

VAYUDOOT LIMITED

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BOARD OF DIRECTORS (2008-09)

Shri Arvind Jadhav

Chairman

Shri S. Chandrasekhar

Shri Vipin K. Sharma

Shri L. Raja Sekhar Reddy

Smt. Abha Shukla

Auditors

M/s. Lalit Gupta & Associates
Chartered Accountants
412, Arunachal Building
19, Barakhamba Road
Connaught Place
New Delhi - 110 001.

Legal Advisor

M/s. Bhasin & Co.
10th Floor, 10 Hailey Road
New Delhi - 110 001.

Bankers

Bank of India
Vijaya Bank
State Bank of India

Registered Office

Safdarjung Airport
New Delhi.

DIRECTORS' REPORT

The Directors have pleasure in presenting the Twenty Eighth Report together with the Company's audited statements of accounts for the year ended 31 March 2009.

MERGER OF THE COMPANY WITH INDIAN AIRLINES LTD. (NOW NACIL)

Ministry of Civil Aviation, Government of India, vide its letter dated 25 May, 1993 conveyed its decision to merge the company with erstwhile Indian airlines Ltd. now merged with NACIL effective 27 August 2007. Consequently, the entire shareholding of the company is being held by Indian Airlines Ltd. (now NACIL). The company therefore is a wholly owned subsidiary of NACIL. During the year, the company did not undertake any flight operations as it's operations were transferred to NACIL. As on date, the company is remaining as a "Shell" company pending completion of legal formalities related to merger.

1. FINANCIAL RESULTS

During the year under review, the company did not undertake any flight operations or any other commercial activity. As a result of this, the company did not generate any revenue from operations. The total expenditure during the year was Rs. 8.44 lacs mainly on account of depreciation and audit fee etc. The loss for the year was Rs. 8.44 lacs.

2. FLEET

The total fleet available as at the close of the year was two Dornier DO-228 aircraft. These two aircraft were being maintained and used for operations by NACIL. NACIL Board, in its fourteenth meeting held on 3 August 2008, has accorded approval to phase out these aircraft to make take all necessary steps for disposal of the aircraft.

3. CAPITAL STRUCTURE

The issued, subscribed and paid up capital of the company as at 31 March 2009 was the same as that in the previous year i.e. Rs. 36.42 crores being 3,64,200 fully paid up equity shares of Rs. 1000/- each held by NACIL. There has been no change in the capital structure of the company since 1993-94.

4. MANPOWER

Consequent to the merger decision, the employees of the company were absorbed in NACIL. The total manpower strength of the company as on 31.03.2009 was nil as against nil as at 31.03.2008.

5. PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 regarding the information of particulars of employees is Nil.

6. DIRECTORS' RESPONSIBILITY REPORT

Your Directors confirm :-

- i. that in the preparation of accounts for the period ended 31 March 2009, the applicable Accounting Standards had been followed and there are no material departures. However, as per the accounting policies in vogue over the years, the warranty claims, interest recoverable and the Gratuity payments, if any, are accounted on actual receipt/payment basis,
- ii. that the selected accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and of the profit and loss of the company for that period and applied them consistently,
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and preventing and detecting fraud and other irregularities, including reporting of loss of certain Minutes Book of Board Meetings of the Company.
- iv. that consequent to the decision of the Government of India in May, 1993 to merge the company with erstwhile Indian Airlines Ltd. now merged with NACIL, the company is not undertaking any commercial activity since April, 1997 and the accounts are being prepared to facilitate legal formalities related to the merger. The liabilities of the Company have been frozen as per the Government of India's moratorium decisions on its dues. In view of the same, the assets and liabilities have not been revalued and the accounts for the period ended 31 March 2009 had been prepared accordingly.

7. AUDIT COMMITTEE

The present Audit Committee constituted pursuant to Section 292 (A) of the Companies Act, 1956, as amended vide the Companies (Amendment) Act, 2000, consists of three Directors of the company, Shri L. Raja Sekhar Reddy, Shri S. Chandrasekhar & Smt. Abha Shukla. During the year 2008-09 one committee meeting was held on 15 December 2008.

8. AUDIT OF ACCOUNTS

The Comptroller & Auditor General of India, has appointed M/s. Lalit Gupta & Associates, Chartered Accountants as Statutory Auditors for the year 2008-09.

9. REPLY TO REMARKS OF STATUTORY AUDITORS

The Board has noted the remarks of Auditors contained in their Report dated 30 September 2009. Director's reply to the Auditors Report is annexed.

10. COMPTROLLER AND AUDITOR GENERAL OF INDIA

The accounts for the year ended 31 March 2009 were submitted to the Comptroller and Auditor General of India (CAG) for their comments. The CAG vide their letter no. GAP/IA/NL/51/ 2009-10/567 dated 29 October 2009 conveyed that they have decided not to review the report of the Statutory Auditors' on the accounts of Vayudoot Ltd. for the year ended 31 March 2009 and as such have no comments to make u/s 619 (4) of the Companies Act. 1956.

11. BOARD OF DIRECTORS

During the year, the Board of Directors held four meetings. As on 31 March 2009 the Board consisted of following Directors :

- | | | |
|----|-----------------------------------------------------------------------------------------------------|----------|
| 1. | Shri Arvind Jadhav Chairman & Managing Director, National Aviation Company India Ltd. (NACIL) | Chairman |
| 2. | Shri S. Chandrasekhar Director (Finance), NACIL | Director |
| 3. | Shri Vipin K. Sharma SBU Head MRO (Engines & Components), NACIL | Director |
| 4. | Shri Raja Sekhar Reddy Lakkadi Director (Finance), Ministry of Civil Aviation | Director |
| 5. | Smt. Abha Shukla Director, Ministry of Civil Aviation | Director |

Ministry of Civil Aviation vide its letter reference no. AV18013/04/2007-IA dated 11 June 2008 reconstituted Board of Directors as follows :

- | | | |
|----|---------------------------------------------------------------------------------|----------|
| 1. | Chairman & Managing Director National Aviation Company of India Ltd. (NACIL) | Chairman |
| 2. | Director (Finance), NACIL | Director |
| 3. | SBU Head MRO (Engines & Components), NACIL | Director |
| 4. | Director (Finance), Ministry of Civil Aviation | Director |
| 5. | Director, Ministry of Civil Aviation | Director |

12. ACKNOWLEDGEMENT

The Board places on record its appreciation to Shri Raghu Menon, for his valuable contribution and for his support/guidance.

