



Private & Confidential – For Private Circulation Only

Date: 12th November, 2012

(This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus). This Disclosure Document prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended)

Air India Limited

(Wholly owned by Government of India)

Registered Office: Airlines House, 113, Gurudwara Rakabganj Road,

New Delhi – 110 001, India.;

Telephone: 011-2342 2000; **Fax:** 011-2342 2107;




Website: <http://www.airindia.com>;

Company Secretary: Ms. Kalpana Rao; **E-mail:** kalpana.rao@airindia.in

DISCLOSURE DOCUMENT/INFORMATION MEMORANDUM FOR PRIVATE PLACEMENT OF GOVERNMENT OF INDIA GUARANTEED, REDEEMABLE, UNSECURED, TAXABLE, NON CONVERTIBLE DEBENTURES (NCDs) OF RS. 10,00,000/- EACH FOR CASH AT PAR AGGREGATING RS. 7,400 CRORE (“DEBENTURES”), THROUGH THE “ISSUE”

SCHEDULE - I DISCLOSURE IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

GENERAL RISK
Investors are advised to read the Disclosure Document/Information Memorandum carefully before taking an investment decision in this offering. For taking an investment decision the investor must rely on their examination of the offer or/and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.
ISSUER'S ABSOLUTE RESPONSIBILITY
The Issuer confirms that, as of the date hereof, this Disclosure Document/Information Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and sale of the Debentures, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading.
CREDIT RATING
India Ratings & Research Private Limited has assigned a rating of “IND AAA(SO)(EXP)” to the Non Convertible Debenture Issue of the Company guaranteed by the GOI. The expected rating is based on an absolute, unconditional, irrevocable and continuing guarantee by the GOI, for the timely payment of principle and interest on Debentures. CRISIL Limited (“CRISIL”) has after due consideration, assigned a rating of “CRISIL AAA(SO)/Stable” to the Non Convertible Debenture Issue by the Company guaranteed by the GOI. This rating indicates the highest degree of safety with regard to payment of interest and principal on the instrument. For details of the rationale for these ratings, see Annexure II (Credit Rating Letter from India Ratings & Research Private Limited) and Annexure III (Credit Rating Letter from CRISIL).
LISTING
The Unsecured, Non Convertible, Non Cumulative, Redeemable, Taxable Debentures will be listed on the Wholesale Debt Market (WDM) segment of BSE and/or NSE.

<p><u>Arranger to the Issue</u></p>  <p>M/s SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Contact Person: Mr. Sanjay Sethia Telephone: 022-2217 8346 Fax: : 022-2218 8332 E-mail: sanjay.sethia@sbicaps.com</p>	<p><u>Trustee</u></p>  <p>SBICAP Trustee Company Limited 8, Khetan Bhavan, 5th Floor, 198, J. Tata Road, Churchgate, Mumbai- 400 020 Contact Person: Ms. Rupali Patil Telephone:: 022-4302 5501 Fax: : 022-4302 5500 Email:rupali.patil@sbicaptrustee.com</p>
<p><u>Credit Rating Agencies</u></p>  <p>India Ratings & Research Private Limited Wockhardt Tower, Level 4, West Wing Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Contact Person: Mr Sudarshan Shreenivas Telephone:: +91-22- 4000 1783 Fax: : +91-22- 4000 1701 Email:Sudarshan.Shreenivas@indiaratings.co.in</p>  <p>CRISIL Limited Mezannine Floor, 'Thapar House', No. 37 Montieth Road, Egmore, Chennai 600008, Tamil Nadu, India Contact Person: Mr V.Bharath Kumar Telephone:: +91- 44-6656 3137 Fax: : +91- 44-2854 7531 Email: bharathkumar.v@crisil.com</p>	<p><u>Registrar</u></p>  <p>M/s. Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West), Mumbai 400 078. Contact Person: Mr Vishwas Attavar Telephone:: +91-9322904731 Fax: : 022- 2594 5960 Email: vishwas.attavar@linkintime.co.in</p>

The issuer reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the issuer at its sole and absolute discretion.

DISCLAIMER

This Disclosure Document/Information Memorandum has been prepared by the Issuer solely to evaluate the interest of potential investors in an investment in the securities of the Issuer and does not constitute an offer, or an invitation or solicitation to offer, to subscribe to the securities of the Issuer. Neither this Disclosure Document/Information Memorandum nor any other information supplied in connection with the contemplated issue should be construed as legal, tax, accounting or investment advice.

The issue of Debentures proposed will be listed on the BSE and/or NSE is being made strictly on a private placement basis. This Disclosure Document/Information Memorandum is not intended to be circulated to more than 49 (forty-nine) persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general. This Disclosure Document/Information Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act.

This Disclosure Document/Information Memorandum has been prepared in conformity with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Therefore, as per the applicable provisions, copy of this Disclosure Document/Information Memorandum has not been filed or submitted to the SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 60 of the Companies Act shall not be applicable and accordingly, a copy of this Disclosure Document/Information Memorandum will not be filed with the RoC or the SEBI.

This Disclosure Document/Information Memorandum has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document/Information Memorandum does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document/Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document/Information Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Disclosure Document/Information Memorandum acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document/Information Memorandum or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Disclosure Document/Information Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this

Issue. The contents of this Disclosure Document/Information Memorandum are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document/Information Memorandum being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document/Information Memorandum has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

Each person receiving this Disclosure Document/Information Memorandum acknowledges that:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and

Such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision.

The Issuer does not undertake to update the Disclosure Document/Information Memorandum to reflect subsequent events after the date of the Disclosure Document/Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Disclosure Document/Information Memorandum nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Disclosure Document/Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document/Information Memorandum in any jurisdiction where such action is required. The distribution of this Disclosure Document/Information Memorandum and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document/Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document/Information Memorandum is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential. Each recipient must not reproduce or distribute this Disclosure Document/Information Memorandum, in whole or part, or make any announcement in public or to a third party regarding the contents without the express written consent of the Issuer or use it for any purpose other than the evaluation of the Issuer by the recipient.

It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Disclosure Document/Information Memorandum and the applicable laws, and ensure that the same does not constitute an offer to the public.

DISCLAIMER OF THE ARRANGER(S)

The role of the Arranger(s) in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure Document/Information Memorandum as prepared by the Issuer. The Arranger(s) has neither scrutinized/ vetted nor have they done any due-diligence for

verification of the contents of this Disclosure Document/Information Memorandum. The Arranger(s) shall use this document for the purpose of soliciting subscription from qualified institutional investors in the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger(s) should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Arranger(s); nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Bank. The Arranger(s) or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

DISCLAIMER OF THE DEBENTURE TRUSTEE

The debenture trustee is not guarantor and will not be responsible for any non-payment of interest and redemption and or any loss suffered or any claim made by debentureholder(s).

DISCLAIMER OF THE CREDIT RATING AGENCY

Rating reflects Rating Agency's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by Rating Agency. Ratings are based on information provided by the issuer or obtained by Rating Agency from sources it considers reliable. Rating Agency does not guarantee the completeness or accuracy of the information on which the rating is based. Rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to BSE and/or NSE for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with BSE and/or NSE or hosting the same on its website should not in any way be deemed or construed that the Disclosure Document has been cleared or approved by BSE and/or NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

FORWARD LOOKING STATEMENTS

All statements in this Disclosure Document/Information Memorandum that are not statements of historical fact constitute "forward looking statements". Readers can identify forward-looking statements by terminology like "aim", "anticipate", "intend", "believe", "continue", "estimate", "expect", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would" or other words or phrases of similar import. All statements regarding the Issuer's expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document/Information Memorandum (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results, performance and achievements to be materially different from any future results,

performance or achievements expressed or implied by such forward looking statements or other projections.

The forward looking statements contained in this Disclosure Document/Information Memorandum are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document/Information Memorandum. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Disclosure Document/Information Memorandum have been obtained from market research, publicly available information and industry publications. Industry publications generally state that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and market research while believed to be reliable, have not been independently verified and the Issuer does not make any representation as to the accuracy of that information.

