

TAAL Enterprises Limited

ANNUAL REPORT 2016-17

COMPANY INFORMATION

BOARD OF DIRECTORS

Nirmal Chandra	Chairman
C S Kameswaran	Whole-time Director
Ajay Joshi	Director (upto 23.12.2016)
R Poornalingam	Director (w.e.f. 18.04.2017)
Shobhana Joseph	Director (upto 22.04.2017)

COMPANY SECRETARY

Sakina Sami (Upto August 14, 2017)
Anuj Nema (w.e.f. August 16, 2017)

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: U62200TN2014PLC096373

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

TAAL Enterprises Limited

Directors' Report

To the Members of TAAL Enterprises Limited

Your Directors present herewith the Third Annual Report and Audited Financial Statements of the Company for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. In lakhs)	
	2016-17	2015-16
Gross Income	767.69	860.01
Expenditure	1042.94	910.01
Profit/(Loss) after Tax	(318.56)	(50.00)

Despite of Standalone losses, the Company has made a Consolidated profit of Rs. 371.19 lacs during the Financial Year ended March 31, 2017 on account of robust performance made by TAAL Tech India Pvt. Ltd. subsidiary of the Company.

DIVIDEND

Your Directors are unable to recommend Dividend for the financial year ended March 31, 2017, in view of the loss.

OPERATIONS

During the previous year, the Charter plane was grounded for three months due to bird hit, resulting in lower income from operations and higher loss on account of repairs.

AUDITORS

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

The Auditors have confirmed their eligibility and willingness to continue to act as Auditors and the Directors recommend their ratification at the ensuing Annual General Meeting.

INDEPENDENT DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. C. S. Kameswaran, Director of the Company has been re-appointed as Whole-time Director of the Company w.e.f. April 1, 2017.

Mr. Nirmal Chandra, Independent Director is proposed to be re-appointed as Independent Director of the Company.

Mr. Ajay Joshi ceased to be a Director of the Company w.e.f. December 24, 2016.

Mr. Vasant Bhat was appointed as Chief Financial Officer of the Company w.e.f. November 14, 2016.

Mr. R. Poornalingam was appointed as Additional Director (Independent) of the Company w.e.f. April 18, 2017.

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

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

OTHER DIRECTORS

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

Mrs. Shobhana Joseph ceased to be Director of the Company w.e.f. April 22, 2017.

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

Name of the Director	Category	No. of Board meetings attended during FY 2016-17
C. S. Kameswaran	Whole time Director	8
Shobhana Joseph#	Non-Executive Director	8
Nirmal Chandra	Independent Director	9
Ajay Joshi^	Independent Director	6
R Poornalingam*	Independent Director	NA
Salil Taneja**	Non-Executive Director	1
P Saralaya**	Non-Executive Director	2

#Ceased to be Director w.e.f. April 22, 2017

^Ceased to be Director w.e.f. December 24, 2016

*Appointed as Director w.e.f. April 18, 2017

**Ceased to be Director w.e.f. April 22, 2016

During the year under review, 10 (Ten) Board Meetings were held as under:

Sr. No.	Date of Meeting
1.	April 18, 2016
2.	April 22, 2016
3.	June 11, 2016
4.	July 25, 2016
5.	August 13, 2016
6.	October 3, 2016
7.	November 14, 2016
8.	January 20, 2017
9.	February 13, 2017
10.	March 30, 2017

AUDIT COMMITTEE

The present composition of Audit Committee is as follows:

Name of Director	Chairman/ Member
R Poornalingam*	Chairman
Nirmal Chandra	Member
C S Kameswaran^	Member
Shobhana Joseph^^	Member

*w.e.f. April 19, 2017

^ w.e.f. May 30, 2017

^^ Upto April 21, 2017

NOMINATION AND REMUNERATION COMMITTEE

The present composition of Nomination and Remuneration Committee is as follows:

Name of Director	Chairman/ Member
R Poornalingam*	Chairman
Nirmal Chandra	Member
Shobhana Joseph^	Member

* w.e.f. April 19, 2017

^ Upto April 21, 2017

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The present composition of Stakeholders Relationship Committee is as follows:

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

* Upto April 21, 2017

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.

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, 2017 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 other matters is available on its website www.taalent.co.in

TAAL Enterprises Limited

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

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

SECRETARIAL AUDIT REPORT

The Report of the Secretarial Auditors in the Form MR-3 is forming part of this Report as Annexure D.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

The Company has established a system of internal financial controls which has been reviewed from time to time.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

terms of applicable Accounting Standards are forming part of the financial statements, under note no. 24.

GENERAL

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

REGISTRAR AND SHARE TRANSFER AGENT

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

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

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

For and on behalf of Board of Directors

Nirmal Chandra
Chairman

Pune, June 30, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE

The Indian domestic Aviation industry is growing one of the fastest in the emerging economies thereby creating jobs and contributing towards the GDP of the country. Over the last few years, there has been a consistent double digit growth in the domestic passenger. Given the investment climate we believe this growth will continue to be sustained. Similarly, the Business Charter market will also experience sustained growth in the coming years.

With the Governments thrust on promoting regional connectivity and creating more airports, the domestic aviation industry is expected to continue play an important role.

Some of the major drivers for growth in this market are: a. Far flung locations with poor connectivity; b. Projects in backward regions; c. Heavy traffic on trunk routes; d. A number of poorly utilized airstrips all over the country.

Air Charter industry is an important part of domestic aviation industry.

While its growth is a function of overall growth in economic activity, in the Indian context it is further driven by the huge pressure on air space restricting the number of flights.

There are little entry barriers in the industry which can potentially lead to unfair, though temporary, competition.

ABOUT THE COMPANY

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

The Company at present 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 P. Ltd. (TTIPL).

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

The total revenue of TTIPL for FY 2016-17 stood at Rs. 8376.22 Lacs as compared with Rs. 5884.57 Lacs in FY 2015-16. The Profit after tax of TTIPL for FY 2016-17 stood at Rs. 845.55 Lacs as compared with Rs. 90.78 Lacs in FY 2015-16.

OPPORTUNITIES AND THREATS

With Governments initiative for regional connectivity and unveiling of the National Civil Aviation Policy, 2016 by the Ministry of Civil Aviation together with steady growth in the economy should create sufficient business opportunities and is likely to give further impetus to its growth.

Air Charter is a need based and is required at all levels of corporate management.

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

RISKS AND CONCERNS

Financial stability and revenue enhancement by improving passenger load factor are some of the important identified risks. Further, being in a highly regulated market, adverse changes in DGCA regulations can also have a negative impact on charter operations.

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

The maintenance costs will progressively increase with the age of the aircraft apart from the risk of unforeseen events both affecting the aircraft and its availability for charter operation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company recognizes the need to strengthen the control systems on an ongoing basis and is taking required steps towards further strengthening of internal control systems.

FINANCIAL PERFORMANCE

The financial performance of the Company for FY 2016-17 as compared to the previous period is given below:

Particulars	(Rs. in Lakhs)	
	2016-17	2015-16
Gross Income	767.69	860.01
Expenditure	1042.94	910.01
Profit/ Loss before Interest, Tax, Depreciation and Amortization	(242.77)	(10.38)
Profit/ (Loss) after Interest, Tax, Depreciation and Extraordinary Items	(318.56)	(50.01)
Earnings Per Share	(10.22)	(1.60)

The performance for year 2016-17 was adversely affected due to revenue loss on account of bird hit as a result of which the aircraft was grounded for nearly three months and additional one time expenditure incurred on aircraft for periodic mandatory repairs & maintenance as per DGCA guidelines.

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, 2017, the Company had eight employees.

CAUTIONARY STATEMENT

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

Taal Enterprises Limited

Annexure 'A' to the Directors Report

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the Financial Year ended March 31,2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of
the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U62200TN2014PLC096373
ii)	Registration Date	01-07-2014
iii)	Name of the Company	TAAL ENTERPRISES LIMITED
iv)	Category/ Sub-Category	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	MMPDA Towers, 2nd Floor, Royapettah High Road, Chennai-600014 Tel: 044- 4350 8393 e-mail: secretarial@taalent.co.in
vi)	Whether listed company	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	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)
2	First Airways Inc. 160, Greentree Drive, Suite 101, City of Dover, Country of Kent, DE,129904, USA	NA	Subsidiary	100	2(87)
3	TAAL Technologies Inc., 14405, Walters Road, Suite 601 Houston TX 77014, USA	NA	Subsidiary	100	2(87)
4	TAAL Tech GmbH, Seestrasse 46, 8598 Bottighofen, Switzerland	NA	Subsidiary	100	2(87)
5	TAAL Tech Innovations GmbH, Rathausplatz 4 1010 Vienna, Austria	NA	Subsidiary	100	2(87)

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

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

"Category of Shareholders"	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter group									
(1) Indian									
a) Individual/ HUF	4062	-	4062	0.13	4062	-	4062	0.13	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1587438	-	1587438	50.94	1587538	-	1587538	50.94	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	1591500	-	1591500	51.07	1591600	-	1591600	51.07	0
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	1591500	-	1591500	51.07	1591600	-	1591600	51.07	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	25	25	0.00	-	37	37	0.00	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	186617	-	186617	5.99	8286	-	8286	0.27	(5.72)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Banks	-	12	12	0	-	12	12	0.00	-
Sub-total (B)(1):-	186617	37	186654	5.99	8286	49	8335	0.27	(5.73)
2. Non-Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	214928	14642	229570	7.37	242577	14606	257183	8.25	0.88
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	699906	110028	809934	25.99	737774	107119	844893	27.11	1.12
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	274148	-	274148	8.80	290002	-	290002	9.31	0.51
c) Others (specify):-									
c)(1) Trusts	937	-	937	0.03	0	0	0	0.00	(0.03)
c)(2) Non-Residents	22788	55	22843	0.73	17259	55	17314	0.56	(0.18)
c)(3) HUF	49	0	49	0.00	86188	0	86188	2.76	2.76
c)(4) Clearing Member	707	0	707	0.02	20827	0	20827	0.67	0.65
Sub-total (B)(2):-	1213463	124725	1338188	42.94	1394627	121780	1516407	48.66	5.71
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1400080	124762	1524842	48.93	1402913	121829	1524742	48.93	-
C. Shares held by Custodian for GDRs & ADRs									
Public	-	-	-	-	-	-	-	-	-
Sub-total (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2991580	124762	3116342	100.00	2994513	121829	3116342	100.00	-

Taal Enterprises Limited

ii. Shareholding of Promoters & Promoter Group

Sl No.	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Vishkul Leather Garments P. Ltd.	211147	6.78	6.29	969247	31.10	-	24.32
2	Indian Seamless Enterprises Ltd.	1370577	43.98	2.01	612577	19.66	2.01	(24.32)
3	Lighto Technologies P Ltd.	5714	0.18	-	5714	0.18	-	0
4	Alka P Mehta	3625	0.12	-	3625	0.12	-	0
5	Salil Baldev Taneja	400	0.01	-	400	0.01	-	0
6	Baldevraj Topanram Taneja	37	0.00	-	37	0.00	-	0
	Total	1591500	51.07	8.30	1591600	51.07	2.01	-

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 (01.04.2016/ end of year 31.03.2017)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Indian Seamless Enterprises Ltd	1370577	43.98	01.04.2016			0	
		612577	19.66	25.01.2017	(758000)	Sale (interse promoters transfer)	612577	19.66
		31.03.2017						
2	Vishkul Leather Garments P Ltd	211147	6.78	01.04.2016			0	
		14.10.2016			100	Purchase	211247	6.78
		25.01.2017			758000	Purchase (interse promoters transfer)	969247	31.10
		31.03.2017						
		969247	31.10					

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning(01.04.2016/ end of year 31.03.2017)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Mukul Mahavir Prasad Agrawal	68750	2.20	01-04-2016	NA		NA	2.20
				15-07-2016	1000	Purchase	69750	2.23
				22-07-2016	30250	Purchase	100000	3.20
				26-08-2016	14119	Purchase	114119	3.66
		114119	3.66	31-03-2017	114116			
2	Naveen Bothra (HUF)	500	0.01	01-04-2016	NA		NA	0.01
				08-07-2016	9726	Purchase	10226	0.32
				22-07-2016	37274	Purchase	47500	1.52
				29-07-2016	1500	Purchase	49000	1.57
				05-08-2016	12500	Purchase	61500	1.97
				19-08-2016	2500	Purchase	64000	2.05
				16-08-2016	3500	Purchase	67500	2.16
				02-09-2016	2500	Purchase	70000	2.24
		70000	2.24	31-03-2017				
3	Bhagwandas K Sahu	41562	1.33	01-04-2016	NA		NA	1.33
				17-03-2017	8438	Purchase	50000	1.60
		50000	1.60	31-03-2017				

