TAAL Enterprises Limited

Reg. Office: 2nd Floor, MMPDA Towers, 184, Royapettah High Road, Chennai - 600014

Phone: +91-44 4350 8393, Website: www.taalent.co.in; E-mail: secretarial@taalent.co.in

CIN: L62200TN2014PLC096373

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the Members of TAAL Enterprises Limited will be held on Friday, September 28, 2018 at 2.00 p.m. at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai 600014 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, 2018 including the Audited Balance Sheet as at March 31, 2018 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, 2018 including the Audited Consolidated Balance Sheet as at March 31, 2018 and the Consolidated Statement of Profit and Loss for year ended on that date and the Report of Auditors thereon.

   Special Business:

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules made thereunder, Mrs. Rahael Shobhana Joseph (DIN: 02427554) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 16, 2017 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director (Non Independent) of the Company liable to retire by rotation."

By Order of the Board of Directors

Niranjan Kulkarni

Company Secretary

Pune: August 14, 2018

NOTES:

1. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), regarding the Directors who are proposed to be appointed and the relative Explanatory Statement and reasons for the proposed Special Business stated pursuant to Section 102 of the Companies Act, 2013 ('Act') are annexed.

2. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. A person can act as proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total Share Capital of the Company. A Member holding more than 10% of the total Share Capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the AGM.

3. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.

4. The Annual Report for FY 2017-18 and Notice of AGM of the Company inter alia indicating the process and manner of voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid Annual Report and Notice of AGM etc. is being send through permitted modes.

   Members may also note that aforesaid Notice and Annual Report will also be available for download on Company's website viz. www.taalent.co.in.

5. In compliance with the provisions of Section 108 of the Act, read with Rules made thereunder and Listing Regulations, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means and the business may be transacted through electronic voting. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited ("CDSL"). Please note that the voting through electronic means is optional for the members.

6. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

7. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

8. The remote e-voting period commences on September 25, 2018 (9:00 a.m.) and ends on September 27, 2018 (5:00 p.m.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2018, may cast their vote by remote e-voting and that a person who is not a Member as on the cut-off date should treat this notice for information purpose only. The remote e-voting module shall be disabled by CDSL for voting thereafter.

E-Voting facility:

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

   i. Log on to the e-voting website www.evotingindia.com.

   ii. Click on “Shareholders” tab.

   iii. Now enter your User ID

      a) For CDSL: 16 digits beneficiary ID;

      b) For NSDL: 8 character DP ID followed by 8 Digits Client ID;

      c) Members holding shares in physical form should enter Folio Number registered with the Company.

   iv. Enter the image verification as displayed and Click on “Login”.

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

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

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (Printed on Attendance Slip of AGM) in the PAN field. In case the case folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. .
Date of Birth (DOB)#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

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

   vii. After entering these details appropriately, click on “SUBMIT” tab.

   viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

   x. Click on the Electronic Voting Sequence Number (‘EVSN’) of TAAL Enterprises Limited.

   xi. On voting page, you will see “RESOLUTION DESCRIPTION” & against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies you assent to the Resolution & option NO implies you dissent to the Resolution.

   xii. Click on “RESOLUTIONS FILE LINK” if you wish to view entire Resolution details.

   xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

   xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

   xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

   xvi. If Demat account holder has forgotten the changed password then enter User ID & image verification code & click on Forgot Password & enter details as prompted by the system.

   xvii.

   a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the account(s)/ folio numbers on which they wish to vote.

d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact CDSL at 18002005533.

xix. Shareholders can also cast their vote using CDSL's mobile app M-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

10. The Board of Directors have appointed Mr. A. Rengarajan, Practicing Company Secretary, to act as scrutinizer to scrutinize voting at AGM & remote e-voting process in a fair and transparent manner.

11. The Chairman shall, at the AGM, at the end of discussions on the resolution on which voting is to be held , allow voting with the assistance of Scrutinizer by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

12. The Scrutinizer shall after the conclusion of voting at the general meeting, will count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing, who shall countersign the same & declare the result of the voting forthwith.

13. The results declared along-with the report of Scrutinizer shall be placed on the website of the Company viz. www.taalent.co.in and on the website of CDSL viz. www.evotingindia.com. The results shall also be immediately forwarded to the BSE Limited.

14. The documents, if any, referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered office of the Company during normal business hours (9.00 am IST to 5.00 pm IST) on all working days except Saturdays, upto the date of AGM.

15. Members are further requested to :

- Intimate changes, if any, in their registered address/bank mandate and email address to the R&T Agent for shares held in physical form and to their respective Depository Participants for shares held in Demat form.
- Quote Ledger folio number/ DP ID/ Client ID in all the correspondence with the Company or its R&T Agent.
- Intimate about consolidation of folios to the R&T Agent, if your shareholding is under multiple folios.
- Note that as per SEBI/Stock Exchange guidelines the shares of the Company are traded compulsorily in demat form. As per the guideline issued by SEBI there are no Demat Account opening charges. In view of this members are requested to convert their physical share certificate into Demat form.
- Bring their copies of the Annual Report and Attendance Slip at the AGM.
- Note that Company has designated an exclusive e-mail id viz. secretarial@taalent.co.in to enable investors to register their complaints, if any.

16. At the 1st AGM of the Company held on September 28, 2017, members approved the appointment of M/s. MSKA & Associates (formerly know as MZSK & Associates,) Chartered Accountants (Registration No. 105047W) as Statutory Auditors of the Company to hold office for five years from conclusion of 1st AGM till conclusion of 6th AGM, to be ratified by members at every AGM subject to any statutory modifications in relevant provisions of the Act.

Vide notification dated May 07, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of Statutory Auditors at every AGM. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors of the Compan

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

Item No. 2

The Board of Directors at its Meeting held on November 16, 2017 had appointed Mrs. Rahael Shobhana Joseph as an Additional Director of the Company in the category of Non-executive (Non-Independent Director).

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

The Company has received from Mrs. Rahael Shobhana Joseph:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;

(ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164(2) of the Act.

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

Accordingly, the Board recommends the resolution as set out in Item No. 2 for approval of the Shareholders of the Company.

Brief resume of Mrs. Rahael Shobhana Joseph as stipulated under Listing Regulations is forming part of this Notice.

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

DETAILED PROFILE OF THE DIRECTORS SEEKING APPOINTMENT IS AS UNDER:

	Rahael Shobhana Joseph
Age	41 yrs
Qualification	B. Sc. Management
Date of appointment	November 16, 2017
Category	Non-Executive Non-Indepndent Director
Experience & Expertise in specific functional Area	Associated with Group CSR Activities & other social activities
Relationship with other Directors, Key Managerial Personnel's of the Company	None
Shareholding	Nil
Directorship held in other Companies	Taneja Aerospace and Aviation Limited
Member/ Chairman of Committees of other Companies	Member of: Nomination & Remuneration Committee, Audit Committee, Share Transfer Committee & Finance Committee of Taneja Aerospace and Aviation Limited Chairperson of: Stakeholders Relationship Committee of Taneja Aerospace and Aviation Limited

IMPORTANT COMMUNICATION TO MEMBERS

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

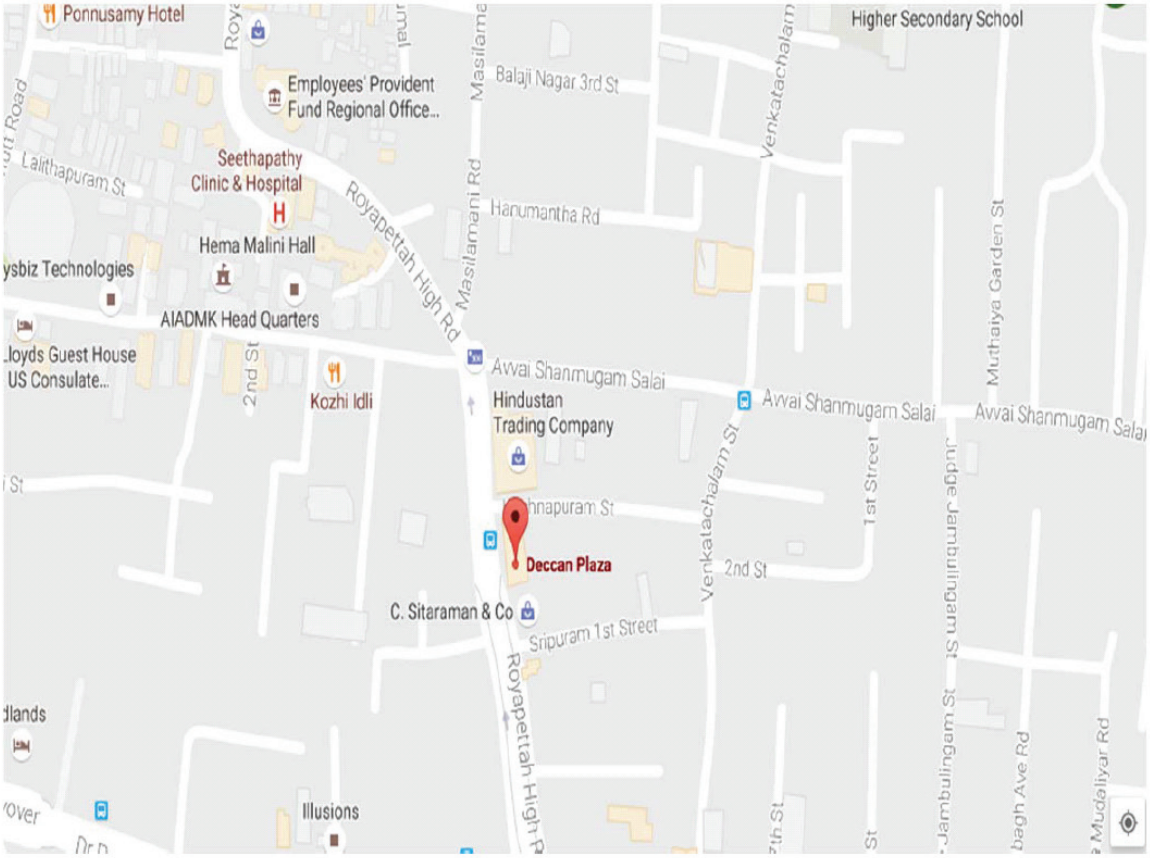
ROUTE MAP FOR LOCATION OF VENUE OF AGM

VENUE ADDRESS

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

(Formerly Known as Hotel Deccan Plazza)

Phone:-044- 66773333



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TAAL Enterprises Limited

Reg. Office: 2nd Floor, MMPDA Towers, 184, Royapettah High Road, Chennai - 600014
Phone: +91-44 4350 8393, Website: www.taalent.co.in; E-mail: secretarial@taalent.co.in
CIN: L62200TN2014PLC096373

4th Annual General Meeting
Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule (19)(3) of the Companies (Management and Administration) Rules, 2014]

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

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

1. Name:____________________, Address:-____,
   E-mail Id:______________________________, Signature:______________________________, or failing him ,
2. Name:____________________, Address:-____,
   E-mail Id:______________________________, Signature:______________________________, or failing him ,
3. Name:____________________, Address:-____,
   E-mail Id:______________________________, Signature:______________________________, or failing him ,

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **ANNUAL GENERAL MEETING** of the Company, to be held on Friday, September 28, 2018 at 2.00 pm at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai 600014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional- See Note 2)	
		For	**Against**
Ordinary Business			
1.	To receive, consider and adopt: a) the Audited Financial Statement of the Company for the Financial year ended March 31, 2018 together with Reports b) the Audited Consolidated Financial Statement of the Company for the Financial year ended March 31, 2018 together with Report.		
Special Business			
2.	Appointment of Mrs. Rahael Shobhana Joseph as Non-Executive director liable to retire by rotation.		

Signed this .... day of .... 2018.

Signature of Proxy holder

Signature of Proxy holder(s): ______________________________

Affix Revenue Stamp

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. It is optional to put '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. For Resolutions, Explanatory Statements, please refer to the Notice of the 4th Annual General Meeting.
4. Please complete all details including details of member(s) in above box before submission.

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TAAL Enterprises Limited

Annual Report 2017-18

COMPANY INFORMATION

BOARD OF DIRECTORS

Nirmal Chandra	Chairman
R Poornalingam	Director
Rahael Shobhana Joseph	Director (Ceased w.e.f 22.04.2017 and re-appointed w.e.f. 16.11.2017)
C S Kameswaran	Whole-time Director (upto 06.02.2018)

COMPANY SECRETARY

Sakina Sami (upto 14.08.2017)

Anuj Nema (from 16.08.2017 till 17.03.2018)

Niranjan Kulkarni (w.e.f. 07.04.2018)

AUDITORS

M/s. MSKA & Associates

(Formerly known as M/s. MZSK & Associates)

Chartered Accountants

BANKERS

Oriental Bank of Commerce

REGISTERED OFFICE

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

Phone: 044-4350 8393

E-mail: secretarial@taalent.co.in, Website: www.taalent.co.in

CIN: L62200TN2014PLC096373

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India P. Ltd.

Directors' Report

Dear Members,

Your Directors present herewith the Fourth Annual Report along with Audited Financial Statements of the Company for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS **(Rs. in lakh)**

Particulars	Standalone	
	2017-18	**2016-17**
Total Income	937.82	667.93
Expenditure	876.72	659.39
Profit/(Loss) after Tax	50.88	(10.89)

DIVIDEND

With a view to meet operational and financial obligations your Company does not recommend any dividend for the financial year ended March 31, 2018.

RESULT OF OPERATIONS

The Revenue of the Company had decreased because of unplanned grounding of the aircraft due to non-availability of the pilot.

AUDITORS

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Shareholders of the Company at the Annual General Meeting held on September 29, 2015, approved the appointment of M/s. MSKA & Associates (Formerly known as MZSK & Associates), Chartered Accountants as the Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years till the conclusion of 6th AGM of the Company.

Vide notification dated May 07, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of Statutory Auditors at every AGM. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors of the Compan

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s DVD & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as Annexure D.

The approval of statutory authority was pending / under process for the appointment of Women Director on the Board of Directors of the Company.

Being a small Company the Company was finding it challenging to get suitable candidate as Chief Financial Officer.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the reserves.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Rahael Shobhana Joseph ceased to be a Director of the Company w.e.f. April 22, 2017. However, pursuant to the recommendation of Nomination and Remuneration Committee and subject to approval by members in a General Meeting, Mrs. Rahael Shobhana Joseph was appointed as Additional Director w.e.f. November 16, 2017.

Mr. R. Poornalingam who was appointed as an Additional Director w.e.f. April 18, 2017, was appointed as Independent Director in the Annual General Meeting held on September 27, 2017.

Mr. Mr. C S Kameswaran, Whole-time Director of the Company ceased to a Directors w.e.f. February 07, 2018 due to his sad demise.

Mr. Vasant Bhat resigned as Chief Financial Officer w.e.f August 28, 2017.

Ms. Sakina Sami resigned as Company secretary and Compliance Officer w.e.f. August 14, 2017. Mr. Anuj Nema was appointed as Company Secretary and Compliance Officer w.e.f. August 16, 2017 and resigned from his position w.e.f. March 17, 2018. Thereafter, Mr. Niranjan Kulkarni was appointed as Company Secretary and Compliance Officer w.e.f. April 07, 2018.

The Composition of Board of Directors of the Company is as follows;

Name of the Director	Catagory	No. of Board Meetings attended during F.Y 2017-18
C.S. Kameswaran*	Whole-time Director	5
Nirmal Chandra	Independent Director	7
R. Poornalingam	Independent Director	7
Rahael Shobhana Joseph#	Non-Executive Director	3

*Ceased to be Director due to death w.e.f. February 07, 2018
#Appointed as as Additional Director w.e.f. November 16, 2017

BOARD MEETINGS

During the year under review 7 Board Meetings were held as under:

Sr. No.	Date of Meeting
1	June 30, 2017
2	June 30, 2017
3	August 16, 2017
4	September 14, 2017
5	November 16, 2017
6	December 12, 2017
7	February 13, 2018

AUDIT COMMITTEE

The present composition of Audit Committee is as follows:

Name of Director	Chairman/ Member
Mr. R. Poornalingam	Chairman
Mrs. Rahael Shobhana Joseph*	Member
Mr. Nirmal Chandra	Member

AUDITORS REMARKS

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

SUBSIDIARY COMPANIES

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

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report is forming part of this Report

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 15(2) of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the provisions relating to Corporate Governance Report are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

Though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company; still the Company has positive gestures towards philanthropic activities in future.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2018 and of the Loss of the Company for that period;

iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors had prepared the annual accounts on a going concern basis;

v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

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

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

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

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and the criteria for performance evaluation as laid down by Nomination and Remuneration Committee has been defined in the Nomination and Remuneration Policy is available on its website www.taalent.co.in.

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RISK MANAGEMENT

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors.

INTERNAL FINANCIAL CONTROLS

The Company has proper Internal Control System, commensurate with the size, scale and complexity of its operations. It is routinely tested and overseen by Statutory as well as Internal Auditors.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

GENERAL

1) No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

2) There is no change in the nature of business of the Company.

3) There have been no material changes and commitments, if any affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial report relates and the date of the report.

4) Your Directors further states that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

5) The Company has complied with applicable Secretarial Standards.

REGISTRAR AND SHARE TRANSFER AGENT

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

Link Intime India P. Ltd.

Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune – 411001

Tel.: 020-26160084 Fax: 020- 26163503

E-mail: pune@linkintime.co.in

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank their Customers, Bankers, Vendors, Aviation authorities, Government and regulatory authorities and all other stakeholders for their valuable sustained support. The Directors also express their deep appreciation to all the employees' for their hard work, dedication and Commitment.

For and on behalf of Board of Directors

Nirmal Chandra
Chairman

Place : Pune
Date : May 22, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world.

Considering the overall economic growth in India, it is very much necessary to promote aviation sector which not only create job opportunities but also contribute to GDP of the country. Indian Government has taken some major initiatives which will connect remote and hilly areas by air.

Air Charter industry is one of the most important part of aviation industry. It has a potential to grow at the same pace as that of domestic aviation industry. As part of this sector's growth story, the private jet market in India is also experiencing a revival in fortunes.

ABOUT THE COMPANY

The Company is holding Non Scheduled Operators Permit (NSOP) and is engaged in Air Charter business.

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

MATERIAL SUBSIDIARIES

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

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

OPPORTUNITIES AND THREATS

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

Infrastructural challenges and high cost of operations associated with owning an aircraft add to the woes of the owners. There is also a threat from those low entry barrier competitors including international players who own mixed fleet of Aircraft which are economical for short haul flights.

RISKS AND CONCERNS

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

In India, high fuel costs, rising airport charges and maintenance of aircraft are a bit of a downer for people looking to acquire planes.

The aircraft is currently on a lease which is denominated in US Dollars. An adverse movement in the exchange rate can increase fixed costs.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE

The financial performance of the Company for FY 2017-18 as compared to the previous period is given below:

(Rs. in Lacs)

Particulars	**2017-18**	2016-17
Gross Income	**937.82**	767.69
Expenditure	**876.72**	1042.94
Profit / Loss before Interest, Tax, Depreciation and Amortization	**61.10**	(274.44)
Profit / (Loss) after Interest, Tax, Depreciation and Extraordinary Items	**50.88**	(318.56)
Earnings Per Share	**1.61**	(10.22)

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, 2018, the Company had two employees.

