

**BOARD OF DIRECTORS**

SALIL TANEJA	Chairman
C S KAMESWARAN	Managing Director
A K JAIN	
S K NEWLAY	
J P SUREKA	
R SURIE	
B R TANEJA	

**COMPANY SECRETARY**

ROHIT KUMAR SINGH

**AUDITORS**

M/S HARESH UPENDRA & CO.  
Chartered Accountants

**BANKERS**

Bank of India	Bank of Baroda
Canara Bank	State Bank of India

**REGISTRAR & SHARE TRANSFER AGENT**

Sharepro Services (India) Pvt. Ltd

**REGISTERED OFFICE & WORKS**

Belagondapalli Village, Thally Road,  
Denkanikotta Taluk, Krishnagiri Dist.,  
Belagondapalli - 635114, Tamil Nadu

**CORPORATE OFFICE**

2nd Floor, Panchashila No. 42,  
Dickenson Road,  
Bangalore - 560 042

Annual General Meeting at Belagondapalli Village, Thally Road, Denkanikotta Taluk, Krishnagiri Dist., Belagondapalli - 635114, Tamil Nadu on December 31, 2009 at 11.00 A.M.
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## **DIRECTORS' REPORT**

To the Members of Taneja Aerospace and Aviation Limited

Your Directors present herewith the Twentieth Annual Report and the Audited Accounts for the fifteen months period ended on June 30, 2009.

### **FINANCIAL HIGHLIGHTS**

(Rs. in Lakhs)

	<b>2008-09</b> (15 Months)	2007-08 (9 Months)
Gross Income	<b>3545.20</b>	1676.80
Operating Expenditure	<b>2332.32</b>	1377.97
Finance Charges	<b>365.88</b>	147.41
Depreciation	<b>294.17</b>	144.05
Prior Period Items	<b>40.40</b>	38.01
Provision for Taxation (including Deferred and Fringe Benefit Tax)	<b>8.97</b>	6.04
Profit/(Loss) after Tax	<b>556.48</b>	(36.68)
Transfer from Revaluation Reserves	<b>2000.00</b>	-

### **DIVIDEND**

Your Directors do not recommend any dividend for the period under review ended on June 30, 2009.

### **OPERATIONS**

All the three Divisions performed satisfactorily during the period contributing to healthy overall increase in revenues. The Company wishes to focus on growing these businesses in view of their huge potential and has decided to discontinue the production of P-68 aircraft.

### **SCHEME OF ARRANGEMENT**

TAAL Technologies Private Limited, wholly owned subsidiary, has filed a Scheme of Arrangement before the Hon'ble High Court of Judicature at Madras for merger with your Company.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R Surie and Mr. Salil Taneja retire by rotation and being eligible, offer themselves, for re-appointment.

Mr. C S Kameswaran is being appointed as Whole Time Director designated as the Managing Director for a period of one year from December 01, 2008 to November 30, 2009 and again for three years from December 01, 2009 to November 30, 2012.

The approval of the Members for appointment and re-appointment of the aforementioned Directors is being sought in the forthcoming Annual General Meeting.

### **DELISTING FROM PUNE STOCK EXCHANGE LTD.**

The Equity Shares of the Company have been delisted from Pune Stock Exchange Ltd. w.e.f. December 01, 2008. However, the Equity Shares of the Company continue to be listed on Bombay Stock Exchange Ltd.

### **AUDITORS**

Hareesh Upendra & Co., Chartered Accountants retire as Statutory Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. In respect of the Qualifications by the Auditors, it has been explained in relevant Accounting Policies and Notes on Accounts in Schedule 15, which are self explanatory and therefore do not call for any further comments.

### **SUBSIDIARY COMPANIES**

As required under Section 212 of the Companies Act, 1956, the Audited Accounts, Directors Report and Auditors' Report of the subsidiaries are enclosed to this Report except TAAL Technologies Private Limited which has become a subsidiary subsequent to the Balance Sheet date.

Statement pursuant to Section 212 (3) of the Companies Act, 1956, relating to subsidiary companies forms part of this report. There has been no significant changes in the accounts of subsidiaries since the date of their Balance Sheet until the date of the Accounts of your Company.

### **FIXED DEPOSITS**

The Company has not accepted any deposits from the public.

### **CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance and Management Discussion and Analysis together with a Certificate from the Auditors of the Company on compliance, forming part of the Directors' Report is attached to this report.

## **DISCLOSURE PARTICULARS**

The Particulars in respect of Research and Development, Energy Conservation, Technology Absorption and Foreign Exchange Earnings, Outgo, etc. as required under Section 217 (1) (e) of the Companies Act, 1956 is given in Annexure I to this report.