List of Defined Terms and used repetitively throughout the document

Term	Description
AAI	Airports Authority of India
AASL	Airline Allied Services Ltd
Adequate Funds	The amount of monies required to pay the Principal and Interest accrued on the NCD on each of the Due Date
AERA	Airport Economic Regulatory Authority
AI	Air India
AIATSL	Air India Air Transport Service Ltd
AICL	Air India Charters Ltd
AIESL	Air India Engineering Services Ltd
AIL	Air India Limited
ASKM	Available Seat Kilometers
ATF	Aviation Turbine Fuel
BCAS	Bureau of Civil Aviation Security
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAPA	Centre for Asia Pacific Aviation
CCEA	Cabinet Committee of Economic Affairs, India
CDSL	Central Depository Services (India) Limited
CIBIL	Credit Information Bureau (India) Limited
CRISIL	Credit Rating and Information Services of India Ltd.
CWIP	Capital Work-in-Progress
DGCA	Directorate General of Civil Aviation
Debentures or NCDs	GOI Guaranteed Unsecured Redeemable Taxable Non-Convertible Debentures of the face value of Rs. 10,00,000/- each
Debentureholders	Person(s) to whom the Debentures have been allotted and who is entitled to receive payments on Due Dates, whose names are appearing in the register of Debentureholders maintained by the Company or the Depository and any subsequent transferee of an existing Debentureholder.
Depository	NSDL and/or CDSL
Due Date	Any or all dates during the term of the NCD on which any payment of Principal and/or Interest in relation to the NCD falls due for payment to the Debentureholders and/or to the Trustee under the Transaction Documents
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
E&M	Engineering & Maintenance
India Ratings	India Ratings & Research Private Limited (formerly known as Fitch Ratings India Pvt Ltd)
FRP	Financial Restructuring Plan
FSC	Full Service Carrier
FY	Financial year ended/ending March 31
GDP	Gross Domestic Product
GE	General Electric
GH	Ground Handling
GoI/GOI	Government of India
HCI	Hotel Corporation of India Ltd
IA	Indian Airlines
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization

Term	Description
IM	Information Memorandum
INR	Indian Rupees
IT	Information Technology
JV	Joint Venture
LCC	Low Cost Carrier
LTL	Long Term Loan
Mio	Million
MoCA	Ministry of Civil Aviation
MRO	Maintenance, Repair and Overhaul
NACIL	National Aviation Company of India Limited
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
PAT	Profit After Tax
PBT	Profit Before Tax
PLF	Passenger Load Factor
PSS	Passenger Service System
Rating Agencies	CRISIL and India Ratings
Registrar	Link Intime India Pvt Ltd
RBI	Reserve Bank of India
RPKM	Revenue Passenger Kilometres
SATS	Singapore Airport Terminal Services
SBU	Strategic Business Unit
SEBI	Securities and Exchange Board of India
STL	Short Term Loans
TAP	Turn Around Plan
TNW	Tangible Net Worth
TOL	Total Outside Liabilities
Trustee	SBICAP Trustee Company Limited
USD	United States Dollar
Y-O-Y	Year on Year

A. Issuer Information

a. Name and address :

Air India Limited (the "Issuer"/ the "Company")

<p><u>Registered office</u> Airlines House, 113, Gurudwara Rakabganj Road, New Delhi - 110 001, India. Tel: +91-11-2342 2000 Fax: +91-11-2342 2107</p>	<p><u>Corporate office</u> Air India Building, Nariman Point, Mumbai 400021, India. Tel: +91-22- 2279 6666 Fax: +91-22-2202 3686</p>
<p><u>CFO</u> Mr. S. Venkat Director -Finance Air India Building, Nariman Point, Mumbai -400021, India.</p>	<p><u>Compliance officer</u> Ms. Kalpana Rao Company Secretary Air India Building, Nariman Point, Mumbai -400021, India.</p>
<p><u>Statutory Auditors of the Issuer</u></p> <p>1) M/s Kapoor Tandon & Co. Chartered Accountants, C/o Rajesh Parasranra, Room no. 1577, 3rd Floor, Bldg No. 42-B, Gangadhar Coop. Housing Society, Vartaknagar, Thane (west), Mumbai- 400 606</p> <p>2) R DEVENDRA KUMAR & ASSOCIATES Chartered Accountants 205, Blue Rose Industrial Estates, Near Petrol Pump, Western Express Highway, Borivali (East) Mumbai- 400 066</p> <p>3) P K K G BALASUBRAMANIAM & ASSOCIATES Chartered Accountants Flat No. 2& 3, Door No. 68/38, Brindavan, Street west Mambalam, Chennai - 600 033</p>	<p><u>Credit Rating Agencies</u></p> <p>1) India Ratings & Research Private Limited Wockhardt Tower, Level 4, West Wing Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Contact Person: Mr Sudarshan Shreenivas Telephone:: +91-22- 4000 1783 Fax: : +91-22- 4000 1701 Email:Sudarshan.Shreenivas@indiaratings.co.in</p> <p>2) CRISIL Limited Mezannine Floor, 'Thapar House', No. 37 Montieth Road, Egmore, Chennai 600008, Tamil Nadu, India Contact Person: Mr V.Bharath Kumar Telephone:: +91- 44-6656 3137 Fax: : +91- 44-2854 7531 Email: bharathkumar.v@crisil.com</p>

<p><u>Trustee of the Issue</u> SBICAP Trustee Company Limited 8, Khetan Bhavan, 5th Floor, 198, J. Tata Road, Churchgate, Mumbai- 400 020 Contact Person: Ms. Rupali Patil Telephone:: 022-4302 5501 Fax: : 022-4302 5500 Email:rupali.patil@sbicaptrustee.com</p>	<p><u>Registrar of the Issue</u> M/s. Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West), Mumbai 400 078. Contact Person: Mr Vishwas Attavar Telephone:: +91-9322904731 Fax: : 022- 2594 5960 Email: vishwas.attavar@linkintime.co.in</p>
<p><u>Arranger of the Issue</u> M/s SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Contact Person: Mr. Sanjay Sethia Telephone: 022-2217 8346 Fax: : 022-2218 8332 E-mail: sanjay.sethia@sbicaps.com</p>	

b. A brief summary of the business/ activities of the Issuer and its line of business

i. Overview

a. Overview of the Company

Air India Limited ("Air India"), wholly owned by the Government of India, is engaged in the activity of air transport operations, under the brand 'Air India' for domestic as well as international operations.

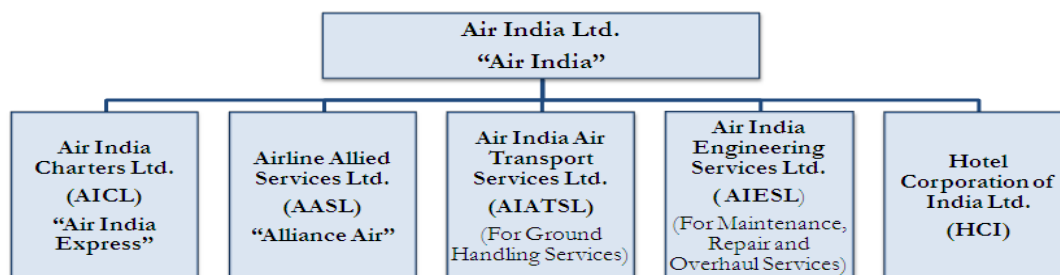
As per Memorandum of Association of Air India, the Company's main object, inter-alia, includes:

- To carry on business, in any part of the world as an airline and air transport and to provide air transport services and carry out all other forms of aerial work, whether on charter terms or otherwise, and to carry on any other trade or business or do anything which is calculated to facilitate or is auxiliary to or associated with such business;
- To buy, sell, manufacture, recondition, repair, alter, improve, manipulate, prepare for market, let and take on hire and generally deal in all kinds of aircraft and other apparatus capable of being flown or navigated in the air whether powered or not and plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things;
- To render and provide whether by itself or in association with other carriers all services and facilities as are necessary or desirable for operation of air transport services in any part of the world including but not limited to maintenance, servicing and repairing of machinery and equipment, ground and ramp handling operations, communication, security, cleaning and facilitation, passenger and cargo handling and storage services, cabin cleaning, flight handling and despatch and training of personnel technical or otherwise;
- To buy, sell or otherwise deal in manufacture, own, repair, maintain, service, garage, and store, vehicles (whether commercial or otherwise and whether mechanically propelled or not) machinery, tools, apparatus, equipment requisite for or ancillary to the operation, maintenance, repairs and servicing of aircraft, as also for the maintenance of repairs and servicing such vehicles and machinery, implements, equipment, components, apparatus and to deal in lubricants, fuels and all other things capable of being used with such aircraft, vehicles, machinery and equipment;
- To provide courier and freighter services directly or through handling agents, delivery agents, monitoring agents and /or franchises in India and /or abroad;
- To provide for engine, maintenance and overhaul facilities of aircraft equipment and to render such services of an ancillary nature;
- To also carry on business as a low cost carrier on all or any of its routes in addition to its full service operations.