CAUTIONARY STATEMENT

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

Annexure 'A' to the Directors Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended March 31,2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. **REGISTRATION AND OTHER DETAILS:**

i)	CIN	L62200TN2014PLC096373
ii)	Registration Date	01-07-2014
iii)	Name of the Company	TAAL ENTERPRISES LIMITED
iv)	Category/ Sub-Category	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact detailsz	MMPDA Towers, 2nd Floor, Royapettah High Road, Chennai-600014 Tel: 044- 4350 8393 e-mail: secretarial@taalent.co.in
vi)	Whether listed company	Yes
vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	Link Intime India P Ltd Block no. 202, 2nd Floor, Akshay Complex, Nr Ganesh Temple, off Dhole Patil Rd., Pune-411001 Tel.: 020-26160084 Fax: 020-26163503 e-mail: pune@linkintime.co.in

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Air Charter	51101	100

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held*	Applicable Section
1	Vishkul Leather Garments Pvt. Ltd. Lunkad Towers Viman Nagar Pune 411014	U51216PN1994PTC076383	Holding	50.74	2(46)
2	TAAL Tech India P. Ltd. GGR Tower, 2nd Floor, sy# 18/2b, Ambalipura village, Sarjapur Rd, Bellandur Gate, Bangalore-560103	U74900KA2012PTC067450	Subsidiary	85	2(87)
3	First Airways Inc. 160, Greentree Drive, Suite 101, City of Dover, Country of Kent, DE,129904, USA	NA	Subsidiary	100	2(87)
4	TAAL Technologies Inc., 14405, Walters Road, Suite 601 Houston TX 77014, USA	NA	Subsidiary	100	2(87)
5	TAAL Tech GmbH, Seestrasse 46, 8598 Bottighofen, Switzerland	NA	Subsidiary	100	2(87)
6	TAAL Tech Innovations GmbH, Rathausplatz 4 1010 Vienna, Austria	NA	Subsidiary	100	2(87)

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

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / HUF	4062	0	4062	0.13	4062	0	4062	0.13	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	1587538	0	1587538	50.94	1587588	0	1587588	50.94	0.00
	Sub Total (A)(1)	1591600	0	1591600	51.07	1591650	0	1591650	51.07	0.00
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1591600	0	1591600	51.07	1591650	0	1591650	51.07	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	8286	0	8286	0.27	0	0	0	0.27	-0.27
(f)	Financial Institutions / Banks	0	37	37	0.00	0	37	37	0.00	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Foreign Bank	0	12	12	0.00	0	12	12	0.00	0.00
	Sub Total (B)(1)	8286	49	8335	0.27	0	49	49	0.27	-0.27
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	737774	107119	844893	27.11	732410	99554	831964	26.70	-0.41
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	360002	0	360002	11.55	427357	0	427357	13.71	2.16
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00

(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Hindu Undivided Family	16188	0	16188	0.52	43929	0	43929	1.41	0.89
	Non Resident Indians (Non Repat)	2427	24	2451	0.08	1801	24	1825	0.06	-0.02
	Non Resident Indians (Repat)	14832	31	14863	0.48	15585	31	15616	0.50	0.02
	Clearing Member	20827	0	20827	0.67	6444	0	6444	0.21	-0.46
	Bodies Corporate	242577	14606	257183	8.25	185402	12106	197508	6.34	-1.91
	Sub Total (B)(3)	1394627	121780	1516407	48.66	1412928	111715	1524643	48.92	0.26
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1402913	121829	1524742	48.93	1412928	111764	1524692	48.93	0.00
	Total (A)+(B)	2994513	121829	3116342	100.00	3004578	111764	3116342	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	2994513	121829	3116342	100.00	3004578	111764	3116342	100.00	

ii) Shareholding of Promoters and Promoter Group

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Vishkul Leather Garments Pvt. Ltd.	969247	31.10	0.00	1581297	50.74	0.00	19.64
2	Indian Seamless Enterprises Ltd	612577	19.66	0.00	577	0.01	0.00	-19.64
3	Lighto Technologies Private Limited	5714	0.18	0.00	5714	0.18	0.00	0.00
4	Alka P Mehta	3625	0.12	0.00	3625	0.12	0.00	0.00
5	Salil Baldev Taneja	400	0.01	0.00	400	0.01	0.00	0.00
6	Baldevraj Topanram Taneja	37	0.00	0.00	37	0.00	0.00	0.00
	Total	**1591600**	**51.07**	**0.00**	**1591650**	**51.07**	**0.00**	**0.00**

iii) Change in Promoters' Shareholding:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2017/ end of year 31.03.2018)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Vishkul Leather Garments Pvt. Ltd.	969247 1581297	31.10 50.74	01.04.2017 21.04.2017 01.08.2017 25.08.2017 31.03.2018	 50 587000 25000	 Purchase Purchase (Inter se) Purchase (Inter se)	969247 969297 1556297 1581297 1581297	31.10 31.10 49.93 50.74 50.74
2	Indian Seamless Interprises Ltd.	612577 577	19.65 0.01	01.04.2017 04.08.2017 18.08.2017 31.08.2018	 (587000) (25000)	 Sale (Inter se) Sale (Inter se)	612577 25577 577 577	19.65 0.82 0.01 0.01

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

Sl. No.	NAME	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01.04.2017/ end of year31.03.2018)	% total Shares of the Compnay				No of Shares	% total Shares of the Compnay
1	MUKUL MAHAVIR PRASAD AGRAWAL	114119	3.66	1-Apr-17			114119	3.66
		114119	3.66	31-Mar-18			114119	3.66
2	NAVEEN BOTHRA	70000	2.25	1-Apr-17			70000	2.25
				14 Jul 2017	9300	Sell	79300	2.54
				21 Jul 2017	900	Sell	80200	2.57
				28 Jul 2017	5000	Sell	85200	2.73
				27 Oct 2017	11000	Sell	96200	3.09
		96200	3.09	31-Mar-18				3.09
3	NAVEEN BOTHRA	41000	1.32	1-Apr-17			41000	1.32
				07 Jul 2017	2970	Buy	43970	1.41
				14 Jul 2017	9330	Buy	53300	1.71
				21 Jul 2017	500	Buy	53800	1.73
				26 Jan 2018	26200	Buy	80000	2.57
		80000	2.57	31-Mar-18				
4	BHAGWANDAS K SAHU	50000	1.60	1-Apr-17			50000	1.60
		50000	1.60	31-Mar-18			50000	1.60
5	FE SECURITIES PVT LTD	0	0	1-Apr-17			0	0.00
				16 Jun 2017	2223	Buy	2223	0.07
				23 Jun 2017	2299	Buy	4522	0.15
				30 Jun 2017	809	Buy	5331	0.17
				07 Jul 2017	-5331	Sell	0	-
				20 Oct 2017	835	Buy	835	0.03
				27 Oct 2017	4009	Sell	4844	0.16
				03 Nov 2017	724	Buy	5568	0.18
				10 Nov 2017	4340	Buy	9908	0.32
				17 Nov 2017	3295	Buy	13203	0.42
				24 Nov 2017	1725	Buy	14928	0.48
				08 Dec 2017	1127	Buy	16055	0.52
				15 Dec 2017	5375	Buy	21430	0.69
				22 Dec 2017	2163	Buy	23593	0.76
				29 Dec 2017	277	Buy	23870	0.77
				05 Jan 2018	11651	Buy	35521	1.14
				12 Jan 2018	2037	Buy	37558	1.21
				19 Jan 2018	4230	Buy	41788	1.34
				02 Feb 2018	312	Buy	42100	1.35
				09 Feb 2018	3300	Buy	45400	1.46
				16 Feb 2018	1360	Buy	46760	1.50
				23 Feb 2018	579	Buy	47339	1.52
				02 Mar 2018	-510	Sell	46829	1.50
				09 Mar 2018	-529	Sell	46300	1.49
				16 Mar 2018	913	Buy	47213	1.52
		47213	1.52	31-Mar-18				

6	PRAKASH CHANDRA MODI	28450	0.91	1-Apr-17			28450	0.91
		28450	0.91	31-Mar-18			28450	0.91
7	NISHU FINLEASE PRIVATE LIMITED	23900	0.77	1-Apr-17			23900	-
				04-Aug-17	500	Buy	24400	0.78
				11-Aug-17	600	Buy	25000	0.80
		25000	0.80	31-Mar-18				
8	PERFECT HOMF IN PVT LTD	0	0	1-Apr-17			0	0
				26-Jan-18	18036	Buy	18036	0.58
				02-Feb-18	1442	Buy	19478	0.63
				09-Feb-18	3697	Buy	23175	0.74
				16-Feb-18	100	Buy	23275	0.75
		23275	0.7469	31-Mar-18				
9	KAILASHBEN ASHOKKUMAR PATEL	0	0	1-Apr-17			0	0
				7-Jul-17	5700	Buy	5700	0.18
				14-Jul-17	100	Buy	5800	0.19
				21-Jul-17	200	Buy	6000	0.19
				11-Aug-17	164	Buy	6164	0.20
				6-Oct-17	1800	Buy	7964	0.26
				20-Oct-17	536	Buy	8500	0.27
				27-Oct-17	2465	Buy	10965	0.35
				3-Nov-17	480	Buy	11445	0.37
				10-Nov-17	200	Buy	11645	0.37
				17-Nov-17	2000	Buy	13645	0.44
				24-Nov-17	351	Buy	13996	0.45
				8-Dec-17	180	Buy	14176	0.45
		14176	0.45	31-Mar-18				
10	GIRDHAR FISCAL SERVICES PVT LTD	12754	0.41	1-Apr-17			12754	0.41
				14 Apr 2017	3549	Buy	16303	0.52
				28 Apr 2017	500	Buy	16803	0.54
				05 May 2017	1838	Buy	18641	0.60
				12 May 2017	100	Buy	18741	0.60
				26 May 2017	1000	Buy	19741	0.63
				02 Jun 2017	500	Buy	20241	0.65
				09 Jun 2017	500	Buy	20741	0.67
				14 Jul 2017	-152	Sell	20589	0.66
				28 Jul 2017	470	Buy	21059	0.68
				01 Sep 2017	2893	Buy	23952	0.77
				08 Sep 2017	1000	Buy	24952	0.80
				22 Sep 2017	1000	Buy	25952	0.83
				12 Jan 2018	-1000	Sell	24952	0.80
				19 Jan 2018	-7434	Sell	17518	0.56
				26 Jan 2018	-4015	Sell	13503	0.43
		13503	0.43	31-Mar-18				

v. Shareholding of Directors & Key Manegerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning(01.04.2016/ end of year 31.03.2017)	% total shares of the Company				No. of shares	% of total shares of the Company
1	R Poornalingam	5 100	0.00 0.00	01/04/2017 31/03/2018	95	Buy	5 100 100	0.00 0.00 0.00

V. INDEBTEDNESS

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

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at beginning of the financial year				
i) Principal Amount	96.44	0.00	0.00	96.44
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**96.44**	**0.00**	**0.00**	**96.44**
Change in Indebtedness during financial year				
Addition	0.00	0.00	0.00	0.00
Reduction	8.69	0.00	0.00	8.69
Net Change	**8.69**	**0.00**	**0.00**	**8.69**
Indebtedness at the end of the financial year				
i) Principal Amount	87.75	0.00	0.00	87.75
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**87.75**	**0.00**	**0.00**	**87.75**

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

A. **Remuneration to Managing Director, Whole-time Directors and/ or Manager:** (Rs. in lacs)

Sl. no.	Particulars of Remuneration	Name of WTD	Total Amount
		C S Kameswaran*	
1	Gross salary	10.20	10.20
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	"Commission"	-	-
5	Others, please specify	-	-
	Total (A)	**10.20**	**10.20**
	Ceiling as per the Act	-	-

* He was a WTD up to February 06, 2018

B. Remuneration to Other Directors

Sr. No	Particulars of Remuneration	Name of Director			
		Nirmal Chandra	Shobhana Joseph	R Poornalingam	Total
1	Independent Directors				
	Fee for attending board/ committee meetings	2.60	-	2.60	5.20
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	2.60	-	2.60	5.20
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	-	1.10	-	1.10
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	1.10	-	1.10
	Total (B)=(1+2)	2.60	1.10	2.60	6.30
	Total Managerial Remuneration	**2.60**	**1.10**	**2.60**	**6.30**
	Overall Ceiling as per the Act	-	-	-	-

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Sakina Sami - Company Secretary*	Vasant Bhat Chief Financial Officer**	Anuj Nema Company Secretary***	
1	Gross salary	1.11	1.25	2.90	5.26
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
5	Others, please specify	-	-		-
	Total	**1.11**	**1.25**	**2.90**	**5.26**

* She was the Company Secretary upto August 14, 2017

** He was the CFO upto August 28, 2017

*** He was the Company Secretary from August 16, 2017 to March 17, 2018

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

Annexure 'B' to the Directors Report

Information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the Financial Year Ended on March 31, 2018.

I. Conservation of energy:

i. The steps taken or impact on conservation of energy: The Company is a low energy consumer. Further being in rented building, consumption of power is limited to average 200 units per month.

ii. The steps taken by the Company for utilizing alternate sources of energy: NA.

iii. The capital investment on energy conservation equipment's: Nil

II. Technology absorption:

i. The efforts made towards technology absorption: NA.

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

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

iv. The expenditure incurred on Research and Development : Nil

III. Foreign exchange earnings and Outgo:

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

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

b) During the year, foreign exchange earnings were Rs. 7.43 lacs & foreign exchange outgo was Rs. 418.18 lacs.

Annexure 'C' to the Directors 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 2017-18, Ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2017-18:

Sl. No.	Name of Directors/ KMP and Designation	% increase in remuneration in FY 2017-18	Ratio of remuneration of Director to median remuneration of employees
1	C S Kameswaran Whole-time Director*	NIL	1.57:1
2	Sakina Sami Company Secretary**	N.A	N.A.
3	Anuj Nema Company Secretary***	N.A	N.A
4	Vasant Bhat Chief Financial Officer****	N.A	N.A.

* He was a WTD upto February 06, 2018

** She was the Company Secretary upto August 14, 2017

*** He was the Company Secretary from August 16, 2017 upto March 17, 2018

**** He was the CFO upto August 28, 2017

2) The median remuneration of employees of the Company during the financial year was Rs. 6.5 Lacs p.a.

3) During the financial year under review percentage, increase in the median remuneration of employees – N.A.

4) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the last Financial Year

i.e. 2017-18 was NIL whereas the increase in the Managerial remuneration for the same Financial Year was also NIL. There were 2 permanent employees on the rolls of the Company as on March 31, 2018.

5) Statement showing details of in terms of top ten employees remuneration drawn and the employees in receipt of remuneration aggregating to Rs. 8.50 lacs per month and above:

Sr. No.	Name of the Employee	Designation	Age (Yrs.)	Remuneration (Rs. in Lacs)	Qualification	Experience (Years)	Date of commencement of employment	Last employment held
1	K B Jogaraj	AVP	51	13.50	PG Diploma	30	October, 2014	Taneja Aerospace and Aviation Limited
2	B R Manoj Kumar	Executive Co-Pilot	30	12.00	CPL	4	October, 2014	Taneja Aerospace and AviationLimited
3	C S Kameswaran	Whole-time Director	67	10.20	CA, Post Graduate in Business Administration	31	April, 2016	Taneja Aerospace and AviationLimited

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

Annexure 'D' to the Directors Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[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

TAAL ENTERPRISES LIMITED

2nd Floor, MMPDA Towers 184,

Royapettah High Road Chennai 600014

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by TAAL Enterprises Limited (hereinafter called "the Company").

Secretarial Audit was conducted for the period from 1st April 2017 to 31st March 2018, 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 from 1st April 2017 to 31st March 2018, 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 31st March 2018 according to the provisions of the following list of laws and regulations with our observations on the same:

(i) The Companies Act, 2013 (the Act) and the Rules made there under: The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except as mentioned subsequently in this report and There was no appointment of Chief Financial Official appointed from 29.08.2017 till 31.03.2018.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:

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

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Not applicable;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 Not applicable;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 Not applicable; and

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 Not applicable;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 Not applicable;

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

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

(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 except as mentioned below in respect of woman Director.*

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

We further report that:-

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

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013 except that there was no appointment of woman director appointed from 22.04.2017 till 15.11.2017.

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

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

1. The Equity shares of the Company were listed on Bombay Stock Exchange (BSE) with effect from 5th July 2016. The Compliances in respect of Listed entity were therefore audited for the period from the date of listing till the end of Financial Year.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

____

Devendra Deshpande
Proprietor
FCS No. 6099
CP No. 6515

Place: Pune
Date: 22.05.2018

ANNEXURE A

To,
The Members
TAAL ENTERPRISES LIMITED
2nd Floor, MMPDA Towers 184,
Royapettah High Road Chennai 600014

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion..
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

____
Devendra Deshpande
Proprietor
FCS No. 6099
CP No. 6515

Place: Pune
Date: 22.05.2018

INDEPENDENT AUDITOR'S REPORT

To The Members of TAAL Enterprises Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of TAAL Enterprises Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note 40 which states that, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited in trust for and on behalf of the Company including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Company.

The said matter was stated as an Emphasis of Matter in our Statutory Audit Report dated June 30, 2017 for the year ended March 31, 2017 as well as in our Statutory Audit Report dated August 13, 2016 for the year ended March 31, 2016.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these standalone Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31st March, 2016 and 31st March, 2017 on which we issued an unmodified audit opinion vide our reports dated August 13th, 2016 and June 30th, 2017 respectively on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'

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

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For MSKA & Associates

(Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

Deepak Rao

Partner

Membership No. 113292

Place : Pune

Date : May 22, 2018

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

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

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

We have audited the internal financial controls over financial reporting of TAAL Enterprises Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 20XX, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292

Place : Pune
Date : May 22, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TAAL ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31st, 2018

[Referred to in paragraph 2 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.

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties. Accordingly, the provisions stated in paragraph 3 i(c) of the Order are not applicable to the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has granted loans, secured or unsecured to following one Company covered in the register maintained under section 189 of the Act.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.

(c) There are no amounts overdue for more than ninety days in respect of the loan granted to Company listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2018 and the Company has not accepted any deposits during the year.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities and there has been a delay in few cases.

