an integral part of the consolidated financial statements</b>			

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

**Deepak Rao**  
Partner  
Membership No. 113292

**Ramesh Jaiswara**  
Whole-Time Director  
DIN : 08837423

**Salil Taneja**  
Director  
DIN : 00328668

**Mahendra Nalluri**  
Chief Financial Officer

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

Place : Bengaluru  
Date : June 09, 2021

Place : Bengaluru  
Date : June 09, 2021

Place : Pune  
Date : June 09, 2021

Place : Bengaluru  
Date : June 09, 2021

Place : Pune  
Date : June 09, 2021

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	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: Issued 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				Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	
Balance as on April 1, 2019	5,203.53	5.83	1,271.86	1,523.21	8,004.43
Profit / (Loss) for the year	-	-	-	583.96	583.96
Other comprehensive income	-	-	-	1.55	1.55
Total Comprehensive income for the year	-	-	-	<b>585.51</b>	<b>585.51</b>
<b>Balance as at March 31, 2020</b>	<u>5,203.53</u>	<u>5.83</u>	<u>1,271.86</u>	<u>2,108.72</u>	<u>8,589.94</u>

Particulars	Reserve and surplus				Total
	Securities premium reserve	Capital reserve	General reserve	Retained earnings	
Balance as on April 1, 2020	5,203.53	5.83	1,271.86	2,108.72	8,589.94
Profit / (Loss) for the year	-	-	-	621.85	621.85
Other comprehensive income	-	-	-	(1.73)	(1.73)
Total Comprehensive income for the year	-	-	-	620.12	620.12
<b>Balance as March 31, 2021</b>	<u>5,203.53</u>	<u>5.83</u>	<u>1,271.86</u>	<u>2,728.84</u>	<u>9,210.06</u>

### Summary of significant accounting policies (Refer note 2)

The accompanying notes (2-50) 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

**Deepak Rao**  
Partner  
Membership No. 113292

**Ramesh Jaiswara**  
Whole-Time Director  
DIN : 08837423

**Salil Taneja**  
Director  
DIN : 00328668

**Mahendra Nalluri**  
Chief Financial Officer

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

Place : Bengaluru  
Date : June 09, 2021

Place : Bengaluru  
Date : June 09, 2021

Place : Pune  
Date : June 09, 2021

Place : Bengaluru  
Date : June 09, 2021

Place : Pune  
Date : June 09, 2021

# Taneja Aerospace and Aviation Limited

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(INR in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from Operating activities</b>		
<b>Profit before tax</b>	<b>826.79</b>	608.08
<u>Adjustments for:</u>		
Depreciation, amortization and impairment expense	409.59	395.82
Finance costs	185.56	323.05
Gain on sale of investments / Assets	(0.66)	(5.19)
Gain on changes in fair value of investments	-	(0.25)
Provision for doubtful debts / Bad-debts written off	16.26	18.08
Interest income	(21.09)	(6.52)
<b>Operating profit before working capital changes</b>	<b>1,416.45</b>	1,333.07
<b>Changes in working capital</b>		
(Decrease) / increase in trade payables, provisions and other liabilities	(376.22)	(487.28)
Decrease / (increase) in inventories	111.37	191.81
(Decrease) / increase in trade receivables and other assets	(162.32)	315.65
<b>Cash generated used in operations</b>	<b>989.28</b>	1,353.26
Income tax (paid) / refund (Net)	279.22	(143.53)
<b>Net cash flows used in Operating activities (A)</b>	<b>1,268.50</b>	1,209.73
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(111.27)	(200.34)
Purchase of investments in mutual funds	-	(102.02)
Proceeds from sales of investments in mutual funds	58.20	100.00
Interest received	21.09	6.52
<b>Net cash flow from Investing activities (B)</b>	<b>(31.98)</b>	(195.84)
<b>Cash flow from Financing activities</b>		
Addition / (Re-payment) of non-current borrowings	(739.08)	(700.69)
Addition / (Re-payment) of current borrowings	(112.24)	(194.14)
Interest paid	(185.56)	(323.05)
<b>Net cash flow from Financing activities (C)</b>	<b>(1,036.88)</b>	(1,217.88)
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>199.64</b>	(204.00)
Cash and cash equivalents at the beginning of the year	270.06	474.06
Cash and cash equivalents at the end of the year	<b>469.70</b>	<b>270.06</b>
<b>Cash and cash equivalents comprise</b>		
On current accounts	285.68	117.70
Fixed deposits with maturity of less than 3 months	166.27	34.29
Cash on hand	-	0.23
	<b>451.95</b>	152.22
<b>Bank balances other than cash and cash equivalents</b>		
Margin money or under lien deposits	17.75	117.84
<b>Total cash and bank balances at end of the year</b>	<b>469.70</b>	270.06
<b>Summary of significant accounting policies (Refer note 2)</b>		
<b>The accompanying notes (2-50) are an integral part of the consolidated financial statements</b>		

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

**Deepak Rao**

**Partner**

Membership No. 113292

**Ramesh Jaiswara**

**Whole-Time Director**

DIN : 08837423

**Salil Taneja**

**Director**

DIN : 00328668

**Mahendra Nalluri**

**Chief Financial Officer**

Place : Bengaluru  
Date : June 09, 2021

**Shruti Zope**

**Company Secretary**

Membership No. A40609  
Place : Pune  
Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Pune

Date : June 09, 2021

Place : Bengaluru

Date : June 09, 2021

Place : Pune

Date : June 09, 2021

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

### 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 & MRO and allied services.

### 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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.

##### (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.

Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle ;
- ▶ It is held primarily for the purpose of trading;

- ▶ It is due to be settled within twelve months after the reporting period; or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

- ▶ 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, 2021: 100% (March 31, 2020: 100%)
<b>Accounting Period</b>	April 1, 2020 - March 31, 2021 (April 1, 2019 - March 31, 2020)
<b>Audited / Un-audited</b>	Audited

### 2.2 Business combination and Goodwill

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

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

Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**2.3 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.
- 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 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 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

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.

**2.4 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

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

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'.

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

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.

### 2.5 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.

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.

### 2.6 Fair value measurement

The Company 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.

### 2.7 Revenue Recognition

Effective April 1, 2018, the Group adopted Ind AS 115 - "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition.



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

Revenue is recognized upon transfer of control of promised goods and services to the customers in an amount that reflects the consideration we expect to receive in exchange for those goods and services and where there is no uncertainty as to measurement or collectability of consideration.

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

Rental income arising from operating leases (leases of hangar) is accounted for on a straight-line basis (except where the rentals are structured to increase inline with expected general inflation) over the lease terms based on agreement / contract entered into with the third party on accrual basis and is included in revenue in the Statement of Profit and Loss due to its operating nature.

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 ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company 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.

### 2.8 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 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.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

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.

### 2.9 Leases

#### As a lessee

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

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

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

#### As a lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the 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.