Subsidiaries and Joint Ventures of Air India

As on September 30, 2012, Air India has six wholly subsidiaries* carrying out the business of passenger transport, cargo transport, ground handling operations, aircraft maintenance repair and overhaul operations and hospitality and catering services. The subsidiaries are given in the following figure.

Figure 1: Air India Ltd and its Subsidiaries



**Vayudoot Limited, a wholly owned subsidiary of Air India is in the process of merger with Indian Airlines Limited. (now Air India Limited) as per the directive by Ministry of Civil Aviation dated May 25, 1993*

In addition to the above subsidiaries, Air India has also entered into joint ventures for carrying out the businesses of ground handling and aircraft maintenance. The brief profiles of each subsidiary and joint venture are discussed below.

Air India Charters Limited

Air India Charters Limited ("AICL"), a wholly-owned subsidiary of Air India, provides low-cost services primarily over short to medium haul international routes (middle east and south east Asia) and certain connecting domestic routes under the brand 'Air India Express'. The airline was launched on April 29, 2005 with a fleet of 3 nos. B-737-800 aircraft on lease and operated from 3 stations in Kerala and 5 stations in the Gulf. Air India has invested Rs. 30 crore in AICL.

AICL has expanded its operations and currently flies to 13 international destinations, viz. Dubai, Sharjah, Abu Dhabi, Al Ain, Muscat, Salalah, Singapore, Kuala Lumpur, Bahrain, Doha, Kuwait, Colombo and Dhaka from 12 Indian cities, viz. Kozhikode, Kochi, Thiruvananthapuram, Mumbai, Pune, Jaipur, Amritsar, Lucknow, Kolkata, Chennai, Mangalore and Tiruchirapally. AICL also serves 12 destinations in the domestic segment. Currently, AICL has a fleet of 21 nos. B-737-800 narrow body aircraft.

Airline Allied Services Limited

Airline Allied Services Limited ("AASL"), a wholly owned subsidiary of Air India, started domestic airline operations under the brand name of 'Alliance Air' effective April 15, 1996. As per the MoU entered into with the North Eastern Council (NEC) in 2002, AASL has been operating air services in the North East and the arrangement is expected to continue. As on August 31, 2012, AASL has a fleet of 7 ATR 42 and 4 CRJ 700 aircraft.

Currently, all tickets of AASL are sold by Air India offices/agents and the sale proceeds are collected and received by Air India. In turn, AASL gets reimbursed by Air India to meet its operational expenditure. However, going forward, a revenue sharing agreement between AASL and Air India is proposed on account of which there will be no intercompany billing for cost/support provided by Air India to AASL or vice versa. This is also intended to make AASL a self sufficient and profitable

company. Air India's strategy for Alliance Air is to develop it as regional feeder service provider in domestic regional market as a local carrier servicing Tier 2 and Tier 3 cities.

Air India Engineering Services Limited

Air India Engineering Services Limited ("AIESL") is a wholly owned subsidiary of Air India incorporated on March 11, 2004, for the purpose of carrying out engineering and other allied activities. The company has recently received Government's approval for operationalization of its activities.

Air India proposes to develop AIESL as a service provider in the area of maintenance, repair and overhaul with Air India providing the necessary initial support in terms of infrastructure and domain knowledge. The MRO facilities such as hangars and manpower related to engineering services of Air India is envisaged to be transferred to AIESL along with the requisite workshop and engineering equipment and manpower in accordance with the Cabinet approval

Air India Air Transport Services Limited

Air India Air Transport Services Limited ("AIATSL") was incorporated in June, 2003 in order to carry out ground handling and other allied activities. AIATSL through Air India, along with other third party agencies provides flight handling services such as passenger, baggage handling, cabin cleaning, ramp handling and cargo handling to various domestic and foreign airlines at various locations such as Mumbai, Chennai, Kolkata, Kochi, Calicut, Amritsar, Ahmedabad, Jaipur, Lucknow, Varanasi, Gaya, Goa and all other domestic airports except Bangalore, Hyderabad, Delhi, where AI-SATS joint venture is operational and Thiruvananthapuram and Mangalore where AI-SATS will operate in future.

Air India proposes to develop AIATSL as a major ground handling (GH) service provider, where Air India shall provide the necessary manpower by transferring its staff. The assets of the ground handling SBU of Air India would also be transferred to AIATSL in accordance to the Cabinet approval.

Hotel Corporation of India Limited

Hotel Corporation of India Limited ("HCI") was incorporated in July 8, 1971 as a wholly owned subsidiary with intent of entering the hospitality industry and offer passengers with five star hotel facilities in the vicinity of international airports. HCI also entered into the business of flight catering. The air catering operations originally started as a division of Air India and was transferred to HCI after its formation.

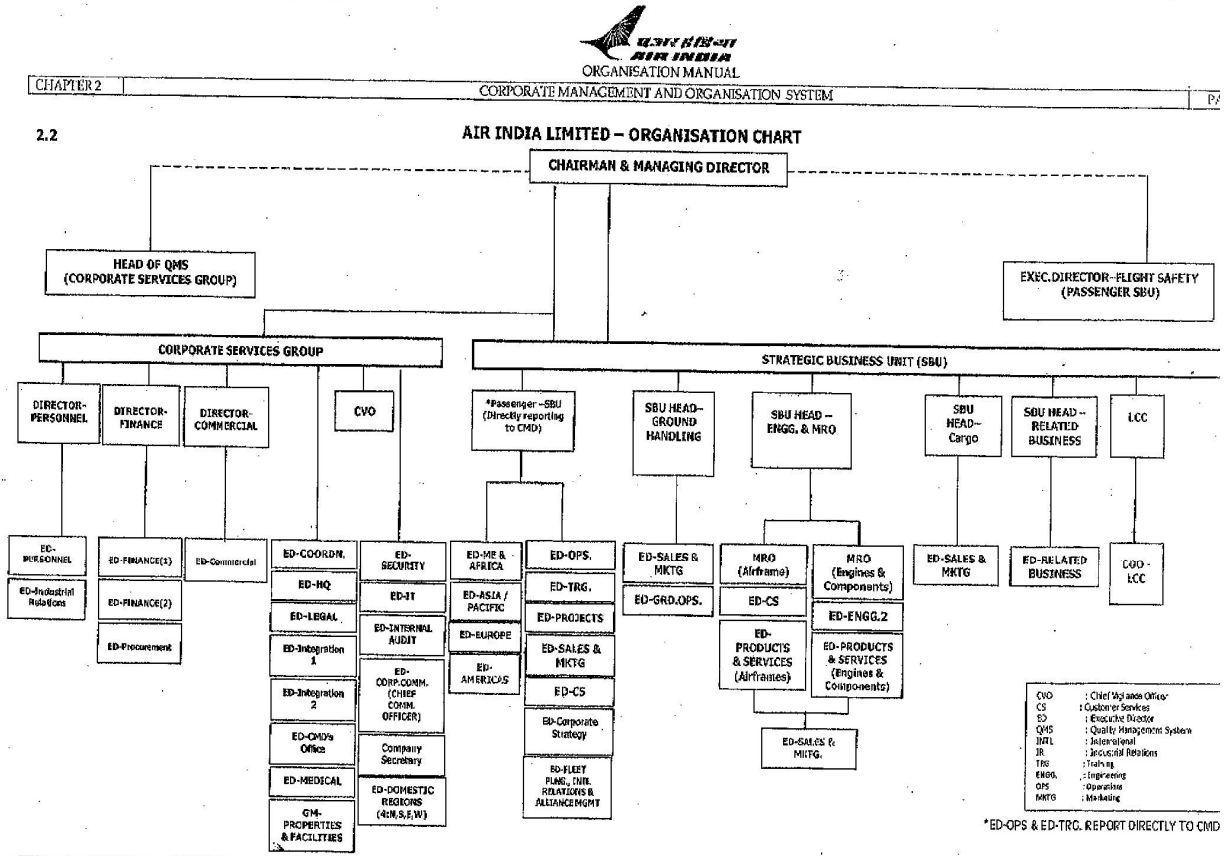
Presently, HCI operates Centaur Hotel at Delhi, Centaur Lake View Hotel at Srinagar, Chefair Flight Catering at Delhi and Chefair Flight Catering at Mumbai.