According to the information and explanation given to us, no undisputed amounts are payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which were applicable to the Company were in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable.

b. According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, 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 and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

(Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

Deepak Rao

Partner

Membership No. 113292

Place : Pune

Date : May 22, 2018

Balance Sheet as at March 31, 2018

(Amount in INR, unless otherwise stated)

Particulars	Notes	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	14	**226,937**	276,317	403,197
Financial assets				
Investments	15	**56,249,320**	56,249,320	56,249,320
Total non-current assets		**56,476,257**	56,525,637	56,652,517
Current assets				
Financial assets				
Trade receivables	16	**1,857,954**	90,644	2,109,891
Cash and cash equivalents	17	**8,113,981**	3,480,726	317,493
Bank balances other than cash and cash equivalent	18	**8,518,938**	9,461,365	8,846,073
Loans	19	**18,088,333**	20,755,859	1,225,793
Other financial assets	20	**7,592,076**	31,539,438	63,660,021
Current tax assets (net)	21	**764,345**	764,345	550,911
Other current assets	22	**5,256,035**	1,680,771	1,991,820
Total current assets		**50,191,662**	67,773,148	78,702,002
Total assets		**106,667,919**	124,298,785	135,354,519
EQUITY AND LIABILITIES				
Equity				
Equity share capital	6	**31,163,420**	31,163,420	31,163,420
Other equity	7	**49,091,075**	44,003,459	75,859,365
Total equity		**80,254,495**	75,166,879	107,022,785
Liabilities				
Non-current liabilities				
Provisions	8	**393,304**	457,837	543,533
Total non-current liabilities		**393,304**	457,837	543,533
Current liabilities				
Financial liabilities				
Borrowings	9	**8,774,936**	9,644,306	450,000
Trade payables	10	**2,113,030**	20,417,052	11,389,883
Other financial liabilities	11	**13,437,331**	11,968,318	8,510,910
Other current liabilities	12	**835,697**	6,627,515	7,408,387
Provisions	8	**16,678**	16,878	29,021
Current tax liabilities (net)	13	**842,448**	-	-
Total current liabilities		**26,020,120**	48,674,069	27,788,201
Total liabilities		**26,413,424**	49,131,906	28,331,734
Total equity and liabilities		**106,667,919**	124,298,785	135,354,519
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements	2-49			

As per our report of even date attached

For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao
Partner
Membership No: 113292
Place: Pune
Date: May 22, 2018

Nirmal Chandra
Director
DIN: 00352214
Place: Pune
Date: May 22, 2018

R.Poornalingam
Director
DIN: 00955742
Place: Pune
Date: May 22, 2018

Rahael Shobhana Joseph
Director
DIN: 02427554
Place: Pune
Date: May 22, 2018

Niranjan Kulkarni
Company Secretary
Membership No.: A35028
Place: Pune
Date: May 22, 2018

Statement of Profit & Loss For the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	23	**63,921,690**	68,168,178
Other income	24	**29,861,118**	8,601,364
Total income		**93,782,808**	76,769,542
Expenses			
Employee benefits expense	25	**5,262,015**	12,978,452
Finance costs	26	**3,417,270**	3,121,240
Depreciation and amortization expense	27	**120,780**	126,880
Other expenses	28	**78,872,235**	87,987,877
Total expenses		**87,672,300**	**104,214,449**
Profit /(Loss) before exceptional items and tax		**6,110,508**	(27,444,907)
Exceptional items	41	**-**	4,331,143
Profit /(Loss) before tax		**6,110,508**	(31,776,050)
Income Tax expense:			
Current tax		**1,090,000**	-
Total income tax expense		**1,090,000**	**-**
Profit/(Loss) for the year		**5,020,508**	(31,776,050)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		**67,108**	(79,856)
Income tax effect		**-**	-
		67,108	(79,856)
Other comprehensive income for the year, net of tax		**67,108**	**(79,856)**
Total comprehensive income for the year		**5,087,616**	**(31,855,906)**
Earnings/ (loss) per share	29		
Basic earnings /(loss) per share (INR)		**1.61**	(10.20)
Diluted earnings /(loss) per share (INR)		**1.61**	(10.20)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	2-49		

As per our report of even date attached

For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao
Partner
Membership No: 113292
Place: Pune
Date: May 22, 2018

Nirmal Chandra
Director
DIN: 00352214
Place: Pune
Date: May 22, 2018

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Director
DIN: 00955742
Place: Pune
Date: May 22, 2018

Rahael Shobhana Joseph
Director
DIN: 02427554
Place: Pune
Date: May 22, 2018

Niranjan Kulkarni
Company Secretary
Membership No.: A35028
Place: Pune
Date: May 22, 2018

Statement of Changes in Equity For the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(A) Equity share capital	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening	**3,116,342**	**31,163,420**	3,116,342	31,163,420
Add: Shares issued during the year	-	-	-	-
Closing	**3,116,342**	**31,163,420**	**3,116,342**	**31,163,420**

(B) Other equity

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at 1 April 2016	108,558,886	(32,699,521)	75,859,365
Loss for the year	-	(31,776,050)	(31,776,050)
Other comprehensive income	-	(79,856)	(79,856)
Total comprehensive income for the year	**-**	**(31,855,906)**	**(31,855,906)**
Balance as at 31 March 2017	**108,558,886**	**(64,555,427)**	**44,003,459**

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at April 1, 2017	108,558,886	(64,555,427)	44,003,459
Profit for the year	-	5,020,508	5,020,508
Other comprehensive income	-	67,108	67,108
Total comprehensive income for the year	**-**	**5,087,616**	**5,087,616**
Balance as at 31 March 2018	**108,558,886**	**(59,467,810)**	**49,091,076**

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements 2-49

As per our report of even date attached
For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao
Partner
Membership No: 113292
Place: Pune
Date: May 22, 2018

Nirmal Chandra
Director
DIN: 00352214
Place: Pune
Date: May 22, 2018

R.Poornalingam
Director
DIN: 00955742
Place: Pune
Date: May 22, 2018

Rahael Shobhana Joseph
Director
DIN: 02427554
Place: Pune
Date: May 22, 2018

Niranjan Kulkarni
Company Secretary
Membership No.: A35028
Place: Pune
Date: May 22, 2018

Statement of Cash Flows For the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit / (loss) before tax	**6,110,508**	(31,776,050)
Adjustments for:		
Depreciation	**120,780**	126,880
Interest income	**(3,466,259)**	(5,815,348)
Interest expense	**1,501,520**	944,293
Operating profit/ (loss) before working capital changes	**4,266,549**	**(36,520,225)**
Changes in working capital		
Increase / (decrease) in trade and other payables	**(23,205,000)**	11,526,009
Decrease/ (increase) in trade and other receivables	**18,717,390**	(6,082,550)
Cash generated from/ (used in) operations	**(221,062)**	**(31,076,766)**
Income tax paid	**(287,552)**	(213,435)
Net cash flow from/ (used in) operating activities (A)	**(508,614)**	**(31,290,201)**
Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets	**(71,400)**	-
Proceeds from/ (payment of) inter corporate deposits (net)	**2,554,924**	21,064,391
Interest received	**3,466,259**	5,754,321
Net cash flow from investing activities (B)	**5,949,783**	**26,818,712**
Cash flow from financing activities		
Addition/(repayment) of short-term borrowings - net	**(869,370)**	9,194,306
Interest paid	**(880,972)**	(944,293)
Net cash flow from/ (used in) financing activities (C)	**(1,750,342)**	**8,250,013**
Net increase in cash and cash equivalents (A+B+C)	**3,690,828**	**3,778,525**
Cash and cash equivalents at the beginning of the year	**12,942,091**	**9,163,566**
Cash and cash equivalents at the end of the year	**16,632,919**	**12,942,091**
Cash and cash equivalents comprise (Refer note 17 and 18)		
Balances with banks		
On current accounts	**8,113,981**	3,480,726
Margin money or under lien deposits	**8,102,893**	9,461,365
Money in fractional share entitlement account	**416,045**	-
Total cash and bank balances at the end of the year	**16,632,919**	**12,942,091**

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements 2-49

As per our report of even date attached

For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao	**Nirmal Chandra**	**R.Poornalingam**	**Rahael Shobhana Joseph**	**Niranjan Kulkarni**
Partner	Director	Director	Director	Company Secretary
Membership No: 113292	DIN: 00352214	DIN: 00955742	DIN: 02427554	Membership No.: A35028
Place: Pune	Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018

Notes forming part of the Financial Statements for the year ended March 31, 2018

1 General Information

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

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS.

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 12 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.

Notes forming part of the Financial Statements for the year ended March 31, 2018

2.2 Property, Plant and Equipment

Property, plant and equipment are stated at their original cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment comprises of its purchase price including duties, taxes, freight and any other directly attributable cost of bringing the asset to its working condition for its intended use. However, cost excludes Excise Duty, VAT, Service Tax and GST, wherever credit of the duty or tax is availed of.

All indirect expenses incurred during acquisition/ construction of property, plant and equipment including interest cost on funds deployed for the property, plant and equipment are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment 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'. Property, plant and equipment received from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Company provides depreciation using Straight Line Method on Computer Hardware and on Written Down Value Method on Office Equipment and Furniture and Fixtures, based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/ deduction from property, plant and equipment is provided up to 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 the Statement of Profit and Loss under 'Other income'.

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

2.3 Investment 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.

The Company accounts for its investment in subsidiary at cost.

Investments acquired from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value i.e cost as on the appointed date.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Sale of Services

Charter income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft. The revenue is recognised net of Service Tax/ GST.

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. Claims towards insurance claims are accounted in the year of settlement and/or in the year of acceptance of claim/certainty of realization as the case may be. Dividend income is recognised when the right to receive payment is established.

2.7 Taxes

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

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. 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) 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 the 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 the 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.

Where the Company, as lessee, has substantially 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.

2.9 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 the 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 the 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").

2.10 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.

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.

Decommissioning costs (if any), 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 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.

2.11 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.

2.12 Cash and Cash Equivalents

Cash and cash equivalents 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.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.13 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 the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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

(iii) Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-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 12 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 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 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 prepayment, 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.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. It is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the provision at the reporting date.

(iv) Derecognition of financial assets

A financial asset is derecognized 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 derecognized 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 derecognized.

(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 the Statement of Profit and Loss when the liabilities are derecognized 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.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss 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.

2.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 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) Other long-term employee benefit obligations

(i) **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.

(ii) **Defined benefit plans**

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

2.15 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. 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.

2.16 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 result of the whole Company as one segment of viz. "Air Charter". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

Notes forming part of the Financial Statements for the year ended March 31, 2018

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 of inflation, seniority, promotion and other relevant factors on long term basis.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective upto the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments.

(b) **Ind AS 115- Revenue from contract with customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115 - Revenue from contract with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently evaluating the requirements of amendments.

Notes forming part of the Financial Statements for the year ended March 31, 2018

5 First-time Adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101 - First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

(a) Deemed cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and Investment Properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Investment in subsidiaries

Option to measure Investments in subsidiaries, joint ventures and associate at cost as per Ind AS 27 or deemed cost is available. The deemed cost shall be its fair value on transition date or carrying amount as per previous GAAP. This exemption is availed by the Company.

(c) Business combination

Company has elected not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

5.2 Mandatory exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 - Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 - Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101 - First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

5.3 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards:

(a) **Reconciliation of equity as at date of transition 1 April 2016**

	Notes to first-time adoption	**Indian GAAP***	**Adjustments**	**Ind AS**
ASSETS				
Non-current assets				
Property, plant and equipment		403,197	-	403,197
Financial assets				-
Investments		56,249,320	-	56,249,320
Total non-current assets		56,652,517	-	56,652,517
Current assets				
Financial assets				
Trade receivables		2,109,891	-	2,109,891
Cash and cash equivalents		317,493	-	317,493
Bank balances other than cash and cash equivalent		8,846,073	-	8,846,073
Loans		1,225,793	-	1,225,793
Other financial assets		63,660,021	-	63,660,021
Current tax assets (net)		550,911	-	550,911
Other current assets		1,991,820	-	1,991,820
Total current assets		78,702,002	-	78,702,002
Total assets		**135,354,519**	**-**	**135,354,519**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		31,163,420	-	31,163,420
Other equity		75,859,365	-	75,859,365
Total equity		107,022,785	-	107,022,785
LIABILITIES				
Non-current liabilities				
Provisions		543,533	-	543,533
Total non-current liabilities		543,533	-	543,533
Current liabilities				
Financial liabilities				
Borrowings		450,000	-	450,000
Trade payables		11,389,883	-	11,389,883
Other financial liabilities		8,510,910	-	8,510,910
Other current liabilities		7,408,387	-	7,408,387
Provisions		29,021	-	29,021
Total current liabilities		27,788,201	-	27,788,201
Total liabilities		28,331,734	-	28,331,734
Total equity and liabilities		**135,354,519**	**-**	**135,354,519**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(b) **Reconciliation of equity as at 31 March 2017**

	Notes to first-time adoption	**Indian GAAP***	**Adjustments**	**Ind AS**
ASSETS				
Non-current assets				
Property, plant and equipment		276,317	-	276,317
Financial assets				
Investments		56,249,320	-	56,249,320
Total non-current assets		56,525,637	-	56,525,637
Current assets				
Financial assets				
Trade receivables		90,644	-	90,644
Cash and cash equivalents		3,480,726	-	3,480,726
Bank balances other than cash and cash equivalent		9,461,365	-	9,461,365
Loans		20,755,859	-	20,755,859
Other financial assets		31,539,438	-	31,539,438
Current tax assets (net)		764,346	-	764,346
Other current assets		1,680,770	-	1,680,770
Total current assets		67,773,148	-	67,773,148
Total assets		**124,298,785**	**-**	**124,298,785**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		31,163,420	-	31,163,420
Other equity		44,003,459	-	44,003,459
Total equity		75,166,879	-	75,166,879
LIABILITIES				
Non-current liabilities				
Provisions		457,837	-	457,837
Total non-current liabilities		457,837	-	457,837
Current liabilities				
Financial liabilities				
Borrowings		9,644,306	-	9,644,306
Trade payables		20,417,052	-	20,417,052
Other financial liabilities		11,968,318	-	11,968,318
Other current liabilities		6,627,515	-	6,627,515
Provisions		16,878	-	16,878
Total current liabilities		48,674,069	-	48,674,069
Total liabilities		49,131,906	-	49,131,906
Total equity and liabilities		**124,298,785**	**-**	**124,298,785**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(c) **Reconciliation of profit or loss for the year ended 31 March 2017**

	Notes to first-time adoption		**Indian GAAP***	**Adjustments**	**Ind AS**
Income					
Revenue from operations			68,168,178	-	68,168,178
Other income			8,601,364	-	8,601,364
Total income			76,769,542	-	76,769,542
Expenses					
Employee benefits expense		f(i)	13,058,308	(79,856)	12,978,452
Finance costs			3,121,240	-	3,121,240
Depreciation and amortization expense			126,880	-	126,880
Other expenses			87,987,877	-	87,987,877
Total expenses			**104,294,305**	**(79,856)**	**104,214,449**
Profit / (Loss) before exceptional items and tax			(27,524,763)	79,856	(27,444,907)
Exceptional items			4,331,143	-	4,331,143
Profit / (Loss) before tax			(31,855,906)	79,856	(31,776,050)
Income tax expense					
Current tax			-	-	-
Total income tax expense			**-**	**-**	**-**
Profit / (Loss) for the year			(31,855,906)	79,856	(31,776,050)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Re-measurement gains/ (losses) on defined benefit plans			-	(79,856)	(79,856)
Income tax effect			-	-	-
Other comprehensive income for the year			**-**	**(79,856)**	**(79,856)**
Total comprehensive income for the year			**(31,855,906)**	**-**	**(31,855,906)**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d)

Reconciliation of total equity as at 31 March 2017 and 1 April 2016	Notes to first-time adoption	**As at 31 March 2017**	**As at 1 April 2016**
Shareholder's equity as per Indian GAAP audited financial statements		75,166,879	107,022,785
Adjustment		-	-
Total Adjustment		-	-
Shareholder's equity as per Ind AS		**75,166,879**	**107,022,785**

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(e)	**Reconciliation of total comprehensive income for the year ended 31 March 2017**	Notes to first-time adoption	**31 March 2017**
	Profit / (Loss) as per Indian GAAP		(31,855,906)
	Adjustment		
(i)	Impact of actuarial gain/ loss transferred to OCI	f(i)	79,856
(ii)	Impact on tax		-
	Total Adjustment		79,856
	Profit/(Loss) as per Ind AS		(31,776,050)
	Impact on other comprehensive income on re-measurement gains/ (losses) on defined benefit plans	f(i)	(79,856)
	Impact on tax		-
	Total Comprehensive Income as per Ind AS		(31,855,906)

(f) **Notes to first-time adoption**

(i) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended March 31, 2017 is reduced by INR 79,856 and re-measurement gains/ losses on defined benefit plans of the corresponding amount has been recognized in the OCI.

6 Equity share capital

Particulars	**31 March 2018**	31 March 2017	1 April 2016
Authorised			
50,00,000 (March 31, 2017: 50,00,000, April 1, 2016: 50,00,000) equity shares of INR 10 each	**50,000,000**	50,000,000	50,000,000
	50,000,000	**50,000,000**	**50,000,000**
Issued, subscribed and paid up			
31,16,342 (March 31, 2017: 31,16,342, April 1, 2016: 31,16,342) equity shares of INR 10 each fully paid	**31,163,420**	31,163,420	31,163,420
Total equity share capital	**31,163,420**	**31,163,420**	**31,163,420**

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

	31 March 2018		31 March 2017	
	Number of shares	**Amount**	Number of shares	Amount
Equity Shares at the beginning of the year	**3,116,342**	**31,163,420**	3,116,342	31,163,420
Add: Equity Shares issued during the year	**-**	**-**	-	-
Less: Equity Shares bought back during the year	**-**	**-**	-	-
Equity Shares outstanding at the end of the year	**3,116,342**	**31,163,420**	3,116,342	31,163,420

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares of INR 10/- 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.

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.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2018	31 March 2017	1 April 2016
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	3,116,342	3,116,342	3,116,342

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

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	**577**	**0.02**	612,577	19.66	1,370,577	43.98
Vishkul Leather Garments Private Limited	**1,581,297**	**50.74**	969,247	31.10	211,147	6.78

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

7 Other equity

	Particulars	31 March 2018	31 March 2017	1 April 2016
(a)	**Capital reserve**			
	Opening balance	**108,558,886**	108,558,886	108,558,886
	Closing balance	**108,558,886**	108,558,886	108,558,886
(b)	**Retained earnings**			
	Opening balance	**(64,555,427)**	(32,699,521)	(32,699,521)
	Add: Net profit/(net loss) for the current year	**5,020,508**	(31,776,050)	-
	Add/Less: Re-measurement gains/ (losses) on defined benefit plans	**67,108**	(79,856)	-
	Closing balance	**(59,467,811)**	(64,555,427)	(32,699,521)
	Total other equity	**49,091,075**	44,003,459	75,859,365

8 Provisions

	Particulars	31 March 2018	31 March 2017	1 April 2016
	Non current provisions			
(a)	**Provision for employee benefits**			
	Provision for gratuity (unfunded)	**159,647**	185,147	206,539
	Provision for leave encashment (unfunded)	**233,657**	272,690	336,994
		393,304	457,837	543,533
	Current provisions			
(b)	**Provision for employee benefits**			
	Provision for gratuity (unfunded)	**3,538**	3,811	2,884
	Provision for leave encashment (unfunded)	**13,140**	13,067	26,137
		16,678	16,878	29,021
	Total provisions	**409,982**	474,715	572,554

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

9 Short-term borrowings

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
Loans repayable on demand from banks - working capital borrowing from banks	**8,774,936**	9,644,306	-
Unsecured			
Loans and advances from other parties	**-**	-	450,000
Total short-term borrowings	**8,774,936**	**9,644,306**	**450,000**

Working capital loan from bank is secured against the hypothecation of stocks and book debts on pari-passu basis and second charge on property, plant and equipment, all belonging to the demerged Company 'Taneja Aerospace and Aviation Limited'.