### 2.10 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.

### 2.11 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.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

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”).

### 2.12 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.

The Company 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.

### 2.13 Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets upto the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

### 2.14 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.

### 2.15 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 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.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

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.

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.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

### (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 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 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.

## 2.16 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 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.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

### (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. 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 define benefit plans can be encashed only on discontinuation of service by employee.

### 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 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.

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. 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", Group's entire business falls under two operational segment and hence the necessary information has been disclosed in the Balance Sheet and the Statement of Profit and Loss.

### 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

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, 2021 (INR in lakhs, unless otherwise stated)

### 4 Property, plant and equipment

#### 4.1 Financial Year 2020-21

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2020	Additions/ Adjustments	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	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 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>11,463.02</b>	<b>111.27</b>	<b>11,574.29</b>	<b>1,109.15</b>	<b>361.99</b>	<b>-</b>	<b>1,471.14</b>	<b>10,103.15</b>	<b>10,353.87</b>

#### 4.2 Financial Year 2019-20

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As on April 1, 2019	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
<b>Owned assets</b>									
Freehold Land*	6,924.14	198.08	7,122.22	-	-	-	-	7,122.22	6,274.80
Buildings	464.29	-	464.29	55.25	18.52	-	73.77	390.52	409.04
Plant and Equipment	3,813.30	(1.75)	3,811.55	670.51	321.44	0.96	990.99	2,820.56	3,142.79
Furniture and fixtures	5.11	-	5.11	2.00	0.37	-	2.37	2.74	3.11
Office Equipment	23.55	1.90	25.45	12.46	4.54	-	17.00	8.45	11.09
Computer - Hardware	13.07	0.36	13.43	10.08	1.18	-	11.26	2.17	2.99
Vehicles	20.97	-	20.97	10.81	2.95	-	13.76	7.21	10.16
<b>Total</b>	<b>11,264.43</b>	<b>198.59</b>	<b>11,463.02</b>	<b>761.11</b>	<b>349.00</b>	<b>0.96</b>	<b>1,109.15</b>	<b>10,353.87</b>	<b>10,503.32</b>

### 5 Investment property

#### 5.1 Financial Year 2020-21

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2020	Additions/ Adjustments	As at March 31, 2021	As on April 1, 2020	For the year	Deductions/ Adjustments	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>-</b>	<b>1,315.93</b>	<b>187.30</b>	<b>46.82</b>	<b>-</b>	<b>234.12</b>	<b>1,081.81</b>	<b>1,128.63</b>

#### 5.2 Financial Year 2019-20

Particulars	Gross block			Depreciation				Net block	
	As on April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As on April 1, 2019	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Hangar (Building)	1,315.93	-	1,315.93	140.48	46.82	-	187.30	1,128.63	1,175.45
<b>Total</b>	<b>1,315.93</b>	<b>-</b>	<b>1,315.93</b>	<b>140.48</b>	<b>46.82</b>	<b>-</b>	<b>187.30</b>	<b>1,128.63</b>	<b>1,175.45</b>

During the year, the Company has recognised rental income of INR 1,424.26 lakhs (March 31, 2020 - INR 1,343.64 lakhs) in the 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 36.

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

\* The Company has paid INR 198.08 lakhs in FY 2016-17 for purchase of temple lands to Govt. Authority, registration of land documents is pending.

The Company has mortgaged 68.27 acres of land, buildings and plant & equipments to Banks (Refer note 17 & 21).

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 6 Financial Assets - Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments measured at Fair Value Through Profit and Loss ( FVTPL) (fully paid)</b>		
- Investments in mutual funds (Quoted) (Refer footnote i)	-	<b>57.54</b>
<u>Classified as :</u>		
Current	-	57.54
Non-current	-	-
<b>Total Financial assets - Investments</b>	<b>-</b>	<b>57.54</b>

#### Details of investments in mutual funds (Quoted) designated at FVTPL:

Particulars	Units as at March 31, 2021	As at March 31, 2021	Units as at March 31, 2020	As at March 31, 2020
Tata Liquid Fund Direct Plan - Growth	-	-	1,837.25	57.54

### 7 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with revenue authorities	<b>5.26</b>	11.38
<b>Total Other non-current assets</b>	<b>5.26</b>	<b>11.38</b>

### 8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials in stock	<b>7.15</b>	43.41
Work-in-progress in stock (At cost)	-	28.44
Finished Goods	-	46.67
<b>Total Inventories</b>	<b>7.15</b>	<b>118.52</b>

### 9 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured</u>		
Considered good	<b>859.95</b>	631.06
Considered Significant credit risk	<b>24.39</b>	19.61
Less : Allowance for bad and doubtful debts	<b>(24.39)</b>	(19.61)
	<b>859.95</b>	<b>631.06</b>
<u>Further classified as:</u>		
Receivables from related parties	-	33.60
Receivables from others	<b>859.95</b>	597.46
<b>Total Trade receivables</b>	<b>859.95</b>	<b>631.06</b>

### 10 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
On current accounts	<b>285.68</b>	117.70
Margin money deposits with banks (Less than 3 months maturity)	<b>166.27</b>	34.29
Cash on hand	-	0.23
<b>Total Cash and cash equivalents</b>	<b>451.95</b>	<b>152.22</b>



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021 (INR in lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposits with banks (More than 3 months maturity)	17.75	117.84
<b>Total Bank balances other than cash and cash equivalents</b>	<b>17.75</b>	<b>117.84</b>

### 12 Current financial assets - Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	24.75	25.79
<b>Total Current financial assets - Loans</b>	<b>24.75</b>	<b>25.79</b>

### 13 Current tax assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax	35.01	519.17
[Net of provision for tax: INR 138 lakhs; (March 31, 2020: INR 24.12 lakhs)]		
<b>Total Current tax assets (Net)</b>	<b>35.01</b>	<b>519.17</b>

### 14 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to suppliers	37.12	31.20
Advance to staff	2.08	2.54
Prepaid expenses	17.94	51.10
Unbilled revenue	-	47.97
<b>Total Other current assets</b>	<b>57.14</b>	<b>132.81</b>

### 15 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
4,00,00,000 (March 31, 2020 - 4,00,00,000) Equity Shares of INR 5/- each fully paid-up	2,000.00	2,000.00
10,00,000 (March 31, 2020 - 10,00,000) 15% Redeemable Cumulative Preference Shares of INR 50/- each fully paid-up	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, 2020 - 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>

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	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

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### (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 shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	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.

