



# **AIR INDIA ENGINEERING SERVICES LIMITED**





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**CONTENTS**

	<b>Page No.</b>
1. Board of Directors	1
2. Directors' Report	2
3. Comments of the Comptroller & Auditor General of India	4
4. Statutory Auditor's Report	5
5. Balance Sheet as at 31 March 2013	9
6. Statement of Profit & Loss for the year ended 31 March 2013	10
7. Cash Flow Statement	11
8. Notes forming part of the Financial Statements for the year ended 31 March 2013	12



**BOARD OF DIRECTORS (AS ON 13.05.2014)**

Shri Rohit Nandan                      **Chairman**

Smt. M. Sathiyavathy

Shri Arun Kumar

Shri S. Venkat

**Company Secretary**

Shri Rajni Kant

**Auditor**

M/s. Jhwar Mantri & Associates  
Chartered Accountants

**Registered Office**

Airlines House  
113, Gurdwara Rakabganj Road  
New Delhi-110 001.



## DIRECTORS' REPORT

The Directors take pleasure in presenting the Ninth Annual Report of the Company, together with the Audited Accounts, Auditors' Report and Comments by the Comptroller and Auditor General of India, for the year ended 31 March, 2013.

### FINANCIAL PERFORMANCE :

No business transactions were carried out during the period under review.

### OTHER FINANCIAL INFORMATION:

#### Share Capital :

The Authorised Share Capital of the Company is Rs.10,00,00,000/-. The entire Paid-up Share Capital of the Company, amounting to Rs.5,00,000/- (50000 Equity Shares of Rs.10/- each) has been subscribed and paid-up by Air India Limited.

#### Foreign Exchange Earnings :-

Since the Company has not commenced any business activities, the foreign exchange earnings for the period under review is NIL.

### OPERATIONALISATION:

The Board of Directors of Air India Limited, the parent company, at its Meeting held on 7 August 2010 approved operationalisation of Air India Engineering Services Limited. Cabinet Note for operationalisation was submitted to the Ministry of Civil Aviation. Cabinet has approved operationalisation of AIESL on 6 September 2012. It is proposed that the assets and manpower from Air India Limited, will be transferred to Air India Engineering Services Limited as per the decision of the Cabinet. The Company will be treated as a separate profit centre for carrying out the Maintenance, Repair and Overhaul (MRO) activities of Airbus and Boeing fleet. The process of operationalisation has accordingly started w.e.f. 1<sup>st</sup> February, 2013 with transfer of Manpower to the Company. Further, steps have been initiated to obtain/fulfil various Regulatory and Statutory approvals/compliances in order to start MRO activities.

### DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors of the Company confirm :-

1. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
2. that the selected accounting policies were applied consistently and the Directors 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 as at 31 March 2013 and of the profit or loss of the Company for the year ended on that date.
3. that proper and sufficient care has been taken 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
4. that the annual accounts have been prepared according to the going concern basis.

### AUDITORS :

M/s. Jhavar Mantri & Associates, Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the year 2012-13 by the Comptroller & Auditor General of India.

**COMMENTS OF COMPTROLLER & AUDITOR GENERAL :**

The accounts for the year ended 31<sup>st</sup> March 2013 were submitted to the Comptroller & Auditor General of India (CAG) for their comments. The CAG vide their letter No. MB II/Report/Accounts/AIESL/2012-13/T-1249/29 dated 02.05.2014, conveyed that they have decided not to review the report of the Statutory Auditors on the Accounts of Air India Engineering Services Ltd. for the year ended 31<sup>st</sup> March 2013 and as such have no comments to make u/s 619 (4) of the Companies Act 1956.

**BOARD OF DIRECTORS :**

During the year, the Board of Directors held four meetings. The present Board consists of following Directors:-

Shri Rohit Nandan Chairman  
Chairman & Managing Director  
Air India Limited

Smt. M. Sathiyavathy  
Addl. Secretary & Financial Advisor  
Ministry of Civil Aviation

Shri. Arun Kumar  
Joint Secretary  
Ministry of Civil Aviation

Shri S Venkat  
Director (Finance)  
Air India Limited

**ACKNOWLEDGEMENTS :**

The Board places on record its appreciation to Shri S. Machendranathan, Dr. Prabhat Kumar, Shri G. Asok Kumar and Shri Vipin K. Sharma for their valuable contribution and support/guidance during their tenure as a member of the Board.

The Board sincerely acknowledges the support and guidance received from the, Ministry of Civil Aviation, Comptroller and Auditor General of India, Ministry of Corporate Affairs and other agencies.