10 Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Total outstanding dues of micro enterprises and small enterprises*	**-**	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,113,030**	20,417,052	11,389,883
Total trade payables	**2,113,030**	**20,417,052**	**11,389,883**

*As informed to us by the management, the Company owes no dues which are outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016 to any 'Micro, Small and Medium Enterprises' as covered under 'Micro, Small and Medium Enterprises Development Act, 2006'. Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

11 Other current financial liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Employee related liabilities	**271,633**	727,657	657,414
Other payables	**13,165,698**	11,240,661	7,853,496
Total other current financial liabilities	**13,437,331**	11,968,318	8,510,910

12 Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Statutory due payable	**527,439**	5,249,768	7,325,863
Advance from customers	**308,258**	1,377,747	82,524
Total other current liabilities	**835,697**	6,627,515	7,408,387

13 Current tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Current tax provision [net of advance tax INR 2,87,552/- (March 31, 2017: INR Nil; April 1, 2016 INR Nil)]	**842,448**	-	-
Total current tax liabilities (net)	**842,448**	**-**	**-**

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

14 Property, plant and equipment

	Gross block			Depreciation			Net block	
	As at 1 April 2017	Additions/ Adjustments	**As at 31 March 2018**	As at 1 April 2017	For the year	**As at 31 March 2018**	**As at 31March 2018**	As at 31 March 2017
Owned assets								
Computer - Hardware	38,434	-	**38,434**	13,435	11,735	**25,170**	**13,264**	24,999
Office Equipment	12,585	71,400	**83,985**	-	79,156	**79,156**	**4,829**	12,585
Furniture and Fixtures	352,178	-	**352,178**	113,445	29,889	**143,334**	**208,844**	238,733
Total	403,197	71,400	**474,597**	126,880	120,780	**247,660**	**226,937**	276,317

	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Owned assets								
Computer - Hardware	38,434	-	38,434	-	13,435	13,435	24,999	38,434
Office Equipment	12,585	-	12,585	-	-	-	12,585	12,585
Furniture and Fixtures	352,178	-	352,178	-	113,445	113,445	238,733	352,178
Total	403,197	-	403,197	-	126,880	126,880	276,317	403,197

15 Non-current financial assets - investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Investment in equity instruments of subsidiaries (fully paid-up)			
Unquoted equity shares (Non-trade, stated at cost)			
First Airways Inc, USA	**47,749,320**	47,749,320	47,749,320
11,50,000 (March 31, 2017: 11,50,000, April 1, 2016: 11,50,000) Shares of USD 1/- each			
TAAL Tech India Private Limited	**8,500,000**	8,500,000	8,500,000
8,50,000 (March 31, 2017: 8,50,000, April 1, 2016: 8,50,000) Equity Shares of INR 10/- each			
Total non-current financial assets - investments	**56,249,320**	56,249,320	56,249,320
Non-current	**56,249,320**	56,249,320	56,249,320
Aggregate book value of:			
Unquoted investments	**56,249,320**	56,249,320	56,249,320

16 Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured			
Considered good	**1,857,954**	90,644	2,109,891
Considered doubtful	**-**	-	-
Less : Allowance for bad and doubtful debts	**-**	-	-
	1,857,954	90,644	2,109,891
Further classified as:			
Receivable from related parties	**-**	-	-
Receivable from others	**1,857,954**	90,644	2,109,891
Total trade receivables	**1,857,954**	90,644	2,109,891

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

17 Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
On current accounts	**8,113,981**	3,480,726	308,747
Cash on hand	**-**	-	8,746
Total cash and cash equivalents	**8,113,981**	3,480,726	317,493

18 Bank balances other than cash and cash equivalent

Particulars	31 March 2018	31 March 2017	1 April 2016
Margin money or under lien deposits	**8,102,893**	9,461,365	8,846,073
Money in fractional share entitlement account	**416,045**	-	-
Total bank balances other than cash and cash equivalent	**8,518,938**	9,461,365	8,846,073

19 Current financial assets - loans

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposit	**1,088,333**	1,200,935	1,225,793
Loans recoverable in cash	**17,000,000**	19,554,924	-
Total current financial assets - loans	**18,088,333**	20,755,859	1,225,793

20 Current financial assets - others

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance recoverable in cash or kind	**7,592,076**	31,539,438	63,660,021
Total current financial assets - others	**7,592,076**	31,539,438	63,660,021

21 Current tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance income tax [net of tax provision INR Nil (31 March 2017: INR Nil; 1 April 2016: INR Nil)]	**764,345**	764,345	550,911
Total current tax assets (net)	**764,345**	764,345	550,911

22 Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance with government authorities	**1,479,449**	131,656	-
Advance to suppliers	**165,836**	139,381	152,340
Advance to staff	**44,124**	61,099	688,934
Prepaid expenses	**3,566,626**	1,348,635	1,150,546
Total other current assets	**5,256,035**	1,680,771	1,991,820

23 Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of services		
Charter income	**63,921,690**	68,168,178
Total revenue from operations	**63,921,690**	68,168,178

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

24 Other income

Particulars	31 March 2018	31 March 2017
Interest income - from ICD	**2,875,513**	5,093,441
Interest income - from bank	**590,746**	721,907
Miscellaneous income	**4,650**	2,471,356
Gain on foreign exchange	**-**	314,660
Sundry creditors written back	**26,390,209**	-
Total other income	**29,861,118**	8,601,364

25 Employee benefits expense

Particulars	31 March 2018	31 March 2017
Salaries, wages, bonus and other allowances	**5,027,695**	12,624,974
Contribution to provident and other funds	**127,495**	245,291
Gratuity expenses	**41,335**	47,914
Staff welfare expenses	**65,490**	60,273
Total employee benefits expense	**5,262,015**	12,978,452

26 Finance costs

Particulars	31 March 2018	31 March 2017
Interest on working capital	**880,972**	944,293
Interest on delayed payment of taxes	**952,507**	1,014,101
Other finance costs	**957,469**	312,000
Bank charges	**626,322**	850,846
Total finance costs	**3,417,270**	3,121,240

27 Depreciation and amortization expense

Particulars	31 March 2018	31 March 2017
On property, plant and equipment (Refer note 14)	**120,780**	126,880
Total depreciation and amortization expense	**120,780**	126,880

28 Other expenses

Particulars	31 March 2018	31 March 2017
Aircraft fuel charges	**9,836,316**	9,328,926
Aircraft lease rent ^	**34,059,746**	45,588,857
Aircraft repairs and maintenance	**1,022,993**	832,227
Rent - flight parking and equipment	**2,014,406**	2,069,568
Other aircraft operating expenses	**17,133,549**	12,468,887
Consumption of stores and spare parts	**6,197,883**	6,751,598
Advertisement	**135,116**	843,424
Rent	**600,000**	911,685
Repairs and maintenance - others	**3,185**	13,117
Insurance	**22,630**	12,002
Rates and taxes	**712,417**	524,162
Registration and renewal	**802,120**	858,872
Travelling expenses	**258,842**	526,753
Auditor's remuneration #	**510,497**	507,447
Printing and stationery	**233,316**	280,814
Communication expenses	**166,217**	219,211

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

28 Other expenses (Continued)

Particulars	31 March 2018	31 March 2017
Legal and professional charges	**3,217,871**	3,344,095
Loss on foreign exchange transactions (net)	**384,614**	-
Sitting fee	**630,000**	990,000
Debtor written off	**82,125**	-
Miscellaneous expenses	**222,552**	290,478
Training expenses	**625,840**	1,625,754
Total other expenses	**78,872,235**	87,987,877

^ Aircraft lease rent

The aircraft has been acquired on operating lease from an overseas lease finance company for a period of 132 months (Refer note 44)

The payments under lease for the future period as at 31 March 2018 are:

Particulars	Amount in US$	Equivalent in INR
Within one year	200,000	13,008,820
After one year but not more than five years	-	-
More than five years	-	-
Total	**200,000**	**13,008,820**

The payments under lease for the future period as at 31 March 2017 are:

Particulars	Amount in US$	Equivalent in INR
Within one year	369,896	23,983,539
After one year but not more than five years	-	-
More than five years	-	-
Total	**369,896**	**23,983,539**

 # The following is the break-up of Auditor's remuneration (exclusive of service tax/GST)

Particulars	31 March 2018	31 March 2017
As auditor:		
Statutory audit	**150,000**	150,000
In other capacity:		
Limited review	**300,000**	300,000
Reimbursement of expenses	**60,497**	57,447
Total	**510,497**	507,447

29 Earnings/ loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/ loss for the year attributable to equity holders 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 for the year attributable to equity holders 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.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

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

Particulars	31 March 2018	31 March 2017
Profit/ (Loss) attributable to equity holders	**5,020,508**	(31,776,050)
Weighted average number of equity shares for basic EPS	**3,116,342**	3,116,342
Effect of dilution:		
Share options	**-**	-
Convertible preference shares	**-**	-
Weighted average number of equity shares adjusted for the effect of dilution	**3,116,342**	3,116,342
Basic earnings/(loss) per share (INR)	**1.61**	(10.20)
Diluted earnings/(loss) per share (INR)	**1.61**	(10.20)

30 Employee benefits

The Company has calculated the various benefits provided to employees as under:

(A) Defined contribution plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

Particulars	31 March 2018	31 March 2017
a) Employers contribution to Provident fund	**60,052**	118,100
b) Employers contribution to Superannuation fund	**67,443**	127,191

(B) Defined benefit plans

Gratuity payable to employees

An actuarial valuation was carried out in respect of the aforesaid defined benefit plan based on the following assumptions:

i) Actuarial assumptions **Gratuity (unfunded)**

Particulars	31 March 2018	31 March 2017
Discount rate (per annum)	**7.80%**	7.40%
Rate of increase in salary	**10.00%**	10.00%
Retirement age	**58 years**	58 years
Attrition rate	**2.00%**	2.00%

ii) Changes in the present value of defined benefit obligation **Gratuity (unfunded)**

Particulars	31 March 2018	31 March 2017
Present value of obligation as at the beginning of the year	**188,958**	209,423
Interest cost	**13 ,983**	10,960
Past service cost	**-**	-
Current service cost	**27,352**	36,954
Curtailment cost/ (credit)	**-**	-
Settlement cost/ (credit)	**-**	-
Benefits paid	**-**	(148,235)
Actuarial (gain)/ loss on obligation	**(67,108)**	79,856
Present value of obligation as at the end of the year	**163,185**	188,958

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

iii) Expense recognized in the Statement of Profit and Loss **Gratuity (unfunded)**

Particulars	31 March 2018	31 March 2017
Current service cost	**27,352**	36,954
Past service cost	**-**	-
Interest cost	**13,983**	10,960
Expected return on plan assets	**-**	-
Actuarial (gain)/ loss on obligation	**(67,108)**	79,856
Settlement cost/ (credit)	**-**	-
Curtailment cost/ (credit)	**-**	-
Total expense recognized in the Statement of Profit and Loss *	**(25,773)**	127,770

* Included in Employee benefits expense (Refer Note 25). Actuarial (gain)/ loss of INR (67,108) (March 31, 2017: INR 79,856) is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet: **Gratuity (unfunded)**

Particulars	31 March 2018	31 March 2017
Present value of unfunded obligation as at the end of the year	**163,185**	188,958
Unrecognized actuarial (gains)/ losses	**-**	-
Unfunded net liability recognized in the Balance Sheet *	**163,185**	188,958

* Included in Provision for employee benefits (Refer Note 8).

v) A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Impact on defined benefit obligation **Gratuity (unfunded)**

Particulars	31 March 2018
Discount rate	
1% increase	**151,125**
1% decrease	**176,938**
Rate of increase in salary	
1% increase	**174,925**
1% decrease	**152,638**

vi) Maturity profile of defined benefit obligation (rounded to nearest thousand in INR) **Gratuity (unfunded)**

Years	31 March 2018
Apr 2018- Mar 2019	**4,000**
Apr 2019- Mar 2020	**4,000**
Apr 2020- Mar 2021	**5,000**
Apr 2021- Mar 2022	**6,000**
Apr 2022- Mar 2023	**8,000**
Apr 2023- Mar 2028	**358,000**

Note: This being the first year of actuarial valuation report obtained as per the requirements of Ind - AS, the previous year disclosures are not given w.r.t. clauses (v) and (vi) above.

31 There are no Contingent Liabilities, Capital and other commitments as at March 31, 2018, March 31, 2017 and April 1, 2016.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

32 Related party disclosures: 31 March 2018

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

Parent Company
Vishkul Leather Garments Private Limited (Effective from: August 14, 2017)

Subsidiary Companies
TAAL Tech India Private Limited
First Airways Inc, USA
TAAL Technologies Inc, USA (Subsidiary of Taal Tech India Private Limited)
TAAL Tech GmbH, Switzerland (Subsidiary of Taal Tech India Private Limited)
TAAL Tech Innovations GmbH, Austria (Subsidia ry of Taal Tech India Private Limited)

Key Management Personnel (KMP)
Mr. C S Kameswaran - Whole Time Director (upto February 06, 2018)
Non-Whole Time Director
Mr. Ajay Joshi (upto December 24, 2016)
Mr. Prakash Saralaya (upto April 24, 2016)
Mr. Salil Taneja (upto April 23, 2016)
Mr. Nirmal Chandra
Mr. R Poornalingam
Mrs. Rahael Shobhana Joseph (upto April 22, 2017 and Reappointed from November 16, 2017)

(B) Transactions/ balances with related parties:

Particulars	Subsidiaries	Key Management Personnel	Non- Whole Time director
Inter Corporate Deposit Refunded during the year	**-**	**-**	**-**
	(40,564,391)	(-)	(-)
Inter Corporate Deposit Given during the year	**-**	**-**	**-**
	(1,920,724)	(-)	(-)
Inter Corporate Deposit Taken during the year	**5,000,000**	**-**	**-**
	(-)	(-)	(-)
Inter Corporate Deposit Returned during the year	**5,000,000**	**-**	**-**
	(-)	(-)	(-)
Reimbursement of Expenses during the year (Net)	**92,153**	**-**	**-**
	(93,750)	(-)	(-)
Sitting fees	**-**	-	**630,000**
	-	-	(990,000)
Interest Income	**-**	**-**	**-**
	(5,032,414)	(-)	(-)
Interest Paid	**620,548**	**-**	**-**
	(-)	(-)	(-)
Managerial Remuneration #	**-**	**1,020,000**	-
	(-)	(1,200,000)	(-)
Balance Payable as at the year end - Current A/c	**779,762**	**-**	-
	(93,750)	(-)	(-)
Balance Payable as at the year end	-	-	-
	(-)	(90,000)	(-)

(Figures in brackets relate to previous year)
Note: No amounts pertaining to related parties have been written off or written back during the year.
The Company has not paid any Commission to the Managerial Personnel. Further, the Managerial Personnel are not eligible for Gratuity and Leave Encashment.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

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

Amount of Investment in/ Loans and Advances in the nature of loans to subsidiaries and associates for the year ended March 31, 2018:

Name of the Company	Holding	Nature of Transaction	Maximum Balance during the period	Balance as at 31 March 2018	Balance as at 31 March 2017
Subsidiary					
First Airways Inc, USA	100%	Investment	47,749,320	**47,749,320**	47,749,320
TAAL Tech India Private Limited	85%	Investment	8,500,000	**8,500,000**	8,500,000

34 Segment reporting

The Company's operations predominantly relate to providing air charter services. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

There are 2 customers whose revenue is more than 10% of companies total revenue:

Customer 1 : INR 218.44 lacs (March 31, 2017 : INR 253.05 lacs)

Customer 2 : INR 72.75 lacs (March 31, 2017 : INR 64.91 lacs)

35 Fair values of financial assets and financial liabilities

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

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

36 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).

No financial assets/liabilities have been valued using level 1 fair value measurements.

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Level 1 (Quoted price in active markets)	**Nil**	Nil	Nil
Level 2			
Financial liabilities measured at fair value through profit or loss	**Nil**	Nil	Nil
Level 3			
Financial assets measured at amortized cost			
Trade receivables	**1,857,954**	90,644	2,109,891
Security deposits	**1,088,333**	1,200,935	1,225,793
Cash and cash equivalents	**16,632,919**	12,942,091	9,163,567
Other current financial assets	**24,592,076**	51,094,362	63,660,021
Financial liabilities measured at amortized cost			
Borrowings	**8,774,936**	9,644,306	450,000
Trade payables	**2,113,030**	20,417,052	11,389,883
Other current financial liabilities	**13,437,331**	11,968,318	8,510,910

The carrying amount of cash and cash equivalents, trade receivables, trade payables, other payables and short-term borrowings are considered to be the same as their fair values.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

37 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 coordinated 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 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 variable 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
31 March 2018		
INR	+0.45%	(39,487)
INR	-0.45%	39,487
31 March 2017		
INR	+0.45%	(43,399)
INR	-0.45%	43,399
1 April 2016		
INR	+0.45%	-
INR	-0.45%	-

(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 (Net balance - receivable) (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 USD rate	Effect on profit before tax
31 March 2018		
INR	+2.50%	(300,508)
INR	-2.50%	300,508
31 March 2017		
INR	+2.50%	(515,281)
INR	-2.50%	515,281
1 April 2016		
INR	+2.50%	(449,129)
INR	-2.50%	449,129

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, 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, loans and advances 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 entities to whom such loans and advances and security deposits are given. 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	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
31 March 2018				
Short term borrowings	8,774,936	-	-	8,774,936
Long term borrowings	-	-	-	-
Trade payables	2,113,030	-	-	2,113,030
Other financial liabilities	13,437,331	-	-	13,437,331
	24,325,297	-	-	24,325,297
31 March 2017				
Short term borrowing	9,644,306	-	-	9,644,306
Long term borrowings	-	-	-	-
Trade payables	20,417,052	-	-	20,417,052
Other financial liabilities	11,968,318	-	-	11,968,318
	42,029,675	-	-	42,029,675
1 April 2016				
Short term borrowings	450,000	-	-	450,000
Long term borrowings	-	-	-	-
Trade payables	11,389,883	-	-	11,389,883
Other financial liabilities	8,510,910	-	-	8,510,910
	20,350,793	-	-	20,350,793

38 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 holders. 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 current borrowing which represents loan from bank. 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.

Notes forming part of the Financial Statements for the year ended March 31, 2018

38 Capital management (Continued) (Amount in INR, unless otherwise stated)

Particulars		31 March 2018	31 March 2017	1 April 2016
Total equity	(i)	**80,254,495**	75,166,879	107,022,785
Total debt	(ii)	**8,774,936**	9,644,306	450,000
Overall financing	(iii) = (i) + (ii)	**89,029,431**	84,811,185	107,472,785
Gearing ratio	(ii)/ (iii)	**0.10**	0.11	0.00

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.

39 The Company does not enter into any forward foreign exchange contracts.
Foreign currency exposure not hedged are as under:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Lease Rent Payable						
USD	**183,324**	**11,924,140**	303,217	19,660,179	269,000	17,840,000
Total	**183,324**	**11,924,140**	303,217	19,660,179	269,000	17,840,000
Other Trade Payable						
USD	**1,479**	**96,190**	14,668	951,066	1,887	125,159
Total	**1,479**	**96,190**	14,668	951,066	1,887	125,159

40 40.1 In terms of the Scheme of Arrangement approved / sanctioned by the Hon'ble High Court of Madras, ("the Scheme"), under section 391 to 394 of the Companies Act, 1956 between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited ("the Company"), TAAL has demerged its Air Charter Business including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited into the Company. Pursuant to the Scheme as sanctioned by the Hon'ble High Court of Madras vide order dated June 22, 2015, received on July 23, 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Company on a going concern basis with effect from October 1, 2014 being the appointed date. The certified copy of the said order of the Hon'ble High Court of Madras has been filed with the Registrar of Companies, Chennai on August 21, 2015 and as such the Scheme has become effective from that date.

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

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

41 During the financial year ended March 31, 2017, the Company had incurred expenditure of INR 1,72,60,993/- due to bird hit accident to the aircraft. An insurance claim was raised with the insurance company before March 31, 2017. The insurance company had accepted, approved and settled the claim amounting to INR 1,29,29,850/- and the same was realised by the Company on or before adoption of financial statements by the Board for the financial year ended March 31, 2017. INR 43,31,143/- net expenditure incurred has been classified and disclosed as an Exceptional Item for the financial year ended March 31, 2017.

42 Deferred tax calculation results into working of deferred tax assets as at March 31, 2018, March 31, 2017 as well as at April 1, 2016. However as a matter of prudence, the Company has not recognised deferred tax asset.

43 The Company considers its investment in and loans to subsidiaries as strategic and long term in nature and accordingly, in the view of the management, any decline in the value of such long term investments in subsidiaries is considered as temporary in nature and hence neither provision nor impairment for diminution in value is considered necessary.

44 The Company operates a chartered plane obtained under a lease agreement dated December 11, 2007 which is the sole aircraft being operated by the Company as a part of its business operations. As per the lease agreement with the lessor,

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

the lease was for a period of 120 months which expired on December 11, 2017. During the year, the Company and Lessor agreed for an extension of the lease for a period of one year from December 12, 2017 to December 11, 2018. Further, as per the purchase option agreement entered between the Company, Lessor and First Airways Inc. (Wholly owned subsidiary), First Airways Inc. has an option to purchase the aircraft at the end of lease period. On this basis, the Company intends to either renew the lease term or exercise the purchase option at the end of lease period through its subsidiary. In view of above, the Company has prepared financial statements on going concern basis.