The Board sincerely acknowledges the assistance and continued support given by the Ministry of Civil Aviation, Airports Authority of India, Comptroller & Auditor General of India, Department of Company Affairs and other Govt. Departments, National Aviation Company of India Ltd., Airlines Allied Services Ltd. and other agencies.

For and on behalf of the Board

Sd/-
Arvind Jadhav
Chairman

Place : New Delhi
Date : 14 December 2009

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF VAYUDOOT LIMITED FOR THE YEAR ENDED 31 MARCH 2009.

The preparation of financial statements of **Vayudoot Limited** for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30 September 2009.

I on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of **Vayudoot Limited** for the year ended 31 March 2009 and as such have no comments to make under section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India

Sd/-
Birendra Kumar
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I, New Delhi

Place : New Delhi
Date : 29 October 2009.

REPORT OF THE AUDITORS TO THE MEMBERS OF VAYUDOOT LIMITED

We have audited the attached Balance Sheet of **Vayudoot Limited**, as at 31 March, 2009 and the Profit & Loss Account for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the "Companies (Auditor's Report) order, 2003, as amended" issued by the Govt. of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we annexed herewith a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in Paragraph 1 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - d. In our opinion, the Profit & Loss Account and Balance Sheet referred to in this report do not comply with some Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956. Such non-compliances have been reported in the respective paragraphs hereunder.
 - e. As per the information & explanation given to us, in view of the Gazette notification no. GSR 829 (E) dated 21 October 2003 issued by the Central Govt. the Govt. Companies are exempt from applicability of the provision of Section 274 (1) (g) of the Companies Act, 1956.
 - f. In our opinion and to the best of our information & according to the explanations given to us and subject to :
 - i. As per Accounting Policy No. 7 stated in Schedule 10, relating to warranty claims and interest recoverable, the impact of the same has not been ascertained (Non Compliance of AS-9).
 - ii. Fixed Assets held for disposal have been valued at books value as against lower of realizable value or book value in the absence of ascertainment of realizable value of the same (non compliance of AS-10).
 - iii. Ministry of Civil Aviation, Govt. of India issued notification No. AV 18030/3/97-ACIA (Vol. IV) dated 17 January 2005 and Office Memorandum dated 21 February 2005 in respect of scheme of merger of Vayudoot Ltd. with Indian Airlines Ltd. As per these notification a one-time non-plan budgetary assistance of Rs. 1383075560/- has been granted to M/s Indian Airlines to clear some of the dues in full and final settlement of their claims detailed hereunder :

| | | |
|----|------------------------------|-----------------------|
| a) | Hindustan Aeronautics Ltd. | Rs. 1,14,70,00,000.00 |
| b) | Oil & Natural Gas Commission | Rs. 7,88,28,767.00 |
| c) | Oil Companies | Rs. 8,99,92,000.00 |
| d) | Banks | Rs. 4,37,54,793.00 |
| e) | Others | Rs. 2,35,00,000.00 |
| | Total | Rs. 1,38,30,75,560.00 |

- iv. Further vide the above stated notification and also office memorandum dated 21 February 2005, Ministry of Civil Aviation have issued directions for write off various outstanding liabilities detailed as under :

| Sl. No. | Name of the Party | Nature of Liability | Amount (Rs.) |
|---------|----------------------------|--------------------------------------|--------------|
| 1. | Indian Airlines | | 691563231 |
| 2. | Air India | Unsecured loan with Accrued interest | 170637210 |
| 3. | IAAI | Unsecured loan with Accrued interest | 77016052 |
| 4. | National Airport Authority | | 148660130 |
| 5. | Ministry of Civil Aviation | Unsecured loan with Accrued interest | 159668187 |
| 6. | IATT | | 31043247 |
| TOTAL | | | 1278588057 |

Attention is invited to note no. B.2 of Schedule no. 10 of "Notes to accounts" annex to the Balance Sheet where in it has been explained that liabilities detailed above continued to be reflected at the original book values and necessary accounting adjustments shall be made in the books of Indian Airlines Ltd. at the time of legal merger.

v. **Schedule 5 : Fixed Assets :**

- a. This includes Fixed Assets transferred from erstwhile Agro Aviation Division at a nominal value of Rs.1/-. The value of assets of Rs.1/- is not a fair value of these assets and not in consistence with AS-10 of the Institute of Chartered Accountants of India relating to Accounting for Fixed Assets. (Non compliance of AS-10). Impact of the same is not ascertainable in the absence of details of fair market value.
- b. Attention is also drawn to Note no. 5 regarding operation of Vayudoot's Aircraft by IAL and incurring all expenditure on maintenance of these Aircraft.

vi. **Schedule 6 : Loans & Advances of Rs. 1179950/- (P. Y. Rs. 1179950/-)**

- a. Loans & Advances amounting to Rs. 1179950/- (P. Y. Rs. 1179950/-) have been considered good by the company. In absence of any confirmations from the parties it is not possible to comment upon the classification & correctness of these loans and advances.
- b. Note no. 8 stated in Schedule 10, in the, absence of non reconciliation / confirmation of various balances of parties outstanding in Debit/credit, the correctness of same cannot be commented upon.

vii. **Proposed merger of the Company with Indian Airlines Limited, Now NACIL :**

The Ministry of Civil Aviation vide its letter no. AV.18013/44/92-ACVL dated 25 May 1993 had decided that Vayudoot Ltd. should be merged with Indian Airlines Ltd. As a follow up measures, the entire shareholdings of Air India Ltd. amounting to Rs. 18.21 crores has since been transferred to Indian Airlines Ltd. making the Company a wholly owned subsidiary of Indian Airlines Ltd.