## 16 Other Equity

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	<b>Capital reserve</b>		
	Opening balance	5.83	5.83
	<b>Closing balance</b>	5.83	5.83
(b)	<b>Securities premium account</b>		
	Opening balance	5,203.53	5,203.53
	<b>Closing balance</b>	5,203.53	5,203.53
(c)	<b>General reserve</b>		
	Opening balance	1,271.86	1,271.86
	<b>Closing balance</b>	1,271.86	1,271.86
(d)	<b>Retained earnings</b>		
	Opening balance	2,108.72	1,523.21
	Net Profit / (Net Loss) for the year	621.85	583.96
	Re-measurement gains / (losses) on defined benefit plans	(1.73)	1.55
	<b>Closing balance</b>	2,728.84	2,108.72
	<b>Total Other equity</b>	9,210.06	8,589.94

## 17 Non-current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured loans:</b>		
Term loan from banks	540.24	1,566.23
Other non-current borrowings	2.70	4.70
Less: Current maturities	357.35	646.27
<b>Total Non-current borrowings</b>	185.59	924.67

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

The term loan from bank outstanding as at March 31, 2021 amounting to INR Nil (March 31, 2020 : INR 681.12 lakhs) (including current maturities of non-current borrowings) is secured by a first charge on assignment of hangar - 1 rental / receivables from lessee and specific free hold lands to the extent of Nil acres (March 31, 2020 : 37.47 acres) of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. Second Pari Passu charge is created on other property, plant and equipment (both movable and immovable) of the Company along-with other consortium banks as a collateral security. During the year the company has re-paid all loan outstanding and taken back the land title deeds.

The term loan from bank outstanding as at March 31, 2021 amounting to INR 540.24 lakhs (March 31, 2020: INR 697.30 lakhs) (including current maturities of non-current borrowings) is secured by a first charge on assignment of hangar-2 rental / receivables from lessee and specific free hold lands to the extent of 41.40 acres of land and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu as a collateral security.

The term loan from bank outstanding as at March 31, 2021 amounting to INR Nil (March 31, 2020: INR 187.50 lakhs) (including current maturities of non-current borrowings) is secured by a exclusive charge on plant & equipment to be procured under the facility & continuing security of specific free hold lands already mortgaged with bank as a collateral security. During the year the company has re-paid all loan outstanding and security also discharged from Bank.

The other non-current borrowing from banks outstanding as at March 31, 2021 amounting to INR 2.70 lakhs (March 31, 2020 : INR 4.70 lakhs) (including current maturities of other non-current borrowings) is secured by the respective charge on motor vehicle.

The Company has availed moratorium as per RBI circular for loans outstanding.

### Maturity profile of secured term loans (as at March 31, 2021)

Particulars	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Non-current borrowings	142.13	43.45	-	-

### 18 Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit from lessee	197.55	162.41
Deposit from customers	7.00	4.00
<b>Total Other non-current financial liabilities</b>	<b>204.55</b>	<b>166.41</b>

### 19 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b><u>Non-current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity	139.41	144.45
(b) Provision for leave encashment (unfunded)	39.52	35.72
<b>Total Non-current provisions</b>	<b>178.93</b>	<b>180.18</b>
<b><u>Current provisions</u></b>		
<b>Provision for employee benefits</b>		
(a) Provision for gratuity	12.51	8.73
(b) Provision for leave encashment (unfunded)	5.19	4.19
<b>Total Current provisions</b>	<b>17.70</b>	<b>12.92</b>
<b>Total Provisions</b>	<b>196.63</b>	<b>193.10</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 20 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred rent income	387.65	419.34
<b>Total Other non-current liabilities</b>	<b>387.65</b>	<b>419.34</b>

### 21 Current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Working capital borrowings from banks	286.11	398.35
<b>Total Current borrowings</b>	<b>286.11</b>	<b>398.35</b>

#### Details of securities and other terms

Working capital loans from banks is secured against hypothecation of stock and book-debts on pari-passu basis and second charge on property, plant and equipments including specific free hold lands to the extent of 26.87 acres (March 31, 2020 - 26.87 acres) and development thereon of the Company at Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli – 635114, Tamil Nadu. Loan is at MCLR plus 5.30% p.a. rate of interest.

### 22 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises *	2.43	6.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	190.04	148.49
<b>Total Trade payables</b>	<b>192.47</b>	<b>154.68</b>

\* 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, 2020: INR Nil lakhs) towards interest payable to the vendors under the MSMED Act.

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	6.08
b) Interest	0.11	0.11
<b>Total</b>	<b>2.43</b>	<b>6.19</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 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.	-	-

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021 (INR in lakhs, unless otherwise stated)

### 23 Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings	357.35	646.27
Expenses payables	97.57	101.34
Employee related liabilities#	72.99	81.60
<b>Total Other current financial liabilities</b>	<b>527.91</b>	<b>829.20</b>

# Includes INR 1.54 lakhs (March 31, 2020 : INR 5.94 lakhs) due to Whole-time Director.

### 24 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory due payable*	82.67	70.09
Advance from customers	77.38	193.94
Deferred revenue	10.61	27.61
Deferred rent income	35.74	35.74
<b>Total Other current liabilities</b>	<b>206.40</b>	<b>327.38</b>

\* Includes payable towards TDS, GST and other employee related statutory obligations.

### 25 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sales – Aviation</b>		
Domestic sales	296.62	405.60
Export sales	9.83	-
<b>Services – Aviation</b>		
Domestic conversion charges	1,294.00	1,025.60
Rental income & other maintenance services	1,809.96	1,699.47
Training & other services	41.60	94.14
<b>Total Revenue from operations</b>	<b>3,452.01</b>	<b>3,224.81</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, 2021 is INR 1,186.47 lakhs of which the Company expects to recognize 89% (INR 1053.21 lakhs) as revenue in 2021-22, and 11% (INR 133.26 lakhs) as revenue in 2022-23. 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, 2021	Year ended March 31, 2020
Miscellaneous income	2.87	7.68
Foreign Exchange Variance Income	1.54	-
Write back of advances/ Provisions	3.33	7.78
Gain on sale of investments / Assets	0.66	5.19
Gain on changes in fair value of investments	-	0.25
Interest income*	21.09	6.52
<b>Total Other income</b>	<b>29.49</b>	<b>27.42</b>

\* Includes interest on income tax refunds of INR 16.11 lakhs (March 31, 2020: INR Nil).