45 Upon expiry of the lease aggrement, the lessor has aggred to restructure the lease which interalia provide for one year extenction of the Aggrement, reduction in monthly lease rental and reduction in existing past liabilities. Accordingly, the total outstanding liability of the Company under the Aggrement has come down by USD 405,495 (INR 263.50 Lacs) which is considered as other income and disclosed as such.

46 Since year end, the directors of TAAL Tech India Private Limited (Subsidiary Company) have recommended the payment of a final dividend of INR 25 per fully paid equity share (Previous Year– INR Nil). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

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

49 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
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Pune
Date: May 22, 2018

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Nirmal Chandra	**R.Poornalingam**	**Rahael Shobhana Joseph**	**Niranjan Kulkarni**
Director	Director	Director	Company Secretary
DIN: 00352214	DIN: 00955742	DIN: 02427554	Membership No.: A35028
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of TAAL Enterprises Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of TAAL Enterprises Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note 46.2 which states that, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited in trust for and on behalf of the Company including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Company.

The said matter was stated as an Emphasis of Matter in our Statutory Audit Report dated June 30, 2017 for the year ended March 31, 2017 as well as in our Statutory Audit Report dated August 13, 2016 for the year ended March 31, 2016.

Our opinion is not modified in respect of this matter.

Other Matter

a. We did not audit the financial statements of three subsidiary companies, whose financial statements reflect total assets of Rs. 52.03 million and net assets of Rs. 27.15 million as at March 31, 2018, total revenues of Rs. 231.28 million and net cash inflows amounting to Rs. 12.05 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

   The subsidiaries is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in the respective country and which have been audited by other auditor under generally accepted auditing standards applicable in the respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in the respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 1.12 million and net assets of Rs. .59 million as at 31st March, 2018, total revenues of Rs. Nil and net cash outflows amounting to Rs. .59 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. .55 million for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one subsidiary, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary company none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director of that Company in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note XX to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2018.

For MSKA & Associates
(formerly known as MZSK And Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292

Place : Pune
Date : May 22, 2018

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of TAAL Enterprises Limited on the Financial Statements for the year ended March 31st, 2018]

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, 2018, we have audited the internal financial controls over financial reporting of TAAL Enterprises 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, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 over financial reporting of the Holding Company, its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MSKA & Associates
(formerly known as MZSK And Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292

Place : Pune
Date : May 22, 2018

Consolidated Balance Sheet as at March 31, 2018

(Amt in INR, unless Otherwise Stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	16	**15,094,043**	14,947,519	14,392,755
Intangible assets	17	**6,444,436**	6,510,038	5,055,782
Goodwill	50	**39,050,239**	39,050,239	39,050,239
Financial assets				
Loans	18	**9,971,729**	8,773,869	7,594,578
Deferred tax asset (net)	34	**34,445,713**	14,930,734	4,838,647
Other non-current assets	19	**2,511,906**	3,158,187	10,456,728
Total non-current assets		**107,518,066**	87,370,586	81,388,729
Current assets				
Financial assets				
Trade receivables	20	**235,885,208**	181,601,270	136,426,175
Cash and cash equivalents	21	**53,488,031**	20,925,746	29,356,867
Bank balances other than cash and cash equivalent	22	**8,518,938**	9,461,365	8,846,073
Loans	23	**18,088,333**	22,105,859	20,936,007
Other financial assets	24	**67,674,853**	39,023,457	54,738,258
Current tax assets (net)	25	**764,345**	764,345	550,911
Other current assets	26	**78,933,630**	78,647,719	35,647,163
Total current assets		463,353,338	352,529,761	286,501,454
Total assets		**570,871,404**	439,900,347	367,890,183
EQUITY AND LIABILITIES				
Equity				
Equity share capital	6	**31,163,420**	31,163,420	31,163,420
Other equity	7	**298,413,688**	140,489,733	104,039,229
Equity attributable to equity shareholders of parent company		**329,577,108**	171,653,153	135,202,649
Non controlling interest		**46,253,457**	19,288,738	6,033,549
Total equity		**375,830,565**	190,941,891	141,236,198

Consolidated Balance Sheet as at March 31, 2018 (Continued)

(Amt in INR, unless Otherwise Stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	8	**-**	320,957	733,691
Provisions	9	**12,727,295**	10,895,876	9,778,913
Other non-current liabilities	10	**4,885,223**	2,162,415	2,038,994
Total non-current liabilities		**17,612,518**	13,379,248	12,551,598
Current liabilities				
Financial liabilities				
Borrowings	11	**8,774,936**	97,396,683	89,348,092
Trade payables	12	**41,362,878**	58,018,097	32,500,753
Other financial liabilities	13	**78,811,429**	56,324,959	58,352,092
Other current liabilities	14	**28,534,084**	11,578,414	20,223,788
Provisions	9	**6,380,504**	5,377,075	384,653
Current tax liabilities (net)	15	**13,564,490**	6,883,980	13,293,009
Total current liabilities		**177,428,321**	235,579,208	214,102,387
Total liabilities		**195,040,839**	248,958,456	226,653,985
Total equity and liabilities		**570,871,404**	439,900,347	367,890,183
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements	2-57			

As per our report of even date attached

For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Pune
Date: May 22, 2018

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Nirmal Chandra	**R.Poornalingam**	**Rahael Shobhana Joseph**	**Niranjan Kulkarni**
Director	Director	Director	Company Secretary
DIN: 00352214	DIN: 00955742	DIN: 02427554	Membership No.: A35028
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018

Consolidated Statement of Profit & Loss For the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	27	**1,043,307,906**	920,592,928
Other income	28	**80,006,043**	7,123,969
Total income		**1,123,313,949**	927,716,897
Expenses			
Purchase of traded goods	29	**3,439,875**	18,755,985
Employee benefits expense	30	**606,829,514**	526,416,046
Finance costs	31	**12,382,495**	12,533,833
Depreciation and amortization expense	32	**22,174,658**	12,937,844
Other expenses	33	**271,616,759**	289,126,844
Total expenses		916,443,301	859,770,552
Profit /(Loss) before exceptional items and tax		**206,870,648**	67,946,345
Exceptional items	51	**-**	4,331,143
Profit /(Loss) before tax		**206,870,648**	63,615,202
Income tax expense:	34		
Current tax		**44,960,740**	22,679,128
Deferred tax (excluding MAT credit entitlement)		**191,925**	(110,347)
Adjustment for earlier years		**(1,368,827)**	(554,171)
MAT credit entitlement		**(19,706,904)**	(9,981,740)
Total income tax expense		**24,076,934**	12,032,870
Profit/(Loss) for the year		**182,793,714**	51,582,332
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of a foreign operation		**303,895**	(644,075)
Income tax effect		**-**	-
		303,895	(644,075)
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		**2,703,451**	(1,842,620)
Income tax effect		**(912,386)**	610,057
		1,791,065	(1,232,563)
Other comprehensive income for the year		**2,094,960**	**(1,876,638)**
Total comprehensive income for the year		**184,888,674**	**49,705,694**
Profit attributable to :			
Equity shareholders of parent		**156,131,086**	38,084,786
Non controlling interest		**26,662,628**	13,497,546
Other comprehensive income attributable to :			
Equity shareholders of parent		**1,792,869**	(1,634,281)
Non controlling interest		**302,091**	(242,357)
Total comprehensive income attributable to :			
Equity shareholders of parent		**157,923,955**	36,450,505
Non controlling interest		**26,964,719**	13,255,189
Earnings/ (loss) per share			
Basic earnings /(loss) per share (INR)	35	**50.10**	12.22
Diluted earnings /(loss) per share (INR)	35	**50.10**	12.22
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	2-57		

As per our report of even date attached

For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao
Partner
Membership No: 113292
Place: Pune
Date: May 22, 2018

Nirmal Chandra
Director
DIN: 00352214
Place: Pune
Date: May 22, 2018

R.Poornalingam
Director
DIN: 00955742
Place: Pune
Date: May 22, 2018

Rahael Shobhana Joseph
Director
DIN: 02427554
Place: Pune
Date: May 22, 2018

Niranjan Kulkarni
Company Secretary
Membership No.: A35028
Place: Pune
Date: May 22, 2018

Consolidated Statement of Changes in Equity For the Year Ended March 31, 2018

(Amount in INR, unless otherwise stated)

(A) Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening	**3,116,342**	**31,163,420**	3,116,342	31,163,420
Add: Shares issued during the year	**-**	**-**	-	-
Closing	**3,116,342**	**31,163,420**	3,116,342	31,163,420

(B) Other equity

Particulars	Attributable to Equity Shareholders of Parent Company					Non Controlling Interest	Total
	Reserves and Surplus			Items of OCI	Total Other Equity		
	Securities Premium Account	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at April 1, 2016	4,254,675	108,558,886	(8,774,332)	-	104,039,229	6,033,549	110,072,778
Profit for the year	-	-	38,084,786	-	38,084,786	13,497,546	51,582,332
Other comprehensive income	-	-	(1,059,657)	(574,625)	(1,634,281)	(242,357)	(1,876,638)
Total comprehensive income for the year	-	-	37,025,130	(574,625)	36,450,505	13,255,189	49,705,694
Balance as at March 31, 2017	4,254,675	108,558,886	28,250,798	(574,625)	140,489,734	19,288,738	159,778,472

Particulars	Attributable to Equity Shareholders of Parent Company					Non Controlling Interest	Total
	Reserves and Surplus			Items of OCI	Total Other Equity		
	Securities Premium Account	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at April 1, 2017	4,254,675	108,558,886	28,250,798	(574,625)	140,489,734	19,288,738	59,778,472
Profit for the year	-	-	156,131,086	-	156,131,086	26,662,628	182,793,714
Other comprehensive income	-	-	1,532,472	260,397	1,792,869	302,091	2,094,960
Total comprehensive income for the year	-	-	157,663,558	260,397	157,923,955	26,964,719	184,888,674
Balance as at March 31, 2018	**4,254,675**	**108,558,886**	**185,914,356**	**(314,228)**	**298,413,689**	**46,253,457**	**344,667,146**

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements 2-57

As per our report of even date attached
For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao
Partner
Membership No: 113292
Place: Pune
Date: May 22, 2018

Nirmal Chandra
Director
DIN: 00352214
Place: Pune
Date: May 22, 2018

R.Poornalingam
Director
DIN: 00955742
Place: Pune
Date: May 22, 2018

Rahael Shobhana Joseph
Director
DIN: 02427554
Place: Pune
Date: May 22, 2018

Niranjan Kulkarni
Company Secretary
Membership No.: A35028
Place: Pune
Date: May 22, 2018

Consolidated Statement of Cash Flows For the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	**206,870,648**	63,615,203
Adjustments for:		
Depreciation, amortisation and impairment	**22,174,658**	12,937,843
Aircraft purchase option	**3,612,992**	6,073,731
Unrealised foreign exchange gain	**(1,244,205)**	(3,783,243)
Income from sale of investments (mutual funds)	**(161,364)**	-
Interest expense	**10,340,170**	10,763,568
Interest income	**(3,633,590)**	(3,485,173)
Provision for bad debt	**-**	275,711
Operating profit/ (loss) before working capital changes	**237,959,309**	86,397,640
Changes in working capital		
Decrease/ (increase) in trade receivables	**(32,517,160)**	(49,952,380)
Decrease/ (increase) in loans and advances	**26,556,945**	1,852,691
Decrease/ (increase) in other current assets	**(35,918,396)**	(14,024,360)
Decrease/ (increase) in other non - current financial assets	**(1,197,860)**	(1,179,291)
Decrease/ (increase) in other non - current assets	**646,281**	1,224,810
Increase/ (decrease) in trade payables	**(22,373,831)**	27,926,281
Increase/ (decrease) in other current liabilities	**26,387,460**	(8,588,538)
Increase/ (decrease) in non - current liabilities	**4,618,760**	5,776,822
Increase/ (decrease) in other financial liabilities	**21,017,459**	(10,847,426)
Decrease/ (increase) in other financial assets	(41,431,182)	14,838,307
Cash generated from/ (used in) operations	**183,747,785**	**53,424,556**
Income tax paid	**37,863,788**	29,356,644
Net cash flow from/ (used in) operating activities (A)	**145,883,997**	**24,067,912**
Cash flow from investing activities		
Purchase of investments	**(60,000,000)**	-
Proceeds from sale of investments	**60,161,364**	-
Proceeds from/ (repayment) of inter corporate deposits (net)	**2,554,924**	21,064,391
Payment for property, plant and equipment and intangible assets	**(22,255,584)**	(14,946,865)
Interest received	**3,633,590**	3,424,146
Net cash flow from/ (used in) investing activities (B)	**(15,905,706)**	**9,541,672**
Cash flow from financing activities		
Addition/(repayment) of long-term borrowings - net	**(320,957)**	(326,868)
Addition/(repayment) of short-term borrowings - net	**(88,621,748)**	(30,595,076)
Interest paid	**(9,719,622)**	(10,038,568)
Net cash flow from/ (used in) financing activities (C)	**(98,662,327)**	**(40,960,512)**

Consolidated Statement of Cash Flows For the year ended March 31, 2018 (Continued)

(Amount in INR, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**31,315,964**	**(7,350,927)**
Cash and cash equivalents at the beginning of the year	**30,387,110**	38,202,940
Effect of exchange gain on cash and cash equivalents	**-**	179,173
Foreign currency translation reserve/ adjustments	**303,895**	(644,075)
Cash and cash equivalents at the end of the year	**62,006,969**	**30,387,111**
Cash and cash equivalents comprise (Refer note 21 and 22)		
Balances with banks		
On current accounts	**53,394,069**	18,359,239
Margin money deposits with banks of less than 3 months maturity	**-**	2,500,000
Cash on hand	**93,962**	66,507
Margin money or under lien deposits	**8,102,893**	9,461,365
Money in fractional share entitlement account	**416,045**	-
Total cash and bank balances at the end of the year	**62,006,969**	**30,387,111**

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements 2-57

As per our report of even date attached

As per our report of even date attached

For MSKA & Associates
(Formerly known as 'MZSK & Associates')
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
CIN: L62200TN2014PLC096373

Deepak Rao	**Nirmal Chandra**	**R.Poornalingam**	**Rahael Shobhana Joseph**	**Niranjan Kulkarni**
Partner	Director	Director	Director	Company Secretary
Membership No: 113292	DIN: 00352214	DIN: 00955742	DIN: 02427554	Membership No.: A35028
Place: Pune	Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018

1 General Information

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

2 Significant Accounting Policies

Significant accounting policies adopted by the Group are as under:

2.1 Basis of Preparation of 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.

The consolidated financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements for the year ended March 31, 2018 are the first set of consolidated financial statements prepared in accordance with Ind AS.

Refer note 5 for an explanation of how the Group has adopted Ind AS.

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.

The 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.

The Group has ascertained its operating cycle as 12 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 estimates 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 parent company and its subsidiaries as at March 31, 2018. 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:

- 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 of 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders 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.

The following subsidiary companies have been considered in the preparation of consolidated financial statements :

Sr. No.	Name of the Company	Relationship	Country of Incorporation	Ownership Interest held by the Parent as at March 31, 2018	Accounting Period	Audited/ Unaudited
1	TAAL Tech India Private Limited	Direct Subsidiary	India	85%	April 17 - March 18	Audited
2	First Airways Inc, USA	Direct Subsidiary	USA	100%	April 17 - March 18	Audited
3	TAAL Technologies Inc, USA	Indirect Subsidiary of TEL and Direct Subsidary of TTIPL	USA	100%	April 17 - March 18	Audited
4	TAAL Tech Innovations GmbH, Austria		Austria	100%	April 17 - March 18	Management Certified
5	TAAL Tech GmbH, Switzerland		Switzerland	100%	April 17 - March 18	Audited

2.2 Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

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.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, 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

Property, plant and equipment are stated at their original cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment comprises of its purchase price including duties, taxes, freight and any other directly attributable cost of bringing the asset to its working condition for its intended use. However, cost excludes Excise Duty, VAT, GST and Service Tax, wherever credit of the duty or tax is availed of.

All indirect expenses incurred during acquisition/ construction of property, plant and equipment including interest cost on funds deployed for the property, plant and equipment are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment 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'. Property, plant and equipment received from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

In case of parent company, depreciation is provided on Straight Line Method on Computer Hardware and on Written Down Value Method on Office Equipment and Furniture and Fixtures, based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

In case of subsidiary company TAAL Tech India Private Limited, depreciation on property, plant and equipment is provided on Written Down Value Method based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/ deduction from property, plant and equipment is provided up to 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 the 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 Intangible Assets

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

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

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets with infinite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.5 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolodated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolodated financial statements are presented in Indian rupee (INR), which is the 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 restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

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.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2016.

2.6 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 Group.

The 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

Revenue is recognised to the extent, it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from Sale of Services

Charter income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft. Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognised net of Service Tax/GST.

Revenue from Sale of Goods

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amounts recognised as sale is exclusive of Sales Tax/VAT/GST and are net of returns.

'Unbilled receivables' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.

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. Claims towards insurance claims are accounted in the year of settlement and/or in the year of acceptance of claim/certainty of realization as the case may be. Dividend income is recognised when the right to receive payment is established.

2.8 Taxes

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

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. 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) 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 consolidated 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.

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 Act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.9 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the 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.

Where the Group, as lessee, has substantially 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.

2.10 Impairment of Non-Financial Assets

The 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, the Group 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 Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

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

2.11 Provisions and Contingent Liabilities

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

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.

Decommissioning costs (if any) , 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 the 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.

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, up to 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 equivalents 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.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.14 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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 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, the Grpup determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-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 12 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 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all 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 prepayment, 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.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. It is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the company estimates the provision at the reporting date.

(iv) Derecognition of financial assets

A financial asset is derecognized 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 derecognized 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 derecognized.

(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 derecognized 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.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) 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 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 12 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) Other long-term employee benefit obligations

(i) **Defined contribution plan**

The Group makes defined contribution to Provident Fund and Superannuation Fund, which are recognised as an expense in the Consolidated Statement of Profit and Loss on accrual basis. The Group has no further obligations under these plans beyond its monthly contributions.

(ii) **Defined benefit plans**

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

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 of parent company by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year attributable to Equity shareholders of parent company after deducting preference dividends and any attributable tax thereto for the year. 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 of parent company 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 Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets. Thus, as defined in Ind AS 108 "Operating Segments", the business segments are 'Air Charter' and 'Engineering Design Service'. The Group does not have any geographical segment.

2.19 Aircraft Purchase Option

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

Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

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 Group 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 Group. 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 of inflation, seniority, promotion and other relevant factors on long term basis.

(b) Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. During the year, the Group does not recognised an impairment loss on goodwill.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is currently evaluating the requirements of amendments.

b) Ind AS 115- Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115 - Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

(ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group is currently evaluating the requirements of amendments.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

5 First-time Adoption of Ind-AS

These consolidated financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for year ending on March 31, 2018, together with the comparative year data as at and for the year ended March 31, 2017, as described in the significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, being the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101 - First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions.

(a) Deemed cost

Since there is no change in the functional currency, the Group has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets. Accordingly the management has elected to measure all of its property, plant and equipment, and intangible assets at their Indian GAAP carrying value.

(b) Foreign currency translation

Under Indian GAAP, the Group recognised translation differences on foreign operations in a separate component of equity known as Foreign Currency Translation Reserve. Under Ind AS, cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2016.

(c) Business combination

The Group has elected not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind AS).