JV between Air India and Singapore Airport Terminal Services (SATS)

A consortium of Air India - SATS commenced its operations for cargo/ground handling (GH) at the Hyderabad and Bangalore airports since the opening of the airports on March, 2008 and May, 2008 respectively. In September 2008, SATS was chosen by Air India as its JV partner for GH services in India. The company, Air India SATS Airport Services Private Limited with shareholding in 50:50 proportion, was incorporated on April 28, 2010 and the existing businesses of JVs at Hyderabad and Bangalore airport were transferred. The Company has also taken over ground handling services at Delhi Airport in July 2010 and subsequently at Mangalore and Thiruvananthapuram Airport for AI and other airlines who were handled by AI.

ii. Corporate Structure

The current corporate structure of the Company is given below.



iii. Key Operational and Financial Performance for last three Audited years

Operational Performance of Air India

Air India has an operating fleet of 94 aircraft including 64 narrow body and 2 widebody aircraft from Airbus SAS and 28 wide body aircraft primarily from The Boeing Company. The breakup of fleet-wise aircraft of Air India is provided in the table below.

Table 1: Fleet Profile of Air India

Aircraft Type	Owned (inclgd. Finance Lease)	Operating Lease	Operating Lease (Sale & Lease Back)	Total
Wide Body				
B777-200LR	8	0	0	8
B777-300ER	12	0	0	12
B747-400	3	0	2	5
B787- 8	3	0	0	3

Aircraft Type	Owned (inclgd. Finance Lease)	Operating Lease	Operating Lease (Sale & Lease Back)	Total
A-330	0	2	0	2
Sub-total	26	2	2	30
Narrow Body				
A-319	19	5	0	24
A-320	12	0	8*	20
A-321	20	0	0	20
Sub-total	51	5	8	64
Total	77	7	10	94

* 2 aircraft are grounded.

The key operating parameters of the Company for the entire network (Domestic and International) over the last three years is provided in table below.

Table 2: Past Operating Parameters of Air India

For FY ended March 31,	FY 2010	FY 2011	FY 2012
Fleet Size	115	103	92
ASKM (million)	44,723	45,608	45,606
No. of passengers (million)	11.75	12.78	13.60
RPKM (million)	28,965	30,168	31,235
PLF (Passenger Load Factor)	64.80%	66.10%	68.5%
Yield (Passenger Revenue/RPKM)	3.16	3.46	3.70
Employees	29,914	28,127	26,431 ¹

¹ As on May 31, 2012

Domestic Operations

Air India provided air transport services in the domestic market connecting a wide range of metro and non-metro cities with its fleet of narrow body aircraft. Currently, majority of Air India's narrow body aircraft are used for domestic operations; however, some narrow body aircraft fly short haul international flights. Air India currently operates flights to 50 Indian cities. The cities connected by the Company's domestic network are provided in the table below.

Table 3: Domestic Points of Call

Region	Destination	Total
Northern Region	Amritsar, Bhopal, Chandigarh, Delhi, Gwalior, Jaipur, Jammu, Jodhpur, Khajuraho, Leh, Lucknow, Raipur, Srinagar, Udaipur and Varanasi	15
Eastern Region	Agartala, Aizwal, Bagdogra, Bhubaneshwar, Dibrugarh, Dimpur, Gaya, Guwahati, Imphal, Kolkata, Patna, Port Blair, Ranchi and Silchar	14
Western Region	Ahmedabad, Aurangabad, Goa, Indore, Jamnagar, Mumbai, Nagpur, Pune and Rajkot,	9

Region	Destination	Total
Southern Region	Bangalore, Chennai, Coimbatore, Hyderabad, Kochi, Kozhikode, Madurai, Mangalore, Thiruvananthapuram, Tirupati, Vishakapatnam and Vijayawada	12
Total		50

Air India's legacy carrier status and intense competition in the industry along with the entry of LCC players has reduced the market share of the Company. Further, operational difficulties including lack of robust IT system and high staff cost have added to its difficulties. The Company has taken various initiatives and has successfully integrated its IT platform. With the implementation of Passenger Service System ("PSS") and common code ('AI'), the Company has witnessed improvement in its operations. During FY 2012, Air India operated on 122 domestic routes with a capacity of 10,718 million ASKM, PLF of 73.4 % and a yield of Rs.5.42 per RPKM.

International Operations

Erstwhile Air India provided air transport services to international destinations. Currently, Air India's wide body aircraft along with some of narrow body aircraft are utilised for international operations. The narrow body aircraft provide services on short-haul international routes such as Sharjah, Dubai, Kuwait, Muscat, Kabul and Kathmandu. However, medium haul and long haul international routes such as New York, Chicago, London, Paris, Frankfurt, Hong Kong, Singapore etc. are serviced by wide body aircraft. Air India currently serves 26 international destinations and has the largest market share on international routes among Indian carriers. The destinations connected by the Company's international network are provided in the table below.

Table 4: International Points of Call

Region	Destination	Total
USA and Canada	Chicago, Newark, New York	3
UK	London	1
Europe	Paris and Frankfurt	2
South East Asia	Bangkok and Singapore	2
Far East Asia	Hong Kong, Osaka, Seoul, Shanghai and Tokyo	5
Gulf and Middle East	Abu Dhabi, Dammam, Dubai, Jeddah, Kuwait, Muscat, Riyadh, and Sharjah	8
SAARC	Colombo, Kabul, Kathmandu, Male and Yangon	5
Total		26

Air India's inappropriate mix of aircraft required for its international destinations along with low traffic in certain routes has affected the profitability of international operations. During FY 2012, Air India operated on 73 international routes with a capacity of around 34,887 million ASKM, PLF of 67.0% and a yield of Rs 3.13/RPKM.

The Company has successfully established Delhi as its hub for international operations. Further with the implementation of Integrated Operation Control Centre (IOCC) and common code, the Company has witnessed improvement in its operations.

Financial Performance of Air India

The brief highlights of AIL's financial performance of the last three Audited years , provisional for FY 2012 and provisional for H1FY2013 are as follows.

