TAAL Enterprises Limited

Annual Report 2018-19

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Salil Taneja	Chairman and Whole Time Director (w.e.f October 01, 2018)
Mr. Poornalingam Ramasubramaniam	Director
Mr. Arvind Nanda	Additional Director (w.e.f October 11, 2018)
Mrs. Rahael Shobhana Joseph	Director
Mr. Nirmal Chandra	Director (Upto October 2, 2018)

COMPANY SECRETARY

Niranjan Kulkarni
(From 07.04.2018 till 26.12.2018)

Shubhanshi Jain
(w.e.f. 23.04.2019)

AUDITORS

M/s. MSKA & Associates
Chartered Accountants

BANKERS

Oriental Bank of Commerce

REGISTERED OFFICE

2nd Floor, MMPDA Towers, 184, Royapettah High Rd., Chennai- 600 014
Phone: 044-4350 8393

E-mail: secretarial@taalent.co.in, Website: www.taalent.co.in
CIN: L62200TN2014PLC096373

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India P. Ltd.

Board's Report

Dear Members,

Your Directors present herewith the Fifth Annual Report along with Audited Financial Statements of the Company for the financial year ended March 31, 2019.

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

Particulars	Standalone	
	2018-19	**2017-18**
Total Income	2,114.10	937.82
Expenditure	878.10	876.72
Profit/(Loss) after Tax	1,236.02	50.21

DIVIDEND

The Board of Directors of the Company has declared an interim dividend of Rs. 10/- (Rs. Ten) on each fully paid 31,16,342 equity shares of Rs. 10/- each (100% per share) amounting to Rs. 3,11,63,420/- during the Financial Year 2018-19. The dividend was paid to those members of the Company whose names appeared in the Register of Members of the Company as on October 09, 2018. The Interim Dividend declared during the year shall be considered as the Final Dividend for the financial year 2018-19 and the confirmation of the members is being sought.

RESULT OF OPERATIONS

During the year under review the total revenue from operations of the Company was Rs.782.40 Lacs as compared to Rs. 639.22 Lacs during the previous year. The total comprehensive income for the year was Rs. 1,233.22 Lacs as compared to Rs. 50.88 Lacs during the previous year. During the year under review the Company received dividend from its subsidiary Company TAAL Tech India Private Limited amounting to Rs. 127.50 Lacs.

AUDITORS

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies the Act, 2013 (the 'Act') and the Rules framed there under, the Shareholders of the Company at the Annual General Meeting (AGM) held on September 29, 2015, approved the appointment of M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) 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.

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

SECRETARIAL AUDITORS

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

TRANSFER TO RESERVES

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. Salil Taneja was appointed as an Additional Director w.e.f September 28, 2018 and holds office upto the conclusion of the ensuing AGM. He was appointed as a Whole-Time Director of the Company for a term of 2 (two) years w.e.f. October 01, 2018, on the recommendation of Nomination and Remuneration Committee and subject to the approval of members in a General Meeting. Member's approval shall be sought in the ensuing AGM for his appointment as director liable to retire by rotation and Whole Time Director. Further,the term of Mr. R. Poornalingam, Independent Director expires on the conclusion of the ensuing Annual General Meeting as per the the terms of his appointment.

The Board during the period under consideration appointed Mr. Salil Taneja as the Chairman of the Board of Directors of the company w.e.f November 14, 2018.

During the period under consideration Mr. Nirmal Chandra resigned as Independent Director w.e.f October 2, 2018. As a result he also stepped down as the Chairman of the Board of Directors of the Company.

Mr. Arvind Nanda was appointed as Additional Director (Independent category) w.e.f October 11, 2018 and holds office upto the conclusion of the ensuing AGM. Member's approval shall be sought in the ensuing AGM for his appointment as director not liable to retire by rotation (Independent category) for a period of two years.

Mr. Vijay Dutt Madhav Purekar was appointed as Chief Financial Officer w.e.f September 28, 2018.

Mr. Niranjan Kulkarni was appointed as the Company Secretary and Compliance Officer w.e.f. April 07, 2018. However he resigned as the Company Secretary and Compliance Officer w.e.f. December 26, 2018. Thereafter, Ms. Shubhanshi Jain was appointed as Company Secretary and Compliance Officer w.e.f. April 23, 2019.

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

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

The brief resume of the Directors proposed to be appointed/ re-appointed is given in the notice convening the AGM.

Mr. Prakash Saralya, Chief Executive Officer and Whole-Time Director and Director of TAAL Tech India Pvt. Ltd., Subsidiary has resigned as Chief Executive Officer and Whole Time Director and Director w.e.f. 31st March, 2019.

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

Name of the Director	Category	No. of Board Meetings attended during F.Y 2018-19
Mr. Salil Taneja[1]	Whole Time Director	2
Mr.Poornalingam Ramasubramaniam	Independent Director	6
Mr. Arvind Nanda[2]	Additional Director (Independent category)	2
Mrs. Rahael Shobhana Joseph	Non-Executive Director	5
Mr. Nirmal Chandra[3]	Independent Director	4

1 Appointed as Additional Director w.e.f September 28, 2018 and w.e.f October 01, 2018 appointed as Whole Time Director.

2 Appointed as Additional Director (Independent category) w.e.f October 11, 2018.

3 Resigned as Independent Director w.e.f October 2, 2018.

BOARD MEETINGS

During the year under review 6 Board Meetings were held as under:

Sr. No.	Date of Meeting
1)	April 07, 2018
2)	May 22, 2018
3)	August 14, 2018
4)	September 28, 2018
5)	November 14, 2018
6)	February 09, 2019

AUDIT COMMITTEE

The present composition of Audit Committee is as follows:

Name of Director	Chairman/ Member
Mr. R. Poornalingam	Chairman
Mrs. Shobhana Joseph	Member
Mr. Arvind Nanda	Member

The Whistle Blower Policy/ Vigil Mechanism of the Company as established by the Board is available on its website

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 Act is provided in the Financial Statements forming part of this Annual Report.

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

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report is forming part of this Report

CORPORATE GOVERNANCE REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2019 and of the profit of the Company for that period;

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

iv. that the Directors have prepared the annual accounts on a going concern basis;

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

vi. that the Directors have 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.**

As per Section 134(3)(a) of the Act, the latest Annual Return referred to in Section 92(3) has been placed on the website of the Company www.taalent.co.in.

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

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

NOMINATION AND REMUNERATION POLICY

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

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

A statement showing details of employees in terms of Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, in terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the members and others entitled there to. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

GENERAL

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. There is no change in the nature of business of the Company.
3. There have been no material changes and commitments, if any affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial report relates and the date of the report.
4. The provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable on the Company.
5. 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
6. The Company has complied with applicable Secretarial Standards.
7. Maintenance of Cost records under Section 148(1) of the Act, is not applicable on the Company.

REGISTRAR AND SHARE TRANSFER AGENT

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of Board of Directors

Place: Pune **Salil Taneja**
Date: 24 June, 2019 Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE

India is poised to experience a rapid upswing in the business aviation sector due to its strategic geographic location, favourable demographics and robust economic growth. The civil aviation sector in India is growing rapidly with a annual double digit growth in passenger traffic in the last two years. It has contributed significantly to the growth of international civil aviation sector.

Non Scheduled Aviation Services in India have picked up steadily in line with overall economic growth. This economic growth led to rising revenues of Indian corporates and increasing number of high-net-worth individuals which is one of the main reason for growth in Aircraft Charter Business in India.

ABOUT THE COMPANY

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

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

MATERIAL SUBSIDIARY

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

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

The Financial Performance of TTIPL for the FY 2018-19 as compared to the corresponding previous year is given below:

(Rs. In Lacs)

Particulars	**2018-19**	2017-18
Total Income	**14,823.27**	10,152.68
Expenditure	**11,497.94**	8,242.48
Profit Before Tax	**3,325.32**	1,910.20
Profit After Tax	**2,268.55**	1,712.35

OPPORTUNITIES AND THREATS

Relaxation in Foreign Direct Investment norms coupled with increasing number of airports in India should create sufficient business opportunities. The Civil Aviation policy introduced by government which lays emphasis on regional connectivity is likely to give further impetus to this growth. Uncertainty in operations of some commercial aircraft companies presently, may increase demand for charter of aircraft.

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

RISKS AND CONCERNS

Any adverse changes in DGCA regulations can have a negative impact on charter operations. Also volatility in aviation fuel prices, rising airport charges and maintenance of aircraft are concerns for operating a charter aircraft.

Apart from above, any adverse movement in the exchange rate which can increase fixed costs and events such as natural calimities, terrorist attacks can possess risk for the business operation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE

The financial performance of the Company for FY 2018-19 as compared to the corresponding previous year is given below:

(Rs. in Lacs)

Particulars	**2018-19**	2017-18
Gross Income	**2114.11**	937.82
Expenditure	**878.09**	876.72
Profit Before Tax	**1236.02**	61.11
Profit After Tax	**1236.02**	50.21
Earnings Per Share	**39.66**	1.61

Dividend income of Rs. 1275 Lacs has contributed to increase in net profit.

The Consolidated Financial Performance of the Company for the FY 2018-19 as compared to the corresponding previous year is given below:

(Rs. In Lacs)

Particulars	**2018-19**	2017-18
Total Income	**15,725.11**	11,233.14
Expenditure	**12,195.87**	9,164.43
Profit Before Tax	**3,529.24**	2,068.71
Profit After Tax	**2,178.96**	1,827.94

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, 2019, the Company had three employees.

KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) regulations 2018, the Company is required to details of significant changes (Change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios. The Company has identified the following ratios as key financial ratios:

Particulars	2018-19	2017-18	Change
Debtors Turnover (times)	1,862.86	34.40	5,315%
Inventory Turnover (times)	NA	NA	NA
Interest Coverage Ratio	58.25	2.79	1,989%
Current Ratio	4.76	1.93	147%
Debt Equity Ratio	0.02	0.11	81%
Operating Profit Margin (%)	161	15.10	967%
Net Profit Margin (%)	158.00	7.90	1,911%
Return on Net Worth (%)	71.70	6.30	1,046%

Improvement in Debtors Turnover Ratio is on account of lower credit period to customers and better collection. Improvement in all other ratios is mainly due to higher profits on account of dividend income of Rs. 12.75 Crore from the subsidiary company.

CAUTIONARY STATEMENT

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

Annexure 'A' to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L62200TN2014PLC096373
ii)	Registration Date	01-07-2014
iii)	Name of the Company	TAAL ENTERPRISES LIMITED
iv)	Category/ Sub-Category	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact 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	Vishkul Enterprises Pvt. Ltd. Lunkad Towers, Viman Nagar, Pune - 411014	U74110PN1994PTC076383	Holding	50.74	2(46)
2	TAAL Tech India P. Ltd. GGR Tower, 2nd Floor, sy# 18/2b, Ambalipura village, Sarjapur Rd, Bellandur Gate, Bangalore-560103	U74900KA2012PTC067450	Subsidiary	85	2(87)
3	First Airways Inc. 160, Greentree Drive, Suite 101, City of Dover, Country of Kent, DE,129904, USA	NA	Subsidiary	100	2(87)
4	TAAL Technologies Inc., 14405, Walters Road, Suite 601 Houston TX 77014, USA	NA	Subsidiary	100	2(87)
5	TAAL Tech GmbH, Seestrasse 46, 8598 Bottighofen, Switzerland	NA	Subsidiary	100	2(87)
6	TAAL Tech Innovations GmbH, Rathausplatz 4 1010 Vienna, Austria	NA	Subsidiary	100	2(87)

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

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Sr. No.	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	0	4062	0.13	4862	0	4862	0.16	0.03
b)	Central Government	0	0	0	0.00	0	0	0	0.0000	0.00
c)	State Government(s)	0	0	0	0.00	0	0	0	0.0000	0.00
d)	Bodies Corporate	1587588	0	1587588	50.94	1587588	0	1587588	50.94	'0.00
e)	Banks / FI									
f)	Any other									
	Sub-total (A) (1):-	1591650	0	1591650	51.07	1592450	0	1592450	51.10	0.03
(2)	Foreign	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-									
	Total shareholding of Promoter (A)=(A)(1)+(A)(2)	1591650	0	1591650	51.07	1592450	0	1592450	51.10	0.03
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	0	37	37	0.00	0	37	37	0.00	0.00
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs									
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Foreign Banks	0	12	12	0.00	0	12	12	0.00	0.00
	Sub-total (B)(1):-	0	49	49	0.00	0	49	49	0.00	0.00
2.	**Non-Institutions**									
a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
i)	Indian	191846	12106	203952	6.54	110032	12106	122138	3.92	-2.63
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
i)	Individual shareholders holding nominal share capital upto Rs. 1 lac	732410	99554	831964	26.70	732451	96041	828492	26.59	-0.11
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lac	427357	0	427357	13.71	399398	0	399398	12.82	-0.90
c)	NBFCs registered with RBI	0	0	0	0.00	8460	0	8460	0.27	0.27
d)	Others (specify):-									
	(1) Non-Residents	17386	55	17441	0.56	12111	55	12166	0.39	-0.17
	(2) HUF	43929	0	43929	1.41	153189	0	153189	4.92	3.51
	Sub-total (B)(2):-	1412928	111715	1524643	48.92	1415641	108202	1523843	48.90	-0.02
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	1412928	111764	1524692	48.93	1415641	108251	1523892	48.90	-0.03
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	Sub-total (C)	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	3004578	111764	3116342	100.00	3008091	108251	3116342	100.00	

II) Shareholding of Promoters & Promoter Group

Sl No.	Shareholder's Name	Shareholding at beginning of the year 2018			Shareholding at the end of the year 2019			% 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 Enterprises Pvt. Ltd.	1581297	50.74	0.00	1581297	50.74	0.00	0.00
2	Lighto Technologies Private Limited	5714	0.18	0.00	5714	0.18	0.00	0.00
3	Alka P Mehta	3625	0.12	0.00	3625	0.12	0.00	0.00
4	Indian Seamless Enterprises Ltd	577	0.02	0.00	577	0.02	0.00	0.00
5	Salil Taneja	400	0.01	0.00	1200	0.04	0.00	0.03
6	Baldevraj Taneja	37	0.00	0.00	37	0.00	0.00	0.00
	Total	**1591650**	**51.07**	**0.00**	**1592450**	**51.10**	**0.00**	**0.03**

IIII) 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 (01.04.2018/end of year 31.03.2019)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Salil Taneja	400 1200	0.01 0.04	01.04.2018 26.10.2018 31.03.2019	800	Purchase	1200	0.04

IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and 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 (01.04.2018/ end of year 31.03.2019)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Mukul Mahavir Prasad Agrawal	114119	3.66	1-Apr-18			114119	3.66
		114119	3.66	31-Mar-19			114119	3.66
2	Naveen Bothra	96200	3.09	1-Apr-18			96200	3.09
				05-Oct-18	1000	Purchase	97200	3.12
				01-Mar-19	3800	Purchase	101000	3.24
				31-Mar-19			101000	3.24
3	Naveen Bothra	80000	2.57	1-Apr-18			80000	2.57
				31-Aug-18	10000	Sale	70000	2.25
				12-Oct-18	6800	Purchase	76800	2.46
				31-Mar-19			76800	2.46

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2018/ end of year 31.03.2019)	% total shares of the Company				No. of shares	% of total shares of the Company
4	Dheeraj Kumar Lohia	0	0.00	1-Apr-18			0	0.00
				04-May-18	612	Purchase	612	0.02
				11-May-18	25000	Purchase	25612	0.82
				06-Jul-18	97	Purchase	25709	0.83
				27-Jul-18	1307	Purchase	27016	0.87
				03-Aug-18	1032	Purchase	28048	0.90
				24-Aug-18	30096	Purchase	58144	1.87
				07-Sep-18	5	Purchase	58149	1.87
				19-Oct-18	25	Purchase	58174	1.87
				09-Nov-18	829	Purchase	59003	1.89
				07-Dec-18	1000	Purchase	60003	1.93
				11-Jan-19	818	Purchase	60821	1.95
				18-Jan-19	3071	Purchase	63892	2.05
				31-Mar-19			63892	2.05
5	Bhagwandas K Sahu	50000	1.60	1-Apr-18			50000	1.60
				15-Feb-19	10000	Sale	40000	1.28
				29-Mar-19	10000	Purchase	50000	1.60
				31-Mar-19			50000	1.60
6	Lekhya Kantheti	10447	0.34	1-Apr-18			10447	0.34
				06-Apr-18	227	Purchase	10674	0.34
				13-Apr-18	4330	Purchase	15004	0.48
				20-Apr-18	9996	Purchase	25000	0.80
				27-Apr-18	5756	Purchase	30756	0.99
				31-Mar-19			30756	0.99
7	Prakash Chandra Modi	28450	0.91	1-Apr-18			28450	0.91
				31-Mar-19			28450	0.91