The particulars of employee as required under Section 217 (2A) of the Companies Act, 1956 forming part of this Report are given in Annexure II to this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 217 (2AA) of the Companies Act, 1956 the Directors' Responsibility Statement is given hereunder:

- 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 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 for the fifteen months period ended on June 30, 2009 and of the Profit and Loss of the Company as on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

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

## **ACKNOWLEDGMENT**

The Board expresses its sincere gratitude for the continued support and guidance received by the Company from the Government of India, Government of Maharashtra and Tamil Nadu, the Reserve Bank of India, Stock Exchanges and other regulatory agencies. The Board would like to acknowledge the continued support of its bankers, vendors, clients and investors. The Directors also wish to place on record their gratitude and appreciation of the employees' hard work, dedication, team work and professionalism which made the substantial growth possible year after year.

For and on behalf of the Board of Directors

Pune  
December 05, 2009

**Salil Taneja**  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development

Your Company operates in distinct independent activities viz Aircraft Sales and Services, Aero Structures (Manufacturing) & Airfield Services and MRO. The financial turbulence that rocked the global economies has placed significant focus on challenges faced by aviation industry. However, despite the global downturn, your Company expects the industry fundamentals to be strong in the long term.

### Opportunities

Your Company always looks out for opportunities that emerge in the aviation sector. Given your Company's competence and facilities, it is uniquely positioned to cater to the existing and emerging requirements in Aviation Sector. Your Company intends to take up activities with a medium to long term perspective, which can be built up and nurtured on the core competence of the Company.

### Product wise Performance

	(Rs in lacs)	
	2008-09 (15 months)	2007-08 (9 months)
Aero Structure	1568.19	742.07
Agency Sales and Air Management	523.63	382.26
MRO	1191.72	315.81
<b>Total</b>	<b>3283.54</b>	<b>1440.14</b>

### Outlook

In General Aviation front, your Company sees requirement of Corporate Jets from various Industries for their business use. Your Company with its quality system also sees tremendous business opportunities for its manufacturing activities with favourable Government policies and increase in outsourcing from Indian Defence and Aviation Sector.

### Risks and Concerns

Frequent changes in the aviation fuel pricing and consequent slow down in the Airline Operations coupled with economic slow down can have an impact on the operations and revenues of the Company. One of the other area of concern is of technology obsolescence since technological advancements play important role in aviation industry. Apart from these, the other risks relate to natural disaster, economic and geopolitical problems.

### Internal Control Systems and Adequacy

Your Company is augmenting its internal control system with regard to financial and operating functions. The

Company, however continues its efforts to strengthen the same through periodical reviews.

### Financial Performance

The Financial performance for the Fifteen months period ended on June 30, 2009 as compared to the previous period is given below

	(Rs. in lacs)	
	2008-09 (15 Months)	2007-08 (9 Months)
Gross Income	3545.20	1676.80
Profit after Interest but before Depreciation	847.00	151.42
Less: Depreciation	294.17	144.05
Less: Prior Period Income (Net)	40.40	38.01
Provision for Taxation (including Deferred and Fringe Benefit Tax)	8.97	6.04
Profit/(Loss) after Tax	556.48	(36.68)
Transfer From Revaluation Reserves	2000.00	-

### Material Developments in Human Resources / Industrial Relations

The Company maintained good industrial relations with its employees and staff. Human Resource remained a key focus area for your Company during the period under review.

### Cautionary Statement

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

For and on behalf of the Board of Directors

Pune  
December 5, 2009

**Salil Taneja**  
Chairman

## **CORPORATE GOVERNANCE REPORT**

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company has a strong value system comprising of honesty, integrity, secularity and equal opportunity for all. The Company strives to provide its stakeholders with maximum information relating to the affairs of the Company with an attempt to bring about total transparency in our working. We believe that good governance is the corner stone of any successful organization and we continuously endeavor to improve our standards of governance.

### **BOARD OF DIRECTORS**

The composition of the Board of Directors, their attendance at Board Meetings held during the period and at the last Annual General Meeting as also the number of directorships in other public companies and memberships in various committees across all Public companies as on June 30, 2009 are as follows:

Name of the Director	Category	For period April 1, 2008 to June 30, 2009 attendance at		As on Date		
		Board Meetings	Last AGM	No. of Directorships in other public companies	Committee positions in other public companies	
					Member	Chairman
Mr. Salil Taneja	Promoter Non Executive Director	7	Yes	2	-	-
Mr. A K Jain	Non Executive Independent Director	5	Yes	1	-	1
Mr. S K Newlay	Non Executive Independent Director	7	Yes	1	1	-
Mr. J P Sureka	Non Executive Independent Director	7	Yes	3	1	-
Mr. R Surie	Non Executive Independent Director	-	No	-	-	-
Mr. B R Taneja	Promoter Non Executive Director	7	Yes	1	-	-
Mr. C S Kameswaran	Executive Director	6	Yes	-	-	-

\* This does not include Directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

During the period under review Seven Board Meetings were held on April 30, 2008, June 30, 2008, July 9, 2008, August 25, 2008, October 31, 2008, January 20, 2009 and April 30, 2009.