(Figures in Rs. Crore)

Particulars	H1FY2013*	FY2012 *	FY 2011	FY2010	FY2009
	Provisional	Provisional	Audited	Audited	Audited
Networth	n.a.	(17,780)	(10,129)	(4,482)	208
Equity	6,261**	3,345	2,145	945	145
Total Debt	47,878	45,553	42,629	38,423	30,909
- Long Term Borrowing including Future lease obligation	35,284	31,834	24,188	21,559	14,576
- Short Term Borrowing	12,594	13,719	18,441	16,864	16,333
Net Fixed Asset (inclcd CWIP)	n.a.	33,192	32,609	32,108	27,503
Non Current Assets (DTA and long term investment)	n.a.	2,977	2,975	2,965	2,966
Cash and Cash Equivalent	n.a.	151	416	528	1,140
Current Investment	n.a.	0.05	0	0	0
Current Assets (exclcd cash)	n.a.	4,795	4,977	4,971	4,611
Current Liabilities	n.a.	12,657	8,488	6,640	5,232
Total Income	7,104	14,568	14,255	13,402	13,479
EBIDTA	(818)	(3,082)	(2,051)	(1,789)	(4,192)
EBIT	(1,680)	(4,825)	(3,741)	(3,178)	(5,417)
Interest	1,782	3,843	3,296	2,434	1,771
PAT	(3,462)	(7,854)	(6,865)	(5,552)	(5,548)
Dividend amounts	0	0	0	0	0
Interest coverage ratio	-ve	-ve	-ve	-ve	-ve
Long Term Debt/equity ratio	5.00	9.52	9.64	21.04	100.52

* Subject to audit by statutory auditor and CAG

**An amount of Rs.800 Crores has been received from the Government of India towards Equity infusion on 25 September 2012. 80 crores Equity Shares of Rs.10 each will be allotted to the Government of India in the forthcoming Board meeting.

n.a. - Not available

Long Term Debt : Equity Ratio of the Company :-

Long term Debt/ Equity Ratio	Calculation
Before the issue of debt securities	As on September 30, 2012: Equity = Rs. 6,261.00 crore + Rs. 800 crore= Rs. 7,061 crore Long Term Debt = Rs. 35,284 crore Long Term Debt/ Equity Ratio = 5.00
After the issue of debt securities	The long term loan will increase by the Rs. 7400 crore after the issue of the NCD. Equity= Rs. 7,061 crore Long term debt= 42,684 crore Long Term Debt/ Equity Ratio= 6.05

iv. Overview of Airline Industry

The airline industry in India has historically been dominated by a few players with Air India and Jet Airways together dominating the domestic passenger market. However, in the last decade, the industry has become more fragmented with the entry of full service carriers such as Kingfisher Airlines and low cost carriers including the erstwhile Air Deccan (since merged with Kingfisher), SpiceJet, Indigo and GoAir.

Evolution of Civil Aviation Industry in India

Indian aviation industry began with the establishment of Tata Airlines in 1932, through the business relationship between Mr. Neville Vincent, a Royal Air Force pilot and Mr. JRD Tata. Tata Airlines was rechristened as Air India in August 1946. In 1953, the Air Corporation Act nationalized all existing airline assets and established the Indian Airline Corporation and Air India International to cater to domestic and international air services respectively. The operations of scheduled air transport services became a monopoly of these two Corporations and the Act prohibited any person other than the Corporations or their associates to operate any scheduled air transport services from, to, or within India.

However, in order to boost tourism and enhance domestic air services, private airlines were given permission to operate charter and non-scheduled services under the 'Air Taxi' scheme in 1986. Under the 'Air Taxi' scheme they could not publish time schedules or issue tickets to passengers. Initially, the scheme posed a number of restrictions on the carriers including seating capacity, time restrictions, floor limits on fares and the airports from which such services could be operated from. Subsequently, the scheme was liberalised post 1990 and many restrictions including time and fare limits were relaxed. As a result, a number of private players including Jet Airways, Air Sahara, Modiluft, Damania Airways, NEPC airlines and East West Airlines commenced domestic Air Taxi operations.

Till 1994, Air India and Indian Airlines retained monopoly over scheduled airline services in India with Air India plying on long-haul international routes and Indian Airlines plying on domestic and short-haul international routes. In 1994, with the repealing of the Air Corporation Act, private players were allowed to operate scheduled services on domestic routes. The international routes were still not open for private carriers. This phase saw the entry of many small -prepared private carriers which exited the market shortly after their entry. Only Jet Airways and Air Sahara lasted beyond the initial couple of years.

Entry for LCC in Domestic Market

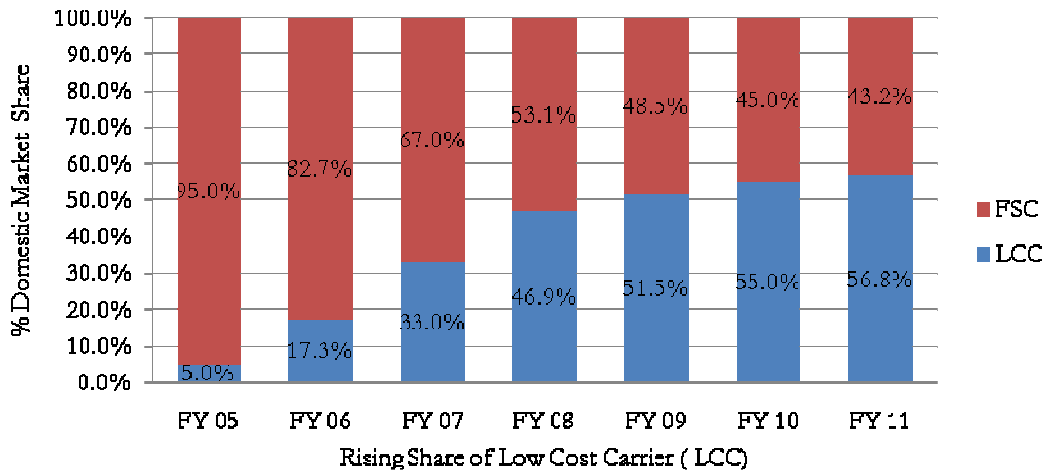
Late 2003 onwards the industry saw the entry of no-frills airline in India, also known as Low Cost Carriers ("LCC"), which generally have the following characteristics:

- High seating density in the aircraft
- Single aircraft type to reduce operating costs
- Lower fares as compared to FSCs
- Single class configuration
- No frills (complimentary services like meal-on-board)
- Predominantly short to medium haul route structures

Low cost carriers, with the launch of erstwhile Air Deccan, expanded the market by tapping an altogether new segment of the market. With more affordable ticket prices, sometimes ranging as low as Rs. 501, a section of passengers shifted from train travel to air travel. This segment of the market also attracted some of the full service carriers ("FSC") and the industry witnessed consolidation by the major players. Jet Airways acquired Sahara Airlines (now called JetLite) and Kingfisher Airlines was

merged into Air Deccan to form the existing Kingfisher Airlines Limited (KFA). The market share of LCCs in the domestic market grew rapidly and increased from 5% in FY 2005 to around 57% in FY 2011 as depicted in figure below.

Figure 2: Market Share of FSCs and LCCs



Note: Considering 55% of seats offered by KFA in low cost segment of Kingfisher Red
 Source: DGCA, CRISIL

The changing demographic profile of the Indian domestic traveller has also prompted airlines to increase their focus on low-cost services with higher number of people from middle-class/upper middle-class opting for air travel. Increase in disposable incomes, enhanced air connectivity and reduced travel time have contributed to the increased preference for air travel. As per Centre for Aviation (“CAPA”) study, the share of business travel in passenger traffic has declined from 80% five years ago to less than 50% currently.

Deregulation of International Routes

International routes were opened up for private Indian carriers in December, 2004. The government allowed Indian scheduled carriers with a minimum of 5 years of continuous operations and a minimum fleet size of 20 aircraft to operate scheduled services to international destinations. Consequently, Jet Airways and erstwhile Air Sahara became the initial private Indian carriers to ply on international routes in 2005. However, certain high traffic routes like India-Middle East were not opened for private carriers until the end of 2007. From January, 2008 the Government allowed the eligible private carriers to operate services to the Middle-East as well.

Competitive pressures and aggressive pricing

With the growth in Indian economy, passenger traffic began to grow at an accelerated rate for both domestic and international operations, increasing by as much as 24% in FY2008 for domestic routes. As per CAPA study, capacity was being introduced at 6 to 6.5 aircraft equivalent a month even though demand was growing at 3 aircraft equivalents a month. This led to aggressive pricing by the carriers to capture greater market share, thereby straining profitability across the industry. Considering the low marginal cost to fly an additional passenger, airlines have a tendency for aggressive pricing which has resulted in intense competition in the industry.

The subsequent slowdown of the economy resulted in a decline in passenger traffic. Additionally, the airlines faced a massive increase in fuel prices and crude oil prices reached around USD 147 per barrel in July 2008, which forced the carriers to increase fares, which resulted in a further decline in passenger volumes.

The combined effects of capacity expansion and passenger volume reduction led to an overcapacity in the Indian aviation sector. Faced with a situation of over capacity, the airlines had to undertake capacity reduction and cost-cutting measures across the industry. Going forward, LCCs such as SpiceJet and Indigo have started their international operations for short to medium haul routes after completing 5 years of domestic operations, which is expected to change the competitive landscape on international routes in the coming years.