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2018/ end of year 31.03.2019)	% total shares of the Company				No. of shares	% of total shares of the Company
8	Arch Finance Limited	0	0.00	1-Apr-18			0	0.00
				25-May-18	31	Purchase	31	0.00
				01-Jun-18	31	Sale	0	0.00
				30-Jun-18	97	Purchase	97	0.00
				06-Jul-18	97	Sale	0	0.00
				31-Aug-18	3800	Purchase	3800	0.12
				21-Sep-18	508	Purchase	4308	0.14
				29-Sep-18	508	Sale	3800	0.12
				30-Nov-18	10000	Purchase	13800	0.44
				21-Dec-18	150	Purchase	13950	0.45
				28-Dec-18	150	Sale	13800	0.44
				11-Jan-19	100	Purchase	13900	0.45
				18-Jan-19	100	Sale	13800	0.44
				01-Mar-19	3800	Sale	10000	0.32
				08-Mar-19	10500	Purchase	20500	0.66
				22-Mar-19	100	Purchase	20600	0.66
				29-Mar-19	100	Sale	20500	0.66
				31-Mar-19			20500	0.66
9	Y Gokul	0	0.00	1-Apr-18			0	0.00
				07-Sep-18	13720	Purchase	13720	0.44
				29-Sep-18	2732	Purchase	16452	0.53
				12-Oct-18	1909	Purchase	18361	0.59
				07-Dec-18	1600	Purchase	19961	0.64
				28-Dec-18	509	Purchase	20470	0.66
				31-Mar-19			20470	0.66
10	Nishu Finlease Private Limited	25000	0.80	1-Apr-18			25000	0.80
				30-Nov-18	10000	Sale	15000	0.48
				31-Mar-19			15000	0.48

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 (01.04.2018/ end of year 31.03.2019)	% total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Salil Taneja – Executive Director w.e.f 01.10.2018	400 1200	0.01 0.04	01.04.2018 26.10.2018 31.03.2019	- 800	- Purchase	400 1200	0.01 0.04
2	Mr. R. Poornalingam - Independent Non-Executive Diretor	100 100	0.00 0.00	01.04.2018 31.03.2019	- -	- -	100 100	0.00 0.00
3	Mr. Arvind Nanda – Independent Non-Executive Diretor w.e.f 11.10.2018	0 02	0.00 0.00	01.04.2018 31.03.2019	- 02	- Purchase	0 02	0.00 0.00
4	Mrs. Rahael Shobhana Joseph – Non-Executive Diretor	0 0	0.00 0.00	01.04.2018 31.03.2019	0 0	- -	0 0	0.00 0.00
5	Mr. Vijay Purekar – Chief Financial Officer w.e.f 28.09.2018	0 0	0.00 0.00	01.04.2018 31.03.2019	0 0	- -	0 0	0.00 0.00
6	Mr. Niranjan Kulkarni – Company Secretary till 26.12.2018	0 0	0.00 0.00	01.04.2018 31.03.2019	0 0	- -	0 0	0.00 0.00
7	Ms. Shubhanshi Jain - Company Secretary w.e.f 23.04.2019	0 0	0.00 0.00	01.04.2018 31.03.2019	0 0	- -	0 0	0.00 0.00

VI. INDEBTEDNESS

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

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits*	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at beginning of the financial year				
i) Principal Amount	**87.75**	**-**	**-**	**87.75**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**87.75**	**-**	**-**	**87.75**
Change in Indebtedness during financial year				
Addition	-	50.00	-	50.00
Reduction	51.69	50.00	-	101.69
Net Change	**(51.69)**	**0.00**	**-**	**(51.69)**
Indebtedness at the end of the financial year				
i) Principal Amount	36.06	-	-	36.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**36.06**	**-**	**-**	**36.06**

* Refer Note No. 17 to the Financial Statements

VII. 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 Salil Taneja	Total Amount
1	Gross salary	60.00	60.00
	(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)	**60.00**	**60.00**
	Ceiling as per the Act*	-	-

* Limit of remuneration shall be in terms of Schedule V to the Companies Act, 2013 and excludes contribution by the company to Provident Fund and Superannuation Fund.

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

Sl. no.	Particulars of Remuneration	Nirmal Chandra upto 01.10.2018	R. Poornalingam	Arvind Nanda w.e.f 11.10.2018	Rahael Shobhana Joseph	Total Amount
1	Independent Directors					
	Fee for attending board/ committee meetings	1.90	2.90	1.00	-	5.80
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**1.90**	**2.90**	**1.00**	**-**	**5.80**
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	2.40	2.40
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	2.40	-
	Total (B)=(1+2)	**1.90**	**2.90**	**1.00**	**2.40**	**8.20**
	Total Managerial Remuneration	**1.90**	**2.90**	**1.00**	**2.40**	**8.20**
	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			
		Niranjan Kulkarni Company Secretary From 07.04.2018 till 26.12.2018	**Vijay Purekar Chief Financial Officer** w.ef. 28.09.2018	**Shubhanshi Jain Company Secretary** w.e.f 23.04.2019	**Total**
1	Gross salary	4.31	8.92	-	13.23
	(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	**4.31**	**8.92**	**-**	**13.23**

VIII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Annexure 'B' to the Board's Report

Information required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 for the Financial Year Ended on March 31, 2019.

I. Conservation of energy:

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

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

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

II. Technology absorption:

i. The efforts made towards technology absorption: NA.

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

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

iv. The expenditure incurred on Research and Development: Nil

III. Foreign exchange earnings and Outgo:

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

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

b) During the year, foreign exchange earnings were Rs. 12.15 Lacs & foreign exchange outgo was Rs 242.01 Lacs.

Annexure 'C' to the Board's Report

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19, Ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2018-19:

S. No.	Name of Directors/ KMP and Designation	%Increase in remuneration in FY 2018-19	Ratio of remuneration of Director to median remuneration of employees
1.	Salil Taneja Whole Time Director*	Nil	7.79 :1
2.	Niranjan Kulkarni Company Secretary**	Nil	
3.	Vijay Purekar Chief Financial Officer***	Nil	

* w.e.f 01.10.2018

** w.e.f 07.04.2018 till 26.12.2018

*** w.e.f 28.09.2018

2. The median remuneration of employees of the Company during the financial year was Rs. 7.71 Lacs p.a.

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

4. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. 2018-19 was NIL whereas the increase in the Managerial remuneration for the same Financial Year was also NIL.

   There were 3 permanent employees on the rolls of the Company as on March 31, 2019.

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

Annexure 'D' to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

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

To,

The Members

TAAL ENTERPRISES LIMITED

2nd Floor, MMPDA Towers 184,

Royapettah High Road Chennai 600014

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

Secretarial Audit was conducted for the period from 1st April 2018 to 31st March 2019, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period from 1st April 2018 to 31st March 2019, 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 2019 according to the provisions of the following list of laws and regulations with our observations on the same:

(i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except as mentioned subsequently in this report and There was no appointment of Chief Financial Official from 29.08.2017 till 28.09.2018.

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

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

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

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, **Not applicable**;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **Not applicable**;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **Not applicable**; and
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **Not applicable**;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **Not applicable**;

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

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

a The Aircraft Act, 1934

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.

(ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

FOR DVD & ASSOCIATES
COMPANY SECRETARIES
Devendra Deshpande
Proprietor
FCS No. 6099
CP No. 6515

Place: Pune
Date: 28.05.2019

ANNEXURE A

To,

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

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

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

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Devendra Deshpande
Proprietor
FCS No. 6099
CP No. 6515

Place: Pune
Date: 28.05.2019

INDEPENDENT AUDITOR'S REPORT

To The Members of TAAL Enterprises Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of TAAL Enterprises Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Profit, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder,and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

a) Note 37 which states that the Company during the current quarter due to non-availability of the requisite statutory licenses required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited in trust for and on behalf of the Company including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Company. The said matter was stated as an Emphasis of Matter in our Statutory Audit Reports for the year ended on or after March 31, 2016 and Limited Review Reports for the quarter ended on or after June 30, 2016.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter (Risk)	How Was the Key Audit Matter Addressed in the Audit
Impairment of Investment in subsidiary Refer Note 39 to the Standalone Financial Statements The Company accounts for the investment in subsidiaries at cost and tests for any impairment in the value of investment on an annual basis in accordance with Para 9 of IND AS 36 on Impairment of Asset. As on March 31, 2019, one of the subsidiary companies outside India, First Airways Inc., has an accumulated deficit of INR 616.37 lakhs (USD 1,014,252) and the carrying value of investment in the Standalone Financial Statements is at Rs. 477.49 lakhs. First Airways Inc has entered into a purchase option agreement with the lessor to purchase an aircraft at a price equal to the Stipulated Loss Value of the Aircraft as specified in the lease agreement on the purchase date.	Our audit procedures in respect of this area included: 1. Detailed testing of compliance with Ind AS 36 - Impairment of Assets. 2. Reviewed the net recoverable amount determined by the management which is based on the fair value of the aircraft as on March 31, 2019 less the price to be paid by First Airways Inc. to the lessor of the aircraft on exercising the option to purchase the aircraft at the stipulated value. 3. Assessed the reasonableness of the fair value of the aircraft as determined by a valuer appointed by the management and compared the fair value with data from independent sources available in the public domain.

Key Audit Matter (Risk)	How Was the Key Audit Matter Addressed in the Audit
For the purpose of impairment testing, the management arrived at the net recoverable amount based on the fair value of the aircraft as on March 31, 2019 less the price to be paid by First Airways Inc. to the lessor of the aircraft on exercising the option to purchase. The net recoverable amount arrived at is greater than the carrying value of the investment as on March 31, 2019 and hence, there is no provision for impairment considered necessary. Due to significance of the above matter and involvement of the management estimate and judgement we have considered this as a key audit matter.	4. Compared the carrying value of the investment with the recoverable amount to assess for any impairment in the carrying amount of investment.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and Management Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in“Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the 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) On the basis of the written representations received from the directors as on March 31,2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2019from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.

   (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule11 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.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the Rules thereunder except that the remuneration paid to one whole-time Director as approved by the Board is subject to approval through special resolution by the Members of the Company in the next general meeting of the Company. Refer Note 41 to the Standalone Financial Statements.

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

Deepak Rao
Partner
Membership No. 113292

Place : Bengaluru
Date : June 24, 2019

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Deepak Rao
Partner
Membership No. 113292

Place : Bengaluru
Date : June 24, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TAAL ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2019

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

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

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

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

iii. The Company has granted loans, secured or unsecured to 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 Companies 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 Companies 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 we 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 March 31, 2019 and the Company has not accepted any deposits during the year.

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

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

However, no undisputed statutory dues were in arrears, as at March 31, 2019 for a period of more than six months from the date they became payable.

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

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

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

Deepak Rao
Partner
Membership No. 113292

Place : Bengaluru
Date : June 24, 2019

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

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to Standalone Financial Statements of TAAL Enterprises Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2019, based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Deepak Rao
Partner
Membership No. 113292

Place : Bengaluru
Date : June 24, 2019

Balance Sheet as at March 31, 2019

(Amount in INR, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	**11,21,032**	2,26,937
Financial assets			
Investments	6	**5,62,49,320**	5,62,49,320
Total non-current assets		**5,73,70,352**	5,64,76,257
Current assets			
Financial assets			
Investments	6	**9,12,03,342**	-
Trade receivables	7	**42,052**	18,57,954
Cash and cash equivalents	8	**2,09,76,454**	81,13,981
Bank balances other than cash and cash equivalent	9	**90,20,172**	85,18,938
Loans	10	**1,40,88,333**	1,80,88,333
Other financial assets	11	**53,92,600**	75,92,076
Current tax assets (net)	12	**11,55,432**	7,64,345
Other current assets	13	**52,54,721**	52,56,035
Total current assets		**14,71,33,106**	5,01,91,662
Total assets		**20,45,03,458**	10,66,67,919
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**3,11,63,420**	3,11,63,420
Other equity	15	**14,12,51,005**	4,90,91,075
Total equity		**17,24,14,425**	8,02,54,495
Liabilities			
Non-current liabilities			
Provisions	16	**11,54,059**	3,93,304
Total non-current liabilities		**11,54,059**	3,93,304
Current liabilities			
Financial liabilities			
Borrowings	17	**36,06,310**	87,74,936
Trade payables	18	**40,15,412**	21,13,030
Other financial liabilities	19	**2,00,01,536**	1,34,37,331
Provisions	16	**34,965**	16,678
Other current liabilities	20	**32,76,751**	8,35,697
Current tax liabilities (net)	21	**-**	8,42,448
Total Current liabilities		**3,09,34,974**	2,60,20,120
Total Liabilities		**3,20,89,033**	2,64,13,424
Total equity and Liabilities		**20,45,03,458**	10,66,67,919

Summary of significant accounting policies (Refer note 2)
The accompanying notes (2-45) are an integral part of the financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
Partner
Membership No: 113292

Salil Taneja
Director
DIN: 00328668

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Statement of Profit & Loss for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Particulars	Notes	**Year ended 31 March 2019**	Year ended 31 March 2018
Income			
Revenue from operations	22	**7,82,40,266**	6,39,21,690
Other income	23	**13,31,70,375**	2,98,61,118
Total income		**21,14,10,641**	**9,37,82,808**
Expenses			
Employee benefits expense	24	**60,84,961**	52,62,015
Finance costs	25	**21,58,542**	34,17,270
Depreciation and amortization expense	26	**2,31,677**	1,20,780
Other expenses	27	**7,93,33,828**	7,88,72,235
Total Expenses		**8,78,09,008**	**8,76,72,300**
Profit before tax		**12,36,01,634**	**61,10,508**
Income Tax expense:			
Current tax		**-**	10,90,000
Total income tax expense		**-**	**10,90,000**
Profit for the year		**12,36,01,634**	**50,20,508**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(2,78,284)	67,108
Income tax effect		-	-
Other comprehensive income for the year, net of tax		**(2,78,284)**	**67,108**
Total comprehensive income for the year		**12,33,23,350**	**50,87,616**
Earnings per share	28		
Basic earnings per share (INR)		39.66	1.61
Diluted earnings per share (INR)		39.66	1.61
Summary of significant accounting policies (Refer note 2)			
The accompanying notes (2-45) are an integral part of the financial statements			

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
Partner
Membership No: 113292

Salil Taneja
Director
DIN: 00328668

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(A) Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	**Amount**	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening	**31,16,342**	**3,11,63,420**	31,16,342	3,11,63,420
Add: Shares issued during the year	**-**	**-**	-	-
Closing	**31,16,342**	**3,11,63,420**	**31,16,342**	**3,11,63,420**

(B) Other equity

Particulars	Capital Reserve	Retained Earnings	Total
Balance as at 1 April 2017	10,85,58,886	(6,45,55,427)	4,40,03,459
Profit for the year	-	50,20,508	50,20,508
Other comprehensive income	-	67,108	67,108
Total comprehensive income for the year	**-**	**50,87,616**	**50,87,616**
Balance as at 31 March 2018	**10,85,58,886**	**(5,94,67,811)**	**4,90,91,075**

Particulars	Capital Reserve	Retained Earnings	Total
Balance as at 1 April 2018	10,85,58,886	(5,94,67,811)	4,90,91,075
Profit for the year	-	12,36,01,634	12,36,01,634
Interim Dividend	-	(3,11,63,420)	(3,11,63,420)
Other comprehensive income	-	(2,78,284)	(2,78,284)
Total comprehensive income for the year	**-**	**9,21,59,930**	**9,21,59,930**
Balance as at 31 March 2019	**10,85,58,886**	**3,26,92,119**	**14,12,51,005**

Summary of significant accounting policies (Refer note 2)
The accompanying notes (2-45) are an integral part of the financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
Partner
Membership No: 113292