Annual Report 2016-17

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				
4	Imperial Corporate Finance & Services Pvt. Limited	0	0	01-04-2016	NA		NA	0				
				10-03-2017	49520	Purchase	49520	1.58				
				17-03-2017	(1684)	Sale	47836	1.53				
				24-03-2017	(5134)	Sale	42702	1.37				
				31-03-2017	(1250)	Sale	41452	1.33				
		41452	1.33									
5	Naveen Bothra	0	0	01-04-2016	NA		NA	0				
				12-08-2016	25000	Purchase	25000	0.80				
				30-09-2016	3000	Purchase	28000	0.89				
				04-11-2016	13000	Purchase	41000	1.31				
				31-03-2017								
		41000	1.31									
6	Prakash Chandra Modi	28450	0.91	01-04-2016	NA		NA					
				31-03-2017								
		28450	0.91									
7	Nishu Finlease Pvt. Ltd.	0	0.00	01-04-2016	NA		NA					
				22-07-2016	3500	Purchase	3500	0.11				
				29-07-2016	1000	Purchase	4500	0.14				
				05-08-2016	1500	Purchase	6000	0.19				
				19-08-2016	1000	Purchase	7000	0.22				
				26-08-2016	4937	Purchase	11937	0.38				
				02-09-2016	2477	Purchase	14414	0.46				
				30-12-2016	7000	Purchase	21414	0.68				
				03-02-2017	2186	Purchase	23600	0.75				
				17-02-2017	400	Purchase	24000	0.77				
				31-03-2017	(100)	Sale	23900	0.76				
						23900	0.76					
				8	Adroit Financial Services Pvt. Ltd.	150	0.00	01-04-2016	NA		NA	
								22-07-2016	5150	Purchase	5250	0.16
								29-07-2016	3400	Purchase	8650	0.27
05-08-2016	1755	Purchase	10405					0.33				
12-08-2016	135	Purchase	10540					0.33				
19-08-2016	446	Purchase	10986					0.35				
26-08-2016	145	Purchase	11131					0.35				
02-09-2016	217	Purchase	11348					0.36				
09-09-2016	1094	Purchase	12442					0.39				
16-09-2016	(100)	Sale	12342					0.39				
23-09-2016	(112)	Sale	12230					0.39				
30-09-2016	1200	Purchase	13430					0.43				
07-10-2016	(1301)	Sale	12129					0.38				
14-10-2016	9745	Purchase	21874					0.70				
21-10-2016	271	Purchase	22145					0.71				
28-10-2016	1450	Purchase	23595					0.75				
04-11-2016	100	Purchase	23695					0.76				
11-11-2016	(30)	Sale	23665					0.75				
18-11-2016	100	Purchase	23765					0.76				
02-12-2016	250	Purchase	24015					0.77				
09-12-2016	105	Purchase	24120					0.77				
16-12-2016	85	Purchase	24205					0.77				
23-12-2016	3066	Purchase	27271					0.87				
30-12-2016	(150)	Sale	27121					0.87				
06-01-2017	(8076)	Sale	19045					0.61				
13-01-2017	(100)	Sale	18945					0.60				
20-01-2017	(100)	Sale	18845					0.60				
27-01-2017	50	Purchase	18895					0.60				
03-02-2017	4000	Purchase	22895					0.73				
10-02-2017	(150)	Sale	22745					0.72				
17-02-2017	50	Purchase	22795					0.73				
24-02-2017	50	Purchase	22845					0.73				
10-03-2017	4735	Purchase	27580					0.88				
17-03-2017	(3200)	Sale	24380	0.78								
24-03-2017	(1237)	Sale	23143	0.74								
31-03-2017	(505)	Sale	22638	0.72								
		22638	0.72									

Taal Enterprises Limited

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
9	Golden Goenka Credit Pvt. Limited	0	0	01-04-2016	NA		NA	0
				10-03-2017	10000	Purchase	10000	0.32
				17-03-2017	6000	Purchase	16000	0.51
				24-03-2017	2387	Purchase	18387	0.59
		18387	0.59	31-03-2017				
10	Girdhar Fiscal Services Pvt. Ltd.	0	0	01-04-2016	NA		NA	0
				10-03-2016	2500	Purchase	2500	0.08
				17-03-2017	3527	Purchase	6027	0.19
				31-03-2017	6727	Purchase	12754	0.40
		12754	0.40	31-03-2017				

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning(01.04.2016/ end of year 31.03.2017)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Nirmal Chandra	25	0.00	01/04/2016	-	-	-	-
		25	0.00	31/03/2017	-	-	-	-

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	0.00	4.50	0.00	4.50
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	4.50	0.00	4.50
Change in Indebtedness during financial year				
Addition	96.44	0.00	0.00	96.44
Reduction	0.00	(4.50)	0.00	(4.50)
Net Change	96.44	(4.50)	0.00	91.94
Indebtedness at the end 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

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	12.00	12.00
	(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)	12.00	12.00
	Ceiling as per the Act	-	-

Annual Report 2016-17

B. Remuneration to other directors: (Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Ajay Joshi	Nirmal Chandra	Shobhana Joseph	Prakash Sarlaya	Salil Taneja	
1	Independent Directors						
	Fee for attending board/ committee meetings	2.70	3.60	-	-	-	6.30
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.70	3.60	-	-	-	6.30
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	3.20	0.20	0.20	3.60
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	3.20	0.20	0.20	3.60
	Total (B)=(1+2)	2.70	3.60	3.20	0.20	0.20	9.90
	Total Managerial Remuneration	2.70	3.60	3.20	0.20	0.20	16.70
	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	
1	Gross salary	3.00	0.94	3.94
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total	3.00	0.94	3.94

VII.PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Taal Enterprises Limited

Annexure 'B' to the Directors Report

Information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the Financial Year Ended on March 31, 2017.

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) The information on foreign exchange earnings and outgo are contained in Notes to the Accounts: Since aircraft is leased from US based company, payment towards monthly lease rental is through foreign currency (in dollars) only. Due to this, foreign exchange outgo is Rs. 608.20 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 2016-17, Ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2016-17:

Sl. No.	Name of Directors/ KMP and Designation	% increase in remuneration in FY 2016-17	Ratio of remuneration of Director to median remuneration of employees
1	C S Kameswaran*, Whole-time Director	NIL	1.34:1
2	Sakina Sami# Company Secretary	N.A	N.A.
3	Vasant Bhat^ Chief Financial Officer	N.A	N.A.

* Appointed as whole-time director w.e.f. 01.04.2016

Appointed as Company Secretary w.e.f. 07.11.2015

^ appointed as Chief Financial Officer w.e.f. 14.11.2016

- 2) The median remuneration of employees of the Company during the financial year was Rs. 8.98 lakhs 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. 2016-17 was 41% whereas the increase in the Managerial remuneration for the same Financial Year was - NIL. There were 8 permanent employees on the rolls of the Company as on March 31, 2017.

- 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	R H Mohite	Chief Pilot	56	51.60	CPL	30	October, 2014	Taneja Aerospace and Aviation Limited
2	K B Jogaraj	AVP	50	13.50	PG Diploma	29	October, 2014	Taneja Aerospace and Aviation Limited
3	Amey Bhawkar	Executive Pilot	29	12.27	CPL	5	October, 2014	Taneja Aerospace and Aviation Limited
4	C S Kameswaran	Whole-time Director	66	12.00	CA, Post Graduate in Business Administration	30	April, 2016	Taneja Aerospace and Aviation Limited
5	B R Manoj Kumar	Executive Pilot	29	5.97	CPL	3	October, 2014	Taneja Aerospace and Aviation Limited
6	Sakina Sami	Company Secretary	25	3.00	CS	1	November, 2015	-
7	Nitish Kumar Prabhakar	Engineer (Project & Training)	28	1.41	MS (Aerospace & Engineering)	3	July, 2014	Taneja Aerospace and Aviation Limited
8	Vasant Bhat	CFO	40	0.94	CA, CS(I), DISA	14	November, 2016	Quikjet Cargo Airlines P Ltd

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

Taal Enterprises Limited

Annexure 'D' to the Directors Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

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

Secretarial Audit was conducted for the period from 1st April 2016 to 31st March 2017, 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 & returns filed & other records maintained by the Company & also information provided by the Company, its officers, agents & authorized representatives during conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period from 1st April 2016 to 31st March 2017, 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 2017 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.
- (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 entity 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 & Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The SEBI (Prohibition of Insider Trading) Regulations, 1992;
- (c) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The SEBI (Delisting of Equity Shares) Regulations, 2009; and
- (f) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The SEBI (Buyback of Securities) Regulations, 1998;

The Company is a listed Company & provisions of Regulations & Guidelines mentioned above & prescribed under the SEBI Act, 1992 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:

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.

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

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

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.

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.
2. There was an extension of time for holding of Annual General Meeting from Registrar of Companies as per the provisions of Section 96 of the Companies Act, 2013. The Company has complied with the provisions of the Act in respect of the same.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Devendra Deshpande
FCS No. 6099
CP No. 6515

Place: Pune
Date: 30.6.2017

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
FCS No. 6099
CP No. 6515

Place: Pune
Date: 30.06.2017

TAAL Enterprises Limited

Independent Auditor's Report

To the Members of TAAL Enterprises Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TAAL Enterprises Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 27.2 to the standalone financial statements which states that during the current year, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited (a related entity of the Company) in trust for and on behalf of the Company including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Company.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) In our opinion, there are no matters that may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note (11).
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
Firm Registration No.105047W

Deepak Rao
Partner
Membership No.113292

Place : Pune
Date : 30 June, 2017

TAAL Enterprises Limited

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

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

We have audited the internal financial controls over financial reporting of TAAL Enterprises Limited ("the Company") as of March 31, 2017 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, 2017, 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
Firm Registration No.105047W

Deepak Rao
Partner
Membership No.113292

Place: Pune
Date : 30 June 2017

Annexure 'B' To Independent Auditors' Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of TAAL Enterprises Limited on the financial statements for the year ended 31st March 2017]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not own any immovable property; the requirements of paragraph 3 i(c) of the Order are not applicable to the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has granted loans (unsecured) to 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 not been stipulated. In the absence of stipulation of repayment terms are unable to comment on the regularity of repayment of principal and payment of interest.
 - (c) There are no amounts overdue for more than ninety days in respect of the loan granted to Companies 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 31st March, 2017 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. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities and there has been a delay in few cases.

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income tax	Tax Deducted at Source	8.06	June-16 to August-16	7th of subsequent Month	29th June 2017
Finance Act, 1994	Service Tax	3.23	April-2016 to August-2016	5th of the subsequent month	29th June 2017

- b. According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, 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

TAAL Enterprises Limited

- 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
Firm Registration No.105047W

Deepak Rao
Partner
Membership No.113292

Place :Pune
Date :30 June 2017

**FINANCIAL
STATEMENTS
2016-17**

TAAL Enterprises Limited

Balance Sheet as at March 31, 2017

(Amount in Rs.)

Particulars	Note	As at 31/03/2017	As at 31/03/2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	31,163,420	31,163,420
Reserves and surplus	3	44,003,459	75,859,365
		<u>75,166,879</u>	<u>107,022,785</u>
Non-current liabilities			
Long-term provisions	4	457,837	543,533
		<u>457,837</u>	<u>543,533</u>
Current liabilities			
Short-term borrowings	5	9,644,306	450,000
Trade payables	6		
Micro and small enterprises		-	-
Others		20,417,052	11,389,883
Other current liabilities	7	18,595,833	15,919,297
Short-term provisions	4	16,878	29,021
		<u>48,674,069</u>	<u>27,788,201</u>
Total		<u>124,298,785</u>	<u>135,354,519</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	276,317	403,197
Non-current investments	9	56,249,320	56,249,320
		<u>56,525,637</u>	<u>56,652,517</u>
Current assets			
Trade receivables	10	90,644	2,109,891
Cash and bank balances	11	12,942,091	9,163,566
Short term loans and advances	12	54,740,413	67,428,545
		<u>67,773,148</u>	<u>78,702,002</u>
Total		<u>124,298,785</u>	<u>135,354,519</u>
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-34		

As per our report of even date attached

For 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: U62200TN2014PLC096373

Deepak Rao

Partner

Membership No: 113292

Nirmal Chandra

Director

DIN: 00352214

C S Kameswaran

Director

DIN: 00553423

Sakina Sami

Company Secretary

Membership No: A41486

Vasant Bhat

Chief Financial Officer

Place: Pune

June 30, 2017

Annual Report 2016-17

Statement of Profit and Loss for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Note	Year ended 31/03/2017	Year ended 31/03/2016
INCOME			
Revenue from operations	13	68,168,178	79,140,539
Other income	14	8,601,364	6,860,122
Total Revenue		76,769,542	86,000,661
EXPENSES			
Employee benefits expense	15	13,058,308	9,277,954
Finance costs	16	3,121,240	3,776,060
Depreciation and amortization expense	17	126,880	186,320
Operational and other expenses	18	87,987,877	77,760,982
Total expenses		104,294,305	91,001,316
Profit/ (loss) before exceptional items and tax		(27,524,763)	(5,000,655)
Exceptional items (Refer Note 28)		4,331,143	-
Profit/(loss) before tax		(31,855,906)	(5,000,655)
Tax expense:			
Current tax		-	-
Deferred tax charge /(benefit)		-	-
Total Tax Expense/(Benefit)		-	-
Profit/(loss) for the period		(31,855,906)	(5,000,655)
Earnings per equity share - Basic and Diluted (Nominal value per share Rs.10):	20	(10.22)	(1.60)
The accompanying notes are an integral part of the financial statements	2-34		