For and on behalf of the Board

Sd/-  
**Rohit Nandan**  
Chairman

Place : New Delhi  
Date : 13 May 2014



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF AIR INDIA ENGINEERING SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2013**

The preparation of financial statements of **Air India Engineering Services Limited** for the year ended 31 March 2013 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 Standards on Auditing 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 03 April, 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor's on the accounts of **Air India Engineering Services Limited** for the year ended 31 March 2013 and as such have no comments to make under Section 619(4) of the Companies Act 1956.

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

Sd/-

**Parama Sen**

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-II, Mumbai

Place : Mumbai

Date : 2 May 2014



## REPORT OF THE AUDITORS TO THE MEMBERS OF AIR INDIA ENGINEERING SERVICES LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Air India Engineering Services Limited ('the Company') which comprises the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 'the Act'. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Reporting whether Directors are disqualified as on 31st March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not required as the same is not applicable to Government Company in lieu Notification No. GSR 829 (E) dated 21-10-2003.
3. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. in our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, on cess is due and payable by the Company.

For **Jhawar Mantri & Associates**  
Chartered Accountants  
FRN. : 113221W

Sd/-  
**(B.P. Mantri)**  
Partner  
M. No.: 045701

Place : Mumbai  
Date : 3 April 2014

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT****REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

1. The Company does not have any fixed assets. Accordingly clause is not applicable.
2. The Company is not carrying on any trading or manufacturing activities. Accordingly clause relating to inventory is not applicable.
3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956 according to the information and explanations given to us:
  - a) The Company has taken unsecured loans from its Holding Company Air India Limited. There is only one party and amount involved is Rs. 9,80,881. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) The rate of interest and other terms and conditions of such loans taken by the company, are prima facie not prejudicial to the interests of the Company.
4. Since there are no activities regarding purchase of inventory and fixed assets and sale of goods and services during the year, this clause is not applicable.
5. During the year under consideration the Company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly this clause is not applicable.
6. The Company has not accepted any fixed deposits from the public during the year.
7. As per information and explanation given to us the company does not require formal internal audit system as per this clause.
8. As informed to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act.
9.
  - a) Since Company is yet to commence its operations most of the statutory provisions are not applicable. According to information and explanation given to us, there are no other undisputed statutory dues outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, cess that have not been deposited on account of any dispute.
10. The Company is having accumulated losses of Rs. 10,02,290/- which is more than 50% of its net worth. During the year, the Company has incurred cash losses of Rs. 21,480/-. Cash Loss in the immediately preceding financial year was Rs. 29,832/-.
11. The Company does not have borrowing from Financial Institution, Bank or Debenture Holders. Accordingly clause is not applicable.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. During the year under consideration the Company has not dealt in or traded in shares, securities, debentures and other investments. Accordingly clause is not applicable.
15. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause is not applicable to the Company.



16. The company has not obtained any term loan during the year. Accordingly clause is not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for any longterm investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The company has not raised any money by issue of debentures during the year.
20. The company has not raised any money through a public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **Jhawar Mantri & Associates**  
Chartered Accountants  
FRN. : 113221W

Sd/-  
**(B.P. Mantri)**  
Partner  
M. No.: 045701

Place : Mumbai  
Date : 3 April 2014

**BALANCE SHEET AS ON 31 MARCH 2013****(Amount in Rupees)**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	<b>500,000</b>	500,000
Reserves and surplus	3	<b>(1,002,290)</b>	(980,810)
<b>Non-current liabilities</b>			
Long-term borrowings	4	<b>980,881</b>	943,835
<b>Current liabilities</b>			
Other current liabilities	5	<b>21,409</b>	36,975
<b>TOTAL</b>		<b>500,000</b>	500,000
<b>II. ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	<b>500,000</b>	500,000
<b>TOTAL</b>		<b>500,000</b>	500,000
Significant Accounting Policies	1		

See accompanying notes to the financial statements  
As per our report of even date attached

For and on behalf of  
**Jhawar Mantri & Associates**  
Chartered Accountants  
FRN : 113221W

For and on behalf of the Board

Sd/-  
**B. P. Mantri**  
Partner  
M.No. 045701

Sd/-  
**Rohit Nandan**  
Chairman

Sd/-  
**S. Venkat**  
Director

Sd/-  
**H.R. Jagannath**  
Ch. Executive Officer

Sd/-  
**Rajiv Gupta**  
Ch. of Finance

Sd/-  
**Rajni Kant**  
Co. Secretary

Place : Mumbai  
Date : 3 April 2014

Place : New Delhi  
Date : 24 March 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013****(Amount in Rupees)**