Salil Taneja
Director
DIN: 00328668

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Statement of Cash Flows for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit/ (loss) before tax	12,36,01,634	61,10,508
Adjustments for:		
Depreciation	2,31,677	1,20,780
Dividend income	(12,75,00,000)	-
Interest income	(43,59,648)	(34,66,259)
Gain on changes in fair value of investments (mutual funds)	(12,03,342)	-
Interest expense	7,96,394	15,01,520
Actuarial gain/ (loss) on post-employment benefit obligation	(2,78,284)	67,108
Operating profit/ (loss) before working capital changes	**(87,11,569)**	**43,33,657**
Changes in working capital		
Increase / (decrease) in trade and other payables	1,08,44,235	(2,32,72,108)
Decrease/ (increase) in trade and other receivables	36,25,605	1,87,17,390
Cash generated from/ (used in) operations	**57,58,271**	**(2,21,061)**
Income tax paid	-	(2,87,552)
Net cash flow from/ (used in) operating activities (A)	**57,58,271**	**(5,08,613)**
Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets	(11,25,772)	(71,400)
Purchase of Investments	(9,00,00,000)	-
Repayment of loans given	40,00,000	25,54,924
Dividend income from Subsidiary	12,75,00,000	
Interest income	43,59,648	34,66,259
Net cash flow from investing activities (B)	**4,47,33,876**	**59,49,783**
Cash flow from financing activities		
Addition/(repayment) of short-term borrowings - net	(51,68,626)	(8,69,370)
Dividend paid	(3,11,63,420)	-
Interest expense	(7,96,394)	(8,80,972)
Net cash flow from/ (used in) financing activities (C)	**(3,71,28,440)**	**(17,50,342)**
Net increase in cash and cash equivalents (A+B+C)	1,33,63,707	36,90,828
Cash and cash equivalents at the beginning of the year	1,66,32,919	1,29,42,091
Cash and cash equivalents at the end of the year	**2,99,96,627**	**1,66,32,919**
Cash and cash equivalents comprise (Refer notes 8 and 9)		
Balances with banks		
On current accounts	2,00,15,644	81,13,981
On unpaid dividend accounts	9,57,090	-
Cash on hand	3,720	-
Margin money or under lien deposits	86,04,595	81,02,893
Money in fractional share entitlement account	4,15,577	4,16,045
Total cash and bank balances at the end of the year	**2,99,96,627**	**1,66,32,919**

Summary of significant accounting policies (Refer note 2)
The accompanying notes (2-45) are an integral part of the financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
Partner
Membership No: 113292

Salil Taneja
Director
DIN: 00328668

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Notes forming part of the Financial Statements for the year ended March 31, 2019

1 General Information

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

2 Significant Accounting Policies

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

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

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) **Basis of Measurement**

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

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(c) **Use of Estimates**

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

Notes forming part of the Financial Statements for the year ended March 31, 2019

2.2 Property, Plant and Equipment

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Property, plant and equipment received from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

Depreciation methods, estimated useful lives

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

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

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

2.3 Investment in Subsidiary

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

(a) at cost, or

(b) in accordance with Ind AS 109.

The Company accounts for its investment in subsidiary at cost.

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

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

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

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

Notes forming part of the Financial Statements for the year ended March 31, 2019

2.5 Fair Value Measurement

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

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

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

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

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

2.6 Revenue Recognition

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

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

Revenue from Sale of Services

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

The impact of applying Ind AS 115 Revenue from contract with customers instead of the erstwhile Ind AS 18 Revenue on the financial statements of the Company for the year ended and as at March 31, 2019 is not significant.

Other Income

Interest income is recognised on basis of effective interest method as set out in Ind AS 109 - financial Instruments, and where no significant uncertainty as to measurability or collectability exists. Claims towards insurance claims are accounted in the year of settlement and/or in the year of acceptance of claim/certainty of realization as the case may be. Dividend income is recognised when the right to receive payment is established.

2.7 Taxes

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

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

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

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

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

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

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

2.8 Leases

As a lessee

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

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

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

2.9 Impairment of Non-Financial Assets

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

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

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

2.10 Provisions and Contingent Liabilities

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

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

Decommissioning costs (if any), are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Borrowing Cost

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

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

2.12 Cash and Cash Equivalents

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

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

2.13 Financial Instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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

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

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

(iii) Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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

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

<u>**Trade receivables**</u>

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

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

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

(b) Financial liabilities

(i) Initial recognition and measurement

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

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

Notes forming part of the Financial Statements for the year ended March 31, 2019

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

(iii) Derecognition

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

(c) Offsetting financial instruments

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

2.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) **Defined contribution plan**

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

(ii) **Defined benefit plans**

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

(iii) **Leave encashment - Encashable**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid

Notes forming part of the Financial Statements for the year ended March 31, 2019

as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.15 Earnings Per Share

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

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

2.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of viz. "Air Charter". Thus, as defined in Ind AS 108 “Operating Segments”, the Company’s entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

3 Significant Accounting Judgments, Estimates and Assumptions

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

3.1 Estimates and Assumptions

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

(a) Defined benefits and other long term benefits

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

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

4 Standards (including amendments) issued but not yet effective

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

(a) **Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition,

Notes forming part of the Financial Statements for the year ended March 31, 2019

measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) **Ind AS 12 – Income taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the financial statements.

(c) **Ind AS 19 – Employee benefits**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the Standalone Financial Statements.

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

5 Property, plant and equipment

	Gross block			Depreciation			Net block	
	As at 1 April 2018	**Additions/ Adjustments**	**As at 31 March 2019**	**As at 1 April 2018**	**For the year**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
Owned assets								
Computer - Hardware	38,434	-	38,434	25,170	2,277	27,447	10,987	13,264
Office Equipment	83,985	-	83,985	29,889	18,777	48,666	35,319	54,096
Furniture and Fixtures	3,52,178	-	3,52,178	1,92,601	49,852	2,42,453	1,09,725	1,59,577
Vehicles	-	11,25,772	11,25,772	-	1,60,771	1,60,771	9,65,001	-
Total	**4,74,597**	**11,25,772**	**16,00,369**	**2,47,660**	**2,31,677**	**4,79,337**	**11,21,032**	**2,26,937**

	Gross block			Depreciation			Net block	
	As at 1 April 2017	Additions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017
Owned assets								
Computer - Hardware	38,434	-	38,434	13,435	11,735	25,170	13,264	24,999
Office Equipment	12,585	71,400	83,985	-	29,889	29,889	54,096	12,585
Furniture and Fixtures	3,52,178	-	3,52,178	1,13,445	79,156	1,92,601	1,59,577	2,38,733
Total	**4,03,197**	**71,400**	**4,74,597**	**1,26,880**	**1,20,780**	**2,47,660**	**2,26,937**	**2,76,317**

6 Financial Assets- Investments

Particulars	**31 March 2019**	31 March 2018
Investment in equity instruments of subsidiaries (fully paid-up)		
Unquoted equity shares (Non-trade, stated at cost)		
First Airways Inc, USA	4,77,49,320	4,77,49,320
11,50,000 (31 March 2018: 11,50,000) Shares of USD 1/- each		
TAAL Tech India Private Limited	85,00,000	85,00,000
8,50,000 (31 March 2017: 8,50,000) Equity Shares of INR 10/- each		
Investments at fair value through profit and loss (fully paid)		
- Investments in Mutual Funds (Quoted) (Refer footnote i)	9,12,03,342	-
Total non-current financial assets - investments	14,74,52,662	5,62,49,320
Current	9,12,03,342	-
Non-current	5,62,49,320	5,62,49,320
	14,74,52,662	5,62,49,320
Aggregate book value of:		
Quoted investments	9,12,03,342	-
Unquoted investments	5,62,49,320	5,62,49,320
Aggregate market value of:		
Quoted investments	9,12,03,342	-
Unquoted investments	5,62,49,320	5,62,49,320

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Footnotes:

i. Details of investments in Mutual Funds (Quoted) designated at FVTPL:

Particulars	Number of units		Amount	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
TATA Liquid Fund	30,974.770	-	9,12,03,342	-

7 Trade receivables

Particulars	31 March 2019	31 March 2018
Unsecured		
Considered good	42,052	1,857,954
Considered doubtful	-	-
Less : Allowance for bad and doubtful debts	-	-
	42,052	**1,857,954**
Further classified as:		
Receivable from related parties	-	-
Receivable from others	42,052	1,857,954
Total trade receivables	**42,052**	**1,857,954**

8 Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Balances with banks		
On current accounts	2,00,15,644	81,13,981
On unpaid dividend accounts	9,57,090	
Cash in hand	3,720	-
Total cash and cash equivalents	**2,09,76,454**	**81,13,981**

9 Bank balances other than cash and cash equivalent

Particulars	31 March 2019	31 March 2018
Margin money or under lein deposits	86,04,595	81,02,893
Money in fractional share entitlement account	4,15,577	4,16,045
Total bank balances other than cash and cash equivalent	**90,20,172**	**85,18,938**

10 Current financial assets - loans

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Security deposits	10,88,333	10,88,333
Loans recoverable in cash	1,30,00,000	1,70,00,000
Total current financial assets - loans	**1,40,88,333**	**1,80,88,333**

11 Current financial assets - others

Particulars	31 March 2019	31 March 2018
Advance recoverable in cash or kind	53,92,600	75,92,076
Total current financial assets - others	**53,92,600**	**75,92,076**

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

12 Current tax assets (net)

Particulars	31 March 2019	31 March 2018
Advance income tax [net of provision for tax INR 11,54,000 (31 March 2018: INR Nil)]	11,55,432	764,345
Total current tax assets (net)	**11,55,432**	**764,345**

13 Other current assets

Particulars	31 March 2019	31 March 2018
Balances with government authorities	14,15,041	14,79,449
Advance to suppliers	3,62,197	1,65,836
Advance to staff	81,079	44,124
Prepaid expenses	33,96,404	35,66,626
Total other current assets	**52,54,721**	**52,56,035**

14 Equity share capital

Particulars	31 March 2019	31 March 2018
Authorised		
50,00,000 (31 March 2018: 50,00,000) equity shares of INR 10 each	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000
Issued, subscribed and paid up		
31,16,342 (31 March 2018: 31,16,342) equity shares of INR 10 each fully paid up	3,11,63,420	3,11,63,420
Total equity share capital	**3,11,63,420**	**3,11,63,420**

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

Particulars	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	31,16,342	3,11,63,420	31,16,342	3,11,63,420
Add: Equity Shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**31,16,342**	**3,11,63,420**	**31,16,342**	**3,11,63,420**

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares of INR 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(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	31 March 2019	31 March 2018
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger.	31,16,342	31,16,342

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

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

Name of the shareholder	31 March 2019		31 March 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Vishkul Leather Garments Private Limited	1,581,297	50.74	1,581,297	50.74

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.

(e) No class of shares have been bought back by the Company during the period of five years or period elapsed from the date of incorporation whichever is earlier.

15 Other equity

Particulars	31 March 2019	31 March 2018
(a) Capital reserve		
Opening balance	10,85,58,886	108,558,886
Closing balance	**108,558,886**	**108,558,886**
(b) Retained earnings		
Opening balance	(5,94,67,811)	(6,45,55,427)
Net profit for the current year	12,36,01,634	50,20,508
Re-measurement gains/ (losses) on defined benefit plans	(2,78,284)	67,108
Interim Dividend (refer Note 36)	(3,11,63,420)	-
Closing balance	**3,26,92,119**	**(5,94,67,811)**
Total other equity	**14,12,51,005**	**4,90,91,075**

16 Provisions

Particulars	31 March 2019	31 March 2018
Non current provisions		
(a) Provision for employee benefits		
Provision for gratuity (unfunded)	4,76,786	1,59,647
Provision for leave encashment (unfunded)	6,77,273	2,33,657
	11,54,059	**3,93,304**
Current provisions		
(b) Provision for employee benefits		
Provision for gratuity (unfunded)	5,535	3,538
Provision for leave encashment (unfunded)	29,430	13,140
	34,965	**16,678**
Total provisions	**11,89,024**	**4,09,982**

17 Short-term borrowings

Particulars	31 March 2019	31 March 2018
Secured		
Loans repayable on demand from banks - working capital borrowing from banks	36,06,310	87,74,936
Total short-term borrowings	**36,06,310**	**87,74,936**

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

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

18 Trade payables

Particulars	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,015,412	2,113,030
Total trade payables	**4,015,412**	**2,113,030**

*As informed to us by the management, the Company owes no dues which are outstanding as at 31 March, 2019 and 31 March 2018 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.

19 Other current financial liabilities

Particulars	31 March 2019	31 March 2018
Employee payables	9,59,233	2,71,633
Other payables	1,80,85,213	1,31,65,698
Unpaid dividend	9,57,090	-
Total other current financial liabilities	**2,00,01,536**	**1,34,37,331**

20 Other current liabilities

Particulars	31 March 2019	31 March 2018
Statutory due payable	11,60,598	5,27,439
Advance from customers	21,16,153	3,08,258
Total other current liabilities	**32,76,751**	**8,35,697**

21 Current tax liabilities (net)

Particulars	31 March 2019	31 March 2018
Current tax provision [net of advance tax INR Nil (31 March 2018: INR 2,87,552)]	-	8,42,448
Total current tax liabilities (net)	**-**	**8,42,448**

22 Revenue from operations

Particulars	31 March 2019	31 March 2018
Sale of services		
Charter income	7,82,40,266	6,39,21,690
Total Revenue from operations	**7,82,40,266**	**6,39,21,690**

23 Other income

Particulars	31 March 2019	31 March 2018
Dividend Income	12,75,00,000	-
Interest income	43,59,648	34,66,259
Gain on changes in fair value of investments (mutual funds)	12,03,342	-
Miscellaneous income	1,05,586	4,650
Liabilities written back	1,799	2,63,90,209
Total Other income	**13,31,70,375**	**2,98,61,118**

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

24 Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries, wages, bonus and other allowances	58,10,104	50,27,695
Contribution to provident fund and other funds	1,32,078	1,27,495
Gratuity expenses	40,852	41,335
Staff welfare expenses	1,01,927	65,490
Total Employee benefits expense	**60,84,961**	**52,62,015**

25 Finance costs

Particulars	31 March 2019	31 March 2018
Interest on working capital	7,96,394	8,80,972
Interest on delayed payment of taxes	3,52,206	9,52,507
Other finance cost	8,44,307	9,57,469
Bank charges	1,65,636	6,26,322
Total Finance costs	**21,58,542**	**34,17,270**

26 Depreciation and amortization expense

Particulars	31 March 2019	31 March 2018
On property, plant and equipment (Refer note 5)	2,31,677	1,20,780
Total Depreciation and amortization expense	**2,31,677**	**1,20,780**

27 Other expenses

Particulars	31 March 2019	31 March 2018
Aircraft fuel charges	1,34,36,074	98,36,316
Aircraft lease rent ^	2,61,97,676	3,40,59,746
Aircraft repairs and maintenance	3,13,159	10,22,993
Rent - flight parking & equipment	38,53,396	20,14,406
Other aircraft operating expenses	1,99,09,434	1,71,33,549
Consumption of stores and spare parts	40,08,242	61,97,883
Advertisement	1,24,105	1,35,116
Rent	6,00,000	6,00,000
Repairs and maintenance - others	-	3,185
Insurance	27,535	22,630
Rates and taxes	10,96,345	7,12,417
Registration & renewal	14,28,753	8,02,120
Travelling expenses	9,32,704	2,58,842
Auditor's remuneration	5,59,233	5,10,497
Printing & stationery	2,74,281	2,33,316
Communication expenses	3,10,388	1,66,217
Legal and professional charges	25,66,118	32,17,871
Loss on foreign exchange transactions (net)	9,36,174	3,84,614
Sitting fee	8,20,000	6,30,000
Debtor written off	9,093	82,125
Miscellaneous expenses	2,98,788	2,22,552
Training expenses	16,32,330	6,25,840
Total Other expenses	**7,93,33,828**	**7,88,72,235**

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

^ Aircraft lease rent

The aircraft has been acquired on operating lease from an overseas lease finance company for a period of 153 months (Refer note 40)

The payments under lease for the future period as at 31 March 2019 are:

Particulars	Amount in US$	Equivalent in INR
Within one year	3,00,000	2,07,51,390
After one year but not more than five years	1,50,000	1,03,75,695
More than five years	-	-
Total	**4,50,000**	**3,11,27,085**

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

Particulars	Amount in US$	Equivalent in INR
Within one year	2,00,000	1,30,08,820
After one year but not more than five years	-	-
More than five years	-	-
Total	**2,00,000**	**1,30,08,820**

