

Taneja Aerospace and Aviation Limited 

Annual Report 2021-22

COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. Prahlada Ramarao	Chairman of the Board & Director
Ramesh Jaiswara	Whole-Time Director (upto March 31, 2022)
Rakesh Duda	Director (w.e.f March 31, 2022) designated as Managing Director (w.e.f. May 16, 2022)
Salil Taneja	Director
Rahael Shobhana Joseph	Director
Muralidhar Chitteti Reddy	Director
Arvind Nanda	Director

CHIEF FINANCIAL OFFICER

Mahendra Nalluri

COMPANY SECRETARY

Shruti Zope

AUDITORS

M/s. MSKA & Associates
Chartered Accountants

BANKERS

Indian Bank (erstwhile Allahabad Bank)
Canara Bank

REGISTERED OFFICE & WORKS

Belagondapalli Village, Thally Road, Denkanikottai Taluk, Krishnagiri District,
Belagondapalli-635114, Tamil Nadu
Phone: 04347-233508, Fax: 04347-233414
E-mail: secretarial@taal.co.in, Website: www.taal.co.in
CIN: L62200TZ1988PLC014460

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited

Taneja Aerospace and Aviation Limited

BOARDS' REPORT

To,

The Members,

Taneja Aerospace and Aviation Limited

Your Directors have pleasure in presenting the Thirty-third Annual Report and the Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Gross Income	3,198.58	3481.50
Expenditure	1,916.70	2653.81
Profit/ (Loss) after Tax	546.89	622.75

OPERATIONS

During the year under review, the total income of the Company was Rs 3,198.58 Lakhs as compared to Rs. 3481.50 Lakhs during the comparable previous year. The total comprehensive income for the year was Rs. 531.70 Lakhs as compared to Rs. 621.02 Lakhs during the comparable previous year.

TRANSFER TO RESERVES

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

DIVIDEND

The Board of Directors of the Company had declared 1st interim dividend of Re. 0.50/- (Rs. Fifty paise only) and 1st interim dividend of Rs. 2/- (Rs. Two only) on each fully paid 2,49,30,736 equity shares of Rs. 5/- each amounting to Rs. 1,24,65,368/- and Rs. 4,98,61,472/- respectively during the Financial Year 2021-22 and Financial Year 2022-23.

The 1st and 2nd interim dividend(s) were paid to those members of the Company whose names appeared in the Register of Members of the Company as on March 03, 2022 and May 21, 2022 respectively. The Interim Dividend declared during the year shall be considered as the Final Dividend for the Financial Year 2021-22.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 ('Act') and Articles of Association of the Company, Mrs. Rahael Shobhana Joseph, Director of the Company, retires by rotation and being eligible, offers herself, for re-appointment.

During the year under review, Mr. Rakesh Duda was appointed as Additional Director (Non-Executive, Non-Independent category) with effect from March 31, 2022 and subsequently designated as Managing Director (Executive category) of the Company for a period of 3 years with effect from May 16, 2022 to May 15, 2025.

Mr. Ramesh Jaiswara, Director designated as Whole-Time Director of the Company ceased as such with effect from March 31, 2022.

The Independent Directors have given Declaration pursuant to Section 149(7) of the Act & Regulation 25(8) of ('Listing Regulations') stating that they meet the criteria of independence.

The Board is assured that the Independent Directors of the Company possess adequate proficiency, experience, expertise and integrity.

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

The details of familiarization program of Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company & related matters are put up on the Company's website: www.taal.co.in.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

As on the date of this report, the Company has one subsidiary company. In accordance with Section 129 (3) of the Act, a statement containing salient features of the financial statement of the subsidiary company in Form AOC-I is provided in financial statements forming part of this Annual Report.

A report on the performance and financial position of the subsidiary company is provided in the Financial Statements forming part of this Annual Report for the Financial Year 2021-22.

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

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the Listing Regulations, a separate section on Management Discussion & Analysis is forming part of this Report.

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 of the Listing Regulations, a separate section on Corporate Governance Report together with Certificates is forming part of this Report.

The Whole-time Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations. Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report.

Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report.

MEETINGS OF THE BOARD

The Board met 8 times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report.

The intervening gap between the Meetings was within the period prescribed under the Act / Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies & applied them consistently & made judgments & estimates, that are reasonable & prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year March 31, 2022 and of the profit of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis;
- v) that the directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- vi) that the directors have devised proper systems to ensure compliance with provisions of all applicable laws & that such systems were adequate & operating effectively.