<b>Particulars</b>	<b>Note No.</b>	<b>2012-13</b>	<b>2011-12</b>
I. Revenue from operations		-	-
<b>II. Total Revenue (I)</b>		-	-
<b>III. Expenses:</b>			
Other Expenses	7	<b>21,480</b>	29,832
Total expenses		<b>21,480</b>	29,832
<b>IV. Profit before exceptional and extraordinary items and tax (II-III)</b>		<b>(21,480)</b>	(29,832)
V. Exceptional items		-	-
<b>VI. Profit before extraordinary items and tax (IV - V)</b>		<b>(21,480)</b>	(29,832)
VII. Extraordinary Items		-	-
<b>VIII. Profit before tax (VI- VII)</b>		<b>(21,480)</b>	(29,832)
IX. Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>X. Profit (Loss) for the period (VIII-IX)</b>		<b>(21,480)</b>	(29,832)
XI. Earnings per equity share:			
Basic and Diluted	9	<b>(0.43)</b>	(0.60)

See accompanying notes to the financial statements  
As per our report of even date attached

For and on behalf of  
**Jhwar Mantri & Associates**  
Chartered Accountants  
FRN : 113221W

For and on behalf of the Board

Sd/-  
**B. P. Mantri**  
Partner  
M.No. 045701

Sd/-  
**Rohit Nandan**  
Chairman

Sd/-  
**S. Venkat**  
Director

Sd/-  
**H.R. Jagannath**  
Ch. Executive Officer

Sd/-  
**Rajiv Gupta**  
Ch. of Finance

Sd/-  
**Rajni Kant**  
Co. Secretary

Place : Mumbai  
Date : 3 April 2014

Place : New Delhi  
Date : 24 March 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013****(Amount in Rupees)**

Particulars	2012-13		2011-12
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) Before Tax	<b>(21,480)</b>		(29,832)
Adjusted for Current Liabilities	<b>(15,566)</b>		21,533
Net Cash Flow from Operating Activities		<b>(37,046)</b>	(8,299)
<b>2 CASH FLOW FROM INVESTING ACTIVITY</b>	-		-
<b>3 CASH FLOW FROM FINANCING ACTIVITY</b>			
Proceeds from Issue of Share Capital	-		-
Loans received	<b>37,046</b>		8,299
Net Cash Flow from Financing Activities		<b>37,046</b>	8,299
Net Increase/(Decrease) in Cash and Cash Equivalents		-	-
Opening Balance of Cash/Cash Equivalents		<b>500,000</b>	500,000
Closing Balance of Cash/Cash Equivalents		<b>500,000</b>	500,000

As per our report of even date attached

For and on behalf of the Board

For and on behalf of  
**Jhwar Mantri & Associates**  
Chartered Accountants  
FRN : 113221W

Sd/-  
**B. P. Mantri**  
Partner  
M.No. 045701

Sd/-  
**Rohit Nandan**  
Chairman

Sd/-  
**S. Venkat**  
Director

Sd/-  
**H.R. Jagannath**  
Ch. Executive Officer

Sd/-  
**Rajiv Gupta**  
Ch. of Finance

Sd/-  
**Rajni Kant**  
Co. Secretary

Place : Mumbai  
Date : 3 April 2014

Place : New Delhi  
Date : 24 March 2014


**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**
**NOTE "1" : SIGNIFICANT ACCOUNTING POLICIES**
**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. The company follows mercantile system of accounting.

The company is yet to commence its operations. The accounts are prepared on the basis of "Going Concern".

**2. PROVISION FOR CURRENT AND DEFERRED TAX :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from 'timing differences' between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward to the extent that there is virtual certainty that the asset will be realized in future.

**3. PRELIMINARY EXPENSES:**

Preliminary expenses are written off over a period of five years in accordance with the provisions of Section 35D of the Income Tax Act, 1961.

**NOTE "2" : SHARE CAPITAL**

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount Rs.	Number	Amount Rs.
<b>a) Authorised Equity Shares</b>				
Equity Shares of Rs.10 each	9,000,000	90,000,000	9,000,000	90,000,000
Preference Shares of Rs 100 each	100,000	10,000,000	100,000	10,000,000
<b>TOTAL</b>		<b>100,000,000</b>		<b>100,000,000</b>
<b>b) Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each fully paid	50,000	500,000	50,000	500,000
<b>TOTAL</b>		<b>500,000</b>		<b>500,000</b>
<b>c) Reconciliation of Shares</b>	<b>Current Year</b>		<b>Previous Year</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
<b>Equity Shares</b>				
Shares Outstanding at the beginning	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
Less : Reduction during the year	-	-	-	-
Shares Outstanding at the year end	50,000	500,000	50,000	500,000
<b>d) Details of Shares held by the Holding Company, Subsidiary and associates.</b>	<b>Year ended 31 March 2013</b>		<b>Year ended 31 March 2012</b>	
	<b>Percentage</b>	<b>No of Shares</b>	<b>Percentage</b>	<b>No of Shares</b>
<b>Shares held by Holding Company</b>				
Air India Limited	100%	50,000	100%	50,000
<b>e) Details of Major Shareholders, holding more than 5% of the above issued Capital</b>	<b>Current Year</b>		<b>Previous Year</b>	
<b>Name of Shareholder</b>	<b>No of Shares</b>	<b>% of holding</b>	<b>No of Shares</b>	<b>% of holding</b>
Air India Limited	50,000	100	50,000	100
	50,000	100	50,000	100