5.2 Mandatory exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 - Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 - Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101 - First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

5.3 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards:

(a) **Reconciliation of equity as at date of transition 1 April 2016**

	Notes to first-time adoption	**Indian GAAP***	**Adjustments**	**Ind AS**
ASSETS				
Non-current assets				
Property, plant and equipment		14,392,755	-	14,392,755
Intangible assets		5,055,782	-	5,055,782
Goodwill on consolidation		39,050,239	-	39,050,239
Financial assets				
Loans	f(i)	13,710,890	(6,116,312)	7,594,578
Deferred tax asset (net)		4,838,647	-	4,838,647
Other non-current assets	f(i)	6,147,136	4,309,592	10,456,728
Total non-current assets		83,195,449	(1,806,720)	81,388,729
Current assets				
Financial assets				
Trade receivables		136,426,175	-	136,426,175
Cash and cash equivalents		29,356,867	-	29,356,867
Bank balances other than cash and cash equivalent		8,846,073	-	8,846,073
Loans		20,936,007	-	20,936,007
Other financial assets		54,738,258	-	54,738,258
Current tax assets (net)		550,911	-	550,911
Other current assets	f(i)	34,495,758	1,151,405	35,647,163
Total current assets		285,350,049	1,151,405	286,501,454
Total assets		**368,545,498**	**(655,315)**	**367,890,183**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		31,163,420	-	31,163,420
Other equity	f(i)	104,596,247	(557,018)	104,039,229
Equity attributable to equity shareholders of parent company		135,759,667	(557,018)	135,202,649
Non controlling interest		6,131,846	(98,297)	6,033,549
Total equity		141,891,513	(655,315)	141,236,198
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings		733,691	-	733,691
Provisions		9,778,913	-	9,778,913
Other non-current liabilities		2,038,994	-	2,038,994
Total non-current liabilities		12,551,598	-	12,551,598

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(a) **Reconciliation of equity as at date of transition 1 April 2016 (Continued)**

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Current liabilities				
Financial liabilities				
Borrowings		89,348,092	-	89,348,092
Trade payables		32,500,753	-	32,500,753
Other financial liabilities		58,352,092	-	58,352,092
Other current liabilities		20,223,788	-	20,223,788
Provisions		384,653	-	384,653
Current tax liabilities (net)		13,293,009	-	13,293,009
Total current liabilities		214,102,387	-	214,102,387
Total liabilities		226,653,986	-	226,653,985
Total equity and liabilities		**368,545,498**	**(655,315)**	**367,890,183**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(b) **Reconciliation of equity as at March 31, 2017**

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		14,947,518	-	14,947,518
Intangible assets		6,510,038	-	6,510,038
Goodwill on consolidation		39,050,239	-	39,050,239
Financial assets				
Loans	f(i)	13,849,075	(5,075,206)	8,773,869
Deferred tax asset (net)	f(iv)	4,948,994	9,981,740	14,930,734
Other non-current assets	f(i),f(iv)	9,981,740	(6,823,553)	3,158,187
Total non-current assets		89,287,604	(1,917,019)	87,370,585
Current assets				
Financial assets				
Trade receivables		181,601,270	-	181,601,270
Cash and cash equivalents		20,925,746	-	20,925,746
Bank balances other than cash and cash equivalent		9,461,365	-	9,461,365
Loans		22,105,859	-	22,105,859
Other financial assets		39,023,457	-	39,023,457
Current tax assets (net)		764,346	-	764,346
Other current assets	f(i)	77,496,314	1,151,405	78,647,719
Total current assets		351,378,357	1,151,405	352,529,762
Total assets		**440,665,961**	**(765,614)**	**439,900,347**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		31,163,420	-	31,163,420
Other equity	f(i)	141,140,508	(650,775)	140,489,733
Equity attributable to equity shareholders of parent company		172,303,928	(650,775)	171,653,153
Non controlling interest		19,403,577	(114,839)	19,288,738
Total equity		191,707,505	(765,614)	190,941,891

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(b) **Reconciliation of equity as at March 31, 2017 (Continued)**

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings		320,957	-	320,957
Provisions		10,895,876	-	10,895,876
Other non-current liabilities		2,162,415	-	2,162,415
Total non-current liabilities		13,379,248	-	13,379,248
Current liabilities				
Financial liabilities				
Borrowings		97,396,683	-	97,396,683
Trade payables		58,018,097	-	58,018,097
Other financial liabilities		56,324,959	-	56,324,959
Other current liabilities		11,578,414	-	11,578,414
Provisions		5,377,075	-	5,377,075
Current tax liabilities (net)		6,883,980	-	6,883,980
Total current liabilities		235,579,208	-	235,579,208
Total liabilities		**248,958,456**	**-**	**248,958,456**
Total equity and liabilities		**440,665,961**	**(765,614)**	**439,900,347**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) **Reconciliation of profit or loss for the year ended March 31, 2017**

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Revenue from operations		920,592,928	-	920,592,928
Other income	f(i)	6,082,863	1,041,106	7,123,969
Total income		926,675,791	1,041,106	927,716,897
Expenses				
Purchase of traded Goods		18,755,985	-	18,755,985
Employee benefits expense	f(ii)	528,258,666	(1,842,620)	526,416,046
Finance costs		12,533,833	-	12,533,833
Depreciation and amortization expense		12,937,844	-	12,937,844
Other expenses	f(i)	287,975,439	1,151,405	289,126,844
Total expenses		**860,461,767**	**(691,215)**	**859,770,552**
Profit /(Loss) before exceptional items and tax		66,214,024	1,732,321	67,946,345
Exceptional items		4,331,143	-	4,331,143
Profit /(Loss) before tax		61,882,881	1,732,321	63,615,202
Income tax expense				
Current tax	f(ii)	22,069,071	610,057	22,679,128
Deferred tax (excluding MAT credit entitlement)		(110,347)	-	(110,347)
Adjustment for earlier years		(554,171)	-	(554,171)
MAT credit entitlement		(9,981,740)	-	(9,981,740)
Total income tax expense		**11,422,813**	**610,057**	**12,032,870**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(c) **Reconciliation of profit or loss for the year ended March 31, 2017 (Continued)**

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Profit/(Loss) for the year		50,460,068	1,122,264	51,582,332
Other comprehensive income				
Items that will be reclassified to profit or loss				
Exchange differences in translating the financial statements of a foreign operation	f(iii)	-	(644,075)	(644,075)
Items that will not be reclassified to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans	f(ii)	-	(1,842,620)	(1,842,620)
Income tax effect		-	610,057	610,057
Other comprehensive income for the year		**-**	**(1,876,638)**	**(1,876,638)**
Total comprehensive income for the year		**50,460,068**	**(754,374)**	**49,705,694**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) **Reconciliation of equity attributable to equity shareholders of parent company as at March 31, 2017 and April 1, 2016**

	Notes to first-time adoption	As at 31 March 2017	As at 1 April 2016
Equity attributable to equity shareholders of parent company as per Indian GAAP audited financial statements		172,303,928	135,759,667
Adjustment			
(i) EIR impact of security deposit	f(i)	(650,775)	(557,018)
Total Adjustment		(650,775)	(557,018)
Equity attributable to equity shareholders of parent company as per Ind AS		171,653,153	135,202,649

(e) **Reconciliation of total comprehensive income for the year ended March 31, 2017**

		Notes to first-time adoption	31 March 2017
	Profit/(Loss) as per Indian GAAP		50,460,068
	Adjustments		
(i)	EIR impact of security deposit	f(i)	(110,299)
(ii)	Impact of actuarial gain/ loss transferred to OCI	f(ii)	1,842,620
(iii)	Impact on current tax due to actuarial gain/ loss transferred to OCI	f(ii)	(610,057)
	Total Adjustments		1,122,264
	Profit/(Loss) as per Ind AS		51,582,332
	Impact on other comprehensive income on re-measurement gains/ (losses) on defined benefit plans	f(ii)	(1,842,620)
	Tax impact on other comprehensive income	f(ii)	610,057
	Foreign exchange gain/ (loss) to be reclassified to profit or loss	f(iii)	(644,075)
	Total Comprehensive Income as per Ind AS		**49,705,694**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(f) **Notes to first-time adoption**

(i) Security deposit

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, at initial recognition all financial assets are required to be recognized at fair value. Accordingly the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent of INR 54.60 lacs as at April 1, 2016.

Interest income accrued till April 1, 2016 amounting to INR 20.33 lacs and prepaid rent to be amortised over the period of deposit till April 1, 2016 was INR 26.88 lacs. Thus the retained earnings is reduced by INR 6.55 lacs as at April 1, 2016.

Interest income accrued for F.Y. 2016-17 amounting to INR 10.41 lacs and prepaid rent amortization for the F.Y. 2016-17 was of INR 11.51 lacs. Thus the profit is reduced by INR 1.10 lacs for the year ended March 31, 2017.

(ii) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the group recognized costs related to its post-employment defined benefit plans on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended March 31, 2017 is reduced by INR 18.43 lacs and re-measurement gains/ losses on defined benefit plans of the corresponding amount has been recognized in the OCI and tax impact of the same adjusted in current year tax by INR 6.10 lacs.

(iii) Foreign currency translation

Under Indian GAAP, the group recognised translation differences of foreign operations in a separate component of equity known as Foreign Currency Translation Reserve. Under Ind AS, cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2016. The resulting adjustment of INR 6.44 lacs was recognised in the OCI for F.Y. 2016-17.

(iv) Reclassification adjustment

Under Indian GAAP, MAT credit entitlement was shown under Non Current Assets. Same is being reclassified under deferred tax under IND AS amounting to INR 99.81 lacs.

6 Equity share capital

Particulars	31 March2018	31 March 2017	1 April 2016
Authorised			
50,00,000 (March 31, 2017: 50,00,000; April 1, 2016: 50,00,000) equity shares of INR 10 each	**50,000,000**	50,000,000	50,000,000
	50,000,000	50,000,000	50,000,000
Issued, subscribed and paid up			
31,16,342 (March 31, 2017: 31,16,342; April 1, 2016: 31,16,342) equity shares of INR 10 each fully paid	**31,163,420**	31,163,420	31,163,420
Total equity share capital	**31,163,420**	31,163,420	31,163,420

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

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

	31 March 2018		31 March 2017	
	Number of shares	**Amount**	Number of shares	Amount
Equity Shares at the beginning of the year	**3,116,342**	**31,163,420**	3,116,342	31,163,420
Add: Equity Shares issued during the year	**-**	**-**	-	-
Less: Equity Shares bought back during the year	**-**	**-**	-	-
Equity Shares outstanding at the end of the year	**3,116,342**	**31,163,420**	3,116,342	31,163,420

(b) Rights, preferences and restrictions attached to shares

The Parent company has only one class of equity shares of INR 10/- 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.

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

(c)

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:	**31 March 2018**	31 March 2017	1 April 2016
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	**3,116,342**	3,116,342	3,116,342

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

Name of the shareholder	**31 March 2018**		31 March 2017		1 April 2016	
	Number of shares	**% of holding in the class**	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	**577**	**0.02**	612,577	19.66	1,370,577	43.98
Vishkul Leather Garments Pvt. Ltd.	**1,581,297**	**50.74**	969,247	31.10	211,147	6.78

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

7 Other equity

Particulars	**31 March 2018**	31 March 2017	1 April 2016
(a) Capital reserve			
Opening balance	**108,558,886**	108,558,886	108,558,886
Closing balance	**108,558,886**	108,558,886	108,558,886
(b) Securities premium account			
Opening balance	**4,254,675**	4,254,675	4,254,675
Closing balance	**4,254,675**	4,254,675	4,254,675

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

7 Other equity (Continued)

Particulars	31 March 2018	31 March 2017	1 April 2016
(c) Foreign currency translation reserve			
Opening balance	**-**	-	-
Add: Currency translation gain/ (loss) during the year	**303,895**	(644,075)	-
Less: Transfer to other comprehensive income	**(260,398)**	574,625	-
Less: Transfer to non controlling interest	**(43,497)**	69,451	-
Closing balance	**-**	-	-
(d) Retained earnings			
Opening balance	**28,250,797**	(8,774,332)	(8,774,332)
Add: Net profit/(Net loss) for the current year	**182,793,714**	51,582,332	-
Add/Less: Re-measurement gains/ (losses) on defined benefit plans	**1,791,065**	(1,232,563)	-
Less: Transfer to non controlling interest	**(26,921,222)**	(13,324,640)	-
Closing balance	**185,914,354**	28,250,797	(8,774,332)
(e) Other comprehensive income			
Opening balance	**(574,625)**	-	-
Add: Transfer from foreign currency translation reserve	**260,398**	(574,625)	-
Closing balance	**(314,227)**	(574,625)	-
Total other equity	**298,413,688**	140,489,733	104,039,229

8 Non-current borrowings

	31 March 2018	31 March 2017	1 April 2016
<u>Unsecured</u>			
Term loan from bank - car loan	**-**	651,876	978,744
Less: Current maturities (Refer note 13)	**-**	330,919	245,053
Total non-current borrowings	**-**	320,957	733,691

9 Provisions

	31 March 2018	31 March 2017	1 April 2016
(a) Non current provisions			
Provision for employee benefits			
Provision for gratuity (unfunded)	**12,493,638**	10,623,186	6,347,950
Provision for leave encashment (unfunded)	**233,657**	272,690	3,430,963
	12,727,295	10,895,876	9,778,913
(b) Current provisions			
Provision for employee benefits			
Provision for gratuity (unfunded)	**599,905**	332,089	113,203
Provision for leave encashment (unfunded)	**5,780,599**	5,044,986	271,450
	6,380,504	5,377,075	384,653
Total provisions	**19,107,799**	16,272,951	10,163,566

10 Other non-current liabilities

	31 March 2018	31 March 2017	1 April 2016
Lease equalization reserve	**4,885,223**	2,162,415	2,038,994
Total other non-current liabilities	**4,885,223**	2,162,415	2,038,994

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

11 Short-term borrowings

	31 March 2018	31 March 2017	1 April 2016
Secured			
Loans repayable on demand from banks - working capital borrowing from banks	**8,774,936**	97,396,683	88,898,092
Unsecured			
Loans and advances from other parties	**-**	-	450,000
Total short-term borrowings	**8,774,936**	97,396,683	89,348,092

Working capital loan from bank is secured against the hypothecation of stocks and book debts on pari-passu basis and second charge on property, plant and equipment, all belonging to the demerged company 'Taneja Aerospace and Aviation Limited'.

Working capital loan obtained by subsidiary 'TAAL Tech India Private Limited' from bank is secured by equitable mortgage on the freehold land of Taneja Aerospace and Aviation Limited and exclusive charge on the entire property, plant and equipment of the company (both present and future). Further, the working capital loan is guaranteed by Taneja Aerospace and Aviation Limited.

Stand by letter of credit (SBLC) loan facility obtained by subsidiary 'First Airways Inc, USA' from bank is collateralised by the SBLC issued by Taneja Aerospace and Aviation Limited's bank. The facility was renewed through September 30, 2017 and the same was repaid at its due date.

12 Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Total outstanding dues of micro enterprises and small enterprises *	**-**	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**41,362,878**	58,018,097	32,500,753
Total trade payables	**41,362,878**	58,018,097	32,500,753

* As informed to us by the management, the group owes no dues which are outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016 to any 'Micro, Small and Medium Enterprises' as covered under 'Micro, Small and Medium Enterprises Development Act, 2006'. Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

13 Other current financial liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Employee related liabilities	**38,162,279**	17,480,157	17,706,869
Other payables	**40,649,150**	38,513,883	40,400,170
Current maturities of long term borrowings (Refer note 8)	-	330,919	245,053
Total other current financial liabilities	**78,811,429**	56,324,959	58,352,092

14 Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Statutory due payable	**21,930,728**	10,200,667	20,141,264
Advance from customers	**6,603,356**	1,377,747	82,524
Total other current liabilities	**28,534,084**	11,578,414	20,223,788

15 Current tax liabilities (net)

	31 March 2018	31 March 2017	1 April 2016
Curren t tax provision [net of advance tax INR 6,50,41,002 (31 March 2017: INR 3,09,34,745/-; 1 April 2016: INR 42,44,272/-)]	13,564,490	6,883,980	13,293,009
Total current tax liabilities (net)	**13,564,490**	6,883,980	13,293,009

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

16 Property, plant and equipment

Particulars	Gross block				Depreciation				Net block	
	As at 1 April 2017	**Additions/ Adjustments**	**Deductions/ Adjustments**	**As at 31 March 2018**	As at 1 April 2017	**For the year**	**Deductions/ Adjustments**	**As at 31 March 2018**	**As at 31 March 2018**	**As at 31 March 2017**
Owned assets										
Computer - Hardware	8,506,265	15,012,718	-	**23,518,983**	2,121,458	11,608,635	-	**13,730,093**	**9,788,890**	6,384,807
Office Equipment	681,884	259,251	-	**941,135**	38,469	358,632	-	**397,101**	**544,034**	643,415
Vehicles	1,297,310	916,070	-	**2,213,380**	398,412	404,596	-	**803,008**	**1,410,372**	898,898
Leasehold Improvements	8,865,862	-	-	**8,865,862**	3,902,723	3,168,908	-	**7,071,631**	**1,794,231**	4,963,139
Furniture and Fixtures	2,803,584	-	-	**2,803,584**	746,324	500,744	-	**1,247,068**	**1,556,516**	2,057,260
Total	22,154,905	**16,188,039**	**-**	**38,342,944**	7,207,386	**16,041,515**	**-**	**23,248,901**	**15,094,043**	14,947,519

Particulars	Gross block				Depreciation				Net block	
	As at 1 April 2016	**Additions/ Adjustments**	**Deductions/ Adjustments**	As at 31 March 2017	As at 1 April 2016	**For the year**	**Deductions/ Adjustments**	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Owned assets										
Computer - Hardware	1,291,709	7,214,556	-	8,506,265	-	2,121,458	-	2,121,458	6,384,807	1,291,709
Office Equipment	492,068	189,816	-	681,884	-	38,469	-	38,469	643,415	492,068
Vehicles	1,297,310	-	-	1,297,310	-	398,412	-	398,412	898,898	1,297,310
Leasehold Improvements	8,548,846	317,016	-	8,865,862	-	3,902,723	-	3,902,723	4,963,139	8,548,846
Furniture and Fixtures	2,762,822	40,762	-	2,803,584	-	746,324	-	746,324	2,057,260	2,762,822
Total	14,392,755	7,762,150	-	22,154,905	-	7,207,386	-	7,207,386	14,947,519	14,392,755

17 Intangible assets

Particulars	Gross block				Depreciation				Net block	
	As at 1 April 2017	**Additions/ Adjustments**	**Deductions/ Adjustments**	**As at 31 March 2018**	As at 1 April 2017	**For the year**	**Deductions/ Adjustments**	**As at 31 March 2018**	As at 31 March 2018	As at 31 March 2017
Computer Software	12,240,496	6,067,541	-	**18,308,037**	5,730,458	6,133,143	-	**11,863,601**	6,444,436	6,510,038
Total	12,240,496	6,067,541	-	**18,308,037**	5,730,458	6,133,143	-	**11,863,601**	6,444,436	6,510,038

Particulars	Gross block				Depreciation				Net block	
	As at 1 April 2016	**Additions/ Adjustments**	**Deductions/ Adjustments**	As at 31 March 2017	As at 1 April 2016	**For the year**	**Deductions/ Adjustments**	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Computer Software	5,055,782	7,184,714	-	12,240,496	-	5,730,458	-	5,730,458	6,510,038	5,055,782
Total	5,055,782	7,184,714	-	12,240,496	-	5,730,458	-	5,730,458	6,510,038	5,055,782

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

18 Non-current financial assets - loans

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposits	**9,971,729**	8,773,869	7,594,578
Total non-current financial assets - loans	**9,971,729**	8,773,869	7,594,578