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: U62200TN2014PLC096373

Deepak Rao

Partner

Membership No: 113292

Nirmal Chandra

Director

DIN: 00352214

C S Kameswaran

Director

DIN: 00553423

Sakina Sami

Company Secretary

Membership No: A41486

Vasant Bhat

Chief Financial Officer

Place: Pune

June 30, 2017

TAAL Enterprises Limited

Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Cash Flow from Operating activities		
Profit before tax	(31,855,906)	(5,000,655)
Adjustments for:		
Depreciation and amortization expenses	126,880	186,320
Interest expenses	944,293	1,115,026
Interest income	(5,815,348)	(6,590,122)
Operating Profit before working capital changes	(36,600,081)	(10,289,431)
Changes in working capital		
(Increase)/ Decrease in Trade and Other receivables	(6,082,550)	3,518,493
Increase/ (Decrease) in Trade and Other payables	11,605,865	12,525,171
Cash generated from / (used in) operations	(31,076,766)	5,754,234
Income tax paid	213,434	550,911
Net cash flows from / (used in) operating activities (A)	(31,290,200)	5,203,323
Cash flow from Investing activities		
Purchase of fixed assets	-	(11,025)
Interest received	5,754,321	726,768
Proceeds from/ (Repayment) of Inter Corporate Deposits (net)	21,064,391	500,000
Net cash flow from / (used in) investing activities (B)	26,818,712	1,215,743
Cash flow from Financing activities		
Repayment of short-term borrowings	-	(4,376,977)
Proceeds from short-term borrowings	9,194,306	-
Interest paid	(944,293)	(1,115,026)
Net cash flow from / (used in) financing activities (C)	8,250,013	(5,492,003)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,778,525	927,063
Cash and cash equivalents at the beginning of the year	9,163,566	8,236,503
Cash and cash equivalents at the end of the year	12,942,091	9,163,566
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	3,480,726	308,747
Margin money or under lien deposits	9,461,365	8,846,073
Cash on hand	-	8,746
Total cash and bank balances at the end of the year	12,942,091	9,163,566

Notes :

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

As per our report of even date attached

For MSKA & Associates
(formerly known as 'MZSK & Associates')

Chartered Accountants
Firm Registration No.: 105047W

Deepak Rao **Nirmal Chandra**
Partner Director
Membership No: 113292 DIN: 00352214

For and on behalf of the Board of Directors of

TAAL Enterprises Limited
CIN: U62200TN2014PLC096373

C S Kameswaran **Sakina Sami**
Director Company Secretary
DIN: 00553423 Membership No: A41486

Vasant Bhat
Chief Financial Officer

Place: Pune
June 30, 2017

Notes forming part of the Financial Statements for the year ended March 31, 2017

Company Background

TAAL Enterprises Limited (TEL) is a public limited company incorporated in India under the Companies Act, 2013. TEL was earlier a wholly owned subsidiary of Taneja Aerospace 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 ceased to be a subsidiary of TAAL. Its principal business activity is providing Aircraft Charter Services.

NOTE 1: Summary of significant accounting policies

1.1 Basis of Preparation of Financial Statements

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

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

1.2 Use of Estimates

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

1.3 Classification of Assets and Liabilities

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

- a) An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realized within twelve months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

- b) All assets other than current assets are classified as non-current.

- c) A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

- d) All liabilities other than current liabilities are classified as non-current.

1.4 Operating Cycle

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

1.5 Fixed Assets

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

- b) All indirect expenses incurred during acquisition/ construction of fixed assets including interest cost on funds deployed for the fixed assets are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use.
- c) Fixed assets under construction and not ready for intended use, as on the balance sheet date, are disclosed as Capital Work-in-Progress.
- d) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- e) Fixed Assets received from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

1.6 Depreciation

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

1.7 Impairment of Assets

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

1.8 Inventories

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

1.9 Investments

- a) Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

- b) Current investments are stated at lower of cost and fair value determined on an individual investment basis.
- c) Non-current investments are stated at cost. A provision for diminution in the value of non-current investments is made only if such a decline is other than temporary in the opinion of the management. The determination for diminution is done separately for each individual investment.
- d) Investments acquired from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

1.10 Trade Receivables

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

1.11 Provisions, Contingent Liabilities and Contingent Assets

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

1.12 Revenue Recognition

- a) Revenue is recognised to the extent, it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Charter Income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft. The revenue is recognised net of Service Tax.
- c) Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.

- d) 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.

1.13 Leases

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

1.14 Borrowing Costs

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

1.15 Foreign Currency Transactions

- a) Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) Conversion: At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.
- c) Exchange Differences: All exchange differences arising on settlement/conversion of foreign currency transactions are recognised as income or expense in the Statement of Profit and Loss in the year in which they arise.
- d) Non monetary foreign currency items such as investments are carried at cost.

1.16 Employee Benefits

- a) Defined Contribution Plan

The Company makes defined contribution to Provident Fund and Superannuation Fund, which are recognised as an expense in the Statement of Profit and Loss on accrual basis.

- b) Defined Benefit Plan

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

the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

1.17 Provision for Taxation

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year. Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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

1.18 Segment Reporting

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

1.19 Contingencies and Events Occurring after the Date of Balance Sheet

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

1.20 Earnings Per Share

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

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

1.21 Cash and cash equivalents

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

TAAL Enterprises Limited

Notes forming part of the Financial Statements for the year ended March 31, 2017

2 Share Capital

(Amount in Rs.)

	As at 31/03/2017	As at 31/03/2016
Authorised 50,00,000 (Previous Year 50,00,000) equity shares of Rs. 10 each	50,000,000	50,000,000
Issued, subscribed and paid up 31,16,342 (Previous Year 31,16,342) equity shares of Rs. 10 each fully paid	31,163,420	31,163,420
Total Share capital	31,163,420	31,163,420

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

	As at 31/03/2017		As at 31/03/2016	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	3,116,342	31,163,420	50,000	500,000
Add: Shares issued during the year	-	-	-	-
Add: Shares issued pursuant to the Scheme of Demerger	-	-	3,116,342	31,163,420
Less: Shares cancelled pursuant to the Scheme of Demerger	-	-	50,000	500,000
Outstanding at the end of the year	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 Rs. 10/- each. Each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31/03/2017	As at 31/03/2016
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	-	3,116,342

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

Name of the shareholder	As at 31/03/2017		As at 31/03/2016	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	612,577	19.66	1,370,577	43.98
Vishkul Leather Garments Private Limited	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.

3 Reserves and Surplus

Particulars	As at 31/03/2017	As at 31/03/2016
(a) Capital Reserve		
Opening balance	108,558,886	108,058,886
Add: Shares cancelled pursuant to the Scheme of Demerger	-	500,000
Closing balance	108,558,886	108,558,886
(b) Surplus/ (deficit) in the statement of profit and loss		
Opening balance	(32,699,521)	(27,698,866)
Add: Net Profit/(Net Loss) for the current year	(31,855,906)	(5,000,655)
Closing balance	(64,555,427)	(32,699,521)
Total Reserves and Surplus	44,003,459	75,859,365

4 Provisions

Particulars	Long term		Short term	
	As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
Provision for employee benefits (Refer note 23)				
Provision for gratuity (unfunded)	185,147	206,539	3,811	2,884
Provision for leave Encashment (unfunded)	272,690	336,994	13,067	26,137
Total Provisions	457,837	543,533	16,878	29,021

Annual Report 2016-17

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

5 Short term borrowings (Amount in Rs.)

Particulars	As at 31/03/2017	As at 31/03/2016
Secured		
Loans repayable on demand		
from banks	9,644,306	-
Unsecured		
Loans and advances from other parties	-	450,000
Total Short-term borrowings	<u>9,644,306</u>	<u>450,000</u>

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

6 Trade payables

Particulars	As at 31/03/2017	As at 31/03/2016
Micro and Small Enterprises	-	-
Others	20,417,052	11,389,883
Total Trade payables	<u>20,417,052</u>	<u>11,389,883</u>

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

7 Other current liabilities

Particulars	As at 31/03/2017	As at 31/03/2016
(a) Service tax payable	736,101	2,859,961
(b) Payable towards taxes deducted at source	4,513,667	4,465,902
(c) Other payables	11,240,661	7,853,496
(d) Advance from customers	1,377,747	82,524
(e) Employee related liabilities	727,657	657,414
Total Other current liabilities	<u>18,595,833</u>	<u>15,919,297</u>

8 Fixed assets

(Amount in Rs.)

Particulars	Gross Block as at April 01, 2016	Additions	Deletions/ Adjustments	Gross Block as at March 31, 2017	Accumulated Depreciation as on April 01, 2016	Depreciation for the year	Depreciation on Deletions/ Adjustments	Accumulated Depreciation as at March 31, 2017	Net Block as at March 31, 2017
Computer - Hardware	219,747	-	-	219,747	181,313	13,435	-	194,748	24,999
Office Equipment	579,742	-	-	579,742	567,157	-	-	567,157	12,585
Furniture and Fixtures	2,316,721	-	-	2,316,721	1,964,543	113,445	-	2,077,988	238,733
Total	3,116,210	-	-	3,116,210	2,713,013	126,880	-	2,839,893	276,317

Particulars	Gross Block as at April 01, 2015	Additions	Deletions/ Adjustments	Gross Block as at March 31, 2016	Accumulated Depreciation as on April 01, 2015	Depreciation for the year	Depreciation on Deletions/ Adjustments	Accumulated Depreciation as at March 31, 2016	Net Block as at March 31, 2016
Computer - Hardware	208,722	11,025	-	219,747	170,145	11,168	-	181,313	38,434
Office Equipment	579,742	-	-	579,742	559,440	7,717	-	567,157	12,585
Furniture and Fixtures	2,316,721	-	-	2,316,721	1,797,108	167,435	-	1,964,543	352,178
Total	3,105,185	11,025	-	3,116,210	2,526,693	186,320	-	2,713,013	403,197

TAAL Enterprises Limited

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

(Amount in Rs.)

9 Non-current investments

Particulars	As at 31/03/2017	As at 31/03/2016
Unquoted, at cost fully paid up		
Investments in equity shares		
First Airways Inc, USA	47,749,320	47,749,320
11,50,000 Shares (Previous Year 11,50,000) of USD 1/- each		
TAAL Tech India Private Limited	8,500,000	8,500,000
8,50,000 Shares (Previous Year 8,50,000) of Rs. 10/- each		
Total Non current investments	56,249,320	56,249,320

10 Trade receivables

Particulars	As at 31/03/2017	As at 31/03/2016
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	8,519	2,109,891
Less: Provision for doubtful receivables	-	-
Total Trade receivables (I)	8,519	2,109,891
Others		
Unsecured, considered good	82,125	-
Less: Provision for doubtful receivables	-	-
Total Trade receivables (II)	82,125	-
Total Trade receivables (I+II)	90,644	2,109,891

11 Cash and bank balances

Particulars	As at 31/03/2017	As at 31/03/2016
Cash and cash equivalents		
Balances with banks		
On current accounts	3,480,726	308,747
Cash in hand	-	8,746
Total cash and cash equivalents (I)	3,480,726	317,493
Other bank balances		
Margin money or under lien deposits (More than 3 months maturity)	9,461,365	8,846,073
Total current maturities of other bank balances (II)	9,461,365	8,846,073
Total Cash and bank balances (I+II)	12,942,091	9,163,566

Details of Specified Bank Notes (SBNs) held and transacted during the period 8th November 2016 to 30th December 2016:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	5,568	5,568
(+) Permitted receipts	-	-	-
(+) Withdrawal from bank	-	5,000	5,000
(+) Receipts in other denomination	-	-	-
(-) Permitted payments	-	-	-
(-) Paid in other denomination	-	7,158	7,158
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	3,410	3,410

Annual Report 2016-17

Notes forming part of the Financial Statements for the year ended March 31, 2017

12 Short term loans and advances

(Amount in Rs.)