Profile of Major Carriers and Market Share

There are 6 major carriers in the domestic airline segment. In the international segment, there are around 70 foreign carriers operating to and from India, apart from the five domestic airline companies, viz. Air India, Jet Airways, Kingfisher Airlines, SpiceJet and Indigo. The major carriers plying on domestic routes are listed in the table below along with the type of service offered.

Table 5: Domestic Airline carriers

Airline Company	Type of Service
Air India Limited, erstwhile NACIL	Full Service: Air India
Jet Airways (India) Limited	Full Service: Jet Airways LCC: JetKonnnect
Kingfisher Airlines Limited	Full Service: Kingfisher Class
Indigo Airlines Private Limited	Low Cost: Indigo
SpiceJet Limited	Low Cost: SpiceJet
Go Airlines (India) Private Limited	Low Cost: GoAir

A brief profile of the Indian airline companies apart from Air India is given below.

Jet Airways (India) Limited

Jet Airways was incorporated in April, 1992 and began its commercial airline operations in 1993 with a fleet of 4 nos. Boeing 737-300 aircraft. It plies on both domestic and international routes, covering 52 domestic and 24 international destinations. The company is listed on BSE and NSE. It currently has a fleet size of 97 aircraft consisting of A-330, B-737, B-777 and ATR- 72 aircraft. Jet Airways took over Air Sahara in April 2007 and renamed the airline as JetLite (now JetKonnnect) to provide LCC services mainly in domestic market with fleet size of 15 aircraft. JetKonnnect Limited is currently a wholly-owned subsidiary of Jet Airways (India) Limited.

Kingfisher Airlines Limited

Kingfisher Airlines (KFA) started its airline operations on May, 2005 with a fleet of 4 nos. Airbus A-320 aircraft. The company is listed on BSE and NSE. The company discontinued all of its 8 international routes and curtailed its domestic operation in start of year 2012. As per public news on October 20, 2012, the Directorate General of Civil Aviation (DGCA) has suspended the Scheduled Operator Permit of Kingfisher Airlines till further orders.

Indigo Airlines Private Limited

Indigo commenced operations in August 2006 as a low-cost carrier. It is owned by InterGlobe Enterprises and is not a listed Company. It connects 29 domestic destinations and 5 international destinations with a fleet of 61 nos. A-320 aircraft.

SpiceJet Limited

SpiceJet commenced operations in May 2005 as a low-cost carrier. It was earlier known as Royal Airways (erstwhile Modiluft) and is currently listed on BSE and NSE. The company is promoted by Sun TV founder Kalanithi Maran through Kal Airways Pvt. Ltd. It connects around 37 domestic destinations and 4 international destinations with a fleet of 47 aircraft.

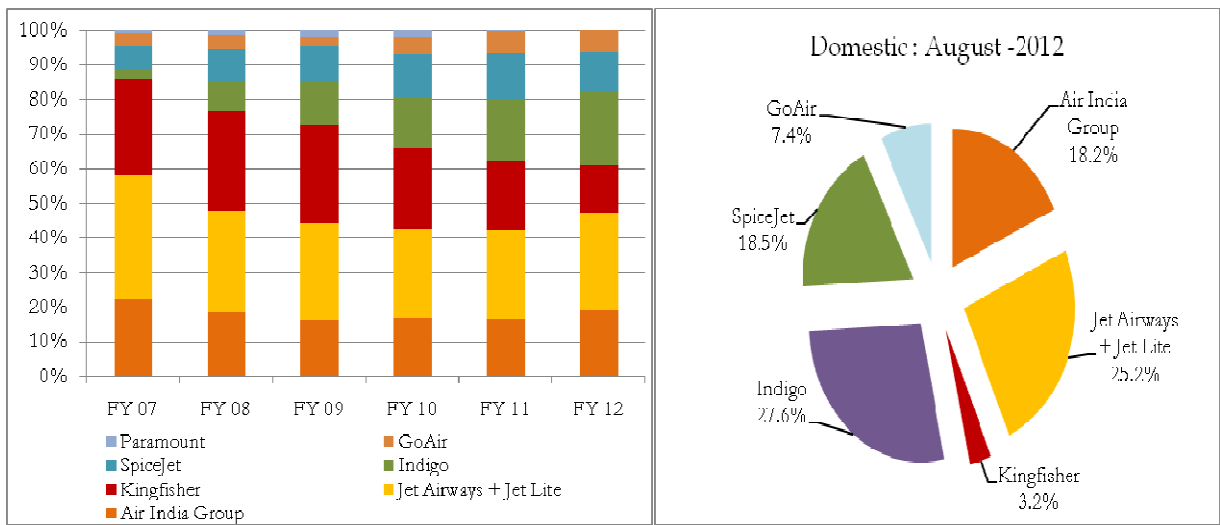
Go Airlines India Private Limited

GoAir commenced operations in November 2005 as a low-cost carrier. It is owned by the Wadia Group, promoters of Bombay Dyeing and Britannia Industries. It is a low-cost carrier connecting 22 domestic destinations with a fleet of 13 nos. A-320 aircraft. Currently, GoAir does not ply on international routes.

Market Share

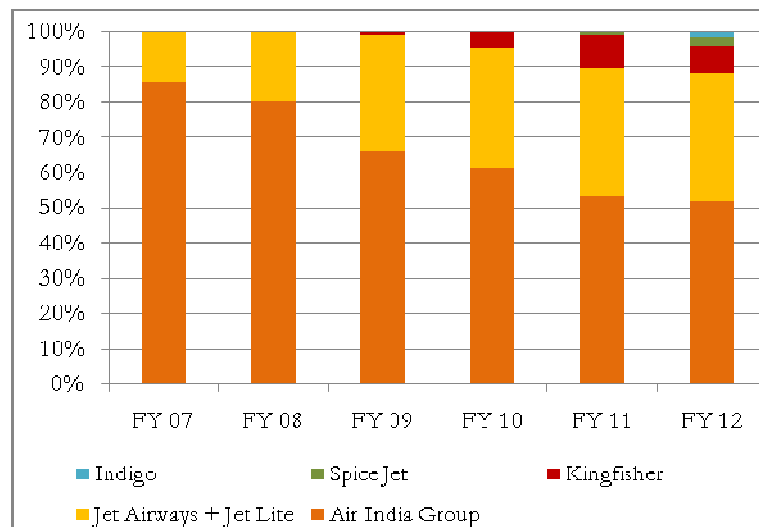
The domestic market share of major airlines (in terms of passengers carried) in the Indian Aviation Sector is as given below:

Table 6: Domestic Market Share of Major Airlines



Source: DGCA

Table 7: International Market Share of Major Airlines



Source: DGCA

The market share of Indian carriers in international market has steadily increased from 32% in FY 2008 to 35% in FY 2011 on account of private domestic carriers such as Jet Airways and Kingfisher commencing operations in the international market and is expected to increase further considering increased operations by existing players and entry of new players.

Operating Parameters and Key Financials of Competitors

Operating Parameters of Competitors

Air India operates as full service carrier (FSC) serving domestic and international locations and it is also gradually increasing its presence in the international LCC market through its subsidiary 'Air India Express'. Air India proposes to launch 'Indian Shuttle Service' as its domestic LCC offering. The following table provides the operating parameters of the three carriers viz. Air India, Jet Airways, Kingfisher Airlines for the last three financial years.

Table 8: Operating parameters of Competitors

Operating Parameters	FY 2010			FY 2011			FY 2012		
	KFA	Jet	AI	KFA	Jet	AI	KFA	Jet	AI
Domestic									
ASKM (mio)	11,810	9,894	9,217	10,545	11,638	10,280	10,105	13,294	10,719
RPKM (mio)	8,586	7,081	6,442	8,819	8,741	7,256	8,001	9,950	7,871
PLF	72.7%	71.5%	69.9%	83.3%	75.1%	70.6%	79.2%	74.9%	73.4%
International									
ASKM (mio)	2,991	19,332	35,507	5,578	22,687	35,618	5,266	25,352	34,887
RPKM (mio)	2,039	15,549	22,548	4,282	18,231	23,094	3,807	20,695	23,363
PLF	68.2%	80.4%	63.5%	76.8%	80.3%	64.8%	72.3%	81.6%	67.0%

Note:

RPKM – Total kilometres flown by the aircraft [x] passengers flown on the aircraft - an indicator of the cumulative demand during a particular period.