19 Other non-current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Prepaid rent	**2,511,906**	3,158,187	10,456,728
Total other non-current assets	**2,511,906**	3,158,187	10,456,728

20 Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured			
Considered good	**235,885,208**	182,539,622	141,228,497
Less : Allowance for bad and doubtful debts	**-**	938,352	4,802,322
	235,885,208	181,601,270	136,426,175
Further classified as:			
Receivable from related parties	**-**	-	-
Receivable from others	**235,885,208**	181,601,270	136,426,175
Total trade receivables	**235,885,208**	181,601,270	136,426,175

21 Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
On current accounts	**53,394,069**	18,359,239	29,076,723
Margin money deposits with banks (Less than 3 months maturity)	**-**	2,500,000	-
Cash on hand	**93,962**	66,507	280,144
Total cash and cash equivalents	**53,488,031**	20,925,746	29,356,867

22 Bank balances other than cash and cash equivalent

Particulars	31 March 2018	31 March 2017	1 April 2016
Margin money or under lien deposits	8,102,893	9,461,365	8,846,073
Money in fractional share entitlement account	416,045	-	-
Total bank balances other than cash and cash equivalent	**8,518,938**	9,461,365	8,846,073

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

23 Current financial assets - loans

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposit	**1,088,333**	2,550,935	1,225,793
Loans recoverable in cash	**17,000,000**	19,554,924	19,710,214
Total current financial assets - loans	**18,088,333**	22,105,859	20,936,007

24 Current financial assets - others

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance recoverable in cash or in kind	**16,056,186**	35,958,740	53,464,917
Other receivables (Unbilled revenue)	**11,233,367**	3,064,717	1,273,342
Export incentives receivable (SEIS)	**40,385,300**	-	-
Total current financial assets - others	**67,674,853**	39,023,457	54,738,258

25 Current tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance income tax [net of tax provision INR Nil (March 31, 2017: INR Nil; April 1, 2016: INR Nil)]	**764,345**	764,345	550,911
Total current tax assets (net)	**764,345**	764,345	550,911

26 Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance with government authorities	**56,077,462**	22,008,390	12,030,695
Advance to suppliers	**3,035,623**	38,678,436	11,005,397
Advance to staff	**44,124**	61,099	688,934
Prepaid expenses	**16,718,955**	10,149,700	4,623,397
Prepaid rent	**3,057,466**	7,160,257	7,298,740
Prepaid interest	**-**	589,837	-
Total other current assets	**78,933,630**	78,647,719	35,647,163

27 Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of services		
Charter income	**63,921,690**	68,168,178
Export of engineering design services	**968,429,853**	832,552,010
Domestic engineering design services	**648,370**	88,250
Sale of goods		
Export of goods	**10,307,993**	19,784,490
Total revenue from operations	**1,043,307,906**	**920,592,928**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

28 Other income

Particulars	31 March 2018	31 March 2017
Interest income	**4,820,450**	4,526,279
Miscellaneous income	**52,650**	2,475,178
Rental income	**-**	122,512
Net gain on foreign currency transactions	**2,009,704**	-
Income from sale of investments (mutual funds)	**161,364**	-
Income from export incentives (SEIS)	**46,571,666**	-
Sundry creditors written back	**26,390,209**	-
Total other income	**80,006,043**	7,123,969

29 Purchase of traded goods

Particulars	31 March 2018	31 March 2017
Purchases	**3,439,875**	18,755,985
Total purchase of traded goods	**3,439,875**	18,755,985

30 Employee benefits expense

Particulars	31 March 2018	31 March 2017
Salaries, wages, bonus and other allowances	**585,419,337**	510,099,083
Contribution to provident and other funds	**11,340,197**	10,009,211
Gratuity expenses	**5,402,894**	2,961,348
Staff welfare expenses	**4,667,086**	3,346,404
Total employee benefits expense	**606,829,514**	526,416,046

31 Finance costs

Particulars	31 March 2018	31 March 2017
Interest on loans	**4,898,076**	6,184,127
Interest on delayed payment of taxes	**1,984,767**	1,739,101
Other finance costs	**1,718,090**	1,661,931
Bank charges	**3,781,562**	2,948,674
Total finance costs	**12,382,495**	12,533,833

32 Depreciation and amortization expense

Particulars	31 March 2018	31 March 2017
On property, plant and equipment (Refer note 16)	**16,041,515**	7,207,386
On intangible assets (Refer note 17)	**6,133,143**	5,730,458
Total depreciation and amortization expense	**22,174,658**	12,937,844

33 Other expenses

Particulars	31 March 2018	31 March 2017
Aircraft fuel charges	**9,836,316**	9,328,926
Amortisation of aircraft purchase option (Refer note 40)	**3,612,992**	6,073,731
Aircraft lease rent ^	**34,059,746**	45,588,857
Aircraft repairs and maintenance	**1,022,993**	832,227
Rent - flight parking and equipment	**2,014,406**	2,069,568

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

33 Other expenses (Continued)

Particulars	31 March 2018	31 March 2017
Other aircraft operating expenses	**17,133,549**	12,468,887
Consumption of stores and spare parts	**6,197,883**	6,751,598
Advertisement	**135,116**	843,424
Power, fuel, gas and water	**7,091,530**	4,877,358
Rent	**30,417,279**	22,729,556
Repairs and maintenance	**33,239,110**	34,382,503
Insurance	**17,305,726**	13,083,301
Rates and taxes	**1,217,513**	1,312,637
Registration and renewal	**802,120**	858,872
Travelling expenses	**45,224,255**	45,566,591
Auditor's remuneration #	**1,987,559**	1,752,253
Printing and stationery	**1,171,682**	1,375,001
Communication expenses	**6,796,122**	6,804,138
Legal and professional charges	**32,399,266**	41,472,933
Loss on foreign exchange transactions (net)	**-**	9,553,601
Provision for doubtful debts	**-**	275,711
Sitting fee	**630,000**	990,000
Debtor written off	**415,491**	-
Miscellaneous expenses	**9,957,914**	8,424,100
Training expenses	**625,840**	1,625,754
Visa and work permit expenses	**8,322,351**	9,085,053
Vendor development expenses	-	1,000,264
Total other expenses	**271,616,759**	289,126,844

 # The following is the break-up of Auditor's remuneration (exclusive of service tax/ GST)

Particulars	31 March 2018	31 March 2017
As auditor:		
Statutory audit	**1,606,269**	1,394,806
In other capacity:		
Tax audit	**-**	-
Limited review	**300,000**	300,000
Certification charges	**20,793**	-
Reimbursement of expenses	**60,497**	57,447
Total	**1,987,559**	1,752,253

^ Aircraft lease rent

The aircraft has been acquired on operating lease from an overseas lease finance company for a period of 132 months (Refer note 52).

The payments under lease for the future period as at March 31, 2018 are:

Particulars	Amount in US$	Equivalent in INR
Within one year	200,000	13,008,820
After one year but not more than five years	-	-
More than five years	-	-
Total	**200,000**	**13,008,820**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

The payments under lease for the future period as at March 31, 2017 are:

Particulars	Amount in US$	Equivalent in INR
Within one year	369,896	23,983,539
After one year but not more than five years	-	-
More than five years	-	-
Total	**369,896**	**23,983,539**

34 Income tax

(A)

Deferred tax relates to the following:	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets			
On property, plant and equipment	**-**	293,159	717,612
On provision for doubtful debts	**-**	310,247	633,831
On disallowance u/s 43B of Income Tax Act, 1961	**5,089,122**	4,345,588	3,487,204
MAT credit entitlement	**29,688,644**	9,981,740	-
Total deferred tax assets	**34,777,766**	14,930,734	4,838,647
Deferred tax liabilities			
On property, plant and equipment	**332,053**	-	-
Total deferred tax liabilities	**332,053**	-	-
Deferred tax income	**34,445,713**	14,930,734	4,838,647
Less: Deferred tax asset not recognized	**-**	-	-
Deferred tax asset (net)	**34,445,713**	14,930,734	4,838,647

(B) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets	**5,089,122**	4,948,994	4,838,647
Deferred tax liabilities	**(332,053)**	-	-
MAT credit entitlement	**29,688,644**	9,981,740	-
Deferred tax assets/ (liabilities) (net)	**34,445,713**	14,930,734	4,838,647

(C)

The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :	31 March 2018	31 March 2017
Tax expenses as per statement of profit and loss		
Current tax	**44,960,740**	22,679,128
Adjustment for earlier years	**(1,368,827)**	(554,171)
MAT credit entitlement	**(19,706,904)**	(9,981,740)
Deferred tax (excluding MAT credit entitlement)	**191,925**	(110,347)
Total income tax expense	**24,076,934**	12,032,870
Profit from continuing operations before income tax expense	**206,870,648**	63,615,202
Income tax rate	**34.61%**	33.06%
Tax computed using statutory tax rate	**71,597,931**	21,031,186
Tax effect of:		
Permanent disallowances	**183,100**	853,844

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(C)	**The reconciliation of tax expense and the accounting profit multiplied by India's tax rate : (Continued)**	**31 March 2018**	31 March 2017
	Difference in overseas tax rates	**(172,840)**	(278,548)
	Section 10AA deduction (SEZ unit)	**(43,408,347)**	(22,904,177)
	Others	**(426,350)**	1,059,353
	Deferred tax asset not recognised on temporary differences	**(2,327,734)**	12,825,383
	Adjustment for earlier years	**(1,368,827)**	(554,171)
	Income tax expense	**24,076,934**	12,032,870
	Effective tax rate	**12%**	19%

Note:

Deferred tax asset (net) pertains to subsidiary TAAL Tech India Private Limited.

*Deferred tax calculation of the Parent Company results into working of deferred tax assets as at March 31, 2018, March 31, 2017 as well as at April 1, 2016. However as a matter of prudence, the Parent Company has not recognised deferred tax asset.

35 Earnings/ loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/ loss for the year attributable to equity holders 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 for the year attributable to equity holders 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 reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2018	31 March 2017
Profit/ (Loss) for the year attributable to equity shareholders of the Parent company	**156,131,086**	38,084,786
Weighted average number of equity shares for basic EPS	**3,116,342**	3,116,342
Effect of dilution:		
Share options	**-**	-
Convertible preference shares	**-**	-
Weighted average number of equity shares adjusted for the effect of dilution	**3,116,342**	3,116,342
Basic earnings/(loss) per share (INR)	**50.10**	12.22
Diluted earnings/(loss) per share (INR)	**50.10**	12.22

36 Employee benefits

The Group has calculated the various benefits provided to employees as under:

A)	**Defined contribution plans**	**31 March 2018**	31 March 2017
	During the period the Group has recognised the following amounts as an expense in the Consolidated Statement of Profit and Loss:-		
	a) Employers contribution to Provident fund	**11,272,754**	9,882,020
	b) Employers contribution to Superannuation fund	**67,443**	127,191

(B) Defined benefit plans

Gratuity payable to employees

An actuarial valuation was carried out in respect of the aforesaid defined benefit plan based on the following assumptions:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

Defined benefit plans (Continued)

i)

Actuarial assumptions	Gratuity (unfunded)	
	31 March 2018	31 March 2017
Discount rate (per annum)	**7.80% - 8.00%**	6.90% - 7.40%
Rate of increase in salary	**8% - 10%**	8% - 10%
Retirement age	**58 years**	58 years
Attrition rate	**2% - 5%**	2% - 10%

ii)

Changes in the present value of defined benefit obligation	Gratuity (unfunded)	
	31 March 2018	31 March 2017
Present value of obligation as at the beginning of the year	**10,955,275**	6,461,153
Interest cost	**737,498**	504,634
Past service cost	**530,588**	-
Current service cost	**4,134,808**	2,456,714
Curtailment cost/ (credit)	**-**	-
Settlement cost/ (credit)	**-**	-
Benefits paid	**(561,175)**	(309,846)
Actuarial (gain)/ loss on obligation	**(2,703,451)**	1,842,620
Present value of obligation as at the end of the year	**13,093,543**	10,955,275

iii)

Expense recognized in the Consolidated Statement of Profit and Loss	Gratuity (unfunded)	
	31 March 2018	31 March 2017
Current service cost	**4,134,808**	2,456,714
Past service cost	**530,588**	-
Interest cost	**737,498**	504,634
Expected return on plan assets	**-**	-
Actuarial (gain)/ loss on obligation	**(2,703,451)**	1,842,620
Settlement cost/ (credit)	**-**	-
Curtailment cost/ (credit)	**-**	-
Total expense recognized in the Consolidated Statement of Profit and Loss *	**2,699,443**	4,803,968

* Included in Employee benefits expense (Refer note 30). Actuarial (gain)/ loss of INR (27,03,451) (31 March 2017: INR 18,42,620) is included in other comprehensive income.

iv)

Assets and liabilities recognized in the Consolidated Balance Sheet:	Gratuity (unfunded)	
	31 March 2018	31 March 2017
Present value of unfunded obligation as at the end of the year	**13,093,543**	10,955,275
Unrecognized actuarial (gains)/ losses	**-**	-
Unfunded net liability recognized in the Consolidated Balance Sheet *	**13,093,543**	10,955,275

* Included in Provision for employee benefits (Refer note 9).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Impact on defined benefit obligation	Gratuity (unfunded)
	31 March 2018
Discount rate	
1% increase	**12,113,549**
1% decrease	**14,218,843**
Rate of increase in salary	
1% increase	**14,030,765**
1% decrease	**12,260,599**

vi)

Maturity profile of defined benefit obligation (rounded to nearest thousand in INR)	Gratuity (unfunded)
Years	**31 March 2018**
Apr 2018- Mar 2019	**600,000**
Apr 2019- Mar 2020	**1,011,000**
Apr 2020- Mar 2021	**1,456,000**
Apr 2021- Mar 2022	**2,042,000**
Apr 2022 onwards	**21,266,000**

Note: This being the first year of acturial valuation report obtained as per the requirement of Ind-AS, the previous year dislouser are not given w.r.t. clause (v) and (vi) above.

37 Leases

Operating leases where Group is a lessee:

TAAL Tech India Private Limited (Subsidiary company) has entered into non cancellable operating lease for its office premises with a lock-in-period of 4 years and 6 months. Lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss for the year. The lease agreement for the premises includes renewal option at the end of the 5 year lease term and it is probable that lessee will renew the same. The amounts disclosed in below table are undiscounted cash flows.

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Within one year	**12,606,421**	12,492,005	8,547,335
After one year but not more than five years	**2,431,724**	5,674,022	21,185,337
More than five years	-	-	-

38 Contingent liabilities not provided for

Particulars	31 March 2018	31 March 2017	1 April 2016
Claims against the Group not acknowledged as debt in respect of:			
Income Tax	**380,480**	1,008,580	2,444,760

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

There are no Capital and Other Commitments as at March 31, 2018, March 31, 2017 and April 1, 2016.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

39 Related party disclosures

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

Holding company

Vishkul Leather Garments Pvt. Ltd. (Effective from: August 14, 2017)

Key Management Personnel (KMP) and their Relative

Mr. C S Kameswaran - (Whole Time Director) *

Mr. Prakash Saralaya - CEO & Whole Time Director of TAAL Tech India Private Limited

Mrs. Malavika Saralaya - Spouse of Mr. Prakash Saralaya

Mr. Salil Baldevraj Taneja - Director of TAAL Tech India Private Limited

* Whole Time Director up to February 06, 2018

Non-Whole Time Director (of Parent company)

Mr. Ajay Joshi (up to December 24, 2016)

Mr. Prakash Sarlaya (up to April 24, 2016)

Mr. Salil Taneja (up to April 23, 2016)

Mr. Nirmal Chandra

Mr. R Poornalingam (Appointed as a Director w.e.f. April 18, 2017)

Mrs. Rahael Shobhana Joseph (up to April 22, 2017 and Reappointed from November 16, 2017)

(B) **Transactions/ balances with related parties:**

Particulars	Key Management Personnel and their Relative	Non-Whole Time Director
Managerial Remuneration #	**14,270,729**	**-**
	(14,458,036)	(-)
Sitting Fees	**-**	**630,000**
	(-)	(990,000)
Balance Payable as at the year end	**5,419,592**	**-**
	(1,179,810)	(-)

(Figures in brackets relate to previous year)

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

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

40 Prepaid rent

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

Subsequently, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into TAAL Enterprises Limited (TEL) on a going concern basis with effect from October 1, 2014 being the appointed date (Refer Note 46.1).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

40 Prepaid rent (Continued)

However, TAAL continues to carry on the business and activities relating to the demerged charter business for and on account of and in trust for TEL, until the time TEL obtains the requisite statutory licences required for carrying on the demerged charter business (Refer Note 46.2).

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

On January 22, 2018, First Airways Inc., USA entered into an amendment to this agreement whereby the purchase option period has been extended by 12 months to December 12, 2018.

Considering the above amended agreement, the balance lying in Aircraft Purchase Option as at April 1, 2017 amounting to US $ 92,674 is being amortized over the balance period of 20 months.

Further, as per the amended agreement, the Stipulated Loss Value at the end of the 132 month lease term is US $15,50,082.

First Airways Inc., USA is estimating the use of the Aircraft Purchase Option at the end of the 132 month lease term with mid-quarter convention. Amortisation for the year ended March 31, 2018 and March 31, 2017 amounted to US $ 55,604 and US $ 92,671 respectively. The Aircraft was put to use on February 20, 2008. The same has been disclosed in its balance sheet as follows:

Particulars	**31 March 2018**		31 March 2017		1 April 2016	
	USD	**INR**	USD	INR	USD	INR
Prepaid Rent	**926,737**	**60,278,774**	926,737	60,088,330	926,737	61,473,153
Less: Accumulated Amortisation	**(926,737)**	**(60,278,774)**	(926,740)	(60,088,499)	(834,066)	(55,326,017)
Prepaid Rent - Non Current Portion	**-**	**-**	(3)	(170)	92,671	6,147,136
Add: Prepaid Rent - Current Portion	**37,070**	**2,411,185**	92,671	6,008,658	92,674	6,147,335
Prepaid Rent	**37,070**	**2,411,185**	92,668	6,008,500	185,345	12,294,471

Since the payment for Aircraft Purchase Option is a sunk cost and non refundable irrespective of whether the option is exercised or not, in preparation of consolidated financial statements of TEL, the entire payment of around INR 24,11,185 (US $ 37,070) for Aircraft Purchase Option (Current as well as Non Current Portion) has been considered as "Prepaid Rent" to be written off over the remaining lease period.

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

41 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, 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 assets consisting of security and term deposits are not significantly different from the carrying amount.

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 Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

42 Fair value hierarchy

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

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

No financial assets/liabilities have been valued using level 1 fair value measurements.

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

	31 March 2018	31 March 2017	1 April 2016
Level 1 (Quoted price in active markets)	**Nil**	Nil	Nil
Level 2			
Financial liabilities measured at fair value through profit or loss	**Nil**	Nil	Nil
Level 3			
Financial assets measured at amortized cost			
Trade receivables	**235,885,208**	181,601,270	136,426,175
Security deposits	**11,060,062**	11,324,804	8,820,371
Cash and cash equivalents	**62,006,969**	30,387,111	38,202,941
Other current financial assets	**84,674,853**	58,578,381	74,448,472
Financial liabilities measured at amortized cost			
Borrowings	**8,774,936**	97,717,640	90,081,783
Trade payables	**41,362,878**	58,018,097	32,500,753
Other current financial liabilities	**78,811,429**	56,324,959	58,352,092

Financial assets and liabilities measured at amortized cost for which fair value are disclosed

Security deposits	11,060,062	11,324,804	8,820,371

The fair values of security deposits 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, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values.