Five years moratorium on dues owned by Vayudoot Ltd. and debt servicing thereof on dues owned to all Government/Public Sector Undertakings/Banks had been placed. This moratorium was further extended for another two years till 25 May, 2000 vide Ministry of Civil Aviation Notification No. AV.18030/3/97-ACIA dated 3 June 1999 and further extended upto 30 September 2006 vide letter no. AV 18030/3/97-ACIA dated 28 July 2006. As such the interest liabilities on loans taken by the company has not been provided in the accounts.

Pending completion of legal formalities related to the merger, the company remains as a "Shell Company", as on date. The Company has no flight operations nor is undertaking any other activity since April, 1997. The Company, as such, is not a going concern: as per the Government Order related to the merger, the assets and liabilities of

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the company are reflected as per book value and no adjustments have been made. The Net realizable value of the assets has neither been calculated nor ascertained. Disclosure in this regard has been made in note no. 2 (iii) of Schedule 10.

The said Balance Sheets and Profit & Loss Account read with the Notes (Schedule -10), thereon give the information required by the Companies Act, 1956 in the manner so required and subject to our observations as given above in para f (1) to f(vii) give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31 March 2009.
- ii. In the case of Profit & Loss Account of the LOSS of the Company for the year ended on that date.

For Lalit Gupta & Associates
Chartered Accountants

Sd/-
L. K. Gupta
Partner
M. No. 082727

Place : New Delhi
Dated : 30 September 2009

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (1) of our report of even date.

1.
 - a) The Company has maintained records showing, full particulars including, quantitative details and situation of fixed assets. However, Fixed Assets Register had not been maintained, as per requirement of Section 205 and 350 of the Companies Act, 1956 as opening balance, quantity, location, original cost, depreciation were not stated in the same except in respect of aircrafts, aircrafts engines and vehicles for which the Fixed Assets Register is maintained in which these particulars were available.
 - b) The Company does not have its own policy for physical verification of Fixed Assets owned by the company. In the absence of relevant records in the Fixed Assets Register. We are unable to comment about the availability of Fixed Assets as items stated in Schedule of Fixed Assets as on 31-03-2009 except for Aircrafts and Engines. Physical verification of other fixed assets was carried out during the year. However, in the absence of proper fixed assets register, the discrepancies, if any, remain unascertained. Majority of these assets are stated to be used by M/s. Indian Airlines Ltd. (now NACIL).
 - c) No fixed assets have been disposed off during the year which could effect the company as a going concern. In this connection our observations at para 2(f)(vii) of the main report may please be referred where we have stated that company is no longer a going concern.
2. As per the information & explanation given to us, entire stock of stores & spares is in the custody of Indian Airlines Ltd (now NACIL) physical verification if any would have been conducted by them. No records in this regard are available with the company. In the books of accounts 100% provision has already been made towards obsolescence.
3.
 - a) The company has not granted any loans secured or unsecured to companies, firms or other parties required to be listed in the register maintained u/s 301 of the Companies Act, 1956. The company has taken unsecured loan from four parties aggregating Rs. 53.74 crores as per Schedule 4 of Balance Sheet.
 - b) In respect of rate of interest and other terms and conditions of the deposits taken by the company attention is invited to note no. 1 of schedule no. 10 part B-Notes on accounts and our observations in para 2 (f) of main audit report.
 - c) The company is only a shell company awaiting legal merger with IAL (Now NACIL) all the liabilities as per the terms of the merger are to be discharged by IAL.
4. Since the company is not carrying on any business and there has been no transaction for purchase of inventories and fixed assets and for sale of goods the provision of the para regarding internal control procedures is not applicable during the year.
5. According to the information and explanation given to us, the company has not made any transactions of purchase of goods and materials and sale of goods, materials or services which are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanation given to us the Company did not accept deposit from the public and as such provisions of this para are not applicable.
7. The company does not have any internal audit system.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.
9. The company has since stopped the business operation with effect from 01.04.1997 and accordingly company is not required to deposit with appropriate authorities undisputed dues including provident fund, employee State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty and other applicable material statutory dues.
 - a) According to the information and explanation given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, Custom Duty, Cess, Service Tax and other applicable material statutory dues were in arrears at 31.03.2009 for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us there are no dues of Income Tax. Wealth Tax, Sale Tax, Custom

Duty and Cess, Service Tax and other applicable material statutory dues which have not been deposited on account of any dispute.

10. The accumulated losses of the company at Rs. 257.90 crores far exceed the net worth of the company. The company has not been carrying on any business since 1.4.1997. Company incurred cash losses in the year under audit and also in the immediate preceding year.
11. The company has not granted any loans and advances on the basis of any security by way of pledge.
12. Provision of clause 4 (xiii) regarding Chit Fund is not applicable.
13. The company is not dealing in or trading in shares/securities and debentures and other investments. Accordingly clause 4 (xiv) is not applicable.
14. As per the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
15. During the year the company did not take any loan. The company has since stopped its business operations with effect from 1.4.1997, therefore the utilization of term loans taken prior to that period cannot be commented upon.
16. The government of India vide its order dated 25.5.1993 passed the order of merger of the company with Indian Airlines Ltd. and moratorium was placed. The assets and liabilities are outstanding for quite a long time. Therefore we are not in a position to give our comments on utilization of funds.
17. The company has not made any allotment of shares during the year.
18. Provisions of clause of 4(xix) in respect of debentures is not applicable.
19. Provisions of clause of 4 (xx) regarding end use of money raised by public issue is not applicable.
20. As per the information and explanation given to us no case of any fraud on or by the company has been noticed or reported during the year.