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

Particulars	31 March 2019	31 March 2018
As auditor:		
Statutory audit	2,00,000	1,50,000
In other capacity:		
Limited review	3,00,000	3,00,000
Reimbursement of expenses	59,233	60,497
Total	**5,59,233**	**5,10,497**

28 Earnings/ loss per share

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

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

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

Particulars	31 March 2019	31 March 2018
Profit attributable to equity holders	12,36,01,634	50,20,508
Weighted average number of equity shares	31,16,342	31,16,342
Basic earnings/(loss) per share (INR)	39.66	1.61
Diluted earnings/(loss) per share (INR)	39.66	1.61

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

29 Employee benefits

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

(A) Defined contribution plans

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

	31 March 2019	31 March 2018
a) Employers contribution to Provident fund	79,486	60,052
b) Employers contribution to Superannuation fund	52,592	67,443

(B) Defined benefit plans

Gratuity payable to employees

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

i) Actuarial assumptions:

Particulars	**Gratuity (unfunded)**	
	31 March 2019	31 March 2018
Discount rate (per annum)	7.50%	7.80%
Rate of increase in salary	10.00%	10.00%
Retirement age	58 years	58 years
Attrition rate	2.00%	2.00%

ii) Changes in the present value of defined benefit obligation

Particulars	**Gratuity (unfunded)**	
	31 March 2019	31 March 2018
Present value of obligation as at the beginning of the year	1,63,185	1,88,958
Interest cost	12,728	13,983
Past service cost	-	-
Current service cost	28,124	27,352
Actuarial (gain)/ loss on obligation	2,78,284	(67,108)
Present value of obligation as at the end of the year	4,82,321	1,63,185

iii) Expense recognized in the Statement of Profit and Loss

Particulars	**Gratuity (unfunded)**	
	31 March 2019	31 March 2018
Current service cost	28,124	27,352
Past service cost	-	-
Interest cost	12,728	13,983
Total expense recognized in the Statement of Profit and Loss *	40,852	41,335

* Included in Employee benefits expense (Refer Note 24). Actuarial (gain)/ loss of INR 2,78,284 [31 March 2018: INR (67,108)] is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet:

Particulars	**Gratuity (unfunded)**	
	31 March 2019	31 March 2018
Present value of unfunded obligation as at the end of the year	4,82,321	1,63,185
Unrecognized actuarial (gains)/ losses	-	-
Unfunded net liability recognized in the Balance Sheet *	4,82,321	1,63,185

* Included in Provision for employee benefits (Refer Note 16).

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:
Impact on defined benefit obligation

Particulars	Gratuity (unfunded)	
	31 March 2019	31 March 2018
Discount rate		
1% increase	4,55,693	1,51,125
1% decrease	5,11,168	1,76,938
Rate of increase in salary		
1% increase	5,05,624	1,74,925
1% decrease	4,60,230	1,52,638

vi) Maturity profile of defined benefit obligation

Particulars	Gratuity (unfunded)
	31 March 2019
Years	
Apr 2019- Mar 2020	6,000
Apr 2020- Mar 2021	11,000
Apr 2021- Mar 2022	17,000
Apr 2022- Mar 2023	21,000
Apr 2023- Mar 2028	21,38,000

30 There are no Contingent Liabilities, Capital and Other Commitments as at 31 March 2019 and 31 March 2018.

31 Related party disclosures: 31 March 2019

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

Parent Company

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

Subsidiary Companies

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

Entities under common control:

ISMT Limited
Laurus Tradecon Private Limited (erstwhile known as Lighto Technologies Private Limited)
TAAL Enterprises Limited
First Airways Inc.
Taneja Aerospace and Aviation Limited
Katra Auto Engineering Private Limited
Indian Seamless Enterprises Ltd.

Key Management Personnel (KMP)

Mr. C S Kameswaran - (Whole Time Director up to February 06, 2018)
Mr. Salil Taneja (Whole Time Director, w.e.f October 01, 2018)

Non-Whole Time Director

Mr. Nirmal Chandra (upto October 2, 2018)
Mr. R Poornalingam (w.e.f. April 18, 2017)
Mr. Arvind Nanda (w.e.f. October 11, 2018)
Mrs. Rahael Shobhana Joseph (upto April 22, 2017 and reappointed from November 16, 2017)

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(B) Transactions/ balances with related parties:

Particulars	Subsidiary Companies	Key Management Personnel	Non- Whole Time director	Entities under common control
Investments	5,62,49,320	-	-	-
	(5,62,49,320)	(-)	(-)	(-)
Inter Corporate Deposit Given during the year	-	-	-	1,50,00,000
	(-)	(-)	(-)	(-)
Inter Corporate Deposit repaid during the year	-	-	-	1,50,00,000
	(-)	(-)	(-)	(-)
Inter Corporate Deposit Taken during the year	-	-	-	-
	(50,00,000)	(-)	(-)	(-)
Inter Corporate Deposit Returned during the year	-	-	-	-
	(50,00,000)	(-)	(-)	(-)
Reimbursement of Expenses during the year	45,70,000	-	-	-
	(92,153)	(-)	(-)	(-)
Sitting fees	-	(-)	8,20,000	-
	(-)		(6,30,000)	(-)
Dividend Income	12,75,00,000	-	-	-
	(-)	(-)	(-)	(-)
Interest Income	-	-	-	16,25,426
	(-)	(-)	(-)	(-)
Interest Paid	-	-	-	-
	(6,20,548)	(-)	(-)	(-)
Rent Paid	-	-	-	6,00,000
	-	-	-	(6,00,000)
Managerial Remuneration #	-	60,00,000	-	-
	(-)	(10,20,000)	(-)	(-)
Balance Payable as at the year end	-	-	-	25,87,932
	(7,79,762)	(-)	(-)	
Balance Receivable as at the year end	53,92,000	-	-	-
	(-)	(-)	(-)	(83,71,838)

(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. Further, the Company has not paid any commission to the managerial personnel.

32 Segment reporting

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

The customers whose revenue is more than 10% of companies total revenue are:
Customer 1 : INR 1,30,19,333 (31 March 2018: INR 2,18,44,000)
Customer 2 : INR 96,47,083 (31 March 2018: INR 72,75,000)
Customer 3 : INR 79,41,084 (31 March 2018: INR Nil)

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

33 Fair values of financial assets and financial liabilities

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

34 Fair value hierarchy

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

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

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

	31 March 2019	31 March 2018
Level 1 (Quoted price in active markets)		
Investments in mutual funds at fair value through profit and loss	9,12,03,342	-
Level 2	Nil	Nil
Level 3		
Financial assets measured at amortized cost		
Trade receivables	42,052	18,57,954
Loans	1,40,88,333	1,80,88,333
Cash and cash equivalents	2,09,76,454	81,13,981
Bank balances other than cash and cash equivalent	90,20,172	85,18,938
Financial liabilities measured at amortized cost		
Borrowings	36,06,310	87,74,936
Trade payables	40,15,412	21,13,030
Other current financial liabilities	2,00,01,536	1,34,37,331

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

35 Financial risk management objectives and policies

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

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings. The Company is also exposed to fluctuations in foreign currency exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to short-term borrowings with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Interest rate sensitivity

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

	Increase/ decrease in basis points	**Effect on profit before tax**
31 March 2019		
INR	+0.45%	(16,228)
INR	-0.45%	16,228
31 March 2018		
INR	+0.45%	(39,487)
INR	-0.45%	39,487

(ii) Foreign currency risk

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

Foreign currency sensitivity

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

	Change in USD rate	Effect on profit before tax
31 March 2019		
INR	+2.50%	(4,00,475)
INR	-2.50%	4,00,475
31 March 2018		
INR	+2.50%	(3,00,508)
INR	-2.50%	3,00,508

(B) Credit risk

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

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the entities to whom such loans and advances and security deposits are given. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as mentioned in Notes 6 to 11.

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(C) Liquidity risk

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

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

	Less than 1 year	1 to 5 years	More than 5 years	Total
31 March 2019				
Short-term borrowings	36,06,310	-	-	36,06,310
Trade payables	40,15,412	-	-	40,15,412
Other financial liabilities	2,00,01,536	-	-	2,00,01,536
	2,76,23,258	**-**	**-**	**2,76,23,258**
31 March 2018				
Short-term borrowings	87,74,936	-	-	87,74,936
Trade payables	21,13,030	-	-	21,13,030
Other financial liabilities	1,34,37,331	-	-	1,34,37,331
	2,43,25,297	**-**	**-**	2,43,25,297

36 Capital management

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

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing which represents loan from bank. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31 March 2019	31-Mar-18
Total equity (a)	17,24,14,425	8,02,54,495
Total debt (b)	36,06,310	87,74,936
Overall financing (c = a+b)	17,60,20,735	8,90,29,431
Gearing ratio (d = b/c)	0.02	0.10

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

Dividends	**31 March 2019**	31 March 2018
(i) Equity Shares		
Interim dividend for the year ended 31 March 2019 of INR 10 (31 March 2018 - INR Nil) per fully paid share	3,11,63,420	-

37 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 Private Limited into the Company. Pursuant to the Scheme as sanctioned by the Hon'ble High Court of Madras vide order dated June 22, 2015, received on July 23, 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Company on a going concern basis with effect from October 1, 2014 being the appointed date. The certified copy of the said order of the Hon'ble High Court of Madras has been filed with the Registrar of Companies, Chennai on August 21, 2015 and as such the Scheme has become effective from that date.

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

Notes forming part of the Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

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

38 Deferred tax calculations result into deferred tax assets as at March 31, 2019 as well as at March 31, 2018. However, as a matter of prudence, the Company has not recognized deferred tax assets as it is not probable that the Company will have future taxable profits.

39 The Company accounts for the investment in subsidiaries at cost and tests for any impairment in the value of investment on an annual basis in accordance with Para 9 of IND AS 36 on Impairment of Asset. For the purpose of impairment testing, the management arrived at the net recoverable amount based on the fair value of the aircraft as on March 31, 2019 less the price to be paid by First Airways Inc. (subsidiary) to the lessor of the aircraft on exercising the option to purchase. As per the option agreement, First airways, Inc., USA can purchase the aircraft at a price equal to the stipulated loss value of the Aircraft as specified in ammended lease agreement. The net recoverable amount arrived at is greater than the carrying value of the investment as on March 31, 2019 and hence, there is no provision for impairment considered necessary.

40 The Company operates a chartered plane obtained under a lease agreement dated December 11, 2007 which is the sole aircraft being operated by the Company as a part of its business operations. As per the lease agreement with the lessor, the lease was for a period of 120 months which expired on December 11, 2017. During the year 2017-18, the Company and Lessor agreed for an extension of the lease for a period of one year from December 12, 2017 to December 11, 2018. During the year 2018-19, the Company has entered into an amended lease agreement dated September 21, 2018 for the aircraft taken on lease from Cessna Finance Corporation extending the lease up to September 2020 for carrying on the business and activities related to the demerged charter business. Further, as per the purchase option agreement entered between the Company, Lessor and First Airways Inc. (Wholly owned subsidiary), First Airways Inc. has an option to purchase the aircraft at the end of lease period. On this basis, the Company intends to either renew the lease term or exercise the purchase option at the end of lease period through its subsidiary. In view of above, the Company has prepared financial statements on going concern basis.

41 The Board of Directors of the Company in their meeting held on 28 September 2018 appointed Mr. Salil Taneja as a whole-time director on the terms and conditions and the remuneration as approved by the Board which is subject to a special resolution approval by the Members of the Company in the next general meeting of the Company.

42 The Company had extended and restructured its lease agreement with Cessna Finance Corporation ("the lessor") during 2017-18 and as part of restructuring the lease, the Company's liability was reduced by INR 2,63,51,516 (USD 405,495) for the year 2017-18 which is disclosed under Other Income.

43 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.

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

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 24, 2019

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

Salil Taneja	**Rahael Shobhana Joseph**	**Vijay Dutt Purekar**	**Shubhanshi Jain**
Director	Director	Chief Financial Officer	Company Secretary
DIN: 00328668	DIN: 02427554		

Place: Pune
Date: June 24, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of TAAL Enterprises Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of TAAL Enterprises Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of Consolidated Profit, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

a) Note 44 which states that the Company during the current quarter due to non-availability of the requisite statutory licenses required for carrying on the demerged charter business, the demerged charter business has continued to be operated by Taneja Aerospace and Aviation Limited in trust for and on behalf of the Company including banking transactions, statutory compliances and all other commercial activities. However, the accounting entries pertaining to the demerged charter business are accounted in the books of account of the Company. The said matter was stated as an Emphasis of Matter in our Statutory Audit Reports for the year ended on or after March 31, 2016.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit Matters (Risk)	**How Was the Key Audit Matter Addressed in the Audit**
Impairment of Goodwill Refer Note 48 to the Consolidated Financial Statements Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future Cash Flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination.	Our audit procedures in respect of this area included: 1. Detailed testing of compliance with Ind AS 36 - Impairment of Assets. 2. Reviewed the net recoverable amount determined by the management which is based on the fair value of the aircraft as on March 31, 2019 less the price to be paid by First Airways Inc. to the lessor of the aircraft on exercising the option to purchase the aircraft at the stipulated value.

As on March 31, 2019, one of the subsidiary companies outside India, First Airways Inc., has an accumulated deficit of INR 616.37 lakhs (USD 1,014,252) and the goodwill on account of acquisition of this wholly owned subsidiary is Rs. 456.27 lakhs in the Consolidated Financial Statements. First Airways Inc has entered into a purchase option agreement with the lessor to purchase a aircraft at a price equal to the Stipulated Loss Value of the Aircraft as specified in the lease agreement on the purchase date. For the purpose of impairment testing, the management arrived at the net recoverable amount based on the fair value of the aircraft as on March 31, 2019 less the price to be paid by First Airways Inc. to the lessor of the aircraft on exercising the option to purchase. The net recoverable amount arrived at is greater than the carrying value of the investment as on March 31, 2019 and hence, there is no provision for impairment considered necessary. Due to significance of the above matter and involvement of the management estimate and judgement we have considered this as a key audit matter.	3. Assessed the reasonableness of the fair value of the aircraft as determined by a valuer appointed by the management and compared the fair value with data from independent sources available in the public domain. 4. Compared the carrying value of the goodwill with the recoverable amount to assess for any impairment in the carrying amount of investment.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and Management Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

Other Matters

a. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 1,231.35 lakhs (after elimination of intra-group balances Rs. 932.29 lakhs) as at March 31, 2019, total revenues of Rs. 3,184.29 lakhs (after elimination of intra-group transactions Rs. 62.73 lakhs) and net Cash Flows amounting to Rs. 311.32 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

b. We did not audit the financial statements one subsidiary whose financial statements reflect total assets of Rs. 6.61 lakhs as at March 31, 2019, total revenues of Rs. Nil and Net Cash Outflows amounting to Rs. 4.55 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on 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 auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

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

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated 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 March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

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

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 36 to the Consolidated Financial Statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 of the Act and the Rules thereunder except that the remuneration paid to one whole-time Director as approved by the Board is subject to approval through special resolution by the Members of the Holding Company in the next general meeting of the Company. Refer Note 50 to the Consolidated Financial Statements.