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 27 Cost of raw materials consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	43.41	221.42
Add : Purchases	170.39	130.80
Less : Inventory at the end of the year	7.15	43.41
<b>Total Raw material consumed</b>	<b>206.65</b>	<b>308.81</b>

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

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the beginning of the year:</b>			
Opening work-in-progress		28.44	88.91
Opening finished goods (Include goods-in transit)		46.67	-
	<b>(I)</b>	<b>75.11</b>	<b>88.91</b>
<b>Inventories at the end of the year:</b>			
Closing work-in-progress		-	28.44
Finished goods (Includes goods-in transit)		-	46.67
	<b>(II)</b>	<b>-</b>	<b>75.11</b>
<b>(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(I)-(II)</b>	<b>75.11</b>	<b>13.80</b>

### 29 Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages, bonus and other allowances	788.23	807.73
Contribution to provident and other funds	56.77	59.55
Gratuity	21.89	36.76
Staff welfare expenses	27.31	39.40
<b>Total Employee benefits expense</b>	<b>894.20</b>	<b>943.44</b>

### 30 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on term loans	135.25	252.37
Interest on working capital	50.31	70.68
Other finance costs	70.46	62.69
<b>Total Finance costs</b>	<b>256.02</b>	<b>385.74</b>

### 31 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, plant and equipment (Refer note 4)	361.99	349.00
Depreciation on Investment properties (Refer note 5)	46.82	46.82
Amortisation of Intangible assets	0.78	-
<b>Total Depreciation and amortization expense</b>	<b>409.59</b>	<b>395.82</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021**  
(INR in lakhs, unless otherwise stated)

**32 Operational and other expenses**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Repairs and Maintenance Plant & Equipment	16.90	22.50
Power and fuel	71.20	77.69
Repairs and maintenance Building	0.18	2.82
Repairs and maintenance Others	17.53	24.54
Selling expenses	13.98	15.07
Rent	21.02	19.99
Rates & taxes	62.18	78.90
Insurance	17.65	16.23
Travelling & conveyance	23.98	38.91
Vendor charges	39.70	35.16
CSR expenses (Refer note 48)	8.44	5.00
Provision for doubtful debts / Bad debts written off *	16.26	18.08
Bad debts written off	-	-
Office & other administrative expenses	40.36	47.25
Legal, professional & consultancy charges	97.50	118.64
Loss on sale of asset	-	0.47
Auditors remuneration <sup>^</sup>	8.24	10.98
<b>Total Operational and other expenses</b>	<b>455.12</b>	<b>532.23</b>

\* The bad-debts written off / Provision for doubtful debts movement during the year :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance of provision for doubtful debts	19.61	486.17
Add: Provision provided during the year (net of Provision written back during the year INR 11.48 lakhs (March 31, 2020 INR 484.64 lakhs)	16.26	18.08
Less: Written off during the year	(11.48)	(484.64)
Closing balance of provision for doubtful debts (Refer note 9)	<u>24.39</u>	<u>19.61</u>

<sup>^</sup>The following is the break-up of Auditors remuneration (exclusive of taxes)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>As Auditor:</b>		
Statutory audit	3.50	3.50
<b>In other capacity:</b>		
Limited review	4.50	4.50
GST audit fee	0.24	0.70
Re-imbursment of expenses	-	2.28
<b>Total</b>	<u>8.24</u>	<u>10.98</u>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 33 Income Tax

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
MAT credit entitlement	-	-
	-	-
<b>(B) Recognition of deferred tax asset to the extent of deferred tax liability</b>		
<b>Balance sheet</b>		
Deferred tax asset	-	-
Deferred tax liabilities	-	-
Deferred tax assets / (liabilities), net	-	-
Deferred tax expenses / (credit) (As per Statement of Profit and Loss)	-	-
	-	-
<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	138.00	24.12
Adjustment for earlier years	66.94	-
Deferred tax	-	-
<b>Total</b>	<b>204.94</b>	<b>24.12</b>
<b>Profit from continuing operations before income tax expense</b>	<b>826.79</b>	<b>608.08</b>
<b>Tax Rate</b>	<b>29.12%</b>	<b>31.20%</b>
<b>Tax computed using statutory tax rate</b>	<b>240.76</b>	<b>189.72</b>
Tax effect of:		
Utilization of carry forward losses	(102.67)	(164.79)
Adjustment for earlier years	66.94	-
Difference in tax rates	(0.09)	(0.81)
<b>Income tax expense</b>	<b>204.94</b>	<b>24.12</b>

### 34 Earnings / (Loss) per share

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

Diluted earnings / (loss) per share amounts are calculated by dividing the profit / (loss) 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, 2021	March 31, 2020
Profit / (Loss) attributable to equity shareholders of the Company	621.85	584.08
Weighted average number of equity shares for basic EPS	2,49,30,736	2,49,30,736
Basic - Earnings / (loss) per share (INR)	2.49	2.35
Diluted - Earnings / (loss) per share (INR)	2.49	2.35

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 Consolidated Financial Statements for the year ended March 31, 2021 (INR in lakhs, unless otherwise stated)

### 35 Employee benefits

#### (A) Defined contribution plans

Particulars	March 31, 2021	March 31, 2020
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>56.77</b>	59.55

#### (B) Defined benefit plans

Gratuity payable to employees

##### i) Actuarial assumptions

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.90%	6.80%
Rate of increase in salary	5%-7%	5%-7%
Expected average remaining working lives of employees (years)	11.44	11.7
Withdrawal rate	4%-5%	4%-5%

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Present value of obligation at the beginning of the year</b>	<b>153.19</b>	144.19
Interest cost	10.03	10.65
Past service cost	-	-
Current service cost	13.50	11.77
Curtailements	-	-
Settlements	-	-
Benefits paid	(11.39)	(11.87)
Actuarial (gain) / loss on obligations	1.73	(1.55)
<b>Present value of obligation at the end of the year*</b>	<b>167.05</b>	153.19

\*Included in provision for employee benefits (Actuarial (gain) / loss on gratuity of INR (0.43 lakhs) for the year ended March 31, 2021 (March 31, 2020: INR (1.55 lakhs)) is included in other comprehensive income.

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.

##### iii) Expense recognised in the Statement of Profit and Loss

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Current service cost	13.50	11.77
Past service cost	-	-
Interest cost	9.96	10.65
Expected return on plan assets	(0.82)	(0.87)
Actuarial (gain) / loss on obligations	-	-
Settlements	-	-
Curtailements	-	-
<b>Total expenses recognized in the Statement of Profit and Loss</b>	<b>22.64</b>	21.55

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### iv) Assets and liabilities recognised in the Balance Sheet:

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Present value of unfunded obligation as at the end of the year	164.89	153.19
Less : Funded with Life Insurance Corporation	12.98	12.15
<b>Unfunded net asset / (liability) recognised in the Balance Sheet</b>	<b>151.91</b>	<b>141.04</b>

### v) Expected contribution to the fund in the next year

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Total amount</b>	<b>151.91</b>	<b>141.00</b>

### vi) A quantitative sensitivity analysis for significant assumption as at March 31, 2021 & March 31, 2020 is as shown below:

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Impact on defined benefit obligation</b>		
Discount rate		
1% increase	151.86	141.24
1% decrease	177.92	165.14
Salary rate		
1% increase	153.35	142.47
1% decrease	176.43	163.91
Withdrawal rate		
1% increase	155.00	144.00
1% decrease	174.78	162.38

### vii) Maturity profile of defined benefit obligation

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
<b>Year</b>		
Upto one year	12.51	8.73
One to two years	21.66	12.32
Two to three years	10.52	31.28
More than three years	180.01	136.88

## 36 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, increase in rents in future periods, which are inline with general inflation and terms of cancellation. The operating lease payments recognised in the Statement of Profit and Loss amounts to INR 1424.26 lakhs (March 31, 2020 - INR 1343.64 lakhs) included in note 25.