For Lalit Gupta & Associates
Chartered Accountants

Sd/-
L. K. Gupta
Partner
M. No. 082727

Place : New Delhi
Dated : 30 September 2009

DIRECTORS' REPLY TO THE AUDITORS REPORT ON BALANCE SHEET AS ON 31st MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

The Board of Directors have gone through the Auditors Report on the Balance Sheet as on 31 March 2009 and the Profit & Loss Account for the year ended on that date. The Board's replies to the auditor's comments given in the said report are as under :-

| Auditor's Comments Vide para no. | Management Replies |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 (f) (i) | This is in accordance with the Accounting Policy of the company being followed consistently over the years. |
| 2 (f) (ii) | The Assets and liabilities of the Company are reflected as per book value after making necessary provisions for depreciation, doubtful debts etc. as per company law provisions and accounting policies. The flight operations of the company were discontinued effective 1 st April, 1997 and it is not undertaking any commercial activity. Therefore, revaluation of assets and liabilities have not been carried out and accounts are being prepared ongoing concern basis. |
| 2 (f) (iii) & (iv) | The legal formalities of merger with NACIL is expected to be completed in the year 2009-10. On completion of legal formalities necessary action will be taken by NACIL. |
| 2 (f) (v) (a) | This is in accordance with the decision of the Government of India. Since no valuation was available when these assets were transferred nominal value of Rs.1 was considered. More over the aircraft/Helicopters of the Agro Aviation Division were disposed off in 2002-03 and as directed by the Government, equity shares were issued by Indian Airlines to the Government of India for the entire sale proceeds. |
| 2 (f) (v) (b) | The company is not undertaking any commercial activity. The Vayudoot aircraft are operated by NACIL and expenditure for their operations and maintenance of the fleet is being incorporated by NACIL. NACIL Board in its 14 th Meeting held on 3 August 2008 has accorded approval to phase out these aircraft and to make all necessary steps for the disposal of these aircraft. |
| 2 (f) (vi) (a) | The management is of the view that the loans and advances as reflected are generally recoverable. |
| 2 (f) (vi) (b) | All loan amounts have been confirmed. Balances with Oil Companies were also confirmed. Other suppliers etc. the same is in correspondence. |
| 2 (f) (vii) | The Management is of the view that the legal formalities of merger of Vayudoot Ltd. with NACIL is expected to be completed in the year 2009-10. |

Referring to the annexure to the Auditor's Report, the comments are self explanatory and are in the nature of statutory requirement. However, our comments wherever required are as under :-

| | |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Para (1) (a,b & c) | A separate fixed assets register is being maintained for each year showing full details required by the order. As per para 12(g) of the order, it is not necessary to show item wise details of opening balance of each fixed assets. Regarding physical verification, the aircraft and engines consist of 66% of the total assets, which been duly physically verified. For the remaining assets, a committee has been formed for ascertaining the physical position of the assets. The task is in progress. However, the points have been noted. |
| Para (2) | Since the flight operations have been transferred to IAL (now NACIL), such records are maintained by them. |
| Para (7) | Consequent to the merger decision, the Company has discontinued its flight operations and did not undertake any commercial activity. There are only few entries passed at Hqrs. As such, the Management is of the view that internal audit is not required. |

For and on behalf of the Board

Sd/-
S. Chandrasekhar
Director

Place : New Delhi
Dated : 30 September 2009

BALANCE SHEET AS AT MARCH 31, 2009

(Amount in Rupees)

| Particulars | Schedule | March 31, 2009 | | March 31, 2008 | |
|-----------------------------------------------------|----------|----------------------|------------------------|----------------------|------------------------|
| SOURCES OF FUNDS : | | | | | |
| 1. Shareholders' Funds : | | | | | |
| a) Share Capital | 1 | 364,200,000 | | 364,200,000 | |
| b) Reserve & Surplus | 2 | 35,438,127 | | 35,438,127 | |
| | | | 399,638,127 | | 399,638,127 |
| 2. Loan Funds : | | | | | |
| a) Secured Loans | 3 | - | | - | |
| b) Unsecured Loans | 4 | 537,404,745 | 537,404,745 | 537,404,745 | 537,404,745 |
| TOTAL FUNDS EMPLOYED | | | 937,042,872 | | 937,042,872 |
| APPLICATION OF FUNDS : | | | | | |
| 1. Fixed Assets : | 5 | | | | |
| a) Gross Block | | 94,471,837 | | 94,471,837 | |
| b) Less : Depreciation | | 84,264,648 | | 83,583,892 | |
| Net Block | | | 10,207,189 | | 10,887,945 |
| 2. Current Assets, Loans and Advances : | 6 | | | | |
| A) Current Assets : | | | | | |
| i) Inventories | | - | | - | |
| ii) Sundry Debtors | | 15,530,419 | | 15,530,419 | |
| iii) Cash & Bank Balances | | - | | 17,365 | |
| iv) Loans and Advances | | 1,179,950 | | 1,179,950 | |
| | | 16,710,369 | | 16,727,734 | |
| 3. Less : Current Liabilities and Provisions | 7 | | | | |
| a) Current Liabilities | | 1,576,755,635 | | 1,576,609,831 | |
| b) Provisions | | 92,093,903 | | 92,093,309 | |
| TOTAL | | 1,668,849,538 | | 1,668,703,734 | |
| Net Current Assets | | | (1,652,139,169) | | (1,651,976,000) |
| 4. Miscellaneous Expenditure | | | | | |
| Profit & Loss Account | | | 2,578,974,852 | | 2,578,130,927 |
| TOTAL ASSETS | | | 937,042,872 | | 937,042,872 |

As per our report of even date attached.