   In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the Rules thereunder are not applicable to the subsidiaries as these are companies incorporated outside India / private company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Deepak Rao

Partner

Membership No.113292

Place: Bengaluru

Date: June 24, 2019

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

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

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

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

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

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

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

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

Deepak Rao
Partner
Membership No.113292

Place: Bengaluru
Date: June 24, 2019

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of TAAL Enterprises Limited on the Consolidated Financial Statements for the year ended March 31, 2019]

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to Consolidated Financial Statements of TAAL Enterprises Limited (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 and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding company, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2019, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Deepak Rao
Partner
Membership No.113292

Place: Bengaluru
Date: June 24, 2019

Consolidated Balance Sheet as at March 31, 2019

(Amount in INR, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	94,84,201	1,50,94,043
Intangible assets	6	20,19,294	64,44,436
Goodwill		3,90,50,239	3,90,50,239
Financial assets			
Loans	8	1,58,93,902	99,71,729
Deferred tax asset (net)	32	4,29,52,255	3,44,45,713
Other non-current assets	9	91,74,008	25,11,906
Total Non-current assets		**11,85,73,899**	**10,75,18,066**
Current assets			
Financial assets			
Investments	7	9,96,13,354	-
Trade receivables	10	25,85,83,421	23,58,85,208
Cash and cash equivalents	11	12,36,98,513	5,34,88,031
Bank balances other than cash and cash equivalents	12	1,90,20,172	85,18,938
Loans	13	1,40,88,333	1,80,88,333
Other financial assets	14	6,56,54,688	6,76,74,853
Current tax assets (net)	15	11,55,432	7,64,345
Other current assets	16	12,55,83,786	7,89,33,630
Total Current assets		**70,73,97,699**	**46,33,53,338**
Total Assets		**82,59,71,598**	**57,08,71,404**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	3,11,63,420	3,11,63,420
Other equity	18	45,05,35,531	29,84,13,688
Equity attributable to equity shareholders of parent company		**48,16,98,951**	**32,95,77,108**
Non-controlling interest		5,59,57,718	4,62,53,457
Total Equity		**53,76,56,669**	**37,58,30,565**
Liabilities			
Non-current liabilities			
Provisions	19(a)	18,03,617	1,27,27,295
Other non-current liabilities	20	72,36,895	48,85,223
Total Non-current liabilities		**90,40,512**	**1,76,12,518**
Current liabilities			
Financial liabilities			
Borrowings	21	36,06,310	87,74,936
Trade payables	22	10,12,83,739	4,13,62,878
Other financial liabilities	23	10,73,50,925	7,88,11,429
Provisions	19(b)	34,965	63,80,504
Other current liabilities	24	3,69,91,294	2,85,34,084
Current tax liabilities (net)	25	3,00,07,184	1,35,64,490
Total Current liabilities		**27,92,74,417**	**17,74,28,321**
Total Liabilities		**28,83,14,929**	**19,50,40,839**
Total Equity and Liabilities		**82,59,71,598**	**57,08,71,404**

Summary of significant accounting policies (Refer note 2)
The accompanying notes (2 - 54) are an integral part of the consolidated financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
Partner
Membership No: 113292

Salil Taneja
Director
DIN: 00328668

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Consolidated Statement of Profit & Loss for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	26	1,49,79,52,225	1,04,33,07,906
Other income	27	7,45,58,732	8,00,06,043
Total Income		**1,57,25,10,957**	**1,12,33,13,949**
Expenses			
Purchase of traded goods		-	34,39,875
Employee benefits expense	28	77,36,55,347	60,68,29,514
Finance costs	29	1,83,93,883	1,23,82,495
Depreciation and amortization expense	30	1,30,90,744	2,21,74,658
Other expenses	31	41,44,47,313	27,16,16,759
Total Expenses		**1,21,95,87,287**	**91,64,43,301**
Profit / (Loss) before tax		**35,29,23,670**	**20,68,70,648**
Income tax expense:	32		
Current tax		8,01,78,556	4,49,60,740
Deferred tax (excluding MAT credit entitlement)		(12,51,245)	1,91,925
Earlier year adjustment		3,71,47,410	(13,68,827)
Dividend distribution tax		2,62,08,001	-
MAT credit entitlement		(72,55,297)	(1,97,06,904)
Total Income tax expense		**13,50,27,424**	**2,40,76,934**
Profit / (Loss) for the year		**21,78,96,246**	**18,27,93,714**
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences in translating the financial statements of a foreign operation		21,36,435	3,03,895
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		2,29,712	27,03,451
Income tax effect		(1,47,928)	(9,12,386)
Other comprehensive income for the year		**22,18,219**	**20,94,960**
Total Comprehensive income for the year		**22,01,14,464**	**18,48,88,674**
Profit attributable to :			
Equity shareholders of parent company		18,13,78,471	15,61,31,086
Non-controlling interest		3,65,17,775	2,66,62,628
Other comprehensive income attributable to:			
Equity shareholders of parent company		19,06,792	17,92,869
Non-controlling interest		3,11,427	3,02,091
Total Comprehensive income attributable to:			
Equity shareholders of parent company		18,32,85,263	15,79,23,955
Non-controlling interest		3,68,29,202	2,69,64,719
Earnings per share			
Basic earnings per share (INR)	33	58.20	50.10
Diluted earnings per share (INR)	33	58.20	50.10
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	2-54		

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
Partner
Membership No: 113292
Place: Bengaluru
Date: June 24, 2019

Salil Taneja
Director
DIN: 00328668
Place: Pune
Date: June 24, 2019

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(A) Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening	3,116,342	31,163,420	3,116,342	31,163,420
Add: Shares issued during the year	-	-	-	-
Closing	**3,116,342**	**31,163,420**	3,116,342	31,163,420

(B) Other equity

Particulars	Attributable to Equity Shareholders of Parent Company					Non Controlling Interest	Total
	Securities Premium Account	Capital Reserve	Retained Earnings	Items of OCI: Foreign Currency Translation Reserve	Total Other Equity		
Balance as at April 1, 2017	42,54,675	10,85,58,886	2,82,50,797	(5,74,625)	14,04,89,733	1,92,88,738	15,97,78,471
Profit for the year	-	-	15,61,31,086	-	15,61,31,086	2,66,62,628	18,27,93,714
Other comprehensive income	-	-	15,32,471	2,60,398	17,92,869	3,02,091	20,94,960
Total Comprehensive income for the year	-	**-**	**15,76,63,557**	**2,60,398**	**15,79,23,955**	**2,69,64,719**	**18,48,88,674**
Balance as at March 31, 2018	42,54,675	10,85,58,886	18,59,14,354	(3,14,227)	29,84,13,688	4,62,53,457	34,46,67,145

Particulars	Attributable to Equity Shareholders of Parent Company					Non Controlling Interest	Total
	Securities Premium Account	Capital Reserve	Retained Earnings	Items of OCI: Foreign Currency Translation Reserve	Total Other Equity		
Balance as at April 1, 2018	42,54,675	10,85,58,886	18,59,14,354	(3,14,227)	29,84,13,688	4,62,53,457	34,46,67,145
Profit for the year	-	-	18,13,78,471	-	18,13,78,471	3,65,17,775	21,78,96,246
Dividends (refer Note 42)	-	-	-	-	-	(37,50,000)	(37,50,000)
Interim Dividend (refer Note 42)	-	-	(3,11,63,420)	-	(3,11,63,420)	(1,87,50,000)	(4,99,13,420)
Dividend Distribution Tax (refer Note 42)	-	-	-	-	-	(46,24,941)	(46,24,941)
Other comprehensive income	-	-	27,774	18,79,018	19,06,792	3,11,427	22,18,219
Total Comprehensive income for the year	**-**	**-**	**15,02,42,825**	**18,79,018**	**15,21,21,843**	**97,04,261**	**16,18,26,104**
Balance as at March 31, 2019	**42,54,675**	**10,85,58,886**	**33,61,57,179**	**15,64,791**	**45,05,35,531**	**5,59,57,718**	**50,64,93,249**

Summary of significant accounting policies (Refer note 2)
The accompanying notes (2 - 54) are an integral part of the consolidated financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
TAAL Enterprises Limited
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Deepak Rao
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Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Consolidated Statement of Cash Flows for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	35,29,23,670	20,68,70,648
Adjustments for:		
Depreciation, amortization and impairment	1,30,90,744	2,21,74,658
Aircraft purchase option	10,29,365	36,12,992
Gain on changes in fair value of investments (Mutual funds)	(12,94,257)	-
Income from sale of investments (Mutual funds)	(38,65,222)	(1,61,364)
Interest expense	1,32,83,014	1,03,40,170
Interest income	(52,42,886)	(36,33,590)
Provision for bad and doubtful debts	23,73,511	-
Actuarial gain / (loss) on post-employment benefit obligation	2,29,712	27,03,451
Unrealised foreign exchange loss	51,36,889	(12,44,205)
Operating profit / (loss) before working capital changes	**37,76,64,540**	**24,06,62,760**
Changes in working capital		
Decrease / (increase) in trade receivables	(2,73,19,564)	(3,25,17,160)
Decrease / (increase) in other current financial assets	(22,28,337)	(1,48,74,237)
Decrease / (increase) in other current assets	(5,07,22,562)	(3,59,18,396)
Decrease / (increase) in other non-current financial assets	(59,22,173)	(11,97,860)
Decrease / (increase) in other non-current assets	(62,19,959)	6,46,281
Increase / (decrease) in trade payables	6,88,76,011	(2,23,73,831)
Increase / (decrease) in other current financial liabilities	2,37,08,065	2,10,17,459
Increase / (decrease) in other current liabilities	24,62,716	2,36,84,009
Increase / (decrease) in non-current liabilities	(93,32,761)	46,18,760
Cash generated from / (used in) operations	**37,09,65,976**	**18,37,47,785**
Income tax paid	(13,85,57,901)	3,78,63,788
Net cash flow from / (used in) operating activities (A)	**23,24,08,075**	**14,58,83,997**
Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets	(30,55,754)	(2,22,55,584)
Purchase of investments	(74,97,61,930)	(6,00,00,000)
Proceeds from sale of investments	65,53,08,055	6,01,61,364
Repayment of loans (net)	40,00,000	25,54,924
Interest received	52,42,886	36,33,590
Net cash flow from / (used in) investing activities (B)	**(8,82,66,743)**	**(1,59,05,706)**
Cash flow from financing activities		
Addition / (Re-payment) of long-term borrowings - net	-	(3,20,957)
Addition / (Re-payment) of short-term borrowings - net	(51,68,626)	(8,86,21,748)
Dividend paid (including Dividend Distribution Tax)	(5,82,88,361)	-
Interest paid	(7,96,394)	(97,19,622)
Net cash flow from / (used in) financing activities (C)	**(6,42,53,381)**	**(9,86,62,327)**

Consolidated Statement of Cash Flows for the year ended March 31, 2019 (Continued)

(Amount in INR, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net increase / (decrease) in cash and cash equivalents (A+B+C)	7,98,87,951	3,13,15,964
Cash and cash equivalents at the beginning of the year	6,20,06,969	3,03,87,110
Effect of exchange gain on cash and cash equivalents	(13,12,670)	-
Foreign currency translation reserve / adjustments	21,36,435	3,03,895
Cash and cash equivalents at the end of the year	**14,27,18,685**	**6,20,06,969**
Cash and cash equivalents comprise (Refer Notes 11 and 12)		
Balances with banks		
- On current accounts	11,25,51,908	5,33,94,069
- On unpaid dividend accounts	9,57,090	-
- Margin money deposits with banks of less than 3 months maturity	1,01,51,459	-
Cash on hand	38,056	93,962
Margin money or under lien deposits	1,86,04,595	81,02,893
Money in fractional share entitlement account	4,15,577	4,16,045
Total cash and bank balances at end of the year	**14,27,18,685**	**6,20,06,969**

Summary of significant accounting policies (Refer note 2)
The accompanying notes (2 -54) are an integral part of the consolidated financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

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

Deepak Rao
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Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Bengaluru
Date: June 24, 2019

Place: Pune
Date: June 24, 2019

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

1 General information

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

2 Significant accounting policies

Significant accounting policies adopted by the Group are as under:

2.1 Basis of preparation of Consolidated Financial Statements

(a) Statement of compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

An liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(c) Use of Estimates

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

(d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

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

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

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

Sr. No.	Name of the Company	Relationship	Country of Incorporation	Ownership Interest held by the Parent as at March 31, 2019	Accounting Period	Audited / Un-audited
1	TAAL Tech India Private Limited (TTIPL)	Direct subsidiary	India	85%	April 18 - March 19	Audited
2	First Airways Inc., USA	Direct subsidiary	USA	100%	April 18 - March 19	Audited
3	TAAL Technologies Inc.	Indirect subsidiary of TEL and direct subsidiary of TTIPL	USA	100%	April 18 - March 19	Audited
4	TAAL Tech Innovations GmbH		Austria	100%	April 18 - March 19	Management Certified
5	TAAL Tech GmbH		Switzerland	100%	April 18 - March 19	Audited

2.2 Business combination and goodwill

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

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

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

2.3 Property, plant and equipment

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

All indirect expenses incurred during acquisition / construction of property, plant and equipment including interest cost on funds deployed for the property, plant and equipment are treated as incidental expenditure and are capitalised for the period until the asset is ready for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Property, plant and equipment received from Taneja Aerospace and Aviation Limited pursuant to Demerger of its "Air Charter Business" are recorded at its book value as on the appointed date.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

Depreciation methods, estimated useful lives

In case of parent company, depreciation is provided on straight line method on Computer-Hardware and on written down value method on Office Equipment and Furniture and Fixtures, based on the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

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

2.4 Intangible assets

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

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

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

2.5 Foreign currency transactions

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

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

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

2.6 Fair value measurement

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

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

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

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

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

2.7 Revenue recognition

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

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

Charter income from aircraft given on charter is booked on the basis of contract with customers and on completion of actual flying hours of the aircraft.

Revenue from time and material service contracts is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured.

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

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

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

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

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

The impact of applying Ind AS 115 - “Revenue from contract with customers” instead of the erstwhile Ind AS 18 - “Revenue” on the financial statements of the Group for the year ended and as at March 31, 2019 is not significant.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

Other Income

Interest income is recognised on basis of effective interest method as set out in Ind AS 109 - "Financial Instruments", and where no significant uncertainty as to measurability or collectability exists. Claims towards insurance claims are accounted in the year of settlement and / or in the year of acceptance of claim / certainty of realisation as the case may be. Dividend income is recognised when the right to receive payment is established.

2.8 Taxes

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

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

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

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

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

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

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

Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.9 Leases

As a lessee

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

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

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

2.10 Impairment of non-financial assets

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

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

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

2.11 Provisions and contingent liabilities

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

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

De-commissioning costs (if any), are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the de-commissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of de-commissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Borrowing cost

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

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

2.13 Cash and cash equivalents

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

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

2.14 Government grants

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

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

2.15 Financial instruments

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

(a) **Financial assets**

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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

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

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

(iii) Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment,

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

Trade receivables

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

(iv) De-recognition of financial assets

A financial asset is de-recognised only when:

a) the rights to receive cash flows from the financial asset is transferred; or

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

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

(b) **Financial liabilities**

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

(iii) De-recognition

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

(c) Embedded derivatives

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

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

(d) Offsetting financial instruments

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

2.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12-months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

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

(ii) Defined benefit plans

The Group's liabilities under Payment of Gratuity Act and long-term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method, except for short-term compensated absences, which are provided on actual basis. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Obligations are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) **Leave encashment - Encashable**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.17 Earnings per share

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

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

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's operating businesses are organised and managed separately according to

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets. Thus, as defined in Ind AS 108 - Operating Segments, the business segments are ‘Air Charter’ and ‘Engineering Design Service’. The Group does not have any geographical segment.

2.19 Aircraft purchase option

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

Significant accounting judgments, estimates and assumptions

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

3.1 Estimates and assumptions

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

(a) Defined benefits and other long-term benefits

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

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

(b) Impairment of non-financial assets and goodwill

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

4. Standards (including amendments) issued but not yet effective

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

(a) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 116 - Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Group is currently evaluating the requirements of amendments. The Group believes that the adoption of this amendment will not have a material effect on its consolidated financial statements.

(b) Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has issued amendments to the guidance in Ind AS 12 - Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Group believes that this amendment will not have a material impact on the consolidated financial statements.