Particulars	As at 31/03/2017	As at 31/03/2016
(Unsecured, considered good, unless stated otherwise)		
(a) Security deposits	1,200,935	1,225,793
(b) Loans and advances to related parties (Refer Note 24)	18,604,588	63,660,021
(c) Other loans and advances		
Advance tax and tax deducted at source	764,345	550,911
Loan recoverable in cash	19,554,924	-
Advance to suppliers	139,381	152,340
Advances to employees	61,099	688,934
Prepaid expenses	1,348,635	1,150,546
(d) Balances with government authorities	131,656	-
(e) Advances recoverable in either cash or kind	12,934,850	-
Total Short term loans and advances	54,740,413	67,428,545

13 Revenue from operations

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Sale of services		
Charter Income	68,168,178	79,140,539
Total Revenue from operations	68,168,178	79,140,539

14 Other income

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Interest income		
From ICD	5,093,441	5,863,354
From Banks	721,907	726,768
Other non-operating income		
Gain on foreign exchange transactions and translations other than those considered as finance cost (net)	314,660	-
Miscellaneous income	2,471,356	270,000
Total other income	8,601,364	6,860,122

15 Employee benefits expense

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Salaries, wages, bonus and other allowances	11,424,974	8,934,537
Contribution to provident and other funds (Refer Note 23)	245,291	206,604
Gratuity expenses (Refer Note 23)	127,770	35,865
Staff welfare expenses	60,273	100,948
Managerial remuneration	1,200,000	-
Total Employee benefits expense	13,058,308	9,277,954

16 Finance cost

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Interest expense		
On bank loan	944,293	1,115,026
Other Finance Costs*	1,326,101	2,039,884
Bank charges	850,846	621,150
Total Finance cost	3,121,240	3,776,060

TAAL Enterprises Limited

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

17 Depreciation and amortization expense		(Amount in Rs.)	
Particulars	Year ended 31/03/2017	Year ended 31/03/2016	
On tangible assets (Refer Note 8)	126,880	186,320	
Total Depreciation and amortization expense	126,880	186,320	

18 Operational and other Expenses			
Particulars	Year ended 31/03/2017	Year ended 31/03/2016	
Aircraft fuel charges	9,328,926	9,599,413	
Aircraft lease rent ^	45,588,857	43,565,766	
Aircraft repairs and maintenance	832,227	210,251	
Rent - flight parking and equipment	2,069,568	1,839,064	
Other aircraft operating expenses	12,384,887	11,197,049	
Spares and consumables	6,751,598	3,032,101	
Advertisement and publicity	843,424	6,300	
Sitting fees	990,000	-	
Rent	911,685	38,315	
Repairs and maintenance - buildings	-	13,859	
Repairs and maintenance - others	13,117	50,906	
Insurance	12,002	16,281	
Rates and taxes	524,162	1,225,804	
Registration and renewal	858,872	922,858	
Travelling expenses	526,753	334,039	
Training expenses	1,625,754	693,436	
Auditor's remuneration #	507,447	300,000	
Printing and stationery	280,814	110,908	
Communication expenses	219,211	209,539	
Legal and professional charges	3,428,095	3,647,723	
Loss on foreign exchange transactions (net)	-	663,010	
Miscellaneous expenses	290,478	84,360	
Total Operational and other expenses	87,987,877	77,760,982	

^ Aircraft Lease Rent

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

The payments under lease for the future period are:

Particulars	Amount in US\$	Equivalent in Rs.
Less than One Year	369,896	23,983,539
More than 1 Year and less than 5 Years	-	-
Total	369,896	23,983,539

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

The following is the break-up of Auditors remuneration

	Year ended 31/03/2017	Year ended 31/03/2016
Statutory audit fees	150,000	300,000
Limited review fees	300,000	-
Reimbursement of expenses	57,447	-
Total	507,447	300,000

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

19 There are no Contingent Liabilities, Capital and Other Commitments as at March 31, 2017 and March 31, 2016.

20 Earnings Per Share (EPS)

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Loss after Tax available for Equity Shareholders	(31,855,906)	(5,000,655)
Weighted Average number of Equity Shares of nominal value of Rs. 10/- each	3,116,342	3,116,342
Computation of EPS - Basic* (In Rs.)	(10.22)	(1.60)

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

21 Expenditure in Foreign Currency (on Accrual Basis)

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Purchase – Consumables	6,464,027	2,742,901
Lease Rent	45,588,857	43,565,766
Subscription Fees	822,809	858,172
Aircraft Repairs and Maintenance	3,494,349	-
Training and Travelling Expenses	1,499,606	614,324
Aircraft Insurance	2,949,875	428,947
Total Expenditure in foreign currency	60,819,523	48,210,110

22 Earnings in Foreign Currency (On accrual basis) on account of Charter Income Rs. Nil (Previous Year: Rs. 17,00,325/-).

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

A. Defined contribution plans

- a) Provident fund
- b) Superannuation fund

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

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Employers Contribution to Provident fund	118,100	98,280
Employers Contribution to Superannuation fund.	127,191	108,324
	245,291	206,604

TAAL Enterprises Limited

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

B. Defined benefit plans and Other long term benefits

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

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

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

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
Discount rate (per annum)	7.40%	8.10%	7.40%	8.10%
Expected Rate of increase in compensation levels	10%	10%	10%	10%
Retirement age	58 years	58 years	58 years	58 years
Withdrawal Rate	2%	2%	2%	2%

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

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

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

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year ended 31/03/2017	Year ended 31/03/2016	Year ended 31/03/2017	Year ended 31/03/2016
Present value of obligation as at the beginning of the year	209,423	173,558	363,131	297,290
Interest cost	10,960	13,538	21,920	23,189
Current service cost	36,954	36,954	69,713	82,223
Benefits paid	(148,235)	-	(185,033)	-
Actuarial loss/(gain) on obligations	79,856	(14,627)	16,026	(39,571)
Present value of obligation as at the end of the year	188,958	209,423	285,757	363,131

- iii. Expenses recognised in the Statement of Profit and Loss (under the head “Employee benefits expense”): (Amount in Rs.)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year ended 31/03/2017	Year ended 31/03/2016	Year ended 31/03/2017	Year ended 31/03/2016
Current service cost (including risk premium for fully insured benefits)	36,954	36,954	69,713	82,223
Interest cost	10,960	13,538	21,920	23,189
Net actuarial loss/(gain) recognized during the year	79,856	(14,627)	16,026	(39,571)
Total expense recognised in Statement of profit and loss.	127,770	35,865	107,659	65,841

- iv. Changes in Fair Value of Plan Assets

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

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

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

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
Present Value of Obligation as at the end of the Year	188,958	209,423	285,757	363,131
Less: Funded with LIC	-	-	-	-
Net Liability	188,958	209,423	285,757	363,131

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

Relationship	Name of the Related Party
a. Subsidiary Companies	TAAL Tech India Private Limited First Airways Inc, USA TAAL Technologies Inc, USA (Subsidiary of Taal Tech India Private Limited) TAAL Tech GmbH, Switzerland (Subsidiary of Taal Tech India Private Limited) # TAAL Tech Innovations GmbH, Austria (Subsidiary of Taal Tech India Private Limited)
b. Associate Company	Taneja Aerospace & Aviation Limited
c. Key Management Personnel	Mr. C S Kameswaran (Whole Time Director) *

* Appointed as a Whole Time Director w.e.f. April 1, 2016 for a period of one year upto March 31, 2017. He is further re-appointed as a Whole Time Director for a period of one year w.e.f. April 1, 2017 upto March 31, 2018 subject to the shareholder's approval.

Transactions/Balances with Related Parties

(Amount in Rs.)

Particulars	Subsidiaries	Associate	Key Management Personnel
Inter Corporate Deposit Refunded during the year	40,564,391 (1,500,000)	-	-
Inter Corporate Deposit Given during the year	1,920,724 (-)	-	-
Reimbursement of Expenses during the year (Net)	93,750 (5,277,019)	-	-
Interest Income	5,032,414 (5,863,354)	-	-
Rent Paid	-	911,685	-
Commission Paid	-	(38,315)	-
Managerial Remuneration #	-	-	12,00,000
Balance Receivable as at the year end - ICD	-	-	-
Balance Receivable as at the year end - Current A/c	(38,643,667) -	-	-
Balance Payable as at the year end - Current A/c	(5,277,019) 93,750	* 1,86,98,337 -	-
Balance Payable as at the year end	-	(1,97,39,335) -	-
	-	-	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 current account transactions with the Associate Company 'Taneja Aerospace and Aviation Limited' (TAAL) have arisen on account of the Charter Business, which is still being carried on by TAAL on behalf of TAAL Enterprises Limited (TEL), as the Aircraft License is yet to be transferred in the name of TEL (Refer Note 27.2).

The Company has not paid any Commission to the Managerial Personnel. Further, the Managerial Personnel are not eligible for Gratuity & Leave Encashment.

TAAL Enterprises Limited

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

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

a) Amount of Investment in/ Loans and Advances in the nature of loans to subsidiaries and associates for the year ended 31st March, 2017

(Amount in Rs.)

Name of the Company	Holding	Nature of Transaction	Max. Balance during the period	Balance as at 31st March, 2017	Balance as at 31st March, 2016
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
TAAL Tech India Private Limited *	85%	Advance	38,643,667	-	38,643,667
TAAL Tech India Private Limited	85%	Receivable - ICD Advance Receivable - Current A/c	6,574,116	(93,750)	5,277,019
Associate					
Taneja Aerospace & Aviation Limited	-	Advance Receivable	23,365,282	18,698,337	19,739,335

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

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

Foreign Currency exposure not hedged as at March 31, 2017 are as under:

(Amount Rs. in Lakhs)

Particulars	31st March, 2017		31st March, 2016	
	Foreign Currency	INR	Foreign Currency	INR
Lease Rent Payable				
USD	3.03	196.60	2.69	178.40
	<u>3.03</u>	<u>196.60</u>	<u>2.69</u>	<u>178.40</u>
Other - Trade Payable				
USD	0.15	9.51	0.02	1.25
Total	<u>0.15</u>	<u>9.51</u>	<u>0.02</u>	<u>1.25</u>

27 27.1 In terms of the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited ("the Company"), TAAL has demerged its Air Charter business including investment in First Airways Inc, USA and Engineering Design Services Business conducted through TAAL Tech India P. Ltd. into the Company. Pursuant to the Scheme as sanctioned by the Hon'ble High Court of Madras vide order dated 22nd June 2015, received on 23rd July 2015, the Air Charter business of TAAL including investment in First Airways Inc, USA and Engineering Design Services Business conducted through TAAL Tech India P. Ltd. has been demerged into the Company on a going concern basis with effect from 1st October 2014 being the appointed date. The certified copy of the said order of the Hon'ble High Court of Madras has been filed with the Registrar of Companies, Chennai on 21st August 2015 and as such the Scheme has become effective from that date.

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

28 The Company had incurred expenditure of Rs. 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 Rs. 1,29,29,850/- and the same was realised by the Company on or before adoption of financial statements by the Board.

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

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

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

- 31 The Company considers its investment in and loans to subsidiaries as strategic and long term in nature and accordingly, in the view of the management, any decline in the value of such long term investments in subsidiaries is considered as temporary in nature and hence no provision for diminution in value is considered necessary.
- 32 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.
- 33 Effective from Tuesday, July 05, 2016 the equity shares of the Company got listed and admitted to dealings on the Bombay Stock Exchange.
- 34 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

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

Nirmal Chandra

Director

DIN: 00352214

For and on behalf of the Board of Directors of

TAAL Enterprises Limited

CIN: U62200TN2014PLC096373

C S Kameswaran

Director

DIN: 00553423

Sakina Sami

Company Secretary

Membership No: A41486

Vasant Bhat

Chief Financial Officer

Place: Pune

June 30, 2017

TAAL Enterprises Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of TAAL Enterprises Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TAAL Enterprises Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 32.2 to the consolidated financial statements which states that during the current year, due to non-availability of the requisite statutory licences required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited (a related entity of the Holding Company) in trust for and on behalf of the Holding Company, including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Holding Company.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 180.84 Lakhs as at 31st March, 2017 and total revenues of Rs. 176.31 Lakhs and net cash flows amounting to Rs. (23.63) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of other auditors.

We did not audit the financial statements of 2 subsidiary, whose financial statements reflect total assets of Rs. 28.14(9.88) Lakhs as at 31st March, 2017, total revenue of Rs. Nil Lakhs and net cash flow amounting to Rs. (10.67) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements are unaudited and have been certified and furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, the financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial 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.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the

Group companies, incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group—Refer Note 23 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
 - iv. The Consolidated financial statement has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation and the reports of the other auditors we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 14.

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

Deepak Rao
Partner
Membership No.113292

Place: Pune
Date : 30 June 2017

TAAL Enterprises Limited

Annexure A To The Independent Auditor's Report of Even Date on The Consolidated Financial Statements of TAAL Enterprises Limited

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

In conjunction with our audit of the consolidated financial statements of TAAL Enterprises Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of TAAL Enterprises Limited ("the Company") (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MSKA & Associates (formerly known as 'MZSK & Associates')

Chartered Accountants
Firm Registration No.105047W

Deepak Rao
Partner
Membership No.113292

Place: Pune
Date : 30 June 2017

**CONSOLIDATED
2016-17**

TAAL Enterprises Limited

Consolidated Balance Sheet as at March 31, 2017

(Amount in Rs.)