For Lalit Gupta & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-
Lalit K. Gupta
Partner
M. No. 082727

Sd/-
Arvind Jadhav
Chairman

Sd/-
S. Chandrasekhar
Director

Sd/-
R. Thyagarajan
General Manager (Finance)

Place : New Delhi
Date : 30 September 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Amount in Rupees)

| Particulars | Schedule | 2008 - 09 | 2007 - 08 |
|------------------------------------------------------------|----------|------------------------|-----------------|
| Income : | | | |
| Non-Operating Revenue | | - | - |
| Total Revenue | | - | - |
| Expenditure : | | | |
| 1. Employees' Remuneration & Benefits | 8 | 116,725 | 17,502 |
| 2. Office & Administration Expenses | 9 | 46,444 | 196,294 |
| 3. Non-Operating Expenses | | - | - |
| 4. Depreciation | 5 | 680,756 | 709,780 |
| 5. Write Off of Assets | | - | - |
| Total Expenditure | | 843,925 | 923,576 |
| Profit / (Loss) Before Prior Year Adjustment | | (843,925) | (923,576) |
| Net Profit / (Loss) For the Year Before Tax | | (843,925) | (923,576) |
| Provision for Taxation | | - | - |
| Net Profit / (Loss) For the Year | | (843,925) | (923,576) |
| Balance of Loss Brought Forward | | (2,578,130,927) | (2,577,207,351) |
| Balance of (Loss) / Profit Carried to Balance Sheet | | (2,578,974,852) | (2,578,130,927) |

As per our report of even date attached.

For Lalit Gupta & Associates
Chartered Accountants

Sd/-
Lalit K. Gupta
Partner
M. No. 082727

For and on behalf of the Board

Sd/-
Arvind Jadhav
Chairman

Sd/-
S. Chandrasekhar
Director

Sd/-
R. Thyagarajan
General Manager (Finance)

Place : New Delhi
Date : 30 September 2009

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE - 1 : SHARE CAPITAL :

(Amount in Rupees)

| Particulars | March 31, 2009 | March 31, 2008 |
|---------------------------------------------------------------|----------------|----------------|
| AUTHORISED SHARE CAPITAL | | |
| 500000 Equity Shares of Rs.1000/- each. | 500,000,000 | 500,000,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | | |
| 364200 Equity Shares of Rs.1000/- each Fully Paid Up for Cash | 364,200,000 | 364,200,000 |
| | 364,200,000 | 364,200,000 |

SCHEDULE - 2 : RESERVES & SURPLUS :

(Amount in Rupees)

| Particulars | March 31, 2009 | March 31, 2008 |
|-----------------|----------------|----------------|
| Capital Reserve | 35,438,127 | 35,438,127 |
| | 35,438,127 | 35,438,127 |

SCHEDULE - 3 : SECURED LOANS :

(Amount in Rupees)

| Particulars | March 31, 2009 | March 31, 2008 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Secured Loans | - | - |
| (Secured from Bank by Hypothecation of Inventories of Aircraft Spares and Rotables, Inward RR's/GS's Bills of Lading, Trust, Receipt and Book Debts. | - | - |

SCHEDULE - 4 : UNSECURED LOANS AND ADVANCES :

(Amount in Rupees)

| Particulars | March 31, 2009 | | March 31, 2008 | |
|----------------------------|----------------|-------------|----------------|-------------|
| A) From Banks | | | | |
| Bank of India | - | | - | |
| B) From Others | | | | |
| Air India | 170,637,210 | | 170,637,210 | |
| Hindustan Aeronautics Ltd. | - | | - | |
| Indian Airlines | 130,083,296 | | 130,083,296 | |
| I.A.A.I. | 77,016,052 | | 77,016,052 | |
| O.N.G.C. | - | | - | |
| Ministry of Civil Aviation | 159,668,187 | 537,404,745 | 159,668,187 | 537,404,745 |
| | | 537,404,745 | | 537,404,745 |

SCHEDULE - 5 : FIXED ASSETS & DEPRECIATION :

(Amount in Rupees)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------|-------------------|---------------------------|---------------------------------|-------------------|-------------------|-----------------------|------------|-------------------|-------------------|------------------|
| | As at 01.04.2008 | Additions during the year | Adjustment made during the year | As at 31.03.2009 | Upto 31.03.2008 | Provided for the year | Added Back | Upto 31.03.2009 | As at 31.03.2009 | As at 31.03.2008 |
| Aircraft | 53,794,356 | - | - | 53,794,356 | 48,414,919 | - | - | 48,414,919 | 5,379,437 | 5,379,437 |
| Aircraft Engine | 8,731,568 | - | - | 8,731,568 | 8,131,568 | - | - | 8,131,568 | 600,000 | 600,000 |
| SUB TOTAL | 62,525,924 | - | - | 62,525,924 | 56,546,487 | - | - | 56,546,487 | 5,979,437 | 5,979,437 |
| Ground Support | 15,884,674 | - | - | 15,884,674 | 14,980,161 | 305,820 | - | 15,285,981 | 598,693 | 904,513 |
| SUB TOTAL | 15,884,674 | - | - | 15,884,674 | 14,980,161 | 305,820 | - | 15,285,981 | 598,693 | 904,513 |
| Furniture & Fixtures | 15,080,741 | - | - | 15,080,741 | 11,116,267 | 374,936 | - | 11,491,203 | 3,589,538 | 3,964,474 |
| SUB TOTAL | 15,080,741 | - | - | 15,080,741 | 11,116,267 | 374,936 | - | 11,491,203 | 3,589,538 | 3,964,474 |
| Motor Vehicles | 980,498 | - | - | 980,498 | 940,977 | - | - | 940,977 | 39,521 | 39,521 |
| Total Assets | 94,471,837 | - | - | 94,471,837 | 83,583,892 | 680,756 | - | 84,264,648 | 10,207,189 | 10,887,945 |
| Previous Year | 94,471,837 | - | - | 94,471,837 | 82,874,112 | 709,780 | - | 83,583,892 | 10,887,945 | |

Notes : Aircraft includes assets of erstwhile Agro Division at nominal value of Re.1/-.

SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES :

(Amount in Rupees)

| Particulars | March 31, 2009 | March 31, 2008 |
|-------------------------------------------------------------------|------------------|------------------|
| A. Current Assets | | |
| 1. Inventories (Valued at Cost) | 67,135,452 | 67,135,452 |
| Less : Provision for Obsolescence of Inventory | 67,135,452 | 67,135,452 |
| | 0 | 0 |
| 2. Sundry Debtors | | |
| Debts outstanding for a period exceeding six months. | 0 | 0 |
| Secured Considered Good | 664,514 | 664,514 |
| Unsecured Considered Good | 14,865,905 | 14,865,905 |
| Unsecured Considered Doubtful | 20,895,160 | 20,895,160 |
| | 36,425,579 | 36,425,579 |
| Less : Provision for Doubtful Debts | 20,895,160 | 20,895,160 |
| | 15,530,419 | 15,530,419 |
| 3. Cash and Bank Balances | | |
| Balance with Scheduled Bank in Current A/c. | 0 | 17,365 |
| | 0 | 17,365 |
| B. Loans & Advances | | |
| - Advance Recoverable in Cash / Kind for the Value to be received | | |
| Unsecured Considered Good | 247,978 | 247,978 |
| Unsecured Considered Doubtful | 52,896 | 52,896 |
| - Income Tax Deducted at Source | 29,388 | 29,388 |
| - Security Deposit Considered Good | 902,584 | 902,584 |
| - Security Deposit Considered Doubtful | 27,100 | 27,100 |
| | 1,259,946 | 1,259,946 |
| Less : Provision | 79,996 | 79,996 |
| TOTAL | 1,179,950 | 1,179,950 |

SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS :

(Amount in Rupees)

| Particulars | March 31, 2009 | March 31, 2008 |
|----------------------------------|----------------|----------------|
| A. Current Liabilities | | |
| 1. Sundry Creditors | 1,538,453,529 | 1,538,307,725 |
| 2. Other Liabilities | 35,434,603 | 35,434,603 |
| 3. Security Deposit | 1,500,568 | 1,500,568 |
| 4. Customers at Credit | 1,366,935 | 1,366,935 |
| TOTAL | 1,576,755,635 | 1,576,609,831 |
| B. Provision for Expenses | 92,093,903 | 92,093,903 |
| TOTAL | 92,093,903 | 92,093,903 |

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE - 8 : EMPLOYEES REMUNERATION & BENEFITS :

(Amount in Rupees)

| Particulars | 2008-09 | 2007-08 |
|---------------------|---------|---------|
| 1. Salaries & Wages | 116,725 | 17,502 |
| TOTAL | 116,725 | 17,502 |

SCHEDULE - 9 : ADMINISTRATION EXPENSES :

(Amount in Rupees)

| Particulars | 2008-09 | 2007-08 |
|----------------------------|---------|---------|
| 1. Office & Misc. Expenses | 1,500 | 1,350 |
| 2. Payment to Auditors | 44,944 | 44,944 |
| 3. Interest | 0 | 61,450 |
| 4. Rent, Rates & Taxes | 0 | 88,550 |
| TOTAL | 46,444 | 196,294 |

SCHEDULE - 10 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :**A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting :**

The accounts have been prepared on historical cost basis.

2. Depreciation :

- (i) Depreciation on fixed assets has been charged on straight line method. The depreciation on the assets acquired before 2 April 1987 has been charged keeping in view the expected useful life of the various assets as approved by the Board of Directors of the company in its meeting held on 18 April 1981. In case of aircraft and aircraft engines, the residual value after the expected working life is taken at 10% of the costs whereas, in case of other fixed assets, the residual value is taken at 5% of the cost. Consequent upon amendment of the Companies Act, 1956, by the Companies Amendment Act, 1988, depreciation on assets acquired after 2 April 1987 has been charged at the rates prescribed in Schedule XIV of the Companies Act, 1956 as amended from time to time.

- (ii) Depreciation rates followed by the Company for assets acquired before 2 April 1987 are shown hereunder :

| Depreciation of Assets | Rates for Assets Acquired before 2 April 1987 |
|--------------------------|--------------------------------------------------|
| Aircraft | 7.5% |
| Aircraft Engine | 7.5% |
| Motor Vehicle | 19% |
| Ground Support Equipment | 19% |
| Furniture & Fixture | 9.5% |

- (iii) No depreciation is provided on assets of Agro Aviation taken in the books at a nominal value of Re. 1/-.

- (iv) Depreciation on the assets in the nature of plant and machinery costing RS. 5,000/- & below has been provided at 100% in the year of purchase itself.

3. Valuation of Stores & Spares :

Stores and Spares are valued at cost on first-in-first out basis. Provision for obsolescence of aircraft stores and spares is made upto 100% of the value of Stores and Spares.

4. Prior Period Expense/Income :

Transactions relating to earlier period in respect of individual items of expenditure/income exceeding Rs. 10,000/- are accounted for under 'Prior Period Adjustment Account' in the Profit & Loss Account.

5. General Stores, Consumables & Oil :

General Stores and Consumables are charged to the Profit & Loss account at the time of purchase.

6. Insurance Claims :

Claims recoverable including Lay-up refunds from insurance companies exceeding Rs. 1,00,000/- are accounted for on accrual basis.

7. Warranty Claims and Interest Recoverable :

Warranty claims and interest recoverable from ticketing agents and others on delayed payments are accounted for on actual receipt basis.