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

Particulars	March 31, 2021	March 31, 2020
Within one year	1,670.67	1,424.26
After one year but not more than five years	7,132.10	6,604.42
More than five years	8,838.21	18,039.68

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021**  
(INR in lakhs, unless otherwise stated)

**37 Related party disclosures**

**(A) Names of related parties and description of relationship as identified and certified by the Company:**

<b>Holding company</b>
Indian Seamless Enterprises Limited
<b>Others entities under common control</b>
ISMT Limited
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. Muralidhar Chittetti Reddy (Managing Director upto March 31, 2020)
Mr. Ramesh Jaiswara (Whole-time Director from October 01, 2020)
<b>Non whole-time director</b>
Dr. Prahlada Ramarao
Mr. Salil Taneja
Mrs. Rahael Shobhana Joseph
Mr. Arvind Nanda
Mr. Muralidhar Chittetti Reddy (from April 01, 2020)

**(B) Details of transactions with related parties in the ordinary course of business for the year ended:**

Sr. No	Particulars	March 31, 2021	March 31, 2020
(i)	<b>Others entities under common control</b>		
	<b>Loans taken from related parties during the year</b>		
	- Taal Tech India Private Limited	325.00	-
	<b>Loan re-paid to related parties during the year</b>		
	- Taal Tech India Private Limited	325.00	-
	<b>Reimbursement of expenditure during the year (net) / Rent</b>		
	- TAAL Enterprises Limited	-	4.50
	<b>Other income</b>		
	- Knox Investments Private Limited	0.27	-
	<b>Interest paid</b>		
	- Taal Tech India Private Limited	20.89	-
	<b>Commission received for bank guarantee</b>		
	- TAAL Enterprises Limited	2.75	3.12
	<b>Balance receivable as at the end of the year</b>		
	- Laurus Tradecon Private Limited	-	33.60
	- Knox Investments Private Limited	-	2.18

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

Sr. No	Particulars	March 31, 2021	March 31, 2020
(ii)	<b>Key Management Personnel (KMP)</b>		
	<b>Compensation of key management personnel</b>		
	<b>Managerial remuneration #</b>		
	- Mr. Ramesh Jaiswara	20.21	-
	- Mr. Muralidhar Chittetti Reddy	-	42.00
	<b>Director sitting fees</b>	7.60	6.70
	<b>Balance payable as at the year end</b>		
	- Mr. Ramesh Jaiswara	1.54	-
	- Mr. Muralidhar Chittetti Reddy	-	5.94
	<b>Balance receivable as at the year end</b>		
	- Mr. Muralidhar Chittetti Reddy	-	0.08

# The managerial remuneration paid to Mr. Ramesh Jaiswara (Whole-time director w.e.f October 01, 2020 to March 31, 2021) 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.

### 38 Segment reporting

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 segments are 'Aviation' and 'Trading of Goods'. 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 individual segments, and are as set out in the significant accounting policies.

Sr. No.	Particulars	Aviation	Trading of Goods	Total 2020-21	Aviation	Trading of Goods	Total 2019-20
<b>a.</b>	<b>Segment revenue</b>						
	Segmental revenue from :						
	External sales and services (including other income)	3,481.50	-	3,481.50	3,252.23	-	3,252.23
	<b>Total Segment revenue</b>	<b>3,481.50</b>	<b>-</b>	<b>3,481.50</b>	<b>3,252.23</b>	<b>-</b>	<b>3,252.23</b>
<b>b.</b>	<b>Segment result</b>						
	Operating Profit / (Loss)	826.79	-	826.79	608.08	-	608.08
	<b>Profit/ (Loss) before tax</b>	<b>826.79</b>	<b>-</b>	<b>826.79</b>	<b>608.08</b>	<b>-</b>	<b>608.08</b>
	Less: Tax (benefit) / expense	-	-	204.94	-	-	24.12
	<b>Profit / (Loss) for the Year</b>	<b>826.79</b>	<b>-</b>	<b>621.85</b>	<b>608.08</b>	<b>-</b>	<b>583.97</b>
<b>c.</b>	<b>Other information</b>						
	Segment assets	12,608.90	-	12,608.90	12,697.61	34.00	12,730.44
	Unallocable assets	-	-	35.01	-	-	519.17
	<b>Total assets</b>	<b>12,608.90</b>	<b>-</b>	<b>12,643.91</b>	<b>12,697.61</b>	<b>34.00</b>	<b>13,249.61</b>
	Segment liabilities	2,187.31	-	2,187.31	3,413.13	-	3,413.13
	Unallocable liabilities	-	-	-	-	-	-
	<b>Total liabilities</b>	<b>2,187.31</b>	<b>-</b>	<b>2,187.31</b>	<b>3,412.82</b>	<b>-</b>	<b>3,413.13</b>
	<b>Capital Employed</b>	<b>10,421.59</b>	<b>-</b>	<b>10,456.60</b>	<b>9,284.79</b>	<b>34.00</b>	<b>9,836.48</b>
<b>d.</b>	<b>Cost incurred for :</b>						
	- Acquired assets	111.27	-	111.27	200.34	-	200.34
	- Depreciation	409.59	-	409.59	395.82	-	395.82

As per Ind AS 108, the Company has two segments viz., "Aviation" and "Trading of Goods".

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

- (i) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.
- (ii) Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under unallocable assets and liabilities.

### Major customers

Revenue from one customer of the Company's Aviation segment amounting to INR 1,504.74 lakhs (March 31, 2020: revenue from four customers amounting to INR 2,179.88 lakhs) is more than 10% of Company's total revenue.

### 39 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.

### 40 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, 2021	March 31, 2020
<b>Level 1 (Quoted price in active markets)</b>		
Investments at fair value through profit and loss	-	57.54
Cash and cash equivalents	<b>451.95</b>	152.22
Bank balances other than cash and cash equivalents	<b>17.75</b>	117.84
<b>Level 2</b>	<b>Nil</b>	Nil
<b>Level 3</b>		
<u>Financial assets measured at amortized cost</u>		
Trade receivables	<b>859.95</b>	631.07
Loans	<b>24.75</b>	25.79
<u>Financial liabilities measured at amortized cost</u>		
Borrowings	<b>829.05</b>	1,969.29
Trade payables	<b>192.47</b>	154.68
Other financial liabilities	<b>375.11</b>	349.03
<u>Financial assets and liabilities measured at amortized cost for which fair value are disclosed</u>		
Deposit from lessee	<b>197.55</b>	162.41

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, trade receivables, margin money, trade payables, other payables and short-term borrowings are considered to be the same as their fair values.

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 41 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, 2021</b>		
INR	+45	(3.73)
INR	-45	3.73
<b>March 31, 2020</b>		
INR	+45	(9.28)
INR	-45	9.28

##### (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
<b>March 31, 2021</b>	+2.5%	(1.26)
	-2.50%	1.26
<b>March 31, 2020</b>	+2.5%	(1.29)
	-2.50%	1.29

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### (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 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 taking 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.