(c) Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has issued amendments to Ind AS 19 - Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group believes that this amendment will not have a material impact on the consolidated financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

5 Property, Plant and Equipment

	Gross block			Depreciation			Net block	
	As at 1 April 2018	Additions / Adjustments	As at 31 March 2019	As at 1 April 2018	For the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Owned assets								
Computer - Hardware	2,35,18,984	12,25,527	2,47,44,511	1,37,30,093	62,02,325	1,99,32,418	48,12,093	97,88,891
Office Equipment	9,41,135	4,22,422	13,63,557	3,97,099	3,55,501	7,52,600	6,10,957	5,44,036
Vehicles	22,13,380	11,25,772	33,39,152	8,03,008	6,81,768	14,84,776	18,54,376	14,10,372
Furniture and Fixtures	28,03,584	1,57,500	29,61,084	12,47,068	4,04,430	16,51,498	13,09,586	15,56,516
Leasehold Improvements	88,65,862	-	88,65,862	70,71,631	8,97,042	79,68,673	8,97,189	17,94,231
Total	**3,83,42,945**	**29,31,221**	**4,12,74,166**	**2,32,48,899**	**85,41,066**	**3,17,89,965**	**94,84,201**	**1,50,94,046**

	Gross block			Depreciation			Net block	
	As at 1 April 2017	Additions / Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Owned assets								
Computer - Hardware	85,06,265	1,50,12,718	2,35,18,983	21,21,458	1,16,08,635	1,37,30,093	97,88,890	63,84,806
Office Equipment	6,81,884	2,59,251	9,41,135	38,468	3,58,631	3,97,101	5,44,034	6,43,416
Vehicles	12,97,310	9,16,070	22,13,380	3,98,412	4,04,596	8,03,008	14,10,372	8,98,898
Furniture and Fixtures	28,03,584	-	28,03,584	7,46,324	5,00,744	12,47,068	15,56,516	20,57,260
Leasehold Improvements	88,65,862	-	88,65,862	39,02,723	31,68,908	70,71,631	17,94,231	49,63,139
Total	**2,21,54,905**	**1,61,88,039**	**3,83,42,944**	**72,07,385**	**1,60,41,514**	**2,32,48,901**	**1,50,94,043**	**1,49,47,519**

6 Intangible Assets

	Gross block			Depreciation			Net block	
	As at 1 April 2018	Additions / Adjustments	As at 31 March 2019	As at 1 April 2018	For the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Computer - Software	1,83,08,040	1,24,533	1,84,32,573	1,18,63,601	45,49,678	1,64,13,279	20,19,294	64,44,439
Total	**1,83,08,040**	**1,24,533**	**1,84,32,573**	**1,18,63,601**	**45,49,678**	**1,64,13,279**	**20,19,294**	**64,44,439**

	Gross block			Depreciation			Net block	
	As at 1 April 2017	Additions / Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computer - Software	1,22,40,496	60,67,542	1,83,08,037	57,30,458	61,33,143	1,18,63,601	64,44,436	65,10,039
Total	**1,22,40,496**	**60,67,542**	**1,83,08,037**	**57,30,458**	**61,33,143**	**1,18,63,601**	**64,44,436**	**65,10,039**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

7 Financial Assets - Investments

Particulars	31 March 2019	31 March 2018
Investments at Fair Value Through Profit and Loss (FVTPL) (fully paid)		
- Investments in mutual funds (Quoted) (Refer footnote i)	9,96,13,354	-
Total Current financial assets - Investments	**9,96,13,354**	**-**
Current	9,96,13,354	-
Non- Current	-	-
	9,96,13,354	**-**
Aggregate book value of:		
Quoted investments	9,96,13,354	-
Unquoted investments	-	-
Aggregate market value of:		
Quoted investments	9,96,13,354	-
Unquoted investments	-	-
Aggregate amount of impairment in value of Investments	-	-

Footnote:

i. Details of investments in mutual funds (Quoted) designated as FVTPL:

Particulars	Number of units		Amount	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
TATA Money Market Fund	2,856.26	-	8,410,012	-
TATA Liquid Fund	30,974.77	-	91,203,342	-

8 Non-current financial assets - Loans

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Security deposits	1,58,93,902	99,71,729
Total Non-current financial assets - Loans	**1,58,93,902**	**99,71,729**

9 Other non-current assets

Particulars	31 March 2019	31 March 2018
Prepaid rent	91,74,008	25,11,906
Total Other non-current assets	**91,74,008**	**25,11,906**

10 Trade receivables

Particulars	31 March 2019	31 March 2018
Unsecured		
Considered good	25,85,83,421	23,58,85,208
Considered doubtful	23,73,511	-
Less : Allowance for bad and doubtful debts	(23,73,511)	-
	25,85,83,421	**23,58,85,208**
Further classified as:		
Receivable from related parties	-	-
Receivable from others	25,85,83,421	23,58,85,208
Total Trade receivables	**25,85,83,421**	**23,58,85,208**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

11 Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Balances with banks		
- On current accounts	11,25,51,908	5,33,94,069
- On unpaid dividend accounts	9,57,090	-
- Margin money deposits with banks (Less than 3 months maturity)	1,01,51,459	-
Cash on hand	38,056	93,962
Total Cash and cash equivalents	**12,36,98,513**	**5,34,88,031**

12 Bank balances other than cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Margin money or under lien deposits	1,86,04,595	81,02,893
Money in fractional share entitlement account	4,15,577	4,16,045
Total Bank balances other than Cash and cash equivalents	**1,90,20,172**	**85,18,938**

13 Current financial assets - Loans

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Security deposits	10,88,333	10,88,333
Loans recoverable in cash	1,30,00,000	1,70,00,000
Total Current financial assets - Loans	**1,40,88,333**	**1,80,88,333**

14 Current financial assets - Others

Particulars	31 March 2019	31 March 2018
Interest accrued on fixed deposits	3,75,130	-
Advance recoverable in cash or in kind	1,09,60,157	1,60,56,186
Other receivables (Unbilled revenue)	1,35,69,401	1,12,33,367
Export incentives receivable (SEIS)	4,07,50,000	4,03,85,300
Total Current financial assets - Others	**6,56,54,688**	**6,76,74,853**

15 Current tax assets (net)

Particulars	31 March 2019	31 March 2018
Advance income tax	11,55,432	7,64,345
[net of tax provision INR 11,54,000 (March 31, 2018: INR Nil)]		
Total Current tax assets (net)	**11,55,432**	**7,64,345**

16 Other current assets

Particulars	31 March 2019	31 March 2018
Balance with government authorities	9,79,96,196	5,60,77,462
Advance to suppliers	32,27,385	30,35,623
Advance to staff	81,079	44,124
Prepaid expenses	2,06,70,718	1,67,18,955
Prepaid rent	36,08,408	30,57,466
Total Other current assets	**12,55,83,786**	**7,89,33,630**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

17 Equity share capital

Particulars	31 March 2019	31 March 2018
Authorised		
50,00,000 (March 31, 2018: 50,00,000) equity shares of INR 10 each	5,00,00,000	5,00,00,000
	5,00,00,000	**5,00,00,000**
Issued, subscribed and paid-up		
31,16,342 (March 31, 2018: 31,16,342) equity shares of INR 10 each fully paid-up	3,11,63,420	3,11,63,420
Total Equity share capital	**3,11,63,420**	**3,11,63,420**

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

Particulars	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	31,16,342	3,11,63,420	31,16,342	3,11,63,420
Add: Equity Shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**31,16,342**	**3,11,63,420**	**31,16,342**	**3,11,63,420**

(b) Rights, preferences and restrictions attached to shares

The parent company has only one class of equity shares of INR 10/- each. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Particulars	31 March 2019	31 March 2018
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash as per the Scheme of Demerger	3,116,342	3,116,342

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

Particulars	31 March 2019		31 March 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Vishkul Leather Garments Pvt. Ltd.	15,81,297	50.74%	15,81,297	50.74%

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.

(e) No class of shares have been bought back by the Company during the period of five years or period elapsed from the date of incorporation whichever is earlier.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

18 Other equity

	Particulars	31 March 2019	31 March 2018
(a)	**Capital reserve**		
	Opening balance	10,85,58,886	10,85,58,886
	Closing balance	**10,85,58,886**	**10,85,58,886**
(b)	**Securities premium account**		
	Opening balance	42,54,675	42,54,675
	Closing balance	**42,54,675**	**42,54,675**
(c)	**Foreign currency translation reserve**		
	Opening balance	-	-
	Add: Currency translation gain / (loss) during the year	21,36,435	3,03,895
	Less: Transfer to other comprehensive income	(18,79,018)	(2,60,398)
	Less: Transfer to non-controlling interest	(2,57,417)	(43,497)
	Closing balance	**-**	**-**
(d)	**Retained earnings**		
	Opening balance	18,59,14,354	2,82,50,797
	Net profit for the current year	21,78,96,246	18,27,93,714
	Re-measurement gains/ (losses) on defined benefit plans	81,784	17,91,065
	Interim Dividend (refer Note 42)	(3,11,63,420)	-
	Transfer to non-controlling interest	(3,65,71,785)	(2,69,21,222)
	Closing balance	**33,61,57,179**	**18,59,14,354**
(e)	**Other comprehensive income**		
	Opening balance	(3,14,227)	(5,74,625)
	Add: Transfer from foreign currency translation reserve	18,79,018	2,60,398
	Closing balance	**15,64,791**	**(3,14,227)**
	Total Other equity	**45,05,35,531**	**29,84,13,688**

19 Provisions

	Particulars	31 March 2019	31 March 2018
(a)	**Non-current provisions**		
	Provision for employee benefits		
	Provision for gratuity	4,76,786	1,24,93,638
	Provision for leave encashment	13,26,831	2,33,657
		18,03,617	1,27,27,295
(b)	**Current provisions**		
	Provision for employee benefits		
	Provision for gratuity	5,535	5,99,905
	Provision for leave encashment	29,430	57,80,599
		34,965	63,80,504
	Total Provisions	**18,38,582**	**1,91,07,799**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

20 Other non-current liabilities

Particulars	31 March 2019	31 March 2018
Lease equalization reserve	72,36,895	48,85,223
Total Other non-current liabilities	**72,36,895**	**48,85,223**

21 Short-term borrowings

Particulars	31 March 2019	31 March 2018
Secured		
Loans repayable on demand from banks - Working capital borrowing from banks	36,06,310	87,74,936
Total Short-term borrowings	**36,06,310**	**87,74,936**

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

22 Trade payables

Particulars	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,12,83,739	4,13,62,878
Total Trade payables	**10,12,83,739**	**4,13,62,878**

* As informed to us by the management, the group owes no dues which are outstanding as at March 31, 2019 and March 31, 2018 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.

23 Other current financial liabilities

Particulars	31 March 2019	31 March 2018
Employee related liabilities	2,06,94,339	3,81,62,279
Other payables	4,85,94,114	4,06,49,150
Customer claims payable	3,71,05,382	-
Unpaid dividend	9,57,090	-
Total Other current financial liabilities	**10,73,50,925**	**7,88,11,429**

24 Other current liabilities

Particulars	31 March 2019	31 March 2018
Statutory due payable	2,43,21,152	2,19,30,728
Advance from customers	56,00,865	66,03,356
Deferred revenue	70,69,278	-
Total Other current liabilities	**3,69,91,294**	**2,85,34,084**

25 Current tax liabilities (net)

Particulars	31 March 2019	31 March 2018
Current tax Provision [net of advance taxes* INR 17,34,88,290 (31 March 2018: INR 6,50,41,002)]	3,00,07,184	1,35,64,490
Total Current tax liabilities (net)	**3,00,07,184**	**1,35,64,490**

*Advance taxes included amounts paid under protest INR 98,81,206 (31 March 2018: INR Nil)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

26 Revenue from operations

Particulars	31 March 2019	31 March 2018
Sale of services		
Charter income	7,82,40,266	6,39,21,690
Export of engineering design services	1,41,34,38,463	96,90,78,223
Sale of goods		
Export of goods	62,73,496	1,03,07,993
Total Revenue from operations	**1,49,79,52,225**	**1,04,33,07,906**
Desegregation of revenue (Sale of engineering design services)		
Time & Material contracts	1,40,53,54,717	96,90,78,223
Fixed price contracts	80,83,746	-
Total	**1,41,34,38,463**	**96,90,78,223**
Reconciliation of revenue recognised with contract price		
Contract price	1,50,71,23,225	1,04,33,07,906
Adjustments for:		
Volume discounts	(91,71,000)	-
Revenue recognised	**1,49,79,52,225**	**1,04,33,07,906**

Performance obligations and remaining performance obligations*

Aggregate amount of the transaction price allocated to long-term fixed price contracts that are partially or fully unsatisfied as on 31 March 2019 is INR 2,62,89,053 which the Company expects to fully recognize as revenue in the financial year 2019-20. All other contracts are for one year or less or billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

* As permitted under the transitional provisions of Ind AS 115, the transaction price allocated to partially or fully unsatisfied performance obligations as on 31 March 2018 is not disclosed.

27 Other income

Particulars	31 March 2019	31 March 2018
Interest income	70,19,456	48,20,450
Gain on changes in fair value of investments (mutual funds)	12,94,257	-
Miscellaneous income	1,05,586	52,650
Net gain on foreign currency transactions	-	20,09,704
Income from sale of investments (Mutual funds)	38,65,222	1,61,364
Income from export incentives (SEIS)	6,22,72,412	4,65,71,666
Liabilities written back	1,799	2,63,90,209
Total Other income	**7,45,58,732**	**8,00,06,043**

28 Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries, wages, bonus and other allowances	75,12,54,659	58,54,19,337
Contribution to provident and other funds	1,33,69,215	1,13,40,197
Gratuity expenses (refer Note 34)	45,78,480	54,02,894
Staff welfare expenses	44,52,994	46,67,086
Total Employee benefits expense	**77,36,55,347**	**60,68,29,514**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

29 Finance costs

Particulars	31 March 2019	31 March 2018
Interest on loans	7,96,394	48,98,076
Interest on delayed payment of taxes	1,28,38,826	19,84,767
Other finance costs	17,31,476	17,18,090
Bank charges	30,27,187	37,81,562
Total Finance costs	**1,83,93,883**	**1,23,82,495**

30 Depreciation and amortization expense

Particulars	31 March 2019	31 March 2018
On property, plant and equipment (Refer note 5)	85,41,066	1,60,41,515
On intangible assets (Refer note 6)	45,49,678	61,33,143
Total Depreciation and amortization expense	**1,30,90,744**	**2,21,74,658**

31 Other expenses

Particulars	31 March 2019	31 March 2018
Aircraft fuel charges	1,34,36,074	98,36,316
Amortisation of aircraft purchase option (Refer note 38)	10,29,365	36,12,992
Aircraft lease rent ^	2,61,97,676	3,40,59,746
Aircraft repairs and maintenance	3,13,159	10,22,993
Rent - Flight parking and equipment	38,53,396	20,14,406
Other aircraft operating expenses	1,99,09,434	1,71,33,549
Consumption of stores and spare parts	40,08,242	61,97,883
Advertisement	1,24,105	1,35,116
Power, fuel, gas and water	81,51,020	70,91,530
Rent	3,99,84,206	3,04,17,279
Repairs and maintenance - Others	5,37,34,061	3,32,39,110
Insurance	1,95,39,838	1,73,05,726
Rates and taxes	92,69,446	12,17,513
Registration and renewal	14,28,753	8,02,120
Traveling expenses	5,34,32,662	4,52,24,255
Auditor's remuneration #	22,29,213	19,87,559
Printing and stationery	11,96,053	11,71,682
Communication expenses	70,84,633	67,96,122
Legal and professional charges	6,34,25,428	3,23,99,266
Loss on foreign exchange transactions (net)	38,66,666	-
Provision for bad and doubtful debts	23,73,511	-
Customer claims	3,71,05,382	-
Service tax receivable written off	1,06,53,295	-
Sitting fee	8,20,000	6,30,000
Debtors written off	2,94,075	4,15,491
Miscellaneous expenses	1,22,22,843	99,57,914
Training expenses	16,32,330	6,25,840
Visa and work permit expenses	1,71,32,448	83,22,351
Total Other expenses	**41,44,47,313**	**27,16,16,759**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

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

Particulars	31 March 2019	31 March 2018
As auditor:		
Statutory audit	18,69,980	16,06,269
In other capacity:		
Limited review	3,00,000	3,00,000
Certification charges	-	20,793
Reimbursement of expenses	59,233	60,497
Total	**22,29,213**	**19,87,559**

^ Aircraft lease rent

The aircraft has been acquired on operating lease from an overseas lease finance company for a period of 153 months (Refer note 38).