8. Provision for Doubtful Debts :

Provision for doubtful debts is made where the Company has filed a suit in court or on debts which have become time barred, whichever is earlier.

9. Gratuity :

Gratuity liability has not been provided for by the company since it is accounted for on cash basis. The amount of gratuity liability has not been ascertained. However, subsequent to merger notification all the employees have been absorbed by Indian Airlines Ltd./Air India Ltd. and the gratuity liability of the employees for their service with Vayudoot Ltd. is being borne by the respective companies.

10. Subsidy/Grant :

Subsidy/Grant-in-aid is accounted for on receipt basis.

B. NOTES :

1. Merger of Vayudoot Ltd. with Indian Airlines Ltd. (now NACIL) :

The Government of India, Ministry of Civil Aviation vide its letter No. AV.18013/44/92-ACVL dated 25 May 1993 conveyed its decision to merge the company with Indian Airlines Ltd.(IAL). The Government also decided that :

- a) The Equity share of the company held by Air India will be transferred to IAL for a token consideration.
- b) There will be a moratorium on the dues and servicing of dues owed to Government, Public Sector Undertakings and banks for a period of five years and there after the dues will be discharged by IAL in ten annual installments. In case of delay in payment of installment, interest at the bank rate prevailing at that time would be payable.
- c) Pending completion of legal formalities of merger, the company will be retained as a clearly identifiable separate division of IAL.

Consequent to the above decision of the Government of India :

- i) The entire shareholding of Air India Ltd. amounting to Rs. 18.21 crores were transferred to IAL for Re 1/- thus, making the company a wholly owned subsidiary of IAL under its direct administrative control.
- ii) The employees of the company were absorbed in Indian Airlines Ltd. and Air India.
- iii) The flight operations of the company were discontinued effective 1 April 1997 and it is not undertaking any commercial activity. The company thus is remaining as a "shell" company awaiting the legal merger with IAL. As such the company is not a going concern. The assets and liabilities of the company are reflected as per the book value, after making necessary provision for depreciation, doubtful debts etc. as per the Company law provisions and accounting policies. In view of the same, revaluation of assets and liabilities have not been carried out and the accounts are being prepared on going concern basis.

2. Current Status of Moratorium and Merger :

- i) Initial moratorium of five years on dues / servicing was further extended twice as under :
 - a) Vide notification No. AV.18030/3/97 dated 3 June 1999 upto 24 May 2000.
 - b) Vide notification No. AV.18030/3/97-ACIA (VOL.IV) dated 17 January 2005 upto 31 March 2005.
 - c) Vide letter No. AV.18030/3/97-IA dated 28 July 2006 upto 30 September 2006.
- ii) Government of India, Ministry of Civil Aviation vide Notification No. AV.18030/3/97-ACIA (VOL.IV) dated 17 January 2005 conveyed Government's decision to approve in principle one time non-plan budgetary assistance of Rs. 138,30,75,560/- to Indian Airlines Ltd. to clear the dues of the following creditors in full and final settlement of their claims :

| | | |
|----|-------------------------------|--------------------------|
| a) | Hindustan Aeronautics Limited | Rs. 114,70,00,000 |
| b) | Oil & Natural Gas Commission | Rs. 7,88,28,767 |
| c) | Oil Companies | Rs. 8,99,92,000 |
| d) | Banks | Rs. 4,37,54,793 |
| e) | Others | Rs. 2,35,00,000 |
| | TOTAL | Rs. 138,30,75,560 |

The Govt. has released the funds of Rs. 138,30,75,560/- in two phases to Indian Airlines Ltd., out of which payment of Rs. 135,48,55,835/- was made by them. The related balances on this account have been transferred to IAL Account.

Further, vide this notification and also office memorandum No. AV.18030/3/97-ACIA (VOL.IV) dated 21 February 2005, Government of India, Ministry of Civil Aviation conveyed Government's decision to Indian Airlines Ltd. to write off the dues amounting to Rs. 127,85,88,058/- in respect of the following creditors :

| | | |
|--------------|----------------------------|--------------------------|
| a) | Indian Airlines Ltd. | Rs. 69,15,63,232 |
| b) | Air India | Rs. 17,06,37,210 |
| c) | IAAI | Rs. 7,70,16,052 |
| d) | National Airport Authority | Rs. 14,86,60,130 |
| e) | Ministry of Civil Aviation | Rs. 15,96,68,187 |
| f) | IATT | Rs. 3,10,43,247 |
| TOTAL | | Rs. 127,85,88,058 |

The legal formalities of merger of Vayudoot Ltd. with Indian Airlines Ltd. (now National Aviation Company of India Ltd.) is expected to be completed in the year 2009-10. On completion of legal formalities, Vayudoot Ltd. will be merged with National Aviation Company of India Ltd. and necessary action in regard to above notifications of Government of India will be taken by National Aviation Company of India Ltd.

3. Agro Aviation Division :

The Agro Aviation Division of the Ministry of Civil Aviation was transferred to the company vide Government of India Notification No-AV/18030/112/87 dated 18 January 1988. The assets transferred on "as is where is basis" were taken in the books of the Company at a token consideration of Re.1/-. Substantial parts of these assets have been disposed off over the years.

4. Capital Reserve (Schedule 2) :

Capital Reserve of Rs. 3.54 crores represents the proceeds on account of insurance claims over and above the book value of the aircraft that crashed during 1988-89 and 1989-90.

5. Fixed Assets (Schedule 5) :

- a) As on 31 March 2009 two aircraft were operational, which were being operated by NACIL. These aircraft are registered with DGCA in the name of NACIL and all the expenditure for their operations and maintenance of the fleet is being incurred by NACIL. NACIL Board, in its Fourteenth Meeting held on 3 August 2008, has accorded approval to phase out these aircraft and to make take all necessary steps for disposal of the aircraft.
- b) Since the legal merger of the company with NACIL is yet to take place, the assets and liabilities of the company continued to be reflected in the books of Vayudoot Ltd. and the depreciation where applicable is continued to be provided by the company. However, all the assets are being operated and maintained by NACIL.