ASKM - Total kilometres flown by the aircraft [x] seats offered on the aircraft - an indicator of the cumulative capacity offered during a particular period

PLF = RPKM/ ASKM

Key Financials of Competitors

The year 2009 saw huge losses for the industry as a whole and many players witnessed erosion of their net worth. As per ICAO, the global airline industry (scheduled members of ICAO member states) lost USD 26.1 billion and USD 4.6 billion (provisional) in 2008 and 2009 respectively. The economic slowdown has adversely impacted all the players in the industry as indicated by the negative EBITDA margins and huge net losses. In FY 2010 and FY 2011, airlines have witnessed an improvement in performance due to recovery in demand and overall improvement in the economic scenario. The financial parameters of Air India's competitors viz. Kingfisher Airlines and Jet Airways for last three years are given in the table below:

Table 9: Financial Performance of Competitors*(Figures in Rs. Crore)*

Particulars	FY 2010			FY 2011			FY 2012		
	KFA	Jet ¹	AI	KFA	Jet ¹	AI	KFA	Jet ¹	AI (P)
Total Income	5,271	10,623	13,403	6,496	12,951	14,255	5,715	15,173	14,568
EBITDA	(696)	1,417	(1,788)	140	1,815	(2,051)	(855)	583	(3,082)
EBITDA Margin	-ve	13%	-ve	2.2 %	14%	-ve	-ve	3.8%	-ve
PAT	(1,647)	(468)	(5,549)	(1,027)	10	(6,865)	(2,328)	(1,255)	(7,854)

¹ Standalone**Industry Outlook and Growth Drivers**

After a lean period during 2008-09, the domestic airline industry has witnessed increasing passenger traffic. The domestic passenger traffic grew by around 16% in FY2010 and further increased by around 18% in FY 2011. In the first half of FY 2012, the passenger traffic grew by around 16% on a y-o-y basis. The robust increase in demand has substantially improved the domestic load factors, which increased from 63.7% in FY 2009 to 77.3% in FY 2011. Going forward, CRISIL Research estimates a CAGR (FY 2011-16) of around 12% in domestic traffic.

International passenger traffic continued to grow in FY2009 despite the slowdown in domestic traffic and increased by around 11%. It increased by around 15% in FY2010 and in FY 2011 and has increased by 8% in the first half of FY 2012 on y-o-y basis. This has led to an improvement in load factors, which increased from 65.5% in FY 2009 to 73.0% in FY 2011. Going forward, CRISIL Research estimates a CAGR (FY 2011-16) of around 12% in international traffic (by Indian carriers). The market share of Indian carriers has witnessed a steady rise since FY2005, increasing from 29% in FY2005 to 35% in FY 2011 and is estimated to reach 38% by FY 2016.

The growth of airline industry is primarily driven by the larger economy and its growth. Increase in tourism, better airport infrastructure and the potential upgrade from railways are expected to drive the industry's growth in the future.

Cargo Segment

About 40% of the global cargo, in terms of value, is transported by air. The air cargo industry in India is at a nascent stage and there is huge potential for growth in this segment. In cargo operations, two types of business models have been adopted by the industry players. The first is the airport-to-airport delivery model under which the passenger airline transports cargo sourced from cargo consolidators around the country. The airline is involved only in the transportation of cargo from one airport to another and pick-up and delivery from/to the airport is done by other specialised agencies. Most airline companies in India follow this business model for cargo operations. The second model can be termed as door-to-door delivery model, under which the airline company is involved in the entire value chain of cargo transportation. In this case, in addition to the airport to airport delivery, the airline also arranges for pick-up and delivery of cargo to/from the airport. Blue Dart and Kingfisher Express are the two major players following this business model. Blue Dart has a dedicated fleet of aircraft for its cargo operations.

Under the 'open skies' policy of the Government, any airline, whether Indian or foreign carrier, which meets specified operational and safety requirements, is allowed to operate scheduled and non-scheduled cargo services to/from airports in India. As indicated in table below, the cargo traffic carried by Indian carriers continued to rise even in the spite of economic slowdown and increased by around 45% from FY2008 to FY2011. Notably, international cargo traffic has been driving the growth in this segment, increasing by around 85% from FY2008 to FY2011.

Table 10: Total cargo ('000 tonnes) carried by Indian carriers

Particulars	FY2008	FY2009	FY2010	FY2011
Domestic cargo	302.60	277.60	327.90	382.10
International cargo	142.91	174.10	219.16	265.09
Total	445.51	451.70	547.06	647.19

Source: DGCA

CRISIL expects that domestic cargo carried by airlines and dedicated freight carriers to grow at CAGR of 13-15% for the period of FY 2012 -FY 2016 due to sustained growth in domestic manufacturing and due to lower freight rates on account of increased competition. CRISIL expects that international cargo carried by airlines and dedicated freight carriers to grow at CAGR of 13-15% for the period of FY 2012 - FY 2016. The growth will be driven by an increasing trade movement of bulk cargo such as telecom products, pharmaceuticals, auto and electrical equipments, IT hardware, garments and perishable goods.

c. A brief history of the Issuer since its incorporation

Milestones achieved by the company since incorporation are mentioned below:

Year	Milestone
1932	The Company was established as Tata Airline.
1946	Converted into public limited company under the name of Air India
1948	GOI acquired 49% stake in the Company and started international operation under the name of Air India International
1953	GOI nationalised air transport industry. Erstwhile Indian Airline was established for domestic operation after merging of 8 domestic airlines and Air India International was established to operate on international routes. Both Airline were governed under Air Corporations Act, 1953
1962	Air India International was named as Air India
1994	The erstwhile Air India and Indian Airlines were converted into Limited Companies as per Companies Act, 1956 after the Air Corporations (Transfer of Undertakings and Repeal) Act, 1994 came into effect.
2007	Erstwhile Air India and Indian Airline were merged into single entity named as National Aviation Company of India Limited (NACIL)
2010	NACIL was renamed as Air India Limited.
2011	Single code for Air India was implemented.
2012	Financial Restructuring Plan was executed with working capital lenders.

i. Details of Share Capital as on last quarter end i.e. September 30, 2012

Share Capital	Rs. Crores
Authorized Share Capital (1100,00,00,000 Equity Shares of Rs. 10 each)	11,000.00
Issued Subscribed & Paid up Share Capital (626,10,00,000 Equity Shares of Rs. 10 each)	6,261.00*

* An amount of Rs.800 Crores has been received from the Government of India towards Equity infusion on 25 September 2012. 80 crores Equity Shares of Rs.10 each will be allotted to the Government of India in the forthcoming Board meeting.