### (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, 2021</u></b>				
Short-term borrowings	286.11	-	-	286.11
Long-term borrowings	357.35	185.58	-	542.93
Trade payables	192.47	-	-	192.47
Other financial liabilities	375.11	-	-	375.11
	<b>1,211.04</b>	<b>185.58</b>	<b>-</b>	<b>1,396.62</b>
<b><u>March 31, 2020</u></b>				
Short-term borrowings	398.35	-	-	398.35
Long-term borrowings	646.27	912.17	12.50	1,570.94
Trade payables	154.68	-	-	154.68
Other financial liabilities	349.03	-	-	349.03
	<b>1,548.33</b>	<b>912.17</b>	<b>12.50</b>	<b>2,473.00</b>

# Taneja Aerospace and Aviation Limited

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(INR in lakhs, unless otherwise stated)

### 42 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 not distributed any dividend 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.

Particulars		March 31, 2021	March 31, 2020
Total equity	(i)	10,456.60	9,837.96
Total debt	(ii)	829.04	1,969.29
Overall financing	(iii) = (i) + (ii)	11,285.64	7,868.67
Gearing ratio	(ii)/ (iii)	0.07	0.25

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts:		
(i) Service Tax	124.37	124.37
(ii) Excise Duty	168.40	177.82
(iii) Others	170.00	170.00

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

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Letters of credit	-	7.23
(b) Bank guarantees	194.83	637.86
(c) Indemnity issued to customers	514.75	713.85

### 44 Change in accounting policy

Effective April 1, 2019 the Company has adopted Ind AS 116 - Leases, applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of adoption of IND AS 116 did not have any significant impact on the opening retained earnings, profit for the period and earnings per share.

45 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 including contingent liabilities pertaining to the demerged charter business are accounted in the books of account of TEL.

46 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.

47 Deferred tax calculations result into deferred tax assets as at March 31, 2021 as well as at March 31, 2020. However, as a matter of prudence, the Company has not recognized deferred tax assets.



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021**  
(INR in lakhs, unless otherwise stated)

**48 Corporate Social Responsibility expenditure (CSR)**

Particulars	As at March 31, 2021	As at March 31, 2020
a) Gross amount required to be spent by the Company during the year	<b>8.44</b>	4.98

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	8.44	-	5.00	-

**49** In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020. Subsequently, the nation-wide lockdown was lifted by the Government of India, but regional lockdown continued to be implemented in areas with significant number of COVID-19 cases. The Group remains watchful of the potential impact of COVID-19 pandemic, particularly the current “second wave”, on resuming normal business operations on a continuing basis. The Management of the Holding Company have assessed the impact of this pandemic on the business operations and has considered all relevant internal and external information available upto the date of approval of these consolidated financial statements, to determine the impact on the Group’s revenue from operations and the recoverability and carrying value of certain assets such as property, plant and equipment, inventories, trade receivables and current assets. The impact of COVID-19 pandemic on the overall economic environment may affect the underlying assumptions and estimates used to prepare Group’s financial statements, which may differ from impact considered as at the date of approval of these consolidated financial statements.

**50** Previous year figures have been re-grouped / re-classified to confirm to presentation as per Ind AS as required by Schedule III of the Act.

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

<b>Deepak Rao</b>	<b>Ramesh Jaiswara</b>	<b>Salil Taneja</b>	<b>Mahendra Nalluri</b>	<b>Shruti Zope</b>
<b>Partner</b>	<b>Whole-Time Director</b>	<b>Director</b>	<b>Chief Financial Officer</b>	<b>Company Secretary</b>
Membership No. 113292	DIN : 08837423	DIN : 00328668		Membership No. A40609
Place : Bengaluru	Place : Bengaluru	Place : Pune	Place : Bengaluru	Place : Pune
Date : June 09, 2021	Date : June 09, 2021	Date : June 09, 2021	Date : June 09, 2021	Date : June 09, 2021

# 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	Reserves & Surplus	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	644.18	649.50	0.32	0.00	0.00	(0.12)	0.00	(0.12)	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

**Ramesh Jaiswara**  
Whole-Time Director  
DIN : 08837429

**Salil Taneja**  
Director  
DIN : 00328668

**Mahendra Nalluri**  
Chief Financial Officer

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

Bengaluru, June 09, 2021

Pune, June 09, 2021

Bengaluru, June 09, 2021

Pune, June 09, 2021

**Taneja Aerospace and Aviation Limited**

Regd. Office: Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District,

Belagondapalli – 635 114, Tamil Nadu

Phone: 04347 - 233508 | Fax: 04347 - 233414,

E-mail: [secretarial@taal.co.in](mailto:secretarial@taal.co.in) | Web: [www.taal.co.in](http://www.taal.co.in) |

CIN: L62200TZ1988PLC014460

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting ('AGM') of the Members of Taneja Aerospace and Aviation Limited will be held on Tuesday, September 28, 2021 at 11:30 a.m. IST through Video Conferencing ('VC')/Other Audio Visual Means ('VC/OAVM') to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt:

(a) The Audited Financial Statements of the Company for the financial year ended March 31, 2021 including the Audited Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the auditors thereon; and

(b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 including the Audited Consolidated Balance Sheet as at March 31, 2021 and the Consolidated Statement of Profit and Loss for year ended on that date and the Report of auditors thereon.

2. To appoint a director in place of Mr. Salil Taneja (DIN: 00328668), who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business:**

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

**“RESOLVED THAT** in terms of Regulation 17(1A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, consent of the members of the Company be and is hereby accorded to continue the directorship of Dr. Prahlada Ramarao (DIN: 07548289), attaining the age of seventy five years, as a Non-Executive Director of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ('the Act') and the Rules made thereunder, including any statutory modification(s) or re-enactments thereof for the time being in force and subject to such other approvals / consent as may be required and in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the appointment of Mrs. Rahael Shobhana Joseph (DIN: 02427554) as Whole-time Director of the Company, liable to retire by rotation, for a period of 3 years with effect from August 06, 2021 to August 05, 2024, on the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors ('Board'), which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution be and is hereby authorized to alter and vary the terms & conditions of appointment including remuneration.

**RESOLVED FURTHER THAT** when re-elected as Director, on account of retirement by rotation, such re-election of Mrs. Rahael Shobhana Joseph as Director shall not be deemed to constitute a break in her appointment as Whole-time Director and that upon re-election she shall continue to hold the office of Whole-time Director as hitherto.