43 Financial risk management objectives and policies

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

(A) Market risk

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

(i) Interest rate risk

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable 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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
31 March 2018		
INR	+0.45%	(39,487)
INR	-0.45%	39,487
31 March 2017		
INR	+0.45%	(439,729)
INR	-0.45%	439,729
1 April 2016		
INR	+0.45%	(405,368)
INR	-0.45%	405,368

(ii) Foreign currency risk

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

Foreign currency

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

	(i)		(ii)		(iii)		(iv)		(v)	
	Change in US $ rate	Effect on profit before tax	Change in NOK rate	Effect on profit before tax	Change in Euro rate	Effect on profit before tax	Change in GBP rate	Effect on profit before tax	Change in CAD rate	Effect on profit before tax
March 31, 2018										
INR	+2.5%	2,488,597	+5%	-	+2%	2,276,667	+10%	-	+1.5%	53,384
INR	-2.50%	(2,488,597)	-5%	-	-2%	(2,276,667)	-10%	-	-1.5%	(53,384)
March 31, 2017										
INR	+2.5%	2,628,122	+5%	4,084	+2%	1,084,088	+10%	-	+1.5%	33,097
INR	-2.50%	(2,628,122)	-5%	(4,084)	-2%	(1,084,088)	-10%	-	-1.5%	(33,097)
April 1, 2016										
INR	+2.5%	1,641,144	+5%	129,210	+2%	733,983	+10%	259,210	+1.5%	-
INR	-2.50%	(1,641,144)	-5%	(129,210)	-2%	(733,983)	-10%	(259,210)	-1.5%	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(B) Credit risk

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

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank

accounts. The Group does a proper financial and credibility check on the entities to whom such loans and advances and security deposits are given. The Group does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk

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

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

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2018					
Short term borrowings	-	8,774,936	-	-	8,774,936
Long term borrowings	-	-	-	-	-
Trade payables	-	41,362,878	-	-	41,362,878
Other financial liabilities	-	78,811,429	-	-	78,811,429
	-	**128,949,244**	**-**	**-**	**128,949,244**
31 March 2017					
Short term borrowings	-	97,396,683	-	-	97,396,683
Long term borrowings	-	330,919	320,957	-	651,876
Trade payables	-	58,018,097	-	-	58,018,097
Other financial liabilities	-	56,004,002	-	-	56,004,002
	-	**211,749,701**	**320,957**	**-**	**212,070,658**
1 April 2016					
Short term borrowings	-	89,348,092	-	-	89,348,092
Long term borrowings	-	245,053	733,691	-	978,744
Trade payables	-	32,500,753	-	-	32,500,753
Other financial liabilities	-	57,618,401	-	-	57,618,401
	-	**179,712,299**	**733,691**	**-**	**180,445,990**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

44 Capital management

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

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing which represents loan from bank. The Group 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.

		31 March 2018	31 March 2017	1 April 2016
Total equity	(i)	**329,577,108**	171,653,153	135,202,649
Total debt	(ii)	**8,774,936**	98,048,559	90,326,836
Overall financing	(iii) = (i) + (ii)	**338,352,044**	269,701,712	225,529,485
Gearing ratio	(ii)/ (iii)	**0.03**	0.36	0.40

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

45 Interest in other entities

(a) Subsidiaries

The Group's subsidiaries as at March 31, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	**Country of incorporation**	**Ownership interest held by the group**	**Ownership interest held by the non-controlling interest**
TAAL Tech India Private Limited and its subsidiaries	India	85%	15%
First Airways Inc, USA	USA	100%	0%

(b) Non-controlling interests

Below is the summarised financial information (Consolidated financial information) for TAAL Tech India Private Limited that has non-controlling interests that is material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations with the Parent company.

(i) **Information regarding non-controlling interest:**

	31 March 2018	31 March 2017	1 April 2017
Accumulated balances of material non-controlling interest:			
TAAL Tech India Private Limited (TTIPL)	**46,253,457**	19,288,738	6,033,549

(ii) **Summarised statement of consolidated profit and loss of TTIPL:**

	31 March 2018	31 March 2017
Revenue	**1,025,670,680**	838,663,233
Purchases	**(3,439,875)**	(1,300,700)
Employee benefits expense	**(601,567,499)**	(513,437,594)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(ii) **Summarised statement of consolidated profit and loss of TTIPL: (Continued)**

	31 March 2018	31 March 2017
Finance costs	**(8,868,100)**	(14,214,304)
Depreciation and amortization expense	**(22,053,878)**	(12,810,963)
Other expenses	**(189,279,693)**	(195,161,709)
Profit /(Loss) before tax	**200,461,635**	101,737,963
Income tax expense	**(22,710,781)**	(11,754,322)
Profit/(Loss) for the year	**177,750,854**	89,983,641
Other comprehensive income for the year	**2,013,939**	**(1,615,711)**
Total comprehensive income for the year	**179,764,793**	88,367,930
Attributable to :		
Equity shareholders of parent	**152,800,074**	75,112,741
Non controlling interest	**26,964,719**	13,255,190

(iii) **Summarised consolidated balance sheet of TTIPL:**

	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment and intangible assets	**21,311,547**	21,181,241	19,045,339
Financial assets (Non current)	**9,971,729**	8,773,869	7,594,578
Deferred tax asset (net)	**34,445,713**	14,930,734	4,838,647
Other non-current assets	**2,511,906**	3,158,187	4,309,592
Financial assets (Current)	**333,902,321**	216,289,902	197,253,644
Other current assets	**68,545,485**	32,052,577	16,654,951
Financial liabilities (Non current)	**-**	(320,957)	(733,691)
Other non current liabilities and provision	**(17,219,214)**	(12,600,454)	(8,180,405)
Financial liabilities (Current)	**(104,623,947)**	(137,678,434)	(171,000,984)
Other current liabilities and provision	**(40,489,157)**	(17,195,076)	(29,558,012)
Total equity	**308,356,383**	128,591,589	40,223,659
Attributable to :			
Equity shareholders of parent	262,102,926	109,302,851	34,190,110
Non controlling interest	46,253,457	19,288,738	6,033,549

(iv) **Summarised consolidated cash flow statement of TTIPL:**

	31 March 2018	31 March 2017
Net cash flow from/ (used in) operating activities	108,739,611	53,797,512
Net cash flow from/ (used in) investing activities	(21,234,941)	(12,244,626)
Net cash flow from/ (used in) financing activities	(64,909,805)	(52,867,339)
Net Increase/ (decrease) in cash and cash equivalents	**22,594,865**	(11,314,453)

46 46.1 In terms of the Scheme of Arrangement approved / sanctioned by the Hon'ble High Court of Madras, ("the Scheme"), under section 391 to 394 of the Companies Act, 1956 between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited, TAAL has demerged its Air Charter Business including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited into the Parent company. Pursuant to the Scheme as sanctioned by the Hon'ble High Court of Madras vide order dated June 22,

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

2015, received on July 23, 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Parent company on a going concern basis with effect from October 1, 2014 being the appointed date. The certified copy of the said order of the Hon'ble High Court of Madras has been filed with the Registrar of Companies, Chennai on August 21, 2015 and as such the Scheme has become effective from that date.

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

47 Segment reporting

Business segments

The primary reporting of the Group has been performed on the basis of business segment. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as 3 operating segments viz "Air Charter", "Trading of Goods" and "Engineering Design Service". Segments have been identified and reported based on the nature of the service, the risks and returns, the organisation structure and the internal financial reporting systems.

	Particulars	Air Charter	Trading of Goods	Engineering Design Service	Total 2017-18	Air Charter	Trading of Goods	Engineering Design Service	Total 2016-17
a.	**Segment Revenue**								
	Segmental Revenue from :								
	External Sales and Services	**92,777,646**	**4,865,623**	**1,025,670,680**	**1,123,313,949**	71,422,468	17,631,196	838,663,233	927,716,897
	Unallocable Revenue				**-**				-
	Total Revenue	**92,777,646**	**4,865,623**	**1,025,670,680**	**1,123,313,949**	71,422,468	17,631,196	838,663,233	927,716,897
b.	**Segment Result**								
	Operating Profit/ (Loss)	**10,148,327**	**889,603**	**208,709,186**	**219,747,116**	(33,687,224)	(5,709,325)	120,984,679	81,588,130
	Less: Unallocable Expenses				**-**				-
	Less: Finance Costs				**12,876,468**				17,972,928
	Profit/ (Loss) before Tax				**206,870,648**				63,615,202
	Less: Tax (Benefit)/ Expense				**24,076,934**				12,032,870
	Profit/ (Loss) after Tax				**182,793,714**				51,582,332
c.	**Other Information**								
	Segment Assets	**96,046,003**	**10,713,869**	**464,111,532**	**570,871,404**	113,676,870	36,414,136	289,809,341	439,900,347
	Unallocable Assets				**-**				-
	Total Assets				**570,871,404**				439,900,347
	Segment Liabilities	**26,319,672**	**6,295,098**	**208,679,526**	**241,294,296**	49,131,904	32,031,630	187,083,659	268,247,193
	Unallocable Liabilities				**-**				-
	Total Liabilities				**241,294,296**				268,247,193
	Capital Employed				**329,577,108**				171,653,154
d.	**Cost Incurred for Acquiring** Assets	**71,398**	**-**	**22,184,184**	**22,255,582**	-	-	14,946,865	14,946,865
	Segment Depreciation	**120,780**	**-**	**22,053,878**	**22,174,658**	126,880	-	12,810,963	12,937,843

Note:

(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.

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(Amount in INR, unless otherwise stated)

Geographical segments

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

Particulars	India	Outside India	Total 2017-18	India	Outside India	Total 2016-17
Revenues	**144,576,103**	**978,737,846**	**1,123,313,949**	**75,380,397**	**852,336,500**	927,716,897

Note:

The Management believes that it is currently not practicable to provide disclosure of geographical location wise assets, since the meaningful segregation of the available information is onerous.

Major customer

Revenue from one customer of the Group's engineering design service segment is INR 20.68 crore (FY 16-17 - INR 9.76 crore) which is more than 10% of the Groups total revenue.

48 Corporate social responsibility expenditure (CSR)

	31 March 2018	31 March 2017
(a) CSR amount required to be spent by the Companies within the Group as per section 135 of the Companies Act, 2013 read with Schedule VII thereof	760,961	-

(b) Details of amount spent towards CSR is as follows:	**Paid in cash**	**Yet to be paid in cash**	**Paid in cash**	**Yet to be paid in cash**
(i) Construction/ acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	-	760,961	-	-

49 Disclosure of additional information, as required under Schedule III to the Companies Act, 2013, pertaining to the Parent company and Subsidiaries

(i) Net Assets (Total Assets – Total Liabilities)

Name of the company	**31 March 2018**		31 March 2017	
	As % of Consolidated Net Assets	**Net Assets**	As % of Consolidated Net Assets	Net Assets
Parent company				
TAAL Enterprises Limited	**7.13%**	**24,005,175**	12.45%	18,917,559
Indian Subsidiary				
Direct Subsidiary				
TAAL Tech India Private Limited	**84.64%**	**285,036,044**	73.79%	112,077,117
Foreign Subsidiaries				
Direct Subsidiary				
First Airways Inc., USA	1.31%	4,418,771	2.89%	4,382,506
Indirect Subsidiaries				
TAAL Technologies Inc., USA	5.96%	20,088,805	9.02%	13,700,526
TAAL Tech Innovations GmbH, Austria	0.17%	585,895	0.66%	1,007,345
TAAL Tech GmbH, Switzerland	0.79%	2,645,637	1.19%	1,806,600
TOTAL	**100.00%**	**336,780,327**	**100.00%**	**151,891,653**

Note: The above figures are stated at gross values after eliminating investment in subsidiaries and goodwill arising on consolidation but without eliminating intra group balances as at March 31, 2018 and March 31, 2017.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(ii) Share in Profit or Loss

Name of the company	31 March 2018		31 March 2017	
	As % of Consolidated Profit/ (Loss)	Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Profit/ (Loss)
Parent company				
TAAL Enterprises Limited	2.75%	5,020,508	-61.60%	(31,776,050)
Indian Subsidiary				
Direct Subsidiary				
TAAL Tech India Private Limited	93.68%	171,234,970	165.94%	85,596,950
Foreign Subsidiaries				
Direct Subsidiary				
First Airways Inc., USA	0.01%	22,352	-12.84%	(6,625,257)
Indirect Subsidiaries				
TAAL Technologies Inc., USA	3.47%	6,338,331	8.10%	4,179,537
TAAL Tech Innovations GmbH, Austria	-0.30%	(545,627)	-0.34%	(176,290)
TAAL Tech GmbH, Switzerland	0.40%	723,180	0.74%	383,442
TOTAL	**100.00%**	**182,793,714**	100.00%	51,582,332

Note: The above figures are stated at gross values without eliminating intra group transactions as at March 31, 2018 and March 31, 2017.

(iii) Share in Other Comprehensive Income

Name of the company	31 March 2018		31 March 2017	
	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income
Parent company				
TAAL Enterprises Limited	**3.87%**	**81,021**	13.90%	(260,927)
Indian Subsidiary				
Direct Subsidiary				
TAAL Tech India Private Limited	**96.13%**	**2,013,939**	86.10%	(1,615,711)
Foreign Subsidiaries				
Direct Subsidiary				
First Airways Inc., USA	**0.00%**	**-**	0.00%	-
Indirect Subsidiaries				
TAAL Technologies Inc., USA	**0.00%**	**-**	0.00%	-
TAAL Tech Innovations GmbH, Austria	**0.00%**	**-**	0.00%	-
TAAL Tech GmbH, Switzerland	**0.00%**	**-**	0.00%	-
TOTAL	**100.00%**	**2,094,960**	**100.00%**	(1,876,638)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

(iv) Share in Total Comprehensive Income

Name of the company	31 March 2018		31 March 2017	
	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent company				
TAAL Enterprises Limited	**2.76%**	**5,101,529**	-64.45%	(32,036,977)
Indian Subsidiary				
Direct Subsidiary				
TAAL Tech India Private Limited	**93.70%**	**173,248,909**	168.96%	83,981,239
Foreign Subsidiaries				
Direct Subsidiary				
First Airways Inc., USA	**0.01%**	**22,352**	-13.33%	(6,625,257)
Indirect Subsidiaries				
TAAL Technologies Inc., USA	**3.43%**	**6,338,331**	8.41%	4,179,537
TAAL Tech Innovations GmbH, Austria	**-0.30%**	**(545,627)**	-0.35%	(176,290)
TAAL Tech GmbH, Switzerland	**0.39%**	**723,180**	0.77%	383,442
TOTAL	**100.00%**	**184,888,674**	100.00%	49,705,694

50 Goodwill impairment testing

(a) **Goodwill :**

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital Reserve on acquisition of TAAL Tech India Private Limited	**6,577,169**	6,577,169	6,577,169
Goodwill on acquisition of First Airways	**(45,627,408)**	(45,627,408)	(45,627,408)
Net (Goodwill)/ Capital Reserve	**(39,050,239)**	(39,050,239)	(39,050,239)

(b) **Impairment testing of goodwill and intangible assets with indefinite lives**

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period (if any).

Following is a summary of changes in the carrying amount of goodwill :

Particulars	31 March 2018	31 March 2017	1 April 2016
Carrying value at the beginning	**45,627,408**	45,627,408	45,627,408
Goodwill on acquisition	**-**	-	-
Goodwill reclassified under assets held for sale	**-**	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in INR, unless otherwise stated)

Following is a summary of changes in the carrying amount of goodwill : (Continued)

Particulars	31 March 2018	31 March 2017	1 April 2016
Translation differences	**-**	-	-
Carrying value at the end	**45,627,408**	548,874,372	592,197,281

As per the option agreement, First airways Inc, USA can purchase the aircraft at a price equal to the Stipulated Loss Value of the Aircraft as specified in ammended Lease agreement.

The value of the asset under option is more than the carrying amount of goodwill on consolidation of First Airways Inc, USA. Considering the same goodwill is continued as it is and not amortised in the books of accounts as well as there is no provision required towards impairment.

51 During the financial year ended March 31, 2017, the Parent company had incurred expenditure of INR 1,72,60,993/- due to bird hit accident to the aircraft. An insurance claim was raised with the insurance company before March 31, 2017. The insurance company had accepted, approved and settled the claim amounting to INR 1,29,29,850/- and the same was realised by the Parent company on or before adoption of financial statements by the Board for the financial year ended March 31, 2017. Rs. 43,31,143/- net expenditure incurred has been classified and disclosed as an Exceptional Item for the financial year ended March 31, 2017.

52 The Parent company operates a chartered plane obtained under a lease agreement dated December 11, 2007 which is the sole aircraft being operated by the Parent company as a part of its business operations. As per the lease agreement with the lessor, the lease was for a period of 120 months which expired on December 11, 2017. During the year, the Parent company and the Lessor agreed for an extension of the lease for a period of one year from December 12, 2017 to December 11, 2018. Further, as per the purchase option agreement entered between the Parent company, Lessor and First Airways Inc. (Wholly owned subsidiary), First Airways Inc. has an option to purchase the aircraft at the end of lease period. On this basis, the Parent company intends to either renew the lease term or exercise the purchase option at the end of lease period through its subsidiary. In view of above, the Parent company has prepared financial statements on going concern basis.

53 The Parent company has extended and restructured its lease agreement with Cessna Finance Corporation (“the lessor”). As mentioned in note 52, the lease has been extended up to December 11, 2018. As part of restructuring the lease, the Parent company’s liability has reduced by USD 405,495 (INR 263.50 lacs) which has been disclosed under Other Income.

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

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

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

57 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	For and on behalf of the Board of Directors of			
(Formerly known as 'MZSK & Associates')				
Chartered Accountants	**TAAL Enterprises Limited**			
Firm Registration No.: 105047W	CIN: L62200TN2014PLC096373			
Deepak Rao	**Nirmal Chandra**	**R.Poornalingam**	**Rahael Shobhana Joseph**	**Niranjan Kulkarni**
Partner	Director	Director	Director	Company Secretary
Membership No: 113292	DIN: 00352214	DIN: 00955742	DIN: 02427554	Membership No.: A35028
Place: Pune	Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018	Date: May 22, 2018

AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies

PART “A”: SUBSIDIARIES

(Rs. in Lakhs)

Sr. No.	Name of Subsidiary	Reporting Currency in case of foreign subsidiaries^	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	TAAL Tech India Pvt Ltd	Rs	100.00	2802.28	4592.29	18.62	0.00	9641.18	1910.20	426.13	1729.59	250	85%
2	TAAL Technologies Inc. USA	US $	18.88	179.25	353.16	155.02	0.00	2079.38	90.51	27.13	63.38	-	100%
3	TAAL Tech GmbH, Switzerland	CHF	13.70	12.48	60.06	33.87	0.00	184.82	8.65	1.41	7.23		100%
4	TAAL Tech GmbH, Austria	Euro	19.34	(12.98)	11.15	4.80	0.00	0.00	(4.74)	0.71	(5.45)		100%
5	First Airways Inc. USA	US $	477.49	(433.31)	107.14	62.95	0.00	1468.45	2.99	2.76	0.22		100%

^ Exchange rate as on March 31, 2018: 1US $=Rs.65.0441, 1CHF=Rs. 68.2931 and 1Euro=Rs. 80.6222

Notes:

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

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

PART “B”: ASSOCIATES AND JOINT VENTURES - None

For and on behalf of the Board of Directors of

Nirmal Chandra
Director
DIN: 00352214
Place: Pune
Date: May 22, 2018

R.Poornalingam
Director
DIN: 00955742
Place: Pune
Date: May 22, 2018

Rahael Shobhana Joseph
Director
DIN: 02427554
Place: Pune
Date: May 22, 2018

Niranjan Kulkarni
Company Secretary
Membership No.: A35028
Place: Pune
Date: May 22, 2018

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