The payments under lease for the future period as at March 31, 2019 are:

Particulars	Amount in US$	Equivalent in INR
Within one year	3,00,000	2,07,51,390
After one year but not more than five years	1,50,000	1,03,75,695
More than five years	-	-
Total	**4,50,000**	**3,11,27,085**

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

Particulars	Amount in US$	Equivalent in INR
Within one year	2,00,000	1,30,08,820
After one year but not more than five years	-	-
More than five years	-	-
Total	**2,00,000**	**1,30,08,820**

32 Income tax

Particulars	31 March 2019	31 March 2018
(A) Deferred tax relates to the following:		
Deferred tax assets		
On property, plant and equipment	14,08,527	-
On provision for doubtful debts	6,91,166	-
On provision for employee benefits	1,31,984	50,89,122
Others	37,76,637	-
MAT Credit Entitlement	3,69,43,941	2,96,88,644
Total Deferred tax assets	**4,29,52,255**	**3,47,77,766**
Deferred tax liabilities		
On property, plant and equipment	-	3,32,053
Total Deferred tax liabilities	-	3,32,053
Deferred tax asset (net)*	**4,29,52,255**	**3,44,45,713**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

	Particulars	31 March 2019	31 March 2018
(B)	**Recognition of deferred tax asset to the extent of deferred tax liability**		
	Balance Sheet		
	Deferred tax assets	60,08,314	50,89,122
	Deferred tax liabilities	-	(3,32,053)
	MAT credit entitlement	3,69,43,941	2,96,88,644
	Deferred tax assets / (liabilities) (net)	**4,29,52,255**	**3,44,45,713**
(C)	**The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**		
	Tax expenses as per the Statement of Profit and Loss		
	Current tax	8,01,78,556	4,49,60,740
	Deferred tax (excluding MAT credit entitlement)	(12,51,245)	1,91,925
	Earlier year adjustment	3,71,47,410	(13,68,827)
	Dividend Distribution Tax	2,62,08,001	-
	MAT credit entitlement	(72,55,297)	(1,97,06,904)
	Total Income tax expense	**13,50,27,424**	**2,40,76,934**
	Profit from continuing operations before income tax expense	35,29,23,670	20,68,70,648
	Income tax rate	29.12%	34.61%
	Tax computed using statutory tax rate	10,27,71,373	7,15,97,931
	Tax effect of:		
	Permanent disallowances	65,47,076	1,83,100
	Section 10AA deduction (SEZ unit)	(3,20,17,339)	(4,34,08,347)
	Earlier year adjustment	3,71,47,410	(13,68,827)
	Dividend Distribution Tax	2,62,08,001	-
	Deferred tax on temporary differences not recognized earlier	(13,45,783)	(23,27,734)
	Overseas taxes	(28,17,012)	(1,72,840)
	Others	(14,66,302)	(4,26,349)
	Income tax expense	**13,50,27,424**	**2,40,76,934**
	Effective tax rate	38.26%	11.64%

Note:

*Deferred tax asset (net) pertains to the subsidiary TAAL Tech India Private Limited. Deferred tax calculations of the Parent Company result into deferred tax assets as at March 31, 2019 as well as at March 31, 2018. However, as a matter of prudence, the Parent Company has not recognized deferred tax assets as it is not probable that the Parent Company will have future taxable profits.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

33 Earnings per share

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

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

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

Particulars	31 March 2019	31 March 2018
Profit for the year attributable to equity shareholders of the parent company	18,13,78,471	15,61,31,086
Weighted average number of equity shares for basic EPS	31,16,342	31,16,342
Basic earnings per share (INR)	58.20	50.10
Diluted earnings per share (INR)	58.20	50.10

34 Employee benefits

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

(A) Defined contribution plans

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

Particulars	31 March 2019	31 March 2018
a) Employer's contribution to provident fund	1,33,16,623	1,12,72,754
b) Employer's contribution to superannuation fund	52,592	67,443

(B) Defined benefit plans

Gratuity payable to employees

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

i) Actuarial assumptions:

Particulars	Gratuity	
	31 March 2019	31 March 2018
Discount rate (per annum)	7.50% - 7.60%	7.70% - 7.80%
Rate of increase in salary	8% - 10%	8% - 10%
Retirement age	58 years	58 years
Attrition rate	2% - 12%	2% - 10%

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

Particulars	Gratuity	
	31 March 2019	31 March 2018
Present value of obligation as at the beginning of the year	1,30,93,543	1,09,55,275
Interest cost	9,77,363	7,37,498
Past service cost	1,61,267	5,30,588
Current service cost	41,67,525	41,34,808
Benefits paid	(8,05,269)	(5,61,175)
Actuarial (gain) / loss on obligation	(4,34,618)	(27,03,451)
Present value of obligation as at the end of the year	**1,71,59,811**	**1,30,93,543**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

iii) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity	
	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the year	**-**	-
Interest income on plan assets	7,27,675	-
Contributions by employer	1,89,00,639	-
Mortality charges and taxes	(1,49,571)	-
Benefits paid	-	-
Return on plan assets	(2,04,906)	-
Fair value of plan assets at the end of the period	**1,92,73,837**	**-**

iv) Expense recognised in the Consolidated Statement of Profit and Loss:

Particulars	Gratuity	
	31 March 2019	31 March 2018
Current service cost	41,67,525	41,34,808
Past service cost	1,61,267	5,30,588
Interest cost	2,49,688	7,37,498
Expected return on plan assets	-	-
Total expense recognised in the Consolidated Statement of Profit and Loss *	**45,78,480**	**54,02,894**

* Included in employee benefits expense (Refer note 28). Actuarial gain of INR 2,29,712 (March 31, 2018: INR 27,03,451) is included in other comprehensive income.

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

Particulars	Gratuity	
	31 March 2019	31 March 2018
Present value of unfunded obligation as at the end of the year	1,71,59,811	1,30,93,543
Fair value of plan assets at the end of the period	(1,92,73,837)	-
Surplus in plan assets written off	25,96,347	-
Unrecognised actuarial (gains) / losses	-	-
Unfunded net liability recognised in the Consolidated Balance Sheet *	**4,82,321**	**1,30,93,543**

* Included in provision for employee benefits (Refer note 19).

vi) A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:
Impact on defined benefit obligation:

Particulars	Gratuity	
	31 March 2019	31 March 2018
Discount rate		
1% increase	1,60,82,098	1,21,13,549
1% decrease	1,83,77,066	1,42,18,843
Salary rate		
1% increase	1,81,95,679	1,40,30,765
1% decrease	1,62,22,856	1,22,60,599

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

vii) Maturity profile of defined benefit obligation:

Particulars	Gratuity
	31 March 2019
Years	
Apr 2019 - Mar 2020	16,43,000
Apr 2020 - Mar 2021	16,17,000
Apr 2021 - Mar 2022	21,99,000
Apr 2022 - Mar 2023	25,31,000
Apr 2023 - Mar 2024	30,82,000
Apr 2024 onwards	2,55,87,000

35 Leases

Operating leases where Group is a lessee:

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

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

Particulars	31 March 2019	31 March 2018
Within one year	2,91,36,974	1,26,06,421
After one year but not more than five years	9,62,19,486	24,31,724
More than five years	-	-

36 Contingent liabilities not provided for:

Particulars	31 March 2019	31 March 2018
Claims against the Company not acknowledged as debt:	3,80,480	3,80,480
Income tax (tax on expenses subject to inadmissibility under Income tax laws)	1,08,05,087	-

Future cash outflows in respect of the above, if any, is determined only on receipt of judgement / decisions pending with relevant authorities. The Group does not expect the outcome of matter stated above to have a material adverse effect on the Group's financial condition, result of operations or cash flows. There are no capital and other commitments as at March 31, 2019 and March 31, 2018.

37 Related party disclosures

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

Holding company
Vishkul Leather Garments Pvt. Ltd. (Effective from: August 14, 2017)
Entities under common control:
ISMT Limited
Laurus Tradecon Private Limited (formerly known as Lighto Technologies Private Limited)
TAAL Enterprises Limited
First Airways Inc.
Taneja Aerospace and Aviation Limited
Katra Auto Engineering Private Limited
Indian Seamless Enterprises Ltd.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Key Management Personnel (KMP) and their relatives
Mr. C S Kameswaran (Whole Time Director up to February 06, 2018)
Mr. Salil Baldevraj Taneja (Whole Time Director, w.e.f October 01, 2018)
Mr. Prakash Saralaya - CEO & Whole Time Director (up to March 30, 2019) in subsidiary - TAAL Tech India Private Limited
Mrs. Malavika Saralaya - Spouse of Mr. Prakash Saralaya
Non-Whole Time Director
Mr. Nirmal Chandra (up to October 2, 2018)
Mr. R Poornalingam (w.e.f. April 18, 2017)
Mrs. Rahael Shobhana Joseph (up to April 22, 2017 and re-appointed from November 16, 2017)
Mr. Arvind Nanda (w.e.f. October 11, 2018)
Mr. Muralidhar Chitteti Reddy (from May 3, 2018) - Director in subsidiary - TAAL Tech India Private Limited

(B) Details of transactions / balances with related parties for the year ended:

	Particulars	31 March 2019	31 March 2018
(i)	**Entities under common control:**		
	Taneja Aerospace and Aviation Limited		
	- Loans given to related parties during the year	2,00,00,000	-
	- Loan repaid by related parties during the year	2,00,00,000	-
	- Reimbursement of expenses	5,12,855	8,12,062
	- Interest income	16,25,426	-
	- Rent paid	6,00,000	6,00,000
	- Balance payable as at the end of the year	25,87,932	-
	- Balance receivable as at the end of the year	-	83,71,838
(ii)	**Key Management Personnel (KMP)**		
	Managerial remuneration #		
	- Mr. C S Kameswaran	-	10,20,000
	- Mr. Salil Baldevraj Taneja	60,00,000	-
	- Mr. Prakash Saralaya	1,91,45,892	1,31,61,851
	- Mrs. Malavika Saralaya	-	88,878
	Dividend payment		
	- Mr. Prakash Saralaya	2,25,00,000	-
	Sitting fees	8,20,000	6,30,000
	Balance payable as at the end of the year		
	- Mr. Prakash Saralaya	4,82,084	54,19,592

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. Further, the Company has not paid any commission to the managerial personnel.

(C) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

38 Prepaid rent

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

Subsequently, the air charter business of TAAL including investments 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 44).

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 44).

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

On September 20, 2018, First Airways, Inc., USA entered into an amendment no. 2 to this agreement whereby the purchase option period has been extended to September 12, 2020 effective from August 12, 2018.

Considering the above amended agreement, the balance lying in aircraft purchase option as at April 1, 2018 amounting to USD 37,070 is being amortized over the balance period of 29 months.

Further, as per the amended agreement, the stipulated loss value at the end of the 153 month lease term is USD 12,33,153.

First Airways, Inc., USA is estimating the use of the aircraft purchase option at the end of the 153 month lease term with mid-quarter convention. Amortization for the year ended March 31, 2019 and March 31, 2018 amounted to USD 15,339 and USD 37,070 respectively. The aircraft was put to use on February 20, 2008. The same has been disclosed in its Balance Sheet as follows:

Particulars	**31 March 2019**		31 March 2018	
	USD	**INR**	USD	INR
Prepaid rent	9,26,737	6,41,03,603	9,26,737	6,02,78,774
Less: Accumulated amortization	(9,05,006)	(6,26,00,442)	(8,89,667)	(5,78,67,589)
	21,731	**15,03,162**	**37,070**	**24,11,185**
Prepaid rent - Non-current portion	6,392	4,42,143	-	-
Prepaid rent - Current portion	15,339	10,61,019	37,070	24,11,185
Total Prepaid rent	**21,731**	**15,03,162**	**37,070**	**24,11,185**

Since the payment for aircraft purchase option is a sunk cost and non-refundable irrespective of whether the option is exercised or not, in preparation of consolidated financial statements of TEL, the entire payment of around INR 15,03,162 (US $ 21,731) for aircraft purchase option (Current as well as non-current portion) has been considered as "Prepaid Rent" to be written-off over the remaining lease period.

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

39 Fair values of financial assets and financial liabilities

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

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

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

40 Fair value hierarchy

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

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

•Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

Particulars	**31 March 2019**	31 March 2018
Level 1 - Quoted price in active markets		
Investments in mutual funds (Quoted) designated as FVTPL :	9,96,13,354	-
Level 2	Nil	Nil
Level 3		
<u>Financial assets measured at amortized cost</u>		
Trade receivables	25,85,83,421	23,58,85,208
Security deposits	1,69,82,235	1,10,60,062
Cash and cash equivalents & Bank balances other than cash and cash equivalents	14,27,18,686	6,20,06,969
Other current financial assets	7,86,54,688	8,46,74,853
<u>Financial liabilities measured at amortized cost</u>		
Borrowings	36,06,310	87,74,936
Trade payables	10,12,83,739	4,13,62,878
Other current financial liabilities	10,73,50,925	7,88,11,429
<u>Financial assets and liabilities measured at amortized cost for which fair value are disclosed</u>		
Security deposits	2,32,06,447	98,42,886

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

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Note 40 (Continued)

Description of significant unobservable inputs to valuation:

Financial instrument	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Security deposits	DCF method	Discounting rate	10% - 14.5%	100 basis point increase / decrease in the discounting rate would result in decrease / increase in fair value by INR 6,24,984 (March 31, 2018: INR 1,78,452).

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

41 Financial risk management objectives and policies

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

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings. The Company is also exposed to fluctuations in foreign currency exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to short-term borrowings with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

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

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax
March 31, 2019		
INR	+0.45%	(16,228)
INR	-0.45%	16,228
March 31, 2018		
INR	+0.45%	(39,487)
INR	-0.45%	39,487

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(ii) Foreign currency risk

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

Foreign currency sensitivity

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

	(i)		(ii)		(iii)		(iv)		(v)	
	Change in US $ rate	Effect on profit before tax	Change in NOK rate	Effect on profit before tax	Change in Euro rate	Effect on profit before tax	Change in AUD rate	Effect on profit before tax	Change in CAD rate	Effect on profit before tax
31 March 2019										
INR	+2.5%	32,52,667	+5%	50,737	+2%	12,26,538	+1.5%	59,104	+1.5%	1,44,880
INR	-2.5%	(32,52,667)	-5%	(50,737)	-2%	(12,26,538)	-1.5%	(59,104)	-1.5%	(1,44,880)
31 March 2018										
INR	+2.5%	24,88,597	+5%	-	+2%	22,76,667	+1.5%	-	+1.5%	53,384
INR	-2.5%	(24,88,597)	-5%	-	-2%	(22,76,667)	-1.5%	-	-1.5%	(53,384)

(B) Credit risk

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

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Group does a proper financial and credibility check on the entities to whom such loans and advances and security deposits are given. The Group does not foresee any credit risks on deposits with regulatory authorities.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as mentioned in Note 7 to 14.

(C) Liquidity risk

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
31 March 2019				
Short-term borrowings	36,06,310	-	-	36,06,310
Long-term borrowings	-	-	-	-
Trade payables	10,12,83,739	-	-	10,12,83,739
Other financial liabilities	10,73,50,925	-	-	10,73,50,925
Total	**21,22,40,975**	**-**	**-**	**21,22,40,975**
31 March 2018				
Short-term borrowings	87,74,936	-	-	87,74,936
Long-term borrowings	-	-	-	-
Trade payables	4,13,62,878	-	-	4,13,62,878
Other financial liabilities	7,88,11,429	-	-	7,88,11,429
Total	**12,89,49,243**	**-**	**-**	**12,89,49,243**

42 Capital management

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

The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing which represents loan from bank. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	31 March 2019	31 March 2018
Total equity (a)	48,16,98,951	32,95,77,108
Total debt (b)	36,06,310	87,74,936
Overall financing (c = a+b)	48,53,05,261	33,83,52,044
Gearing ratio (d = b/c)	0.01	0.03

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.

Particulars	31 March 2019	31 March 2018
Dividends		
(i) Equity Shares		
Dividend distributed by Parent Company		
Interim dividend for the year ended 31 March 2019 of INR 10 (31 March 2018 - INR Nil) per fully paid share	3,11,63,420	-
Dividend distributed by Subsidiary Company (TAAL Tech India Private Limited) pertaining to Non-controlling interest		
Final dividend for the year ended 31 March 2018 of INR 25 (31 March 2017 - INR Nil) per fully paid share	37,50,000	-
Dividend Distribution Tax on Final dividend	7,70,824	-
Interim dividend for the year ended 31 March 2019 of INR 50 (31 March 2018 - INR Nil) per fully paid share	75,00,000	-
Dividend Distribution Tax on Interim dividend	15,41,647	-
Interim dividend for the year ended 31 March 2019 of INR 50 (31 March 2018 - INR Nil) per fully paid share	1,12,50,000	-
Dividend Distribution Tax on Interim dividend	23,12,471	-
(ii) Dividends not recognized at the end of the reporting period		
Since year end, the Directors of the Company have recommended the payment of a final dividend of INR Nil per fully paid equity share (31 March 2018: INR 25).		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

43 Interest in other entities

(a) Subsidiaries

The Group's subsidiaries as at 31 March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the group	Ownership interest held by the non-controlling interest
TAAL Tech India Private Limited and its subsidiaries	India	85%	15%
First Airways, Inc., USA	USA	100%	0%

(b) Non-controlling interests

Below is the summarised financial information (Consolidated financial information) for TAAL Tech India Pvt. Ltd. that has non-controlling interests that is material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations with the parent company.

