

**INDIA AVIATION TRAINING INSTITUTE
PRIVATE LIMITED**

ANNUAL ACCOUNTS 2012-13

Certified True Copy

For India Aviation Training Institute Pvt. Ltd.


Authorised Signatories

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIA AVIATION TRAINING INSTITUTE (P) LTD

Report on the Financial Statements

We have audited the accompanying financial statements of India Aviation Training Institute Private Limited, which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year 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 true and fair view of the financial position, financial performance and cash flows of the company in accordance with the 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 of material misstatement.

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 risk 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 evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of 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 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, the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of loss for the year ended on that date: and
- (c) in the case of 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), 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 & 5 of the order.
2. 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 it appears from our examination of such books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the Books of account;
 - d) In our opinion, the Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - e) On the basis of the written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) 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, no cess is due and payable by the Company.

For T.VELUPILLAI & CO
Chartered Accountants
FRN: (04592S)



Anto Joseph
Partner
Membership No: (203958)

Bangalore
Date: 03/09/2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report, of even date, to the members of India Aviation Training Institute Private Limited for the year ended 31st March 2013.

1. The company is not having any Fixed Assets during the period, hence the question of commenting on Fixed Assets as required by clause 1 of Companies (Auditor's Report) Order, 2003, and amendments thereto by Companies (Auditor's Report) Order 2004 issued by the Government of India, in terms of Section 227(4A) of the Companies Act, 1956 does not arise.
2. As the company does not have any inventories during the period under audit, need for commenting on the same as required by clause 2 of Companies (Auditor's Report) Order, 2003, and amendments thereto by Companies (Auditor's Report) Order 2004 issued by the Government of India, in terms of Section 227(4A) of the Companies Act, 1956 does not arise.
3. The company has neither granted nor taken any loans or advances in the nature of loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company and whether reasonable steps for recovery/repayment of over dues of such loans are taken does not arise.
4. In respect of transactions entered in the register maintained in pursuance of Sec 301 of the Companies Act, 1956,
 - a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding Rs.5 Lakhs in respect of any party during the year, which need to be entered in the register required to be maintained under that section.
5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to the purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit we have not noticed any continuing failure to correct any major weakness in internal control systems.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provision of section 58A and 58AA of the companies act, 1956 and rules thereunder are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business during the year under audit.
8. According to the information and explanations provided by the management, the company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209 (1) (d) do not apply to the company. Hence, in our opinion, no comment on maintenance of cost records under section 209 (1) (d) is required.



9. (a) According to the records of the company, there were no delays in remittance of undisputed statutory dues including, Employees Provident Fund, Employees State Insurance dues, service tax dues, Income Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other statutory dues with the appropriate authorities during the year, other than Tax Deducted at Source
- (b) According to the information and explanations given to us, no material undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, Service Tax, and excise duty were outstanding, as at 31st March 2013, for a period of more than six months from the date of they became payable.
- (c) According to the records of the company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, and cess, which have not been deposited on account of any dispute.
10. *The company's accumulated losses have exceeded its net worth; the company has incurred cash loss of Rs 10547 during the year and Rs 13,455 in the immediately preceding previous year.*
11. According to records of the company, the company has not borrowed from financial institutions or banks or issued debentures till 31st March, 2013. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.
12. According to the records of the company, 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. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a chit fund nor a nidhi/mutual benefit society. Hence in our opinion, the requirements of Para 4 (xiii) of the Order do not apply to the company.
14. As per records of the company and the information and explanations given to us by the management, company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause (xvi) are not called for.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments by the company.
18. According to the records of the company and the information and explanations provided by the management, 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. According to the records of the company, the company has not issued any debentures.



20. The company has not raised any money by public issues during the period covered by our audit report.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For T.VELUPILLAI & CO
Chartered Accountants
FRN: (04592S)



Anto Joseph
Partner

Membership No: (203958)

Bangalore
Date: 03/09/2013

Balance Sheet	NOTE	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	1,00,000	1,00,000
Reserves and surplus	4	(2,28,700)	(2,18,153)
		<u>(1,28,700)</u>	<u>(1,18,153)</u>
NON-CURRENT LIABILITIES			
Other long term liabilities	5	28,07,138	27,93,342
		<u>28,07,138</u>	<u>27,93,342</u>
CURRENT LIABILITIES			
Trade payables	6	33,399	36,648
		<u>33,399</u>	<u>36,648</u>
	TOTAL	<u>27,11,837</u>	<u>27,11,837</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Capital work-in progress		27,11,837	27,11,837
		<u>27,11,837</u>	<u>27,11,837</u>
CURRENT ASSETS			
		-	-
	TOTAL	<u>27,11,837</u>	<u>27,11,837</u>
COMMITMENTS AND CONTINGENCIES			
	7	-	-
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNT			
		1 & 2	
The notes referred to above form an integral part of the financial statements.			
This is the Balance Sheet referred to in our report of even date.			