The composition of the Board is in conformity with the stipulations in Clause 49 of the Listing Agreement.

The Board has complete access to all the relevant information available within the Company.

#### **Appointment/Re-appointment of Directors**

In terms of the Articles of Association of the Company and the relevant provisions of the Companies Act, 1956, Mr R Surie and Mr Salil Taneja will retire by rotation and being

eligible, offer themselves for re-appointment in the ensuing Annual General Meeting.

Mr. C S Kameswaran is being appointed as Whole Time Director designated as the Managing Director for a period of one year from December 01, 2008 to November 30, 2009 and again for three years from December 01, 2009 to November 30, 2012.

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

#### **AUDIT COMMITTEE**

The Audit Committee consists of three members viz. Mr. S K Newlay, Mr. J P Sureka and Mr. A K Jain. All members are Independent Directors. Mr. S K Newlay is the Chairman of the Audit Committee.

During the period under review, six meetings of Audit Committee were held on April 30, 2008, June 30, 2008, July 9, 2008, October 31, 2008, January 20, 2009 and April 30, 2009. The attendance at Audit Committee Meetings is given below

Name of Director	Chairman or Member	No. of Meetings Attended
Mr. S.K. Newlay	Chairman	6
Mr. J.P. Sureka	Member	6
Mr. A.K. Jain	Member	4

Mr. S K Newlay, the Chairman of the Audit Committee was present at the last Annual General Meeting.

The terms of reference of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and the stipulations of Clause 49 of the Listing Agreement with the Stock Exchange.

### MANAGERIAL REMUNERATION

#### a) Remuneration Committee

The Remuneration Committee consists of Mr. J P Sureka, Chairman, Mr. S K Newlay and Mr. A K Jain as Members.

The Remuneration Committee is empowered to fix, review, and recommend the remuneration payable to Whole Time Directors.

During the period under review Remuneration Committee Meeting was held on October 31, 2008 which was attended by Mr. J P Sureka and Mr. S K Newlay.

#### b) Remuneration Policy

The remuneration of the Whole Time Directors is decided by the Board of Directors based on the recommendations of the Remuneration Committee, which inter-alia is based on the criteria such as industry bench-marks, financial performance of the Company, performance of the Whole Time Directors, etc.

The Company pays remuneration by way of salary, perquisites and allowance to its Whole Time Directors. No remuneration is paid by way of commission to any Non- Executive Director.

The Company pays sitting fee of Rs. 5000/- each for attending Board Meeting and Rs. 2500/- each for attending Committee Meeting by Non Executive Directors. There has been no change in the Remuneration Policy of the Company.

#### c) Remuneration to Directors

A statement on the remuneration paid to the Whole Time Director and sitting fees paid to Non Executive Directors during the period under review is given below :

Name of Director	Salary & Perquisites p.a (Rs)	Sitting fees (Rs)
S Taneja	NA	35000
AK Jain	NA	42500
SK Newlay	NA	65000
JP Sureka	NA	65000
R Surie	NA	Nil
BR Taneja	NA	35000
C S Kameswaran	25,96,740	NA

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

### SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

This Committee consists of Mr. A K Jain, Mr. J P Sureka and Mr. S K Newlay. During the period under review the Committee has held five meetings i.e. on April 30, 2008, July 9, 2008, October 31, 2008, January 20, 2009 and April 30, 2009.

Name Of Director	Chairman or Member	No. of Meetings Attended
Mr. A K Jain	Chairman	3
Mr. J P Sureka	Member	5
Mr. S K Newlay	Member	5

During the period under review all the complaints/ grievances that were received from the shareholders/ investors, have been attended to and satisfactorily resolved. No valid transfer/ transmission of shares were pending as on June 30, 2009.

The information about complaints received and their disposal is tabulated as hereunder:

Nature of Complaints	No. of Complaints received during the period under review	No. of Complaints redressed during the period under review
Non receipt of shares after transfer	2	2
Non receipt of demat credit	-	-
Non receipt of shares on exchange	1	1

The Company has paid listing fees for the financial year 2009-10 to the Bombay Stock Exchange Limited where the Equity Shares of the Company are Listed.