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

**By Order of the Board of Directors**

Pune  
August 05, 2021

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

**NOTES:**

1. In view of the COVID-19 pandemic, Ministry of Corporate Affairs vide its Circulars dt. May 5, 2020 & January 13, 2021 & SEBI vide its Circulars dt. May 12, 2020 & January 15, 2021 ('Circulars') permitted to hold AGM through VC/OAVM without physical presence of members. Accordingly, the AGM is being held through VC/OAVM & that the Company has appointed Central Depositories Services (India) Ltd. ('CDSL') to provide the VC/OAVM facility for the same. Accordingly, for the purpose of AGM, Registered Office of the Company shall be deemed venue of the meeting.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') is annexed. The special businesses at Item No. 3 and 4 of the AGM Notice are considered unavoidable by the Board and hence, forming part of the AGM Notice.
3. Member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend & vote on his behalf. However, since the AGM is being held through VC/OAVM, the requirement of physical attendance of members has been dispensed with and that the facility for appointing proxies will not be available.
4. However, in pursuance of Section 112 and Section 113 of the Act, the representatives of the Corporate Members may be appointed and such authorised representatives can attend, participate in and cast their votes through remote e-voting at the AGM held through VC or OAVM. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.
5. In case of Joint holders attending the AGM, only such joint holder whose name appears first in order of names will be entitled to vote.
6. Brief profile and other required information in respect of the Directors proposed to be appointed /re-appointed, in terms of Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings is enclosed with this Notice. Requisite declarations have been received from the Directors seeking appointment / reappointment.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of Act will be available for inspection in electronic mode.
8. In line with the Circulars, AGM Notice along with the Annual Report of the Company for FY2020-21 is being sent only through electronic mode to the members whose e-mail ID's are registered with the Company / Depositories.
9. The aforesaid Notice of the AGM and the Annual Report is available on the website of the Company at [www.taal.co.in](http://www.taal.co.in) and can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
10. Members holding shares in single name are advised to avail the facility of nomination pursuant to Section 72 of the Act. Members holding shares physically may send their nomination in Form SH-13 to Bigshare Services Private Limited ('Bigshare') while Members holding shares electronically may contact their Depository in this regard.
11. Pursuant to the provisions of Section 108 of the Act read with applicable Rules (as amended from time to time) and Regulation 44 of Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) either by remote e-voting prior to the AGM or remote e-voting during the AGM.
12. The members can opt for only one mode of e-voting i.e. either prior to the AGM or during the AGM. Members present at the AGM who have not cast vote prior to the AGM can cast vote during the AGM. Members who have cast vote prior to the AGM can attend the AGM but cannot vote during the AGM.
13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.
14. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
15. Since the AGM shall be held through VC or OAVM, hence the requirement of providing the Route Map for the venue of the AGM in the notice does not apply to this AGM.
16. A person who is not a Member as on cut-off date should treat this Notice for information purposes only. Any person who becomes a Member after dispatch of Notice and holding shares as on cut-off date shall also follow the procedure stated herein.

**17. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- i. Voting begins on Saturday, September 25, 2021 at 9.00 A.M. (IST) & ends on Monday, September 27, 2021 at 5.00 P.M. (IST). Thereafter, e-voting shall be disabled for voting. Members of the Company as on cut-off date/ record date of September 21, 2021 can cast their vote. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dt. December 09, 2020, under Regulation 44 of Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

However, it has been observed that participation by public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility. This necessitates registration on various ESPs & maintenance of multiple login credentials by shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting & joining virtual meetings for Individual shareholders holding shares in Demat mode is:

Type of shareholder	Login Method
<p><b>Individual Shareholder holding shares in Demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINK INTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful</li> </ol>

	<p>authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers</p>
<p><b>Individual Shareholders holding shares in demat mode with NSDL</b></p>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter</li> </ol>

	<p>your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p><b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

**Helpdesk for Individual Shareholders holding shares in demat mode for any technical issues relating to login through Depository i.e. CDSL and NSDL:**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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v. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA..
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field.  
  
Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.  
  
It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant **Taneja Aerospace and Aviation Limited** on which you choose to vote.
- x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. **Additional Facility for Non – Individual Shareholders and Custodians – For Remote voting only**
  - Non-Individual shareholders (i.e. other

than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@taal.co.in](mailto:secretarial@taal.co.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- i. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further shareholders will be required to

allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- x. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.



- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

18. Institutional Members (i.e. other than HUF, NRI, etc.) to send scanned copy (PDF/ JPG Format) of relevant Board Resolution/ Authority Letter, along with attested specimen signature of duly authorized signatories authorized to vote to Scrutinizer by e-mail at [secretarial@taal.co.in](mailto:secretarial@taal.co.in) They may also upload the same in e-voting module in their login. Scanned image of above documents should be in the naming format “Corporate Name\_EVEN NO.”
19. The Board of Directors have appointed Mr. Giriraj Mohta, (CP No. 18967), Giriraj Mohta & Company, Practicing Company Secretaries, as Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e- Voting system during the meeting in a fair and transparent manner.
20. Voting rights shall be as per the number of shares held by the Members as on Tuesday, September 21, 2021 (‘Cut-off date’). Members are eligible to cast vote electronically only if they are holding shares as on that date.
21. The Voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company as on cut-off date.
22. A person, whose name is recorded in the Register of Members or in register of beneficial owners maintained by depositories as on Cut-off date shall alone be entitled to avail the facility of remote e-voting as well as e-voting during the AGM.
23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-voting system for those members present in the AGM

through VC/ OAVM facility but have not cast their vote by remote e-voting facility & are otherwise not barred from doing so. The e-voting module during the AGM shall be disabled by CDSL 15 minutes after conclusion of the AGM.

24. The Scrutinizer shall, after conclusion of e-voting during the AGM make, not later than 48 hours after conclusion of AGM, a report of total votes cast in favor or against the resolutions, invalid votes, if any, & whether the Resolutions have been carried or not, to the Chairman or a person authorized by him in writing, who shall countersign the same & declare the result of the voting forthwith.
25. Results along with Scrutinizer's Report shall be placed on website [www.taal.co.in](http://www.taal.co.in) & on website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com).BSE Ltd. The results shall also be immediately forwarded to the BSE Limited.
26. The documents, if any, referred to in accompanying Notice & Explanatory Statement shall be open for inspection electronically during normal business hours (9.00 am IST to 5.00 pm IST) on all working days except Saturdays, upto and including the date of the AGM.
27. Members are further requested to:
  - Intimate changes, if any, in address/ bank mandate & e-mail ID to [secretarial@taal.co.in](mailto:secretarial@taal.co.in) for shares held in physical form & to the Depository Participants for shares held in Demat form.
  - Quote folio number/ DP ID/ Client ID in all correspondence with the Company or its R & T Agent.
  - Intimate about consolidation of folios to R & T Agent, if your shareholding is under multiple folios.
  - Note that as per SEBI / Stock Exchange guidelines the shares of the Company are traded compulsorily in Demat form. As per the guideline issued by SEBI there are no Demat Account opening charges. In view of this Members are requested to convert their physical share certificate into Demat form.
  - Note that as per SEBI Notification dated June 08, 2018 shares in physical form will not be transferred w.e.f April 01, 2019 except in case of transmission or transposition of securities. Therefore, the Members who still hold share certificate(s) in physical form are advised in your interest to dematerialize your shareholding at the earliest.
  - Note that the Company has designated an exclusive email ID viz. [secretarial@taal.co.in](mailto:secretarial@taal.co.in) to enable members to register their queries/complaints.