ANNUAL RETURN

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

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

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

POLICY ON NOMINATION & REMUNERATION OF DIRECTORS

The Nomination & Remuneration Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director & other matters is available on the website at www.taal.co.in

The criteria for performance evaluation as laid down by Nomination & Remuneration Committee ('NRC') have been defined in the Nomination & Remuneration Policy.

Details pertaining to remuneration of Directors and employees required under Section 197(12) of the Act read with Rules framed thereunder are forming part of this Report as Annexure 'B'.

A statement showing details of employees in terms of Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

However, in terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the members and others entitled there to. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting ('AGM'). If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

AUDITORS

a. Statutory Auditors

M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) was appointed as the Statutory Auditors of the Company in the 28th AGM held on September 26, 2017 for a period of five years i.e. till the conclusion of the 33rd AGM of the Company. Accordingly, M/s. MSKA & Associates holds the office of Statutory Auditors till the ensuing AGM.

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

b. Secretarial Auditor

Pursuant to Section 204 of the Act and the Rules made thereunder, the Board of Directors has appointed Giriraj A. Mohta, Practicing Company Secretary as Secretarial Auditor to undertake Secretarial Audit of the Company for the period ended March 31, 2022 onwards.

The Report of the Secretarial Auditors in Form MR 3 is annexed herewith as an Annexure 'C' to this Report.

With respect to observations made by the Secretarial Auditor in their audit report for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, Guarantees & Investments covered under Section 186 of the Act has been given in Notes to Financial Statements forming part of this Annual Report.

RISK MANAGEMENT

The Company faces both internal and external risks. Also, we focus on risks in the short, medium as well as long term. Risk management is an integrated aspect of Company's business operations. On a regular basis, an extensive risk assessment is conducted in which business lines and corporate functions identify all significant risks. The risks are then consolidated and assessed on their potential impact and probability, which is then reported to the Board of Directors. Responsibilities are assigned for significant risks and mitigating initiatives are established and tracked.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has duly constituted CSR Committee in compliance with the Section 135 of the Act and the applicable Rules.

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

Annual Report on CSR Activities for the Financial Year ended March 31, 2022 forms part of this Report as Annexure 'D'.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to the Financial Statements are commensurate with the size and nature of business by virtue of internal audit of the Company. Internal Audits are periodically conducted by an external firm of Chartered Accountants who monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Board also take quarterly review of internal audit functioning and accounting systems, in order to take suitable corrective actions in case of any deviations.

During the year, such controls were tested by the Statutory Auditors and no material weakness in control design of operations were observed by them.

AUDIT COMMITTEE AND VIGIL MECHANISM

Pursuant to Section 177 of the Act, an Audit Committee constituted by the Board consists of at least three directors with independent directors forming a majority.

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

The Whistle Blower Policy / Vigil Mechanism of the Company as established by the Board is available on its website of the Company at www.taal.co.in

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company has not entered into any contracts with related parties which were not on arm's length basis or not in the ordinary course of business and further would be considered material in accordance with the policy of the Company on Materiality of Related Party Transactions.

Hence, there is no information required to be provided in Form AOC-2, while the particulars of all related party transactions in terms of Ind AS 24 has been given in Notes to Financial Statements forming part of this Annual Report.

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website: www.taal.co.in

GENERAL

1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
2. There is no change in the nature of business of the Company.
3. There was no change in the authorized as well as paid up share capital of the Company during the year under review.
4. There have been no material changes and commitment, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial report relates and the date of the report.
5. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the year under review, there were no cases filed under the said Act.
6. The Company has complied with applicable Secretarial Standards.
7. In terms of provisions of Section 148 of the Act read with Rule 3 of Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain the cost records and as such the same are maintained for the Financial Year 2021-22.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Date : May 23, 2022
Place : Bengaluru

Dr. Prahlada Ramarao
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure And Development

Over the last two decades, the Indian aviation sector has been through huge transformation and growth and is still considered to be a sunrise sector. This sector that has to keep the growth momentum intact to cater the growing demand of the aspirational class as well as the requirements of the defense sector.

A number of large players have emerged in aviation & space manufacturing sectors. These companies have entered this sector and are competing on the basis of pricing that is based on aggressive entry or market consolidation strategy. The financial strength and corporate credibility of these companies provides them with the ability to look at markets with a medium and long term perspective.

The rapid onset of the COVID-19 pandemic and the overall financial crunch faced by the Government of India and its agencies such as Vikram Sarabhai Space Centre and Hindustan Aeronautics Limited are unable to place orders and if orders are placed, these agencies are not able to supply material on-time for processing because of financial constraints and other exigencies. This affects execution and the economics of order execution.