Particulars	Note	As at 31/03/2017	As at 31/03/2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	31,163,420	31,163,420
Reserves and surplus	3	141,140,507	104,596,247
		<u>172,303,927</u>	<u>135,759,667</u>
Minority interest		19,403,577	6,131,846
Non-current liabilities			
Long-term borrowings	4	320,957	733,691
Long-term provisions	5	15,346,619	9,778,913
		<u>15,667,576</u>	<u>10,512,604</u>
Current liabilities			
Short-term borrowings	6	97,396,683	89,348,092
Trade payables	7		
Micro and small enterprises		-	-
Others		58,018,097	32,500,754
Other current liabilities	8	70,065,789	80,614,874
Short-term provisions	5	7,810,312	13,677,662
		<u>233,290,881</u>	<u>216,141,382</u>
Total		<u>440,665,961</u>	<u>368,545,499</u>
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		14,947,518	14,392,756
Intangible assets		6,510,039	5,055,781
Goodwill on consolidation (Refer note 35)		39,050,239	39,050,239
Deferred tax assets (Net)	10	4,948,994	4,838,647
Long term loans and advances	11	25,180,815	13,710,890
Other non-current assets	12	-	6,147,136
		<u>90,637,605</u>	<u>83,195,449</u>
Current assets			
Trade receivables	13	181,601,270	136,426,175
Cash and bank balances	14	30,387,111	38,202,941
Short term loans and advances	15	128,966,406	103,300,258
Other current assets	16	9,073,569	7,420,676
		<u>350,028,356</u>	<u>285,350,050</u>
Total		<u>440,665,961</u>	<u>368,545,499</u>
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the consolidated financial statements	2-41		

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: U62200TN2014PLC096373

Deepak Rao

Partner

Membership No: 113292

Nirmal Chandra

Director

DIN: 00352214

C.S.Kameswaran

Director

DIN: 00553423

Sakina Sami

Company Secretary

Membership No: A41486

Vasant Bhat

Chief Financial Officer

Place: Pune

Date : June 30, 2017

Annual Report 2016-17

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Note	Year ended 31/03/2017	Year ended 31/03/2016
INCOME			
Revenue from operations	17	920,592,928	659,893,121
Other income	18	6,082,863	8,038,059
Total revenue		926,675,791	667,931,180
EXPENSES			
Purchases	19	18,755,985	1,132,533
Employee benefits expense	20	528,258,666	392,135,296
Finance costs	21	12,533,833	19,435,943
Depreciation and amortization expense	9	12,937,843	22,775,072
Operational and other expenses	22	287,975,439	223,911,641
Total expenses		860,461,766	659,390,485
Profit/(loss) before tax		66,214,025	8,540,695
Exceptional items (Refer Note 37)		4,331,143	-
Profit/ (loss) before tax		61,882,882	8,540,695
Tax expense			
Current tax		22,069,071	11,111,863
Adjustments for earlier years		(554,171)	-
Deferred tax charge/(benefit)		(110,347)	(3,556,510)
MAT credit receivable		(9,981,740)	-
Total tax expense/(benefit)		11,422,813	7,555,353
Profit/(loss) after tax but before minority interest		50,460,069	985,342
Less: Minority interest		13,341,185	2,074,015
Profit/(loss) for the period		37,118,884	(1,088,673)
Earnings per equity share - basic and diluted (Nominal value per share Rs. 10)	24	11.91	(0.35)
The accompanying notes are an integral part of the consolidated financial statements	2-41		

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: U62200TN2014PLC096373

Deepak Rao

Partner

Membership No: 113292

Nirmal Chandra

Director

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Sakina Sami

Company Secretary

Membership No: A41486

Vasant Bhat

Chief Financial Officer

Place: Pune

Date : June 30, 2017

TAAL Enterprises Limited

Consolidated Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Cash Flow From Operating Activities		
Net profit/(loss) before tax	61,882,881	8,540,695
Adjustments :		
Depreciation, amortisation and impairment	12,937,843	22,775,071
Aircraft Purchase option	6,073,731	5,953,883
Unrealised foreign exchange gain	(3,783,242)	1,094,612
Interest expense	15,795,982	22,204,799
Interest income	(8,517,587)	(9,294,612)
Provision / write-off of doubtful debts, advances and other current assets	275,711	4,802,322
Operating gain before working capital changes	84,665,319	56,076,770
Adjustments for :		
Decrease/ (increase) in trade receivables	(49,952,380)	(46,355,757)
Decrease/ (increase) in loans and advances	6,318,645	(32,099,940)
Decrease/ (increase) in other current assets	(2,395,757)	(174,878)
Decrease / (increase) in non - current assets	(1,414,780)	2,760,579
Increase / (decrease) in trade payables	28,099,888	9,229,439
Increase / (decrease) in other current liabilities	(17,549,780)	7,402,121
Increase / (decrease) in non - current liabilities	5,653,401	2,040,539
Cash generated from operating activities before taxes	53,424,556	(1,121,127)
Direct taxes paid (net of refunds)	(29,356,643)	(3,110,985)
Net cash provided/ (used) by operating activities	24,067,913	(4,232,112)
Cash Flow From Investing Activities		
Purchase of fixed assets	(14,946,865)	(16,383,667)
Proceeds from/ (Repayment) of Inter Corporate Deposits (net)	21,064,391	500,000
Interest received	8,456,560	820,101
Net cash provided/ (used) by investing activities	14,574,086	(15,063,566)
Cash Flow From Financing Activities		
Increase in short term bank borrowings (net)	(30,595,077)	33,356,168
Increase in long term borrowings (net)	(326,868)	978,744
Interest paid	(15,070,982)	(10,719,825)
Net cash provided/ (used) by financing activities	(45,992,927)	23,615,087
Net Increase/ (Decrease) in cash and cash equivalents	(7,350,928)	4,319,409
Cash and cash equivalents at the beginning of the year	38,202,941	31,889,053
Effect of exchange gain on cash and cash equivalents	179,173	565,429
Foreign currency translation reserve / adjustments	(644,075)	1,429,050
Cash and cash equivalents at the end of the year	30,387,111	38,202,941
Notes :		
Cash and cash equivalents components:		
Cash, cheques in hand and remittances in transit		
Balance with banks in :		
On current accounts	18,359,239	29,076,723
Margin money or under lien deposits	9,461,365	8,846,073
Deposits with original maturity of less than three months	2,500,000	0
Cash in hand	66,507	280,145
Total cash and bank balances at the end of the year	30,387,111	38,202,941

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: U62200TN2014PLC096373

Deepak Rao
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Director
DIN: 00553423

Sakina Sami
Company Secretary
Membership No: A41486

Vasant Bhat
Chief Financial Officer

Place: Pune
Date : June 30, 2017

Notes to Consolidated Financial Statements for the year ended March 31, 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Consolidated Financial Statements

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

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

1.2 Principles of Consolidation

The financial statements of the subsidiary companies used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2017.

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

- a) The financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses.
- b) In case of foreign subsidiaries, being non-integral foreign operations, income and expense items are consolidated at the average exchange rate prevailing during the period. All assets and liabilities are converted at exchange rates prevailing at the end of the year. All resulting exchange differences arising on consolidation are recognised in the ‘Foreign Currency Translation Reserve’ under ‘Reserves and Surplus’.
- c) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve on consolidation as the case may be.
- d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity

attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

- e) Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Parent Company.
- f) Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Parent Company.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company’s separate financial statements except as otherwise stated.
- h) The following subsidiary companies including indirect subsidiary companies have been considered in the preparation of consolidated financial statements:

Sr. No.	Name of the Company	Relationship	Country of Incorporation	Ownership interest held by the Parent as at March 31, 2017	Accounting Period	Audited/ Unaudited
1	TAAL Tech India Private Limited	Direct Subsidiary	India	85%	Apr16-Mar17	Audited
2	First Airways Inc.	Direct Subsidiary	USA	100%	Apr16-Mar17	Audited
3	TAAL Technologies Inc.	Indirect Subsidiary	USA	100%	Apr16-Mar17	Audited
4	TAAL Tech Innovations GmbH	Indirect Subsidiary	Austria	100%	Apr16-Mar17	Management Certified
5	TAAL Tech GmbH	Indirect Subsidiary	Switzerland	100%	Apr16-Mar17	Management Certified

1.3 Use of Estimates

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

1.4 Operating Cycle

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

1.5 Fixed Assets

A- Tangible Assets

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

B- Intangible Assets

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

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

1.6 Depreciation

Parent Company

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

Subsidiary Company (TAAL Tech India Private Limited)

Depreciation on tangible assets is provided on Written Down Value Method based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter. Intangibles assets are amortized over a period of three financial years starting with the year in which these assets are procured.

1.7 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Further, if at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exist, the recoverable amount is re-assessed and the asset is reflected at recoverable amount subject to maximum of depreciable historical cost.

1.8 Aircraft Purchase Option

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

1.9 Investments

- a) Investments which are readily realizable and intended to be held for not more than one year from the date

on which such investments are made are classified as current investments. All other investments are classified as non-current investments.

- b) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. The determination for diminution is done separately for each individual investment.
- c) Investments acquired from Taneja Aerospace & Aviation Limited pursuant to the Scheme of Demerger are recorded at their book values as on the appointed date.

1.10 Trade Receivables

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

1.11 Cash and Cash Equivalents

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

1.12 Provisions, Contingent Liabilities and Contingent Assets

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

1.13 Revenue Recognition

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

1.14 Leases

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

1.15 Borrowing Cost

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

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

1.16 Foreign Currency Transactions

- a) Initial Recognition: Transactions denominated in

TAAL Enterprises Limited

foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

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

1.17 Employee Benefits

- a) Defined Contribution Plan

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

- b) Defined Benefit Plan

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

1.18 Provision for Taxation

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

Current Tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable

taxation laws of the respective jurisdiction where the entities are located.

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

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

1.19 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. The Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Group has considered business segments as the primary segments for disclosure. The business segments are 'Air Charter' and 'Engineering Design Service'. The Group does not have any geographical segment.

1.20 Contingencies and Events Occurring after the Date of Balance Sheet

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

1.21 Earnings Per Share

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

Annual Report 2016-17

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

2 Share capital

Particulars	As at 31/03/2017	As at 31/03/2016
Authorised		
50,00,000 (Previous Year 50,00,000) equity shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up		
31,16,342 (Previous Year 31,16,342) equity shares of Rs. 10 each fully paid	<u>31,163,420</u>	<u>31,163,420</u>
Total Share capital	<u>31,163,420</u>	<u>31,163,420</u>

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

Particulars	As at 31/03/2017		As at 31/03/2016	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Outstanding at the beginning of the year	3,116,342	31,163,420	50,000	500,000
Add: Shares issued during the year	-	-	-	-
Add: Shares issued pursuant to the Scheme of Demerger	-	-	3,116,342	31,163,420
Less: Shares cancelled pursuant to the Scheme of Demerger	-	-	50,000	500,000
Outstanding at the end of the year	<u>3,116,342</u>	<u>31,163,420</u>	<u>3,116,342</u>	<u>31,163,420</u>

(b) Rights, preferences and restrictions attached to shares

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

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

Particulars	As at 31/03/2017	As at 31/03/2016
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	-	3,116,342

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

Name of the shareholders	As at 31/03/2017		As at 31/03/2016	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indian Seamless Enterprises Limited	612,577	19.66	1370577	43.98
Vishkul Leather Garments Private Limited	969,247	31.10	211147	6.78

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

3 Reserves and surplus

Particulars		As at 31/03/2017	As at 31/03/2016
(a) Capital reserve			
Opening balance		108,558,886	108,058,886
Add: Shares cancelled pursuant to the Scheme of Demerger		-	500,000
Closing balance		<u>108,558,886</u>	<u>108,558,886</u>
(b) Securities premium account			
Opening balance		4,254,675	4,254,675
Closing balance		<u>4,254,675</u>	<u>4,254,675</u>

TAAL Enterprises Limited

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

Particulars		As at 31/03/2017	As at 31/03/2016
(c) Foreign currency translation reserve			
	Opening balance	23,453,267	22,113,602
	Add: Currency translation gain / (loss) during the year	(644,075)	1,429,050
	Less: Transferred to minority interest	(69,451)	89,385
	Closing balance	<u>22,878,643</u>	<u>23,453,267</u>
(d) Surplus/(deficit) in the statement of profit and loss			
	Opening balance	(31,670,581)	(30,581,908)
	Add: Net profit/(net loss) for the current year	37,118,884	(1,088,673)
	Closing balance	<u>5,448,303</u>	<u>(31,670,581)</u>
	Total Reserves and surplus	<u>141,140,507</u>	<u>104,596,247</u>

4 Long term borrowings

Particulars	As at 31/03/2017	As at 31/03/2016
Term loan from bank - car loan	651,876	978,744
Less: Amount disclosed under the head "Other current liabilities" (Refer Note 8)	330,919	245,053
Total Long term borrowings	<u>320,957</u>	<u>733,691</u>

5 Provisions

Particulars	Long term		Short term	
	As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
(a) Provision for employee benefits (Refer Note 28)				
	10,623,186	6,347,950	332,089	113,203
	4,723,433	3,430,963	594,243	271,450
(b) Other provisions				
	-	-	6,883,980	13,293,009
Total Provisions	<u>15,346,619</u>	<u>9,778,913</u>	<u>7,810,312</u>	<u>13,677,662</u>

6 Short term borrowings

Particulars	As at 31/03/2017	As at 31/03/2016
Secured		
Loans repayable on demand		
	97,396,683	88,898,092
Unsecured		
	-	450,000
Total Short-term borrowings	<u>97,396,683</u>	<u>89,348,092</u>

Details of securities and other terms

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

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

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

Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

7 Trade payables

Particulars	As at 31/03/2017	As at 31/03/2016
Micro and small enterprises *	-	-
Others	58,018,097	32,500,754
Total Trade payables	58,018,097	32,500,754

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

8 Other current liabilities

Particulars	As at 31/03/2017	As at 31/03/2016
(a) Service tax payable	736,101	2,859,961
(b) Payable towards taxes deducted at source	7,723,530	12,412,301
(c) Payable towards other taxes	1,741,036	4,869,002
(d) Other payables	40,676,299	42,439,164
(e) Advance from customers	1,377,747	82,524
(f) Employee related liabilities	17,480,157	17,706,869
(g) Current maturities of long term borrowings (Refer Note 4)	330,919	245,053
Total Other current liabilities	70,065,789	80,614,874