**NOTE "3" : RESERVES AND SURPLUS****(Amount in Rupees)**

<b>Particular</b>	<b>As at March 31 2013</b>	<b>As at March 31 2012</b>
<b>Surplus in Profit and loss account</b>		
Opening balance	(980,810)	(950,978)
(+) Net Loss for the current year	(21,480)	(29,832)
<b>TOTAL</b>	<b>(1,002,290)</b>	<b>(980,810)</b>

**NOTE "4" : LONG TERM BORROWINGS****(Amount in Rupees)**

<b>Particular</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>Unsecured loans from Related Party</b>		
From Holding Company :		
Air India Limited	980,881	943,835
(Rate of Interest - Nil, Repayment terms - Nil)		
<b>TOTAL</b>	<b>980,881</b>	<b>943,835</b>

**NOTE "5" : OTHER CURRENT LIABILITIES****(Amount in Rupees)**

<b>Particular</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Expenses Payable	21,409	36,975
<b>TOTAL</b>	<b>21,409</b>	<b>36,975</b>

**NOTE "6" : CASH AND CASH EQUIVALENTS****(Amount in Rupees)**

<b>Particular</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Balances with Banks		
In Current Accounts	500,000	500,000
<b>TOTAL</b>	<b>500,000</b>	<b>500,000</b>

**NOTE "7" : OTHER EXPENSES****(Amount in Rupees)**

<b>Particular</b>	<b>2012-13</b>	<b>2011-12</b>
Auditors Remuneration (Refer Note No. 8)	11,236	11,236
Legal, Professional and Filing Charges	10,244	18,596
<b>TOTAL</b>	<b>21,480</b>	<b>29,832</b>



**NOTE "8" : PAYMENTS OF AUDITORS AS****(Amount in Rupees)**

<b>Particular</b>	<b>2012-13</b>	<b>2011-12</b>
Statutory Audit	<b>10,000</b>	10,000
Reimbursement of Service Tax	<b>1,236</b>	1,236
<b>TOTAL</b>	<b>11,236</b>	11,236

**NOTE "9" : EARNING PER SHARE (EPS)****(Amount in Rupees)**

<b>Particular</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Net Profit after tax as per Profit & Loss A/c (Rs.)	<b>(21,480)</b>	(29,832)
Weighted Average number of Equity Share outstanding during the year	<b>50,000</b>	50,000
Basic and diluted Earning/(Loss) Per Share (Rs.)	<b>(0.43)</b>	(0.60)
Nominal Value Per Equity Share (Rs.)	<b>10</b>	10

**NOTE "10" : DEFERRED TAX :**

In accordance with the A.S.-22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized, deferred tax assets have not been recognized for the current year.

**NOTE "11" :**

The Company is yet to commence its operations, In absence of any turnover or receipts, it is not liable to pay or provide for any cess u/s 441(A) of the Companies Act, 1956.

**NOTE '12': RELATED PARTY DISCLOSURES****(Amount in Rupees)**

<b>Transactions during the year with related party</b>	<b>Holding Company</b>	<b>Total</b>
Expenses Reimbursed	<b>37,046</b>	<b>37,046</b>
	(8,299)	(8,299)
Unsecured Loans Balance as at 31st March, 2013	<b>980,881</b>	<b>980,881</b>
	(943,835)	(943,835)

**Name, detail and relationship with related party:**

<b>S. no</b>	<b>Relationship</b>	<b>Name of Party</b>
<b>1</b>	Holding Company	Air India Limited

**NOTE '13':**

Previous year's figures have been arranged or regrouped, wherever considered necessary to conform to current year's presentation as per Revised Schedule IV format.

As per our report of even date attached

For and on behalf of  
**Jhwar Mantri & Associates**  
Chartered Accountants  
FRN : 113221W

For and on behalf of the Board

Sd/-  
**B. P. Mantri**  
Partner  
M.No. 045701

Sd/-  
**Rohit Nandan**  
Chairman

Sd/-  
**S. Venkat**  
Director

Sd/-  
**H.R. Jagannath**  
Ch. Executive Officer

Sd/-  
**Rajiv Gupta**  
Ch. of Finance

Sd/-  
**Rajni Kant**  
Co. Secretary

Place : Mumbai  
Date : 3 April 2014

Place : New Delhi  
Date : 24 March 2014