As per our report attached
for T. Velupillai & Co.
Chartered Accountants
Firm's Registration Number 004592S

Anto Joseph
Partner
Membership Number: (0203958)

Bangalore
Date: 03.09.2013


N.K. Vijaya Raghavan
Director


R. Karthikeyan
Director

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For India Aviation Training Institute Pvt. Ltd.


Authorised Signatory

Statement of Profit and Loss	NOTE	As at 31st March 2013	As at 31st March 2012
REVENUE			
Other income	8	2,219	1,545
TOTAL REVENUE		2,219	1,545
EXPENSES			
Other expenses	9	12,766	15,000
TOTAL EXPENSES		12,766	15,000
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		(10,547)	(13,455)
Tax expense			
Current tax			
Deferred tax			
PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS		(10,547)	(13,455)
Exceptional items		-	-
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS		(10,547)	(13,455)
PROFIT FOR THE YEAR		(10,547)	(13,455)
Earnings per equity share:			
(1) Basic & Diluted (Par value Rs.10)	10	(1.05)	(1.35)

The notes referred to above form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

As per our report attached

for T. Velupillai & Co.

Chartered Accountants

Firm's Registration Number 004592S


Antojoseph

Partner

Membership Number: (0003958)




N.K. Vijayaraghavan
Director


R. Karthikeyan
Director

Bangalore

Date: 03.09.2013


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For India Aviation Training Institute Pvt. Ltd.


Authorised Signatories

Cash Flow Statement	Year ended 31st March 2013	Year ended 31st March 2012
A-CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before taxation after prior period items	(10,547)	(13,455)
Adjustments to Reconcile profit before tax to cash provided by operating activities		
Depreciation/amortization		
Interest income		
Interest Paid		
Gain on foreign exchange transactions		
Profit from sale of investments		
Operating profit before working capital changes	(10,547)	(13,455)
Movements in working capital		
(Increase)/Decrease in Sundry debtors		
(Increase)/Decrease in loans and advances		
(Increase)/Decrease in other current assets		
(Increase)/Decrease in Other non-current assets		
(Increase)/Decrease in Inventories		
Increase/(Decrease) in trade payables	(3,249)	3,455
Increase/(Decrease) in other long term liabilities	13,796	10,000
Cash generated from operating activities	-	-
Direct taxes paid	-	-
Net Cash generated from Operating Activities	-	-
B-CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Interest received		
Proceeds from Sale of Investments		
Profit from Sale of Investments		
Net Cash provided by/(used in) Investing Activities	-	-
C-CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital		
Interest on Borrowings		
Proceeds from short term borrowings-exchange gain		
Net Cash used in Financing Activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	-	-
CASH AND CASH EQUIVALENT AT THE YEAR END	-	-

The notes referred to above form an integral part of the financial statements.
This is the Cash Flow Statement referred to in our report of even date.

As per our report attached
for T. Velupillai & Co.
Chartered Accountants
Firm's Registration Number 004592S

Anto Joseph
Partner
Membership Number: (0203958)


N.K. Vijaya Raghavan
Director


R. Karthikeyan
Director

Certified True Copy

For India Aviation Training Institute Pvt. Ltd.

Bangalore
Date: 03.09.2013


Authorised Signatories

NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE
PERIOD ENDED 31 MARCH 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 **Basis of preparation of financial statements:**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") and comply with the mandatory Accounting Standards ("AS") prescribed by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (the Act). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year unless otherwise stated.

1.2 **Use of estimates:**

The preparation of financial statements is in conformity with generally accepted accounting principles, which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful trade receivables, employee benefits, and estimation of revenue and project completion. Any revision to accounting estimates are recognized prospectively.

1.3 **Foreign Currency Transactions:**

Transactions in foreign currencies are recognized at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currency on the balance sheet date are converted at the exchange rates prevailing on that date and gains/losses are adjusted in the profit and loss account.

1.4 **Revenue Recognition:**

Interest Income is recognized as per the terms of deposit

1.5 **Investments:**

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments



2 NOTES ON ACCOUNTS

2.1 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.2 Deferred Tax:

Owing to uncertainty of profit in the near future, the company has not recognized deferred tax

2.3 Leases:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

2.4 Related Party Disclosure:

2.4.1 Related Party Transactions- Other long term liabilities

S.No	Name of the Party	Nature of Relation	Balance 31/03/2012	Transactions during the year		Balance 31/03/2013
				Debit	Credit	
1.	Indian Aero Ventures Private Limited	Holding Company	27,81,812	Nil	Nil	27,81,812
2.	Jupiter Aviation Services Private limited	Fellow subsidiary	11,530	Nil	12,266	23,796
3.	Axis Aerospace Technology Limited	Fellow subsidiary	Nil	Nil	1,530	1,530

2.5 There are no micros, small and medium enterprises to whom the company owes any sum which are outstanding for more than 45 days as at the balance sheet date. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available to the company and the auditors have relied upon the same.