The company earns revenues from manufacturing and leasing services. The major part of the manufacturing revenue has been coming from supplies/services provided to the defence sector establishments such as Hindustan Aeronautics Limited, Defence Research and Development Organization, Bharat Electronics Limited, Indian Air Force, Defence Electronics Research Laboratory, Vikram Sarabhai Space Centre, Aeronautical Development Establishment, Centre for Airborne Systems, etc.

The Company has leased hangar space and buildings to a Commercial Maintenance, Repair and Overhaul (MRO) organization. The Company also generates income from the use of infrastructure facilities including runway and hangars. Due to pandemic, commercial passenger traffic has come down affecting the MRO Facility.

Performance

Particulars	2021-22	2020-21
Total Income	3,198.58	3481.50
Profit after Tax	546.89	622.75

Opportunities

With the Government opening up and providing opportunities to the private sector, global and domestic players are collaborating and establishing joint ventures for manufacturing of aerospace components and MRO facilities for civil and military aviation sectors. In addition, the ongoing Government initiative in the outer space missions has opened up new opportunities. Given the emergence of larger players in the sector, it became incumbent for the Company to re-position itself as a company that has state of the art technology pursuits. The manufacturing legacy of the Company was coming in the way of this transformation. Hence it became incumbent to hive off the existing manufacturing facilities before taking a plunge into something more contemporary and technologically sophisticated in

the same domain. A Salem based aerospace company (Aerospace Engineers Pvt Ltd - AEPL) showed interest in buying our certain machinery and equipment and this deal has been concluded. This Company has also shown interest to take our some of the infrastructure / facilities on rent for a two years period.

Post the COVID-19 pandemic, it is expected that air passenger traffic would increase and the resultant growth in airline fleet sizes is expected to increase demand for MRO facilities of civil aircraft.

Threats

Aerospace & Defence Manufacturing and MRO sectors face severe challenges in the form of technology obsolescence due to the dominance of emerging domestic and international players and delays in finalization of orders. Economic slowdown which is likely to exist for some time, could also have an adverse impact on the business.

Outlook

A stronger collaboration between the government and the private sector under the Atmanirbhar Program is expected to provide a fillip to growth. With increased demand and the ability of the Indian industry to leverage this for sustained technology upgradation, India has the potential to transform itself into an aerospace manufacturing hub in the near future.

There is a renewed thrust of indigenous manufacturing especially in defense. The Company, being one of the first organized players in defense space, will explore new opportunities in the area under Atmanirbhar Bharat Scheme.

Risks and Concerns

Manufacturing for the aerospace sector is a complex exercise which is capital-intensive, has high technological requirements and a prolonged gestation period. In addition, quality assurance and quality control of aerospace products is also critical. While the industry has come a long way, it is still evolving to overcome the challenges of costly raw materials, skilled labour and technological requirements. Apart from above, any changes in government policies may adversely impact the business making it economically unviable.

The delayed lease rentals from the major customer and the resultant outstanding amount may affect the upkeep of the infrastructure.

Internal Control Systems

Through regular internal review systems, the Company's internal control system is being continuously strengthened to meet the needs of Manufacturing and Services Divisions.

Material Developments In Human Resources / Industrial Relations

The Company maintained good industrial relations with its employees and staff. Human Resources remained a key focus area for your Company during the year under review. As on March 31, 2022, the Company had 146 permanent employees.

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Key Financial Ratios

In accordance with the Listing Regulations, as amended, the Company is required to provide details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios. The Company has identified the following ratios as key financial ratios:

Particulars	2021-22	2020-21	Change
Debtors Turnover	3.97	4.63	14%
Inventory Turnover	872.65	54.94	1488%
Debt- Service coverage ratio	3.86	1.40	175%
Current Ratio	2.00	1.16	72%
Debt Equity Ratio	0.03	0.08	65%
Operating Profit Margin (%)	57.99%	44.57%	30%
Net Profit Margin (%)	17.04%	17.99%	-5%
Return on Net Worth	6.13%	5.96%	3%

- a) Inventory Turnover ratio improved due to the company is more focusing on job work/ sub-contracting
- b) Debt- Equity Ratio, Debt- Service coverage and Operating Profit Margin ratio are improved due to repayment of all debt outstanding with Banks, resulted reduction of interest cost to company.
- c) Current ratio improved due to re-classification of assets held for sale and improved liquidity position of the 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, raw material prices, changes in Government regulations, tax regime, economic developments within the country and other factors such as litigation and labour negotiations.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has an optimum combination of executive and non-executive directors & comprises of 6 Directors.