9.1 Fixed Assets

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions	As at March 31, 2017	As at March 31, 2017
Tangible assets:									
Computer Equipment	13,185,638	7,214,555	-	20,400,193	11,893,928	2,121,458	-	14,015,386	6,384,807
Office Equipment	3,122,424	189,816	-	3,312,240	2,630,356	38,469	-	2,668,824	643,416
Vehicles	1,529,226	-	-	1,529,226	231,917	398,412	-	630,329	898,897
Leasehold Improvements	15,527,526	317,016	-	15,844,542	6,978,680	3,902,723	-	10,881,403	4,963,139
Furniture & Fixtures	5,648,617	40,762	-	5,689,379	2,885,795	746,324	-	3,632,119	2,057,260
Total (A)	39,013,431	7,762,149	-	46,775,580	24,620,677	7,207,385	-	31,828,062	14,947,518
Intangible assets:									
Softwares	35,114,340	7,184,716	-	42,299,056	30,058,559	5,730,458	-	35,789,017	6,510,039
Total (B)	35,114,340	7,184,716	-	42,299,056	30,058,559	5,730,458	-	35,789,017	6,510,039
CWIP (C)	-	-	-	-	-	-	-	-	-
Total (A+B+C)	74,127,771	14,946,865	-	89,074,636	54,679,236	12,937,843	-	67,617,079	21,457,557

9.2 Fixed Assets

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the Year	Deductions	As at March 31, 2016	As at March 31, 2016
Tangible assets:									
Computer Equipment	12,888,948	2,96,693	-	13,185,641	99,88,223	1,905,706	-	11,893,929	1,291,712
Office Equipment	2,225,104	897,320	-	3,122,424	1,677,284	953,072	-	2,630,356	492,068
Vehicles	164,065	1,365,161	-	1,529,226	87,761	144,156	-	231,917	1,297,309
Leasehold Improvements	-	15,527,526	-	15,527,526	-	6,978,680	-	6,978,680	8,548,846
Furniture & Fixtures	2,316,721	3,331,896	-	5,648,617	1,797,108	1,088,687	-	2,885,796	2,762,821
Total (A)	17,594,838	21,418,596	-	39,013,434	13,550,376	11,070,302	-	24,620,678	14,392,756
Intangible assets:									
Softwares	29,953,667	5,160,673	-	35,114,340	18,353,789	11,704,770	-	30,058,559	5,055,781
Total (B)	29,953,667	5,160,673	-	35,114,340	18,353,789	11,704,770	-	30,058,559	5,055,781
CWIP (C)	19,523,481	-	19,523,481	-	-	-	-	-	-
Total (A+B+C)	67,071,986	26,579,269	19,523,481	74,127,774	31,904,165	22,775,072	-	54,679,237	19,448,537

TAAL Enterprises Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

10 Deferred tax liabilities/(asset) (Net)

Particulars	As at 31/03/2017	As at 31/03/2016
Deferred tax asset		
Expenses provided but allowable in income tax on payment basis	4,345,588	3,487,204
Provision for doubtful debts	310,247	633,831
Difference between book depreciation & tax depreciation	293,159	717,612
Gross deferred tax asset (A)	<u>4,948,994</u>	<u>4,838,647</u>
Deferred tax liability		
Difference between book depreciation & tax depreciation	-	-
Gross deferred tax liability (B)	-	-
Net deferred tax liability/(asset) (A-B)	<u>4,948,994</u>	<u>4,838,647</u>

Note:

Net deferred tax asset 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, 2017 as well as March 31, 2016. However as a matter of prudence, the Parent Company has not recognised deferred tax asset.

11 Long term loans and advances

Particulars	As at 31/03/2017	As at 31/03/2016
(Unsecured and considered good, unless stated otherwise)		
Security deposits	15,199,075	13,710,890
MAT credit receivable	9,981,740	-
Total Long term loans and advances	<u>25,180,815</u>	<u>13,710,890</u>

12 Other non-current assets

Particulars	As at 31/03/2017	As at 31/03/2016
Aircraft purchase option (Refer Note 30)	-	6,147,136
Total Other non-current assets	<u>-</u>	<u>6,147,136</u>

13 Trade receivables

Particulars	As at 31/03/2017	As at 31/03/2016
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	179,408,981	5,766,426
Less: Provision for doubtful receivables	-	1,879,960
(I)	<u>179,408,981</u>	<u>3,886,466</u>
Others		
Unsecured, considered good	3,130,641	135,462,071
Less: Provision for doubtful receivables	938,352	2,922,362
(II)	<u>2,192,289</u>	<u>132,539,709</u>
Total Trade receivables	<u>181,601,270</u>	<u>136,426,175</u>

Annual Report 2016-17

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

14 Cash and bank balances

Particulars	As at 31/03/2017	As at 31/03/2016
Cash and cash equivalents		
Balances with banks		
On current accounts	18,359,239	29,076,723
Deposits with original maturity of less than three months	2,500,000	-
Cash in hand	66,507	280,145
Total Cash and cash equivalents (I)	20,925,746	29,356,868
Other bank balances		
- Current maturities		
Margin money or under lien deposits (More than 3 months maturity)	9,461,365	8,846,073
Total Current maturities of other bank balances (II)	9,461,365	8,846,073
Total Cash and bank balances (I+II)	30,387,111	38,202,941

Details of Specified Bank Notes (SBNs) held and transacted during the period 8th November 2016 to 30th December 2016:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	200,000	155,945	355,945
(+) Permitted receipts	-	-	-
(+) Withdrawal from bank	-	135,000	135,000
(+) Receipts in other denomination	-	16,000	16,000
(-) Permitted payments	-	-	-
(-) Paid in other denomination	-	259,141	259,141
(-) Amount deposited in Banks	200,000	1,000	201,000
Closing cash in hand as on 30.12.2016	-	46,804	46,804

15 Short term loans and advances

Particulars	As at 31/03/2017	As at 31/03/2016
(Unsecured and considered good, unless stated otherwise)		
(a) Security deposits	1,200,935	1,225,793
(b) Loans and advances to related parties (Refer Note 29)	47,976,208	50,869,896
(c) Other loans and advances		
Loan recoverable in cash	19,554,924	19,710,214
Advances recoverable in either cash or kind	17,260,401	2,595,021
Balances with government authorities	22,772,735	12,581,606
Advance to suppliers	392,560	199,971
Advances to employees	9,069,106	11,494,360
Prepaid expenses	10,739,537	4,623,397
Total Short term loans and advances	128,966,406	103,300,258

16 Other current assets

Particulars	As at 31/03/2017	As at 31/03/2016
Aircraft purchase option (Refer Note 30)	6,008,852	6,147,335
Other receivables	3,064,717	1,273,341
Total Other current assets	9,073,569	7,420,676

TAAL Enterprises Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

17 Revenue from operations

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Sale of services		
Charter income	68,168,178	79,140,539
Export of engineering design services	832,552,010	579,641,681
Domestic engineering design services	88,250	99,900
Sale of goods		
Export of goods	19,784,490	1,011,001
Total Revenue from operations	<u>920,592,928</u>	<u>659,893,121</u>

18 Other income

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Interest income		
From ICD	2,601,644	2,611,158
From banks	883,529	820,100
Bad debts recovered	-	2,832,690
Rental income	122,512	236,273
Gain on foreign exchange transactions (net)	-	1,267,838
Miscellaneous income	2,475,178	270,000
Total Other income	<u>6,082,863</u>	<u>8,038,059</u>

19 Purchases

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Purchases	18,755,985	1,132,533
Total Purchases	<u>18,755,985</u>	<u>1,132,533</u>

20 Employee benefits expense

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Salaries, wages, bonus and other allowances	495,641,047	371,668,519
Contribution to provident and other funds (Refer Note 28)	10,009,211	7,500,600
Gratuity expenses (Refer Note 28)	4,803,968	1,637,111
Staff welfare expenses	3,346,404	2,266,696
Managerial Remuneration	14,458,036	9,062,370
Total Employee benefits expense	<u>528,258,666</u>	<u>392,135,296</u>

Annual Report 2016-17

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

21 Finance cost

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Interest expense		
On bank loan	6,184,127	8,153,845
Other finance costs *	3,401,032	8,068,263
Bank charges	2,948,674	3,213,835
Total Finance cost	12,533,833	19,435,943

* Includes Interest on delayed payment of Statutory Liabilities related to Service Tax amounting to Rs. 3,86,829/- (Previous Year: Rs. 18,11,946/-), Income Tax amounting to Rs. 725,000/- (Previous Year: Rs. 12,14,537/-) and Tax Deducted at Source amounting to Rs. 8,15,008/- (Previous Year: Rs. 22,82,025/-).

Depreciation and amortization expense

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
On tangible assets (Refer Note 9)	7,207,385	11,070,302
On intangible assets (Refer Note 9)	5,730,458	11,704,770
Total Depreciation and amortization expense	12,937,843	22,775,072

(Amount in Rs.)

22 Operational and other expenses

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Aircraft fuel charges	9,328,926	9,599,413
Aircraft lease rent ^	45,588,857	43,565,766
Aircraft repairs and maintenance	832,227	210,251
Rent - flight parking & equipment	2,069,568	1,839,064
Amortisation of aircraft purchase option	6,073,731	5,953,883
Other aircraft operating expenses	12,384,887	11,197,049
Power and fuel	4,877,358	3,649,212
Spares and consumables	6,751,598	3,032,101
Advertisement and publicity	843,424	6,300
Sitting fees	990,000	-
Rent	21,578,151	20,390,517
Repairs and maintenance - buildings	3,902,347	3,953,182
Repairs and maintenance - others	99,831	67,560
Hardware and software hire and maintenance charges	30,380,325	9,347,191
Insurance	13,083,301	7,286,743
Rates and taxes	1,312,637	2,964,466
Registration & renewal	858,872	922,858
Provision for bad debts	275,711	4,802,322
Travelling expenses	45,566,591	47,464,397
Training expenses	1,625,754	693,436
Auditor's remuneration #	1,821,253	1,449,620
Printing and stationery	1,375,001	628,091
Communication expenses	6,804,138	6,133,468
Legal and professional charges	41,487,933	20,294,118
Visa and work permit expenses	9,085,053	6,138,707
Vendor development expenses	1,000,264	2,457,597
Loss on foreign exchange transactions (net)	9,553,601	-
Prior Period expenses	-	980,000
Miscellaneous expenses	8,424,100	8,884,329
Total Operational and other expenses	287,975,439	223,911,641

TAAL Enterprises Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

^ Aircraft Lease Rent

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

The payments under lease for the future period are:

Particulars	Amount in US \$	Equivalent in Rs.
Less than One Year	369,896	23,983,539
More than 1 Year and less than 5 Years	-	-
Total	369,896	23,983,539

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

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

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Statutory audit fees	1,394,806	1,384,620
Limited review fees	300,000	-
Reimbursement of expenses	57,447	-
Tax audit fees	69,000	65,000
Total Auditor's remuneration	1,821,253	1,449,620

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

Particulars	As at 31/03/2017	As at 31/03/2016
Claims against the Group not acknowledged as debts in respect of Income Tax	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.

B) There are no Capital and Other Commitments as at March 31, 2017. and March 31, 2016

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

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Profit / (Loss) after tax available for equity shareholders	37,118,884	(1,088,673)
Weighted average number of equity shares of nominal value of Rs. 10/- each	3,116,342	3,116,342
Computation of EPS - Basic*	11.91	(0.35)

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

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

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Purchase – Consumables	6,464,027	2,742,901
Aircraft Lease Rent	45,588,857	43,565,766
Subscription Fees	822,809	858,172
Aircraft Repairs and Maintenance	3,494,349	-
Training and Travelling Expenses	12,888,293	10,864,420
Aircraft Insurance	2,949,875	428,947
Work Permit Expenses	8,065,001	4,791,762
Onsite Expenses	271,073,217	209,962,713
Other Expenses	962,913	1,332,484
Total Expenditure in Foreign Currency	352,309,341	274,547,165

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

26 Earnings in Foreign Currency (On Accrual Basis)

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Charter Income	-	1,700,325
Engineering Design Services	832,552,010	579,641,681
Sale of Goods	2,153,294	1,011,001
Total Earnings in Foreign Currency	834,705,304	582,353,007

27 Leases

Operating Lease: Group as Lessee

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

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

(Amount in Rs.)

Particulars	As at 31/03/2017	As at 31/03/2016
Less than one year	12,492,005	8,547,335
More than one year and less than five years	5,674,022	21,185,337
More than five years	-	-

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

A. Defined contribution plans

- a) Provident fund
- b) Superannuation fund

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

(Amount in Rs.)