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

### **Item No. 3**

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ('Listing Regulations'), the approval of members is required by way of special resolution for continuing the Directorship of a Non-Executive Director attaining the age of 75 years.

Dr. Prahlada Ramarao, Non-Executive Director of the Company, will attain the age of 75 years on February 05, 2022. Hence, it is required to obtain the approval of members of the Company pursuant to Regulation 17(1A) of the Listing Regulations.

Dr. Ramarao is known for his role as the Project Director for the mobile surface to air area defence missile system, 'AKASH'. He was awarded "Padma Shri" in 2015, for his distinguished service in Science and Engineering.

As the Director of DRDL, he had initiated many new projects like ASTRA air to air missile system, long range surface to air missile system etc. Since 1971, he has served in various ISRO and DRDO establishments. After his retirement as the Distinguished Scientist and Chief Controller DRDO, he was appointed as Vice-Chancellor of Defence Institute of Advanced Technology, Pune the only Defence University in the Country.

Considering his rich experience and expertise, the Board recommends the resolution set out at Item No. 3 for approval of the members to be passed as a Special Resolution.

None of the Directors, except Dr. Prahlada Ramarao or Key Managerial Personnels of the Company/ their relatives are concerned or interested in this Resolution.

### **Item No. 4**

The Board of Directors at their meeting held on August 05, 2021 has appointed Mrs. Rahael Shobhana Joseph as Whole-time Director of the Company, liable to retire by rotation.

Mrs. Rahael Shobhana Joseph has been associated with the Company as Non-Executive Director since December, 2017 and is also associated with Group CSR Activities and other social activities and her knowledge and expertise has been invaluable to the Company.

Mrs. Rahael Shobhana Joseph is a Graduate in Management (B.Sc.) from Royal Holloway

University of London and has wide experience in Brand Development, Account Management and offshore business development across various industry segments. She has earlier worked in various capacities at Trikaya Grey, Indya.com and Tooltech Private Limited, an Engineering Services Provider.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as Whole-time Director.

The Board at the meeting held on August 05, 2021, on the recommendation of the Nomination & Remuneration Committee, has appointed Mrs. Rahael Shobhana Joseph as Whole-time Director subject to the approval of the members in General Meeting for a period of 3 years with effect from August 06, 2021 to August 05, 2024, on the following terms:

#### **(1) Tenure**

Mrs. Rahael Shobhana Joseph will hold office as Whole-time Director for a period of 3 years from August 06, 2021 to August 05, 2024.

#### **(2) Remuneration**

In terms of Schedule V to the Companies Act, 2013 read together with Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and subject to the approval by the Members of the Company in General Meeting and subject to other approvals, as may be required, the Whole-time Director shall be paid the following remuneration:

##### **I. Salary:**

The total consolidated monthly remuneration of the Whole-Time Director with effect from August 06, 2021 shall be Rs. 3,00,000/- per month.

##### **II. Perquisites and other benefits:**

In addition to the above, the Whole-time Director shall be entitled to perquisites:

- i. Gratuity at the rate of 15 days' salary for each completed year of service subject to the provisions of Payment of Gratuity Act, 1972 and the rules of the Company;
- ii. Earned Leave as per rules of the Company;
- iii. Encashment of leave at the end of the tenure as per the rules of the Company;
- iv. Company maintained car;
- v. Reimbursement of Mobile expenses for official use and business purposes.

Further, the composition of the overall remuneration as approved by the members can be varied as mutually agreed between the Board and Mrs. Rahael Shobhana Joseph.

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits (as provided in Schedule V of the Act) of the Company in any financial year, during the term of office of Whole-Time Director under this Agreement, remuneration by way of salary, perquisites and other benefits shall not exceed the limits prescribed under Schedule V of the Act (including any statutory modifications or re-enactment thereof, for time being in force) except with the approval of the members of the Company and such other approvals, if any.

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

Brief resume of Mrs. Rahael Shobhana Joseph is attached and forms part of this Notice.

Accordingly, the Board recommends the resolution as set out in Item No. 4 for approval of the members of the Company to be passed as Special Resolution.

Except Mrs. Rahael Shobhana Joseph and Mr. Salil Taneja, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise in the said resolution.

**By Order of the Board of Directors**

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

Place : Pune

Date : August 05, 2021

**IMPORTANT COMMUNICATION TO MEMBERS**

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

**DETAILED PROFILE OF THE DIRECTORS SEEKING APPOINTMENT IS AS UNDER:**

Name of Director	<b>Mr. Salil Taneja</b>	<b>Mrs. Rahael Shobhana Joseph</b>
DIN	00328668	02427554
Age	55 years	44 years
Qualification	B. Sc. in Mechanical Engg. from Case Western Reserve University, Ohio, USA and Masters in Business Management specialized in finance and marketing from Yale University, USA	Graduate in Management (B.Sc.) from Royal Holloway University of London
Date of Re-appointment/ Appointment	Date of re-appointment : September 29, 2018	Date of appointment as Non-Executive Director : December 14, 2017 Date of appointment as Whole-time Director : August 06, 2021
Category	Non-Executive Director	Non-Executive Director till August 05, 2021 and Executive Director w.e.f. August 06, 2021.
Experience and Expertise in specific functional Area	Mr. Salil Taneja has been associated with the Company, TAAL Enterprises Limited and TAAL Tech India Private Limited and has valuable experience in the aviation business.	Mrs. Rahael Shobhana has wide experience in Brand Development, Account Management and offshore business development across various industry segments. Mrs. Rahael Shobhana Joseph is associated with Group CSR Activities and other social activities.
Relationship with other Directors and KMP of the Company	Spouse of Mrs. Rahael Shobhana Joseph, Director	Spouse of Mr. Salil Taneja, Director
Terms and conditions of re-appointment and remuneration proposed to be paid	Mr. Taneja being Non-Executive Director is eligible only for sitting fees which are decided by the Board from time to time.	The details of Remuneration to be paid are contained in Explanatory Statement annexed to the Notice.
Equity Shareholding of Directors as on March 31, 2021	3500	Nil
No. of Board Meetings attended (FY2020-21)	4	4
Directorships in other Companies	a. TAAL Enterprises Limited b. TAAL Tech India Private Limited	a. TAAL Enterprises Limited b. TAAL Tech India Private Limited
Committee positions in other companies	<b>a. TAAL Tech India Private Limited (Deemed Public Company):</b> • CSR Committee	<b>a. TAAL Enterprises Limited:</b> • Audit Committee; • Nomination and Remuneration Committee; • Stakeholder Relationship Committee.