The composition of the Board, their attendance at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting and other details are as follows:

Name of the Director	Category	Number of Board Meetings held during the Year 2021-22			Whether attended last AGM	No. of Directorships in other public companies^	Committee positions in other public companies ^s	
		Held	Entitled to attend	Attended			Member	Chairman
Dr. Prahlada Ramarao	Independent-NED	8	8	8	No	-	-	-
Mr. Salil Taneja	Promoter-NED	8	8	8	Yes	2	-	-
Mr. Muralidhar Chitteti Reddy	Non-Independent NED	8	8	8	Yes	1	1	-
Mrs. Rahael Shobhana Joseph*	Promoter-ED	8	8	7	Yes	1	2	1
Mr. Arvind Nanda	Independent-NED	8	8	8	Yes	2	3	-
Mr. Rakesh Duda**	Non-Independent NED	-	-	-	NA	-	-	-
Mr. Ramesh Jaiswara***	ED	8	8	8	Yes	-	-	-

NED-Non-Executive Director; ED-Executive Director;

* Mrs. Rahael Shobhana Joseph who was serving as Non-Executive Director on the Board was designated Whole-Time Director (Executive category) from August 06, 2021. The shareholders accorded their consent for said appointment at their Annual General Meeting held on September 28, 2021.

** Appointed as Additional Director (Non-Executive, Non-Independent category) with effect from March 31, 2022

*** Ceased as Director w.e.f March 31, 2022

^ This includes the directorship held in deemed public company but does not include directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (Act).

^s This includes only Audit and Stakeholders Relationship Committees. Number of Memberships in Committee(s) of Mr. Muralidhar Chitteti Reddy and Mr. Arvind Nanda includes the membership in Audit committee of unlisted public company.

The names of the listed entities where the person is a director and the category of directorship is as under:

Name of the Director	Name of the Listed entity	Category
Mr. Salil Taneja	TAAL Enterprises Limited	Promoter-ED
Mrs. Rahael Shobhana Joseph	TAAL Enterprises Limited	Promoter-NED
Mr. Arvind Nanda	TAAL Enterprises Limited	Independent-NED

During the financial year 2021-22, Eight Board meetings held as under:

Sr. No.	Date of Meetings
1	April 14, 2021
2	June 06, 2021
3	August 05, 2021
4	November 01, 2021
5	January 21, 2022
6	February 08, 2022
7	February 22, 2022
8	March 22, 2022

As on March 31, 2022, the composition of the Board was in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Pursuant to the Articles of Association of the Company and the Companies Act, 2013 (Act), Mrs. Rahael Shobhana Joseph, Director of the Company retires by rotation at ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment.

Brief resume of Director(s) proposed to be re-appointed is given in the Notice convening the General Meeting.

AUDIT COMMITTEE

Audit Committee of the Board is mainly entrusted with the responsibility to supervise the Company's financial reporting process. The composition, powers, role, scope and terms of reference

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

The Audit Committee, inter alia, performs the functions of reviewing annual/ quarterly financials, approval of related party transactions, recommending appointment of Auditors and their remuneration, Review of the Management Discussions and Analysis, Internal Audit Reports.

The composition of Audit Committee and attendance of each member is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. Arvind Nanda	Chairman	5
Dr. Prahlada Ramarao	Member	5
Mrs. Rahael Shobhana Joseph	Member	5

During the year under review, Five meetings of Audit Committee were held as under:

Sr. No.	Date of Meeting
1	April 14, 2021
2	June 06, 2021
3	August 05, 2021
4	November 01, 2021
5	February 08, 2022

Mr. Arvind Nanda, Chairman, of Audit Committee was present at the last Annual General Meeting held on September 28, 2021.

MANAGERIAL REMUNERATION

a. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a Nomination and Remuneration Committee of Directors ("NRC").

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

The composition of NRC and attendance of members is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. Arvind Nanda	Chairman	1
Dr. Prahlada Ramarao	Member	1
Mr. Muralidhar Chitteti Reddy*	Member	-
Mrs. Rahael Shobhana Joseph*	Member	1

Consequent to change in designation of Mrs. Rahael Shobhana Joseph from Non-Executive Director to Executive Director, the Committee was re-constituted and Mr. Muralidhar Chitteti Reddy was appointed as a member in place of Mrs. Rahael Shobhana Joseph.