The Equity Shares of the Company have been voluntarily delisted from the Pune Stock Exchange Limited w.e.f. December 01, 2008.

### COMPLIANCE OFFICER

Mr R J Joshi (till November 05, 2009) and Mr Rohit Kumar Singh (from November 26, 2009) has been appointed as a Compliance Officer of the Company for complying with the requirements of the Listing Agreement with the Stock Exchange and requirements

of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

## CODE OF CONDUCT

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

## OTHER DISCLOSURES

Details of related party transaction are furnished in Note No 11 in Part B of Schedule 15 of Notes to Accounts.

There were no instances of material non-compliances and no strictures or penalties imposed on the Company either by SEBI, Stock Exchange or any other statutory authorities on any matter related to capital markets during the last three years.

## CEO/CFO CERTIFICATION

In accordance with Clause 49(V) of the Listing Agreements, the Chairman and MD have given their certificate to the Board and forms part of this Report.

## MEANS OF COMMUNICATION

The Quarterly Results are Published in one English Daily News Paper and one Vernacular (Tamil) Daily News Paper. The Quarterly Results are also displayed on the website of the Company ([www.taal.co.in](http://www.taal.co.in)) and on BSE website ([www.bseindia.com](http://www.bseindia.com) Scrip code 522229).

No presentations were made to Institutional Investors or Analysts during the period under review.

## DESIGNATED EXCLUSIVE EMAIL ID OF THE COMPANY

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

## GENERAL MEETINGS

Location and time of General Meetings held in last 3 years:

Year	Type	Date	Venue	Time	No. of Special Resolutions passed
2007-08	AGM	30/9/08	Regd. Off.- Belagondapalli Village, Thally Road, Denkanikotta Taluk, Krishnagiri District, Belagondapalli- 635114 Tamil Nadu	11:00AM	2
2006-07	AGM	28/2/08	Taj Blue Diamond, Koregaon Road, Pune 411001	11:00AM	--
2005-06	AGM	29/9/06	Taj Blue Diamond, Koregaon Road, Pune 411001	11:00 AM	2

All Special Resolutions moved at the Annual General Meeting (AGM) were passed unanimously on show of hands.

Pursuant to the provisions of Section 192A of the Companies Act, 1956, no Resolution was passed by Postal Ballot in the period under review.

## GENERAL SHAREHOLDERS INFORMATION

AGM Date and Time	December 31, 2009 at 11.00 A.M.
Venue	Belagondapalli Village, Thally Road, Denkanikotta Taluk, Krishnagiri District, Belagondapalli- 635114 Tamil Nadu
Financial Period	April 1, 2008 to June 30, 2009
Date of Book Closure	December 28, 2009 to December 31, 2009
Equity Share Listed on	Bombay Stock Exchange Limited
GDR Listed on	Luxembourg Stock Exchange
Security Code (BSE)	522229
ISIN No Allotted to Equity Shares	INE 692C01020
Luxembourg Stock Exchange Security Code	US 8753891089
Registered Office & Plant Location	Belagondapalli Village, Thally Road, Denkanikotta Taluk, Krishnagiri District, Belagondapalli- 635114, Tamil Nadu
Address for Correspondence	2nd Floor, Panchashila No. 42, Dickenson Road, Bangalore - 560 042

## Market Price Data

The performance of the Company's scrip on the BSE as compared to the BSE 500 Index is as under:

Month	Share Price		BSE 500 Index	
	High Rs.	Low Rs.	High	Low
April 2008	151.00	102.05	6965.79	6024.18
May 2008	153.80	102.15	7066.27	6427.23
June 2008	109.40	76.10	6540.45	5199.65
July 2008	81.20	52.25	5783.45	4862.30
August 2008	73.10	56.05	5993.16	5424.47
September 2008	69.90	36.25	5821.90	4650.37
October 2008	46.45	26.65	5006.82	2899.28
November 2008	36.50	25.50	3988.60	3097.91
December 2008	37.05	26.60	3755.50	3103.47
January 2009	33.70	19.50	3885.52	3190.15
February 2009	25.90	17.00	3529.88	3155.42
March 2009	21.80	15.05	3616.51	2961.26
April 2009	33.90	18.35	4219.20	3482.58
May 2009	47.15	32.90	5562.60	4232.99
June 2009	46.90	35.10	5886.88	5281.42

Source: [www.bseindia.com](http://www.bseindia.com)

## Dematerialization of Shares

Nearly 94.50 per cent of total Equity Capital is held in demat form with NSDL and CDSL as on June 30, 2009.