Particulars	Year ended 31/03/2017	Year ended 31/03/2016
Employers Contribution to Provident fund	9,882,020	7,392,276
Employers Contribution to Superannuation fund	127,191	108,324
	10,009,211	7,500,600

B. Defined benefit plans and Other long term benefits

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

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

TAAL Enterprises Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

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

Particulars	As at 31/03/2017		As at 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)	Gratuity (unfunded)	Leave Encashment (unfunded)
Discount rate (per annum)	6.90% - 7.40%	6.90% - 7.40%	8.00% - 8.10%	8.00% - 8.10%
Expected rate of increase in compensation levels	8% - 10%	8% - 10%	8% - 10%	8% - 10%
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rate	2% - 10%	2% - 10%	2% - 5%	2% - 5%

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

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

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

Particulars	Year ended 31/03/2017		Year ended 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)	Gratuity (unfunded)	Leave Encashment (unfunded)
Present value of obligation as at the beginning of the year	6,461,153	3,702,413	4,824,042	3,127,153
Interest cost	504,634	281,499	376,276	233,876
Current service cost	2,456,714	1,310,343	2,287,406	1,449,683
Benefits paid	(309,846)	(374,121)	-	(257,502)
Actuarial loss/(gain) on obligations	1,842,620	397,542	(1,026,571)	(850,797)
Present value of obligation as at the end of the year	10,955,275	5,317,676	6,461,153	3,702,413

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

Particulars	Year ended 31/03/2017		Year ended 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)	Gratuity (unfunded)	Leave Encashment (unfunded)
Current service cost (including risk premium for fully insured benefits)	2,456,714	1,310,343	2,287,406	1,449,683
Interest cost	504,634	281,499	376,276	233,876
Net actuarial loss/(gain) recognised during the year	1,842,620	397,542	(1,026,571)	(850,797)
Total expense recognised in the consolidated statement of profit and loss	4,803,968	1,989,384	1,637,111	814,899

iv. Changes in Fair Value of Plan Assets:

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

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

Particulars	As at 31/03/2017		As at 31/03/2016	
	Gratuity (unfunded)	Leave Encashment (unfunded)	Gratuity (unfunded)	Leave Encashment (unfunded)
Present value of obligation as at the end of the year	10,955,275	5,317,676	6,461,153	3,702,413
Fair value of plan assets at the end of the year	-	-	-	-
Net liability	10,955,275	5,317,676	6,461,153	3,702,413

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

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

Relationship	Name of the Related Party
a. Key Management Personnel and their Relative	Mr 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
b. Associate Company	Taneja Aerospace and Aviation Limited

*Appointed as a Whole-time Director w.e.f. April 1, 2016 for a period of 1 year upto March 31, 2017. He is further re-appointed as a Whole-time Director for a period of 1 year w.e.f. April 1, 2017 upto March 31, 2018 subject to Shareholders' approval

Particulars	(Amount in Rs.)	
	Key Management Personnel and their Relative	Associate
Managerial Remuneration#	14,458,036	-
	(9,062,370)	(-)
Rent Received	-	128,636
	(-)	(236,273)
Rent Paid	-	911,685
	(-)	(38,315)
Commission Paid	-	1,262,000
	(-)	(1,140,000)
Advance given for Export of Goods	-	-
	(-)	(31,130,561)
Reimbursement of Expenses	-	289,017
	(-)	(-)
Balance paid as at the year end	1,179,810	-
	(318,705)	(-)
Balance receivable as at the year end	-	29,182,856
	(-)	(31,376,881)
Balance receivable as at the year end - Current A/c	-	*1,86,98,337
	(-)	*(19,739,335)

(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.

* The current account transactions with the Associate Company 'Taneja Aerospace and Aviation Limited' (TAAL) have arisen on account of the Charter Business, which is still being carried on by TAAL on behalf of TAAL Enterprises Limited (TEL), as the Aircraft License is yet to be transferred in the name of TEL (Refer Note 32.2).

30 Aircraft Purchase Option

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

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

However, TAAL continues to carry on the business and activities relating to the demerged charter business for and on account of and in trust for TEL, until the time TEL obtains the requisite statutory licences required for carrying on the demerged charter business (Refer Note 32.2).

TAAL Enterprises Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

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

First Airways Inc., USA is estimating the use of the Aircraft Purchase Option at the end of the 120 month lease term with mid quarter convention. Amortisation for the year ended March 31, 2017 and March 31, 2016 amounted to US \$ 92,671 and US \$ 92,674 respectively. The Aircraft was put to use on February 20, 2008. The same has been disclosed in its balance sheet as follows:

Particulars	As at 31/03/2017		As at 31/03/2016	
	US \$ in Lakhs	Rs. In Lakhs	US \$ in Lakhs	Rs. In Lakhs
Aircraft Purchase Option	9.27	600.88	9.27	614.73
Less: Accumulated Amortisation	(9.27)	(600.88)	(8.34)	(553.26)
Aircraft Purchase Option - Non Current Portion	0.00	0.00	0.93	61.47
Add: Aircraft Purchase Option - Current Portion	0.93	60.09	0.93	61.47
Aircraft Purchase Option	0.93	60.09	1.85	122.94

Since the payment for Aircraft Purchase Option is a sunk cost and non refundable irrespective of whether the option is exercised or not, in preparation of consolidated financial statements of TEL, the entire payment of around Rs. 60,08,852 (US \$ 92,674) for Aircraft Purchase Option (Current as well as Non Current Portion) has been considered as "Deferred Revenue Expenditure" to be written off over the remaining lease period.

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

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

Foreign currency exposure not hedged as at March 31, 2017 and March 31, 2016 are as under: (Amount in Lakhs)

Particulars	As at 31/03/2017		As at 31/03/2016	
	Foreign Currency	INR	Foreign Currency	INR
Payable (Trade and Non-Trade)				
USD	3.18	206.11	4.57	302.86
EUR	0.02	1.19	0.17	13.11
Total	3.20	207.30	4.74	315.97
Receivable (Trade and Non-Trade)				
USD	19.43	1257.36	14.46	959.32
EUR	7.72	543.23	5.06	380.10
NOK	0.11	0.82	3.24	25.84
GBP	-	-	0.27	25.92
CAD	0.45	22.06	-	-
Total	27.71	1823.47	23.04	1391.19

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

- 32 32.1 In terms of the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between Taneja Aerospace and Aviation Limited (TAAL) and TAAL Enterprises Limited ("the Parent Company"), TAAL has demerged its Air Charter Business including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited into the Parent Company. Pursuant to the Scheme as sanctioned by the Hon'ble High Court of Madras vide order dated 22nd June 2015, received on 23rd July 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Parent Company on a going concern basis with effect from 1st October 2014 being the appointed date. The certified copy of the said order of the Hon'ble High Court of Madras has been filed with the Registrar of Companies, Chennai on 21st August 2015 and as such the Scheme has become effective from that date.
- 32.2 As per Clause 9.2 of the Scheme of Arrangement as approved/sanctioned by the Honourable 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 licenses required for carrying on the demerged charter business.
- The said licenses 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.

33 Segment Reporting

Business Segments

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

(Amount in Rs.)

Particulars	Air Charter	Engineering Design Service	Total 2016-17	Air Charter	Engineering Design Service	Total 2015-16
a. Segment Revenue						
Segmental Revenue from :						
External Sales and Services	71,422,468	837,622,127	909,044,595	79,474,297	588,456,883	667,931,180
Unallocable Revenue			17,631,196			-
Total Revenue	71,422,468	837,622,127	926,675,791	79,474,297	588,456,883	667,931,180
b. Segment Result						
Operating Profit/ (Loss)	(22,427,800)	114,299,800	91,872,000	(13,283,009)	41,259,647	27,976,638
Less: Unallocable Expenses			17,455,285			-
Less: Finance Costs			12,533,833			19,435,943
Profit/ (Loss) before Tax			61,882,882			8,540,695
Less: Tax (Benefit)/ Expense			11,422,813			7,555,353
Profit/ (Loss) after Tax			50,460,069			985,342
c. Other Information						
Segment Assets	150,184,758	290,481,203	440,665,961	124,770,601	243,774,898	368,545,499
Unallocable Assets			-			-
Total Assets			440,665,961			368,545,499
Segment Liabilities	81,163,536	187,198,498	268,362,034	61,101,580	171,684,252	232,785,832
Unallocable Liabilities			-			-
Total Liabilities			268,362,034			232,785,832
Capital Employed			172,303,927			135,759,667
d. Cost Incurred for Acquiring						
Assets	-	14,946,865	14,946,865	11,025	7,044,760	7,055,788
Segment Depreciation	126,880	12,810,963	12,937,843	186,320	22,588,751	22,775,072

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.

TAAL Enterprises Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Geographical Segments

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

(Amount in Rs.)

Particulars	India	Outside India	Total 2016-17	India	Outside India	Total 2015-16
a. Revenues	74,339,291	852,336,500	926,675,791	83,177,970	584,753,210	667,661,180
b. Net Assets/ Capital Employed	18,916,295	153,387,632	172,303,927	26,809,313	108,950,354	135,759,667

- 34 TAAL Tech. India P. Ltd. (Subsidiary Company) has applied for reward under the Service Exports from India Scheme (SEIS) as introduced by the new five year Foreign Trade Policy 2015 - 2020, the Company has not accrued any benefits under the said scheme.

- 35 Goodwill on consolidation comprises of the following:

(Amount in Rs.)

Name of the Subsidiary Company	As at 31/03/2017	As at 31/03/2016
First Airways Inc., USA	45,627,408	45,627,408
TAAL Tech India Private Limited	(6,577,169)	(6,577,169)
TOTAL	39,050,239	39,050,239

- 36 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)

(Amount in Rs.)

Name of the Company	Year ended 31/03/2017		Year ended 31/03/2016	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Net Assets	Net Assets
Parent Company				
TAAL Enterprises Limited	12.39	18,917,559	49.37	50,773,465
Indian Subsidiary				
Direct Subsidiary				
TAAL Tech India Private Limited	73.92	112,842,728	27.51	28,288,187
Foreign Subsidiaries				
Direct Subsidiary				
First Airways Inc., USA	2.87	4,382,506	10.88	11,188,835
Indirect Subsidiaries				
TAAL Technologies Inc., USA	8.97	13,700,526	9.52	9,786,225
TAAL Tech Innovations GmbH, Austria	0.66	1,007,345	1.24	1,275,497
TAAL Tech GmbH, Switzerland	1.18	1,806,600	1.49	1,529,063
TOTAL	100	15,26,57,264	100	102,841,272

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note: The above figures are stated at gross values after eliminating investment in subsidiaries and goodwill arising on consolidation but without eliminating intra group transactions and intra group balances as at March 31, 2017 and March 31, 2016.

ii) Share in Profit or Loss

Name of the Company	Year ended 31/03/2017		Year ended 31/03/2016	
	As % of Consolidated Profit/ (Loss)	Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Profit/ (Loss)
Parent Company				
TAAL Enterprises Limited	(63.13)	(31,855,906)	(507.50)	(5,000,655)
Indian Subsidiary				
Direct Subsidiary				
TAAL Tech India Private Limited	167.57	84,554,541	921.27	9,077,647
Foreign Subsidiaries				
Direct Subsidiary				
First Airways Inc., USA	(13.13)	(6,625,257)	(795.74)	(7,840,772)
Indirect Subsidiaries				
TAAL Technologies Inc., USA	8.28	4,179,537	520.79	5,131,541
TAAL Tech Innovations GmbH, Austria	(0.35)	(176,290)	(53.25)	(524,672)
TAAL Tech GmbH, Switzerland	0.76	383,443	14.44	142,253
TOTAL	100	50,460,069	100	985,342

Note: The above figures are stated at gross values without eliminating intra group transactions as at March 31, 2017 and March 31, 2016

- 37 The parent Company had incurred expenditure of Rs. 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 Rs. 1,29,29,850/- and the same was realized by the Company on or before adoption of Financial Statements by the Board.
- 38 In the opinion of the Board, Current Assets and Loans and Advances are of the value stated if realised in the ordinary course of business. Further, provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- 39 The audited /unaudited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its country of incorporation or International Financial Reporting Standards. The differences in accounting policies of the Parent Company and its subsidiaries/ associates are not material.
- 40 Effective from Tuesday, July 05, 2016 the equity shares of the Company got listed and admitted to dealings on the Bombay Stock Exchange.
- 41 Previous year figures have been regrouped and reclassified wherever necessary to confirm to the current year classification.

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: U62200TN2014PLC096373

Deepak Rao

Partner

Membership No: 113292

Nirmal Chandra

Director

DIN: 00352214

C.S.Kameswaran

Director

DIN: 00553423

Sakina Sami

Company Secretary

Membership No: A41486

Vasant Bhat

Chief Financial Officer

Place: Pune

Date : June 30, 2017

TAAL Enterprises Limited

AOC - 1

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

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

PART "A": SUBSIDIARIES

(Rs. in Lakhs)

Sr.No.	Name of Subsidiary	Reporting Currency in case of foreign subsidiaries [^]	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	TAAL Tech India Pvt. Ltd.	-	100.00	1080.34	2924.62	1744.28	51.92	8447.94	935.34	89.80	845.54		85%
2	TAAL Technologies Inc. USA	US \$	18.88	115.87	154.28	19.53	0.00	1419.61	61.81	20.01	41.80		100%
3	TAAL Tech GmbH, Switzerland	CHF	13.70	5.26	39.71	20.75	0.00	107.59	4.79	0.95	3.84	NIL	100%
4	TAAL Tech GmbH, Austria	Euro	19.34	(7.53)	17.02	5.21	0.00	0.00	(1.09)	0.67	(1.76)		100%
5	First Airways Inc. USA	US \$	477.50	(371.63)	234.84	128.97	0.00	0.00	(54.86)	2.43	(57.29)		100%

[^] Exchange rate as on March 31, 2017: 1US \$=Rs.64.8386, 1CHF=Rs. 64.8559 and 1Euro=Rs. 69.2476

Notes:

A Name of Subsidiaries which are yet to commence operations-

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

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

Part "B": Associates - None

For and on behalf of the Board of Directors

C S Kameswaran
Whole-time Director
 Pune, June 30, 2017

Nirmal Chandra
Director

Sakina Sami
Company Secretary

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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: U62200TN2014PLC096373

3rd Annual General Meeting PROXY FORM

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

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

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

Name: _____ Address: _____
E-mail ID: _____ Signature: _____ or failing him
Name: _____ Address: _____
E-mail ID: _____ Signature: _____ or failing him
Name: _____ Address: _____
E-mail ID: _____ Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **ANNUAL GENERAL MEETING** of the Company, to be held on September 27, 2017 at 2.00 p.m. at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai -600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote (Optional-See Note 2)	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt: a) the Audited Financial Statement of the Company for the Financial year ended March 31, 2017 together with Reports b) the Audited Consolidated Financial Statement of the Company for the Financial year ended March 31, 2017 together with Report.		
2.	Re-appointment of Mr. C S Kameswaran who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of Statutory Auditors.		
Special Business			
4.	Appointment of Mr. R Poornalingam as Independent Director of the Company.		
5.	Re-appointment of Mr. C S Kameswaran as Whole-Time Director of the Company.		
6.	Re-appointment of Mr. Nirmal Chandra as Independent Director of the Company.		