During year under review, one meeting of NRC held as under:

Sr. No.	Date of Meeting
1	August 05, 2021

The Company does not have any Employee Stock Option Scheme.

b. Remuneration Policy:

- Based on recommendations of NRC, the remuneration payable to Whole Time Director, Key Managerial Personnel and Senior Management is decided by the Board which inter-alia is based on the criteria such as industry benchmarks, financial performance of the Company, performance of the Whole Time Director etc.
- The Company pays remuneration by way of salary, perquisites and allowances to its Whole Time Director. No remuneration was paid by way of commission to any Non-Executive Director.
- The Company paid sitting fees of Rs. 20,000/- each for attending Board and Audit Committee Meetings and Rs. 10,000/- each for all other committee meetings to the Non-Executive Directors.
- Performance evaluation of the Independent Directors shall be done by the Board of Directors on the performance evaluation criteria's as recommended by the NRC and approved by the Board of Directors.
- The Company has framed a Remuneration Policy upon the recommendation of NRC and as approved by the Board.

c. Remuneration to Directors:

A Statement on remuneration paid/ payable to the Whole-time Director and sitting fees paid to NEDs, during FY 2021-22 is given below:

Name of Director(s)	Salary & Perquisites (Rs. In Lakhs)	Commission (Rs.)	Sitting fees (Rs.)
Mr. Ramesh Jaiswara^	34.98	-	-
Mr. Muralidhar Chitteti Reddy	-	-	1.70
Mr. Salil Taneja	-	-	1.70
Dr. Prahlada Ramarao	-	-	2.90
Mrs. Rahael Shobhana Joseph*	23.52	-	1.40
Mr. Arvind Nanda	-	-	3.00
Total	58.50	-	10.70

^ Ceased as Director w.e.f. March 31, 2022

*During the year under review, Mrs. Rahael Shobhana Joseph was paid sitting fees and salary in the capacity of Non-Executive Director and Executive Director respectively.

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

Details of shares of the Company held by NEDs as on March

31, 2022:

Name of Director	Number of Equity Shares
Mr. Salil Taneja	3,500*
Mr. Muralidhar Chitteti Reddy	5,200 *
Mr. Arvind Nanda	250
Mr. Rakesh Duda	1500

* includes shares held in the name of the spouse.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee ("SRC") to look into the redressal of shareholder and investors' complaints like Transfer or Credit of Shares, non-receipt of Annual Reports/ Dividends etc.

The composition of SRC and attendance of each member is as under:

Name of the Director	Chairman/ Member	Number of Meetings Attended
Mr. Arvind Nanda	Chairman	1
Dr. Prahlada Ramarao	Member	1
Mrs. Rahael Shobhana Joseph*	Member	1

Consequent to change in designation of Mrs. Rahael Shobhana Joseph from Non-Executive Director to Executive Director, the Committee was re-constituted and Mrs. Rahael Shobhana Joseph was designated as member of the said Committee.

During the year under review, one meetings of SRC were held as under:

Sr. No.	Date of Meeting
1	November 01, 2021

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has a CSR Committee as per Section 135 of the Act.

The composition of CSR and attendance of members is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. Muralidhar Chitteti Reddy	Chairman	1
Mr. Arvind Nanda	Member	1
Mr. Salil Taneja	Member	1

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

Sr. No.	Date of Meeting
1.	June 09, 2021

INDEPENDENT DIRECTORS MEETING

The Independent Directors met on February 08, 2022 in conformity with the stipulations in Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to discuss:

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of Executive Directors.
- The quality, quantity and timeliness of flow of information

between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

COMPLIANCE OFFICER

Ms. Shruti Zope, Company Secretary is the Compliance Officer of the Company for ensuring compliance with the requirements of the Listing Regulations, the SEBI Insider Trading Regulations and other SEBI Regulations.

During the year, all complaints/ grievances received from shareholders including via SEBI SCORES, ROC and Stock Exchanges, have been attended to and resolved. No valid transfer/ transmission of shares were pending as on March 31, 2022.

Details of investor complaints received and redressed during Financial Year 2021-22 are as follows:

Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	0
Number of complaints disposed of during the year	0
Number of complaints remaining unresolved at the end of the year	0

CODE OF CONDUCT

The Board has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on website of the Company: www.taal.co.in

CEO/ CFO CERTIFICATION

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

GENERAL BODY MEETINGS

Details of Annual General Meetings held in last three years:

Year	Date	Venue/ Deemed Venue	Time	Number of Special Resolutions passed
2020-21	28.09.2021	Registered office at Belagondapalli	11.30 a.m.	2
2019-20	29.09.2020	Village, Thally Road, Denkanikottai Taluk, Krishnagiri District, Belagondapalli - 635114, Tamil Nadu	2.00 p.m.	3
2018-19	28.09.2019	- do -	- do -	-

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

POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the approval of Shareholders of the Company was sought for passing the following Special Resolution through postal ballot process:

1. Authorization to sell/ transfer / dispose off the certain machineries