(i) Information regarding non-controlling interest:

Particulars	31 March 2019	31 March 2018
Accumulated balances of material non-controlling interest:		
- TAAL Tech India Pvt. Ltd. (TTIPL)	5,59,57,718	4,62,53,457

(ii) Summarised Statement of Consolidated Profit and Loss of TTIPL:

Particulars	31 March 2019	31 March 2018
Revenue	1,41,34,38,463	97,45,20,593
Other income	6,88,88,357	5,11,50,087
Total Income	1,48,23,26,820	1,02,56,70,680
Purchases	-	34,39,875
Employee benefits expense	76,30,70,387	60,15,67,499
Finance costs	1,61,65,683	88,68,100
Depreciation and amortization expense	1,28,59,067	2,20,53,878
Other expenses	33,82,85,897	18,92,79,693
Total Expenses	1,13,03,81,033	82,52,09,045
Profit /(Loss) before tax	35,19,45,786	20,04,61,635
Income tax expense	10,84,93,951	2,27,10,781
Profit/(Loss) for the year	24,34,51,835	17,77,50,854
Other comprehensive income for the year	20,76,182	20,13,939
Total Comprehensive income for the year	**24,55,28,018**	**17,97,64,793**
Total Comprehensive Income attributable to:		
Equity shareholders of parent	20,86,98,816	15,28,00,074
Non-controlling interest	3,68,29,202	2,69,64,719

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(iii) Summarised Consolidated Balance Sheet of TTIPL:

Particulars	31 March 2019	31 March 2018
Property, plant and equipment and Intangible assets	1,03,82,463	2,13,11,549
Financial assets (Non-current)	1,58,93,902	99,71,729
Deferred tax asset (net)	4,29,52,255	3,44,45,713
Other non-current assets	87,31,865	25,11,906
Financial assets (Current)	37,97,47,884	33,39,02,321
Other current assets	11,92,68,047	6,85,45,485
Total Assets	57,69,76,416	47,06,88,703
Other non-current liabilities and provisions	78,86,453	1,72,19,214
Financial liabilities (Current)	13,58,01,489	10,46,23,947
Other current liabilities and provisions	6,02,37,015	4,04,89,157
Total Liabilities	20,39,24,957	16,23,32,319
Total Equity	**37,30,51,459**	**30,83,56,384**
Total Equity attributable to :		
Equity shareholders of parent company	31,70,93,741	26,21,02,927
Non-controlling interest	5,59,57,718	4,62,53,457

(iv) Summarised Consolidated Cash Flow Statement of TTIPL:

Particulars	31 March 2019	31 March 2018
Net cash flow from / (used in) operating activities	23,20,47,635	10,87,39,611
Net cash flow from / (used in) investing activities	(55,00,619)	(2,12,34,941)
Net cash flow from / (used in) financing activities	(18,08,32,942)	(6,49,09,805)
Net increase/ (decrease) in cash and cash equivalents and bank balances other than cash and cash equivalents	**4,57,14,074**	**2,25,94,865**

44 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 Private Limited into the Company. Pursuant to the Scheme as sanctioned by the Hon’ble High Court of Madras vide order dated June 22, 2015, received on July 23, 2015, the Air Charter Business of TAAL including investment in First Airways Inc., USA and Engineering Design Services Business conducted through TAAL Tech India Private Limited has been demerged into the Company on a going concern basis with effect from October 1, 2014 being the appointed date. The certified copy of the said order of the Hon’ble High Court of Madras has been filed with the Registrar of Companies, Chennai on August 21, 2015 and as such the Scheme has become effective from that date.

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

45 Segment reporting

Business segments

The primary reporting of the Group has been performed on the basis of business segment. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as 3 operating segments viz "Air Charter", "Trading of Goods" and "Engineering Design Service". Segments have been identified and reported based on the nature of the service, the risks and returns, the organisation structure and the internal financial reporting systems.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

	Particulars	For the Year 2018-19				For the Year 2017-18			
		Air Charter	Trading of Goods	Engineering Design Service	Total	Air Charter	Trading of Goods	Engineering Design Service	Total
a.	**Segment revenue**								
	Segmental revenue from :								
	External sales and services	7,82,40,266	62,73,496	1,41,34,38,463	**1,49,79,52,225**	6,39,21,690	1,03,07,993	96,90,78,223	**1,04,33,07,906**
	Total Segment revenue	**7,82,40,266**	**62,73,496**	**1,41,34,38,463**	1,49,79,52,225	**6,39,21,690**	**1,03,07,993**	**96,90,78,223**	1,04,33,07,906
b.	**Segment result**								
	Operating Profit / (Loss)	**(17,39,824)**	**49,45,905**	**36,81,11,472**	**37,13,17,553**	**95,27,778**	**10,16,178**	**20,87,09,187**	**21,92,53,143**
	Less: Finance costs				1,83,93,883				1,23,82,495
	Profit / (Loss) before tax				**35,29,23,670**				**20,68,70,648**
	Less: Tax (benefit) / expense				13,50,27,424				2,40,76,934
	Profit / (Loss) after tax				**21,78,96,246**				**18,27,93,714**
c.	**Other information**								
	Segment assets	18,73,04,377	6,66,33,405	57,20,33,816	**82,59,71,598**	8,94,68,834	1,07,13,869	47,06,88,701	**57,08,71,404**
	Segment liabilities	8,31,04,150	5,72,43,539	20,39,24,957	**34,42,72,647**	2,64,13,423	62,95,098	20,85,85,775	**24,12,94,296**
	Capital employed	**10,42,00,226**	**93,89,866**	**36,81,08,859**	**48,16,98,951**	**6,30,55,411**	**44,18,771**	**26,21,02,926**	**32,95,77,108**
d.	**Cost incurred for acquiring**								
	Assets	11,25,772	-	19,29,982	**30,55,754**	71,398	-	2,21,84,184	2,22,55,582
	Segment depreciation	2,31,677	-	1,28,59,067	**1,30,90,744**	1,20,780	-	2,20,53,878	2,21,74,658

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.

Geographical segments

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

Particulars	Revenues	
	2018-19	2017-18
India	7,82,40,266	6,45,70,060
Outside India	1,41,97,11,959	97,87,37,846
Total	**1,49,79,52,225**	**1,0433,07,906**

Note:

The Management believes that it is currently not practicable to provide disclosure of geographical location-wise assets, since the meaningful segregation of the available information is onerous.

Major customer

Revenue from two customers of the Company's engineering services amounting to INR 52,05,08,425 (31 March 2018: revenue from one customer amounting to INR 20,67,82,038) is more than 10% of the total revenue of the company.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

46 Corporate Social Responsibility expenditure (CSR)

Particulars	**31 March 2019**		31 March 2018	
(a) Gross amount required to be spent by the Company during the year	-	19,97,909	-	7,60,961
(b) Details of amount spent towards CSR is as follows:				
	Paid in cash	**Yet to be paid in cash**	Paid in cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	2,19,500	17,78,409	-	7,60,961

47 Disclosure of additional information, as required under Schedule III to the Companies Act, 2013, pertaining to the parent company and subsidiaries:

(i) Net Assets (Total Assets – Total Liabilities)

Name of the company	**31 March 2019**		31 March 2018	
	As % of Consolidated net assets	**Net assets**	As % of Consolidated net assets	Net assets
Parent company				
TAAL Enterprises Limited	23.30%	11,61,65,105	7.13%	2,40,05,175
Indian subsidiary				
Direct subsidiary				
TAAL Tech India Pvt. Ltd.	67.89%	33,85,04,256	84.64%	28,50,36,044
Foreign subsidiaries				
Direct subsidiary				
First Airways, Inc., USA	1.88%	93,89,866	1.31%	44,18,771
Indirect subsidiaries				
TAAL Technologies Inc., USA	6.89%	3,43,67,710	5.96%	2,00,88,805
TAAL Tech Innovations GmbH, Austria	-0.30%	(14,92,603)	0.17%	5,85,895
TAAL Tech GmbH, Switzerland	0.34%	16,72,096	0.79%	26,45,637
	100%	**49,86,06,430**	**100%**	**33,67,80,327**
Adjustment arising on consolidation		3,90,50,239		3,90,50,239
Non-controlling interest		(5,59,57,718)		(4,62,53,457)
TOTAL		**48,16,98,951**		**32,95,77,108**

Note: The above figures are stated at gross values after eliminating investment in subsidiaries and goodwill arising on consolidation but without eliminating intra group balances.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(ii) **Share in Profit or Loss**

Name of the company	31 March 2019		31 March 2018	
	As % of Consolidated profit / (loss)	Profit / (Loss)	As % of Consolidated profit / (loss)	Profit / (Loss)
Parent company				
TAAL Enterprises Limited	33.26%	12,36,01,634	2.75%	50,20,508
Indian subsidiary				
Direct subsidiary				
TAAL Tech India Pvt. Ltd.	61.57%	22,87,89,399	93.68%	17,12,34,973
Foreign subsidiaries				
Direct subsidiary				
First Airways, Inc., USA	1.22%	45,50,774	0.01%	22,352
Indirect subsidiaries				
TAAL Technologies Inc., USA	3.89%	1,44,45,923	3.47%	63,38,331
TAAL Tech Innovations GmbH, Austria	-0.03%	(1,25,445)	-0.30%	(5,45,630)
TAAL Tech GmbH, Switzerland	0.09%	3,41,962	0.40%	7,23,180
	100%	37,16,04,246	100%	18,27,93,714
Adjustment arising on consolidation		(15,37,08,001)		-
TOTAL		**21,78,96,246**		**18,27,93,714**

Note: The above figures are stated at gross values without eliminating intra-group transactions.

(iii) **Share in Other Comprehensive Income (OCI)**

Name of the company	31 March 2019		31 March 2018	
	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income
Parent company				
TAAL Enterprises Limited	-12.55%	(2,78,284)	3.20%	67,108
Indian subsidiary				
Direct subsidiary				
TAAL Tech India Pvt. Ltd.	93.60%	20,76,182	96.13%	20,13,939
Foreign subsidiaries				
Direct subsidiary				
First Airways, Inc., USA	18.95%	4,20,320	0.66%	13,913
Indirect subsidiaries				
TAAL Technologies Inc., USA	0.00%	-	0.00%	-
TAAL Tech Innovations GmbH, Austria	0.00%	-	0.00%	-
TAAL Tech GmbH, Switzerland	0.00%	-	0.00%	-
TOTAL	**100%**	**22,18,219**	**100%**	**20,94,960**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

(iv) **Share in Total Comprehensive Income**

Name of the company	31 March 2019		31 March 2018	
	As % of Consolidated Total Comprehensive Income	**Total Comprehensive Income**	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent company				
TAAL Enterprises Limited	32.99%	12,33,23,350	2.75%	50,87,616
Indian subsidiary				
Direct subsidiary				
TAAL Tech India Pvt. Ltd.	61.76%	23,08,65,581	93.70%	17,32,48,912
Foreign subsidiaries				
Direct subsidiary				
First Airways, Inc., USA	1.33%	49,71,095	0.02%	36,265
Indirect subsidiaries				
TAAL Technologies Inc., USA	3.86%	1,44,45,923	3.43%	63,38,331
TAAL Tech Innovations GmbH, Austria	-0.03%	(1,25,445)	-0.30%	(5,45,630)
TAAL Tech GmbH, Switzerland	0.09%	3,41,962	0.39%	7,23,180
	100%	37,38,22,465	100%	18,48,88,674
Adjustment arising on consolidation		(15,37,08,001)		-
TOTAL	**100%**	**22,01,14,464**	**100%**	**18,48,88,674**

48 Goodwill impairment testing

(a) **Goodwill :**

Particulars	31 March 2019	31 March 2018
Capital Reserve on acquisition of TAAL Tech India Pvt. Ltd.	65,77,169	65,77,169
Goodwill on acquisition of First Airways, Inc. USA	(4,56,27,408)	(4,56,27,408)
Net (Goodwill)/ Capital Reserve	**(3,90,50,239)**	**(3,90,50,239)**

(b) **Impairment testing of goodwill and intangible assets with indefinite lives**

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's Cash Generating Units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period (if any).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in INR, unless otherwise stated)

Following is a summary of changes in the carrying amount of goodwill :

Particulars	31 March 2019	31 March 2018
Carrying value at the beginning	(4,56,27,408)	(4,56,27,408)
Goodwill on acquisition	-	-
Goodwill re-classified under assets held for sale	-	-
Translation differences	-	-
Carrying value at the end	**(4,56,27,408)**	**(4,56,27,408)**

As per the option agreement, First airways, Inc., USA can purchase the aircraft at a price equal to the stipulated loss value of the Aircraft as specified in amended lease agreement.

The value of the asset under option is more than the carrying amount of goodwill on consolidation of First Airways, Inc., USA. Considering the same goodwill is continued as it is and there is no provision required towards impairment of goodwill.

49 The Parent Company operates a chartered plane obtained under a lease agreement dated December 11, 2007 which is the sole aircraft being operated by the Company as a part of its business operations. As per the lease agreement with the lessor, the lease was for a period of 120 months which expired on December 11, 2017. During the year 2017-18, the Company and Lessor agreed for an extension of the lease for a period of one year from December 12, 2017 to December 11, 2018. During the year 2018-19, the Company has entered into an amended lease agreement dated September 21, 2018 for the aircraft taken on lease from Cessna Finance Corporation extending the lease up to September 2020 for carrying on the business and activities related to the demerged charter business. Further, as per the purchase option agreement entered between the Company, Lessor and First Airways Inc. (Wholly owned subsidiary), First Airways Inc. has an option to purchase the aircraft at the end of lease period. On this basis, the Company intends to either renew the lease term or exercise the purchase option at the end of lease period through its subsidiary. In view of above, the Company has prepared financial statements on going concern basis.

50 The Board of Directors of the Parent Company in their meeting held on 28 September 2018 appointed Mr. Salil Taneja as a whole-time director on the terms and conditions and the remuneration as approved by the Board which is subject to a special resolution approval by the Members of the Company in the next general meeting of the Company.

51 The Company had extended and restructured its lease agreement with Cessna Finance Corporation ("the lessor") during 2017-18 and as part of restructuring the lease, the Company's liability was reduced by INR 2,63,51,516 (USD 405,495) for the year 2017-18 which is disclosed under Other Income.

52 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.

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

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 24, 2019

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

Salil Taneja	**Rahael Shobhana Joseph**	**Vijay Dutt Purekar**	**Shubhanshi Jain**
Director	Director	Chief Financial Officer	Company Secretary
DIN: 00328668	DIN: 02427554		

Place: Pune
Date: June 24, 2019

AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies

PART "A": SUBSIDIARIES

(Rs. in Lakhs)

Sr. No.	Name of Subsidiary	Reporting Currency in case of foreign subsidiaries^	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	TAAL Tech India Pvt Ltd	Rs	100.00	3266.11	5530.19	2164.08	32.58	14134.38	3325.32		2268.55	Nil	85%
2	TAAL Technologies Inc. USA	US $	18.88	323.76	517.91	155.35	-	3034.15	171.96	27.50	144.46		100%
3	TAAL Tech GmbH, Switzerland	CHF	13.70	15.91	47.11	16.69	-	87.40	4.09	0.67	3.42	Nil	100%
4	TAAL Tech GmbH, Austria	Euro	19.34	(14.24)	6.61	2.19	-	0.00	(1.25)	0.00	(1.25)		100%
5	First Airways Inc. USA	US $	477.49	(383.59)	666.33	572.44	-	62.73	48.76	3.25	45.51		100%

^ Exchange rate as on March 31, 2019: 1US $=**Rs.69.1713**, 1CHF=**Rs. 69.6183** and 1Euro=**Rs. 77.7024**

Notes:

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

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

PART "B": ASSOCIATES AND JOINT VENTURES - None

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

Salil Taneja
Director
DIN: 00328668

Rahael Shobhana Joseph
Director
DIN: 02427554

Vijay Dutt Purekar
Chief Financial Officer

Shubhanshi Jain
Company Secretary

Place: Pune
Date: June 24, 2019

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