### Share Transfer System

The Equity Shares of the Company are traded compulsorily in Demat segment on the Stock Exchange.

Shares received for transfer in physical mode are processed and valid transfers are approved within stipulated time frame. Duly transferred share certificates are dispatched within 30 days from the date of receipt.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchange, certificate on half yearly basis have been filed with the Stock Exchange for due compliance of share transfer formalities by the Company.

In terms of guidelines issued by SEBI, the Secretarial Audit Report for all the quarters have been filed with the Stock Exchange, which inter-alia gives details about the reconciliation of Share Capital (both physical and demat).

### Distribution of Shareholding of the Company as on June 30, 2009

Share holding of nominal value of Rs.	No. of Share Holder(s)	% to Total	No. of Shares	% to Total
Up to 5,000	17340	94.62	2960406	11.88
5,001 10,000	411	2.24	641339	2.57
10,001 20,000	288	1.57	820797	3.29
20,001 30,000	94	0.51	465805	1.87
30,001 40,000	38	0.21	266747	1.07
40,001 50,000	36	0.20	340490	1.37
50,001 1,00,000	60	0.33	863196	3.46
1,00,001 and above	58	0.32	18571956	74.49
<b>Total</b>	<b>18325</b>	<b>100.00</b>	<b>24930736</b>	<b>100</b>

### REGISTRAR AND SHARE TRANSFER AGENT

In accordance with the Securities and Exchange Board of India (SEBI) directive, the Company has appointed M/s Sharepro Services (India) Pvt Ltd as a common agent for all investor services viz. processing of transfers, sub-division and consolidation and for rendering demat services such as dematerialization and

rematerialisation of shares, etc. Shareholders may contact Share Transfer Agent on the following address:

### Sharepro Services (India) Pvt Ltd

13, AB Samhita Wear Housing Complex  
2nd Floor, Saki Naka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Saki Naka, Andheri East,  
Mumbai - 400 072  
Tel.:- 91 - 022 - 67720300 / 400  
Fax.- 022 - 28591568

### Sharepro Services (India) Pvt Ltd

3, Chintamani Apartments,  
Lane No 13, Off V G Kale Path  
824/D, Bhandarkar Road  
Pune - 411 004  
Tel. +91-20-25662855  
e-mail: sharepropune@vsnl.net

As regards to the shareholding in electronic form shareholders are requested to write to their respective Depository Participant and provide Bank Mandate details, ECS particulars, etc so as to facilitate expeditious payment of Corporate Action, if any.

### Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has no outstanding GDRs and the Company has not issued any ADRs during the period under review.

For and on behalf of the Board of Directors

Pune  
December 05, 2009

**Salil Taneja**  
Chairman

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

As required by Clause 49 of the Listing Agreement, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's web site.

I confirm that the Company has in respect of Fifteen months period ended on June 30, 2009, received from

the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team comprises of employees in the President and Executive Vice President cadre as on June 30, 2009.

For and on behalf of the Board of Directors

Pune  
December 5, 2009

**Salil Taneja**  
Chairman

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**CEO/CFO CERTIFICATION TO THE BOARD**  
(Under Clause 49(V) of Listing Agreement)

To  
The Board of Directors  
Taneja Aerospace and Aviation Limited

We, Salil Taneja, Chairman and C S Kameswaran, Managing Director of Taneja Aerospace and Aviation Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the fifteen months period ended June 30, 2009 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended June 30, 2009 which are fraudulent, illegal or violative of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the

internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and Audit Committee
  - (i) there are no significant changes in internal control during the fifteen months period ended June 30, 2009;
  - (ii) all significant changes in accounting policies during the period ended June 30, 2009 and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Salil Taneja**  
Chairman

Pune, December 05, 2009

**C S Kameswaran**  
Managing Director

**CERTIFICATE FROM AUDITORS REGARDING  
COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Shareholders of  
Taneja Aerospace and Aviation Limited

1. We have examined the compliance of conditions of Corporate Governance by Taneja Aerospace and Aviation Limited for the Fifteen months period ended on June 30, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange.

4. In our opinion, role of Audit Committee needs to be expanded to cover update on internal audits, interaction with representatives of internal and statutory auditors in respect of accounts, limited review of quarterly results, review of internal control systems and applicability of accounting standards.
5. We have conducted our examination on the basis of the relevant records and documents maintained by the company and furnished to us for examination and the information and explanations given to us by the company and based on that we report that except what is mentioned in Para 4 above, the Company has complied with most of the important conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
6. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**For Haresh Upendra & Co,**  
Chartered Accountants,

**Haresh B. Shah**  
Partner  
Membership No. : 32208

Pune, December 05, 2009

Report  Junction.com