6. Current Assets, Loans and Advances (Schedule 6) :

- a) Amount due from ex-officers : Rs. 1,76,550
(Rs.1,76,550)
- b) In view of no flight operations since April, 1997, 100% obsolescence have been provided on aircraft Stores & Spares including Rotables.

7. Current Liabilities and Provisions (Schedule 7) :

The liabilities in respect of the invoices of foreign suppliers outstanding as on 31.3.2009 was Rs.85.39 lacs. In view of the basic accounting principles of booking all anticipated losses and not accounted for anticipated profit unless realised, as stated in AS-11 notional loss of Rs.1,91,253/- has not been accounted for and accordingly the liability has not been updated at the exchange rate prevailing as on 31 March 2009.

8. The outstanding balance in unsecured loans accounts receivable and payable are subject to reconciliation and confirmation.

9. In the absence of any taxable income for the year, and in view of losses, no provision has been made for income-tax. Assessment has been completed upto the Assessment year 2002-03.

10. In the opinion of the Board, Current Assets and Loans and Advances are at the value stated if realised, in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. There are no Contingent Liabilities other than those stated below.

11. Earnings Per Share :

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, with the weighted number of equity share outstanding during the year. Earnings per share has been computed as under :

| | |
|--------------------------------------------------------------------|------------|
| a) Profit/Loss after taxation | (8,43,925) |
| b) Number of equity share outstanding at the beginning of the year | 3,64,200 |
| c) Earning per share | (2.32) |

12. Figures have been rounded off to the nearest of rupee.

13. Previous Year's figures have been recast to the extent grouping is altered during the current year. Previous year figures in the notes are indicated in brackets.

14. As per orders of the Hon'ble Delhi High Court (writ petition No. 7875 of 2001) company has made payment to Sh. Mahinder Singh, ex-employee on account of arrears of minimum wages amounting to Rs. 1,05,247/- for the period 23.8.03 to 31.3.08 and salary & wages amounting to Rs. 11,478/- for the period 1.4.08 to 30.6.08 i.e. Rs. 1,16,725/- only.

15. **Contingent Liabilities :**

Claims against the company not acknowledged as debts.

| | 2008-09 (Rs.) | 2007-08 (Rs.) |
|----------------------------------------|------------------|------------------|
| Legal claims not acknowledged as debts | 59,97,878 | 59,97,878 |

16. **Additional Information :**

| | 2008-09 | 2007-08 |
|----------------------------------|---------------|---------|
| Auditor's Remuneration | | |
| Audit Fees to statutory auditors | 44,944 | 44,944 |
| TOTAL | 44,944 | 44,944 |

All other additional information required under part II and III of Schedule VI may be read as nil/not applicable.

Signatures appended from Schedule 1 to 10 forming part of Balance Sheet & Profit & Loss Account.

As per our report of even date attached.

For Lalit Gupta & Associates
Chartered Accountants

Sd/-
Lalit K. Gupta
Partner
M. No. 082727

For and on behalf of the Board

Sd/-
Arvind Jadhav
Chairman

Sd/-
S. Chandrasekhar
Director

Sd/-
R. Thyagarajan
General Manager (Finance)

Place : New Delhi
Date : 30 September 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE F.Y. 2008-09 :

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

I. Registration Details :

| | | | | |
|--------------------|-----------|---------------|---|----|
| Registration No. | 55-112262 | State Code | : | 55 |
| Balance Sheet Date | : | March 31,2009 | | |

II. Capital Raised during the Year (Amount in Rupees)

| | | | | | |
|--------------|---|-----|-------------------|---|-----|
| Public Issue | : | NIL | Rights Issue | : | NIL |
| Bonus Issue | : | NIL | Private Placement | : | NIL |

III. Position of Mobilisation and Deployment of Funds (Amount in Thousand Rupees)

| | | | | | |
|-------------------|---|-----------|--------------|---|-----------|
| Total Liabilities | : | 2,605,892 | Total Assets | : | 2,605,892 |
|-------------------|---|-----------|--------------|---|-----------|

Sources of Funds :

| | | | | | |
|-----------------|---|----------|----------------------|---|----------|
| Paid Up Capital | : | 3,64,200 | Reserves and Surplus | : | 35,438 |
| Secured Loans | : | NIL | Unsecured Loans | : | 5,37,405 |

Application of Funds :

| | | | | | |
|-----------------------------|---|-------------|------------------|---|-----|
| Net Fixed Assets | : | 10,207 | Investments | : | NIL |
| Net Current Assets | : | (16,52,140) | Misc.Expenditure | : | NIL |
| Accumulated Profit / (Loss) | : | (25,78,975) | | | |

IV. Performance of Company (Amount in Thousand Rupees)

| | | | | | |
|----------------------------|---|--------|-------------------|---|-----|
| Turnover | : | - | Total Expenditure | : | 844 |
| Profit / (Loss) Before Tax | : | (844) | Dividend Rate | : | NIL |
| Earning Per Share in Rs. | : | (2.32) | | | |

V. Generic Names of Three Principle Products / Services of Company (As per Monetary Terms)

| | | |
|---------------------|---|-----|
| Product Description | : | N/A |
|---------------------|---|-----|

As per our report of even date attached.

For Lalit Gupta & Associates
Chartered Accountants

Sd/-
Lalit K. Gupta
Partner
M. No. 082727

For and on behalf of the Board

Sd/-
Arvind Jadhav
Chairman

Sd/-
S. Chandrasekhar
Director

Sd/-
R. Thyagarajan
General Manager (Finance)

Place : New Delhi
Date : 30 September 2009