



DECCAN AVIATION LIMITED
 Regd. Office: 35/2, Cunningham Road, Bangalore – 560 052



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st MARCH, 2007

(Rs in lakhs)

SI No	Particulars	Quarter ended 31st March 2007 (Unaudited)	Nine months ended 31st March, 2007 & year to date (Unaudited)	Fifteen Months period ended 30th June 2006 (Audited)
1	Net Income from Operations	43782	127141	123639
2	Other Income	1963	35688	11541
3	Total Expenditure			
	a) Employees Remuneration & Benefits	6638	18016	17062
	b) Aircraft Fuel Expenses	22969	71816	62545
	c) Aircraft / Engine Lease Rentals	10922	29722	21623
	d) Aircraft / Engine Repairs & Maintenance	6476	16078	17756
	e) Airport Related Charges	8848	22560	19262
	f) Other Direct Operating Expenses	5144	11947	13277
	g) Selling, General & Administrative Expenses	3126	10015	10912
4	Interest and Finance Charges	1741	3928	3195
5	Depreciation and Amortisation	1098	3151	3228
6	Profit/(Loss) before Tax (1+2-3-4-5)	(21217)	(24404)	(33680)
7	Provision for Taxation			
	Current Tax incl Wealth Tax			
	Deferred Tax			
	Fringe Benefit Tax	100	246	375
8	Net Profit/(Loss) (6-7)	(21317)	(24650)	(34055)
9	Paid up Equity Share Capital [Face value of Rs 10/- each]	10025	10025	9818
10	Reserves excluding Revaluation Reserves			12595
11	Basic EPS (in Rupees)	-21.28	-24.93	-68.24
	Diluted EPS (in Rupees)	-21.28	-24.93	-68.24
	Non promoter shareholding			
	No of Shares		78085387	76019507
	% of holding		77.89%	77.43%

- The above financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors at the meeting held on 26th April 2007 and have been subjected to limited review by the statutory auditors.
- The Equity Shares of the company were listed and admitted for trading on Bombay Stock Exchange and National Stock Exchange of India w.e.f. 12th June 2006 and as such there are no comparative figures for prior periods.
- The Company Operates in a single business segment i.e., of providing scheduled & unscheduled air transport services & operates only in India. Accordingly, no separate segment disclosures for primary business segment & geographical disclosures are required.
- Clause 41 of the Listing Agreement - 36 Complaints were received and disposed off during the Quarter ended 31st March, 2007. There were no complaints outstanding at the beginning or at the end of the Quarter.
- The details of the Net IPO proceeds are as stated below:-

Particulars	Utilisation as projected in the Prospectus (Rs in lakhs)	Actuals as on 31st March 2007 (Rs in lakhs)
Setting up a training centre	6567	0
Setting up a hangar facility for basic and medium level maintenance checks at Chennai	4002	355
Setting up infrastructure at airports	1708	541
Market Development Initiatives	4522	2307
Debt Repayment	13275	4724
General Corporate Purposes	4195	9297
Issue Expenses	2059	2078

Total

36328

19301

In view of certain identified and realised savings in certain items of planned uses of the IPO proceeds, the resultant savings have been transferred to General Corporate Purposes. Pending utilisation as at 31st March 2007, balance funds have been placed in term deposits with banks.

- 6 During the previous financial year, the Company's treatment of certain deferred expenses were subject to qualifications by the statutory auditors and such qualification continues for the current quarter also. As a result, the loss for the current quarter is overstated by Rs. 219 lakhs.
- 7 During the financial year ended 31st March 2005, the Company had raised a claim for reimbursement of certain maintenance expenses amounting to Rs. 215 lakhs. The statutory auditors had commented that confirmation of such claims were not received by the Company and, therefore, were unable to comment on the adjustments, if any, that may be required to be made had such confirmations been made available. The Company is of the view that no adjustment would be required to be made to the financial statements as at 31st March 2005, 30th June 2006, 31st December 2006 and 31st March 2007 on subsequent receipt of the aforesaid confirmation.
- 8 As at 31st March 2005, the company was in the process of reconciling its stock ledger of rotables, stores, spares and components with its financial records. Subsequently, during 15 months period ended 30th June 2006, the company has reconciled stock ledger of rotables, stores and spares with its financial records and has valued the inventories based on the physical stock on hand and in case of rotables, the inventories fitted to the aircrafts and has carried out necessary adjustments to the financial statements as at 30th June 2006. However, the exact impact, if any, of such adjustments on the results for 30th June 2006 is not ascertainable.
- 9 Pursuant to implementation of Accounting Standard 15 (Revised) on Employee benefits issued by the Institute of Chartered Accountants of India, necessary adjustment on account of employee benefits up to 30th June 2006 has been dealt with in the opening reserves as per transitional provisions at the year end and current period provisions have been made on an estimated basis.
- 10 During the period, the Company has allotted 102240 Equity shares of Rs. 10/- each on exercise of Employee Stock Options at Option Exercise Price of Rs. 65/- per Equity share. The paid up capital of the Company stands increased to Rs.100,24,78,870/-

for DECCAN AVIATION LIMITED

Place: Bangalore
Date: 26th April, 2007

Capt G.R.Gopinath
Managing Director