2.6 Previous year figures have been reclassified/regrouped wherever necessary to confirm with current year figures.



Notes to the financial statements for the year ended 31.3.2013 (Cont'd)

3 SHARE CAPITAL	<i>In Rs</i>	
	As at 31st March 2013	As at 31st March 2012
3.1 Equity share capital		
3.1.1 Authorized		
1,000,000 Equity shares of Rs.10/- each	1,00,00,000	1,00,00,000
(Previous Year 1,000,000 Equity shares of Rs 10/- each)		
	1,00,00,000	1,00,00,000
3.1.2 Issued, Subscribed		
10,000 equity shares of Rs.10/- each	1,00,000	1,00,000
(Previous year 10,000 equity shares of Rs.10/- each)		
	1,00,000	1,00,000
3.1.3 Paid up		
10,000 equity shares of Rs.10/- each	1,00,000	1,00,000
(Previous year 10,000 equity shares of Rs.10/- each)		
	1,00,000	1,00,000
Total equity share capital	1,00,000	1,00,000

3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	10,000	1,00,000	10,000	1,00,000
Issued during the period				
Outstanding at the end of the period	10,000	1,00,000	10,000	1,00,000

3.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Particulars	31st March 2013	31st March
	Indian Aero Ventures Private Ltd.	9,900
	9,900	9,900

3.4 Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Percentage Holding	No. of Shares	Percentage Holding
Indian Aero Ventures Private Ltd.	9,900	99	9,900	99
	9,900	99	9,900	99



Notes to the financial statements for the year ended 31.3.2013 (Cont'd)

	<i>In Rs</i>	
	As at 31st March 2013	As at 31st March 2012
4 RESERVES AND SURPLUS		
4.1 Reserves		
4.1.1 Share Premium Account	-	-
4.2 Surplus		
Balance as per the last financial statements	(2,18,153)	(2,04,698)
Add:-		
Profit/(Loss) for the year	(10,547)	(13,455)
Less:-		
Closing Surplus i.e., Balance in Statement of Profit and Loss	(2,28,700)	(2,18,153)
Total reserves and surplus	(2,28,700)	(2,18,153)
		<i>In Rs</i>
5 OTHER LONG TERM LIABILITIES	As at 31st March 2013	As at 31st March 2012
5.1 Trade payables (refer note 2.4.1)	28,07,138	27,93,342
Total other long term liabilities	28,07,138	27,93,342
	As at 31st March 2013	As at 31st March 2012
6 TRADE PAYABLES		
6.1 Trade payables	33,399	36,648
Total trade payables	33,399	36,648
	As at 31st March 2013	As at 31st March 2012
7 COMMITMENTS AND CONTINGENCIES		
Total Commitments and Contingencies	-	-



Notes to the financial statements for the year ended 31.3.2013 (Cont'd)

	In Rs	
	As at 31st March 2013	As at 31st March 2012
8 OTHER INCOME		
8.1 Miscellaneous income		
Excess provision created written back	2,219	1,545
Total other income	2,219	1,545
	As at 31st March 2013	As at 31st March 2012
9 OTHER EXPENSES		
9.1 Rates & taxes	1530	-
	1,530	-
Payment to Auditors		
As auditor:		
9.2 Statutory Audit Fees(refere note 9.2.1)	11,236	15,000
	11,236	15,000
Total other expenses	12,766	15,000
9.2.1 Notes		
Statutory audit fees	10,000	15,000
Service tax	1,236	-
	11,236	15,000
10 EARNINGS PER SHARE (EPS)	As at 31st March 2013	As at 31st March 2012
10.1 Profit after tax attributable to equity shares (in Rs.)	(10,547)	(13,455)
10.2 Weighted average number of shares outstanding	10,000	10,000
10.3 Nominal value of shares (in Rs.)	10	10
10.4 Basic and diluted earning per share (in Rs.)	(1.05)	(1.35)

The notes referred to above form an integral part of the financial statements.

As per our report attached

for T. Velupillai & Co.

Chartered Accountants

Firm's Registration Number: 004592S

Anto Joseph

Partner

Membership Number: (0203958)



N.K. Vijaya Raghavan
Director

R. Karthikeyan
Director

Bangalore

Date: 03.09.2013