Signed this day of 2017.

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix
Re 1/- Revenue
Stamp

Note:

- 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.**
- 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.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 3rd Annual General Meeting.
- Please complete all details including details of member(s) in above box before submission.

TAAL Enterprises Limited

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

NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting of the Members of TAAL Enterprises Limited will be held on Wednesday, September 27, 2017 at 2.00 p.m. at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai -600 014 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - (a) The Audited Financial statements of the Company for the Financial Year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 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, 2017 including the Audited consolidated Balance Sheet as at March 31, 2017 and the Consolidated Statement of Profit and Loss for year ended on that date and the Report of Auditors thereon.
2. To appoint a Director in place of Mr. C S Kameswaran (DIN: 00553423), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

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

Special Business:

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the

Companies Act, 2013 (‘Act’) and the Rules made thereunder read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R. Poornalingam (DIN: 00955742) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 18, 2017, and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 2 (two) years from the conclusion of this Annual General Meeting until the conclusion of the 5th Annual General Meeting of the Company and that he shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 read with Schedule V & other applicable provisions of the Companies Act, 2013 (‘Act’) and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the Company and such other approvals, permissions and sanctions as may be required, consent of the Company be & is hereby accorded to the re-appointment of Mr. C S Kameswaran (DIN: 00553423) as Whole-time Director of the Company for 1 (one) year with effect from April 1, 2017 to March 31, 2018 on such terms, conditions including remuneration & perquisites as set out in the Explanatory Statement annexed to this notice with the liberty to the Board of Directors (hereinafter referred to as “the Board,” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions and/or remunerations, subject to the same not exceeding the limits specified under Schedule V of the Act (including any statutory modification or re-enactment thereof for the time being in force).

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

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

TAAL Enterprises Limited

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder read with Schedule IV of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nirmal Chandra (DIN: 00352214), Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as

provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a period of 2 (two) years from the conclusion of this Annual General Meeting until the conclusion of the 5th Annual General Meeting and that he shall not be liable to retire by rotation.”

By Order of the Board of Directors

Anuj Nema
Company Secretary

Pune: August 16, 2017

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 2016-’17 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 resolution 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 24, 2017 and ends on September 26, 2017 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 20, 2017, 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 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 available for android based mobiles. The M-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
10. The Board of Directors have appointed Mr. 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

TAAL Enterprises Limited

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.

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

Item No. 4

Mr. R Poornalingam was appointed as an Additional Director w.e.f April 18, 2017, pursuant to the provisions of Section 161 of the Companies Act, 2013 ('Act').

Under Section 161 of the Act, a notice in writing has been received from a Member signifying the intention to propose the appointment of Mr. R Poornalingam as a Director of the Company. Mr. R. Poornalingam also meets the criteria of Independence as provided u/s 149(6) of the Act & Listing Regulations.

In the opinion of the Board, he fulfills the condition specified in the Act for appointment as Independent Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

Except Mr. R Poornalingam, none of the Directors, key managerial personnel or their relatives are in any way concerned or interested in the resolution.

Accordingly, the Board recommends the resolution set out in Item No. 4 of the Notice for the approval of the shareholders of the Company.

Item No. 5

The Board of directors of the Company upon the recommendation of the Nomination & Remuneration Committee, at its meeting held on March 30, 2017 had approved to re-appoint Mr. C S Kameswaran as Whole-time Director of the Company for such period and on such terms and conditions as mentioned herein below:

Remuneration:

In terms of Schedule V to Companies Act, 2013 ('Act') read with Sections 196, 197, 198 and other applicable provisions of the Act and the Rules made thereunder and subject to the approval of Members and such other approvals as may be required, the remuneration of Mr. C S Kameswaran, Whole-time Director shall be set as under:

1. Tenure

Mr. C S Kameswaran shall hold office as a Whole-time Director (WTD) of the Company for a period of one year from April 1, 2017 to March 31, 2018.

2. Remuneration

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

I Salary:

The monthly consolidated salary of WTD w.e.f. April 1, 2017 shall be Rs. 1,00,000/- (all inclusive).

II Perquisites:

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

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

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

Mr. Nirmal Chandra meets the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013 and the rules made thereunder and Regulation 16 (1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing'). He is not disqualified from being appointed as a director in terms of Section 164 of the Act. He has consented to act as such director. In the opinion of the Board, he fulfills the conditions specified in the Act for re-appointment as an Independent Director.

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

The Board recommends the resolution set out at Item No. 6 for the approval of members to be passed as a Special Resolution.

Except Mr. Nirmal Chandra, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested financially or otherwise in the said resolution.

Item No. 6

The Board of Directors of the Company ("Board") at its meeting held on August 16, 2017 had re-appointed Mr. Nirmal Chandra as an Independent Director of the Company based on performance evaluation.

By Order of the Board of Directors

Pune: August 16, 2017

Anuj Nema
Company Secretary

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

1. Nature of the Industry: The Company is in the business of Renting Air Charters.
2. Date or expected date of commencement of commercial Services: Not applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators as per published audited financial results for the year ended March 31, 2017:

Particulars	Rs. in Lakhs
Total Income	767.69
Net Profit/(Loss) after Tax	(318.56)
Total Expenditure	1042.94

5. Foreign investments or collaborators, if any – NIL

TAAL Enterprises Limited

II. INFORMATION ABOUT THE APPOINTEE

Particulars	Mr. C S Kameswaran		
Background details	Mr. C S Kameswaran, aged around 66 years has been associated with the Company since its inception and has been instrumental in growing the aviation business of the Company.		
Past Remuneration received from the Company:			
Financial Year	2014-15	2015-16	2016-17
Salary and Perquisites	NIL	NIL	12 Lakhs
Recognition or awards	The Company has no information about it.		
Job Profile and his suitability:			
	As the Whole-time Director, Mr. C S Kameswaran is responsible for all the operations and affairs of the Company. Taking into consideration his qualification and expertise in relevant fields, the Board is of the opinion that he is suited for the responsibilities assigned to him.		
Remuneration proposed	The details of Remuneration to be paid are contained in Explanatory Statement annexed to the Notice.		
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The Company has no information to offer but having regard to the versatile experience, performance and responsibility of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.		
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	1) Remuneration details of Mr. C S Kameswaran have been provided in Explanatory Statement. 2) Mr. C S Kameswaran is not related to any Managerial personnel of the Company		

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits.

The general economic conditions during the year and depressed business conditions in the Air Charter industry in particular, has impacted the overall business, denting bottom line of the Company.

2. Steps taken or proposed to be taken for improvement.

Cost reduction initiatives have been undertaken to improve the performance of the Company. Further, with general growth in Charter Industry, it is expected that Company's profitability will improve in coming years.

3. Expected increase in productivity and profits in measurable terms.

While the Company's performance is expected to improve in future years, the future profitability cannot be predicted accurately.

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

	C S Kameswaran	R. Poornalingam	Nirmal Chandra
Age	66 years	72 years	68 years
Qualification	CA, Post Graduate in Business Administration	Graduate (Hons.) in Electrical Engineering, M.A. Economics, Degree in Law, Certificate in Public Administration from the Pennsylvania State University as a Hubert Humphrey Fellow.	Graduate in Mechanical Engineering
Date of Appointment	April 22, 2016	April 18, 2017	April 18, 2016
Category	Whole-time Director	Additional Director (Independent)	Director (Independent)
Experience & Expertise in specific functional Area	Three decades of rich working experience in leading large and medium scale industries in various capacities covering the areas of Corporate Planning Finance and Management.	Mr. R. Poornalingam has around 36 years of administrative experience in many important positions in both the Government of Tamil Nadu and the Government of India	Mr. Nirmal Chandra has around 4 decades of experience in Steel / Tube industry in various functional areas such as Marketing, Purchase, Administration, Production and Planning
Relationship with other Directors, Key Managerial Personnel's of the Company	None	None	None
Shareholding of Directors	NIL	100	25
Directorship held in other Companies	<ol style="list-style-type: none"> 1. Taneja Aerospace & Aviation Limited 2. TAAL Tech India P. Ltd. 3. Katra Auto Engineering P. Ltd. 	<ol style="list-style-type: none"> 1. Loyal Textile Mills Ltd. 2. Nagapattinam Energy P. Ltd. 3. Tridem Port and Power Company P Ltd. 4. Odisha State Medical Corporation Ltd. 5. Taneja Aerospace and Aviation Limited 	Taneja Aerospace & Aviation Limited
Member/ Chairman of Committees of other Companies	Member of Stakeholders Relationship Committee of Taneja Aerospace and Aviation Limited.	Chairman of Audit Committee & Nomination and Remuneration Committee and member of Stakeholders' Relationship Committee of Taneja Aerospace and Aviation Limited	Member of Audit Committee & Nomination and Remuneration Committee & Chairman of Stakeholders' Relationship Committee of Taneja Aerospace and Aviation Limited

TAAL Enterprises 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).

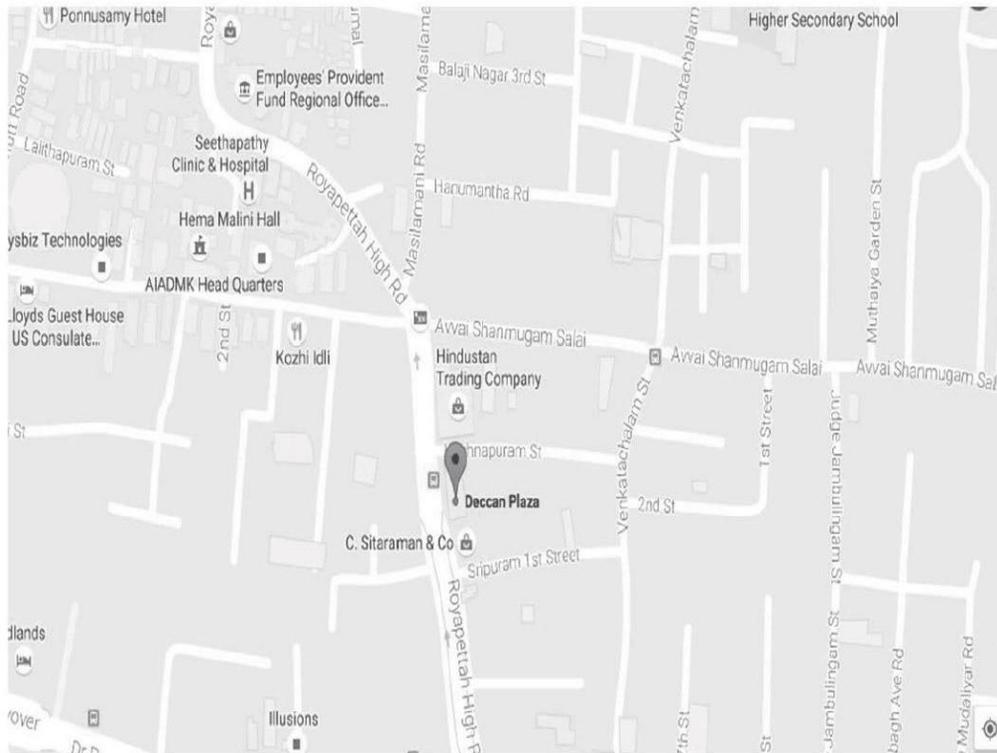
ROUTE MAP FOR LOCATION OF VENUE OF AGM

VENUE ADDRESS:

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

(Formerly Known as Hotel Deccan Plaza)

Phone:-044- 66773333



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

3rd Annual General Meeting
ATTENDANCE SLIP

Name and Address of the Shareholder :

Folio No. / DP ID & Client ID :

Number of shares held :

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

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

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Wednesday, September 27, 2017 at Hotel Regenta Central Deccan, #36, Royapettah High Road, Chennai - 600 014, at 2.00 p.m..

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

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

ELECTRONIC VOTING PARTICULARS	
Electronic Voting Sequence Number (EVSN)	SEQUENCE NUMBER
170823085	

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