**ii. Change in its capital structure (Authorised Share Capital) as on last quarter end
i.e. September 30, 2012, for the last five year**

Date of Change (AGM/EGM)	Authorised Share Capital (in Rs.)	Particulars
30 March 2007	500,000/- (divided into 50,000 Equity shares of Rs.10 each)	Incorporation of National Aviation Company of India Limited (NACIL)
27 August 2007	1500,05,00,000/- (divided into 137,56,45,020 Equity Shares of Rs.10/- each and 124,40,498 Preference Shares of Rs.100 each)	Amalgamation of Air India and Indian Airlines with NACIL
EGM held on 30 September 2009	5000,05,00,000/- (divided into 487,56,45,020 Equity Shares of Rs.10 each and 124,40,498 Preference Shares of Rs.100 each)	Increased from 1500,05,00,000/-
EGM held on 25 March 2011	5000,05,00,000/- (divided into 500,00,50,000 Equity Shares of Rs.10 each)	12440498 Preference Shares of Rs.100 each classified into 124404980 Equity Shares of Rs.10 each
EGM held on 26 September 2011	11000,00,00,000 (divided into 1100,00,00,000 Equity Shares of Rs.10 each)	Increased from 5000,05,00,000/-
5 TH AGM held on 29 December 2011	11000,00,00,000 (divided into 350,00,00,000 Equity Shares of Rs.10 each and 7500,00,000 Preference Shares of Rs.100 each)	Classification of 750,00,00,000 Equity Shares of Rs.10 each into 75,00,00,000 Preference Shares of Rs.100 each
EGM held on 30 April 2012	11000,00,00,000 (divided into 1100,00,00,000 Equity Shares of Rs.10 each)	Reclassification of 75,00,00,000 Preference Shares of Rs.100 each into 750,00,00,000 Equity Shares of Rs.10 each

iii. **Equity Share Capital History of the Company as on last quarter end i.e. September 30, 2012, for the last five year**

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)*	Consideration	Cumulative		Remarks
					No of Equity shares	Equity share capital (Rs.)	
30 March 2007	50,000	10	10	cash	50,000	500,000	Incorporation of National Aviation Company of India Limited (NACIL)
24 November 2007	14,49,50,000	10	10	cash	1450,00,000	145,00,00,000	On issuance of 144950000 Equity Shares of Rs.10 each
30 March 2010	80,00,00,000	10	10	cash	9450,00,000	945,00,00,000	On infusion of Rs.800 crores by Government of India
19 January 2011	1,20,00,00,000	10	10	cash	214,50,00,000	2145,00,00,000	On infusion of Rs.1200 crores by Government of India
29 December 2011	1,20,00,00,000	10	10	cash	334,50,00,000	3345,00,00,000	On infusion of Rs.1200 crores by Government of India
14 May 2012	66,60,00,000	10	10	cash	401,10,00,000	4011,00,00,000	On infusion of Rs.666 crores by Government of India
3 July 2012	1,20,00,00,000	10	10	cash	5211,000,000	5211,00,00,000	On infusion of Rs.1200 crores by Government of India
28 September 2012	1,20,00,00,000	10	10	cash	626,10,00,000	6261,00,00,000	On infusion of Rs.1050 crores by Government of India

*No equity shares has been issued at premium

Note: An amount of Rs.800 Crores has been received from the Government of India towards Equity infusion on 25 September 2012. 80 crores Equity Shares of Rs.10 each will be allotted to the Government of India in the forthcoming Board meeting.

iv. **Details of any Acquisition or Amalgamation in the last 1 year**

None.

v. **Details of any Reorganisation or Reconstruction in last 1 year**

The Company is in the process to hive off its MRO and Ground Handling business into two subsidiaries namely Air India Engineering Services Ltd and Air India Air Transport Services Limited in accordance to the cabinet approval w.e.f. December 1, 2012.

d. Details of the shareholding of the Company as on the latest quarter end:-

i. Shareholding pattern of the Company as on last quarter end i.e. September 30, 2012

Sr. No	Particulars	Total no of Equity shares	No of Shares in Demat form	Total Shareholding as % of total no of equity shares
1	President of India (including its nominees)	626,10,00,000	NIL	100%

ii. List of top 10 holders of equity shares as on last quarter end i.e. September 30, 2012

Sr. No	Name of Share Holders	Total no of Equity shares	No of Shares in Demat form	Total Shareholding as % of total no of equity shares
1	President of India	626,09,99,920	NIL	100%
	Holding for and on behalf of President of India			
2	Dr.Nasim Zaidi	10	NIL	N.A.
3	Shri Rohit Nandan	10	NIL	N.A.
4	Shri S Machendranathan	10	NIL	N.A.
5	Shri Prashant Sukul	10	NIL	N.A.
6	Shri Alok Sinha	10	NIL	N.A.
7	Shri L Rajasekhar Reddy	10	NIL	N.A.
8	Shri Syed Nasir Ali	10	NIL	N.A.
9	Shri S K Chhikara	10	NIL	N.A.
	Total	626,10,00,000		100%

e. Details regarding the directors of the Company

i. Details of current directors of the Company as on November 09, 2012

Name, Designation & DIN	Age	Date of Appointment	Address	Details of other Directorship
Mr. Rohit Nandan CMD-Air India Ltd. DIN:02195896	55	12 August 2011	B7/2, Multi Storeyed Flats Sector-13, R.K.Puram New Delhi.	1. Hotel Corporation of India Ltd 2. Air India Engineering services Ltd. 3. Air India Charters Ltd 4. Air India Air Transport Services Ltd 5. Airline Allied Services Ltd. 6. Vayudoot 7. Air India SATS Airport Services Pvt.Ltd. 8. Air Mauritius Ltd 9. Air Mauritius Holdings Limited
Mr. Syed Nasir Ali Director-MOCA DIN:03113580	47	13 July 2012	D-II/200, Kaka Nagar, New Delhi-110 003.	1. Air India Charters Limited 2. Airline Allied Services Limited 3. Vayudoot Limited 4. Pawan Hans Helicopters Ltd.
Mr. Vipin K. Sharma SBU Head - MRO (Eng. & Comp), Air India Ltd. DIN:01077975	57	18 September 2007	214, Mavilla Aptartments, Mayur Vihar Phase I, New Delhi 110 091.	1. Airlines Allied Service Ltd. 2. Vayudoot Ltd
Mr. K.M. Unni SBU Head - MRO (Airframes)-Air India Ltd. DIN:01202428	57	18 September 2007	Flat No.11, 6th Flr 61B Air India Aptartments, Pali Hill, Bandra-W Mumbai- 400 050.	NIL
Mr. S Venkat Director Finance- Air India Ltd. DIN:03616104	55	12 December 2011	Flat No.8, Air India Apartments 61B, Pali Hill, Bandra, Mumbai.	1. Airline Allied Services Ltd 2. Vayudoot Ltd. 3. Air India Charters Ltd. 4. Air India SATS Airport Services Pvt.Ltd.

Name, Designation & DIN	Age	Date of Appointment	Address	Details of other Directorship
Mr. Gyan Deepak Brara Director-Commercial-Air India Ltd. DIN:00896451	57	19 March 2012	201, 20th Floor, Jupiter Apartments Cuffe Parade, Colaba, Mumbai.	1.Airlines Allied Service Ltd
Mr.Nikhil Kumar Jain Director-Personnel-Air India Ltd. DIN:05332456	50	5 July2012	256/3B, P K Road, Railway Officers' Flat, New Delhi- 110 001.	NIL
Mr.S Machendranathan DIN:00751975	58	2 January 2012	C-II/18, BAPA NAGAR New Delhi, 110 021.	1 Air India Air Transport Services Ltd. 2. Air India Engineering service Ltd. 3.Hotel Corporation of India Ltd 4. Airport Authority of India 5. Pawan Hans Helicopters Ltd. 6. Steel Authority of India Ltd. 7. NMDC Ltd. 8. RIN Ltd. 9. KIOCL Ltd. 10. MECON Ltd.
Dr. Prabhat Kumar Jt.Secretary-MOCA DIN:06415793	53	18 October 2012	C-120 Sector 39 NOIDA, UP-201303	NIL
Mr. Harshavardhan Neotia Managing Director, Ambuja Realty Development Ltd. DIN:00047466	52	5 March 2010	7/2, Queens Park, Kolkatta- 700019	In Public Limited Companies 1.Bengal Ambuja Housing Development Ltd. 2.Bengal Ambuja Metro Development Ltd. 3.Ambuja Housing and Urban Infrastructure Company Ltd. 4.Ambuja Realty Development Ltd. 5. GGL Hotel and Resort Company Ltd. 6. Ganapati Parks Ltd. 7. Neotia Healthcare Initiative Ltd.(Formerly NeotiaElbit Hospital Venture Ltd.)

Name, Designation & DIN	Age	Date of Appointment	Address	Details of other Directorship
				8. Choicest Enterprises Ltd. 9. Udayan Greenfield Developers Ltd. (Formerly UdayanGreenfield Developers Private Ltd.) 10. AIPL Ambuja Housing and Urban Infrastructure Ltd. 11.SAREGAMA India Ltd. 12.Luxmi Township Ltd. In Private Limited Companies 1.RKBK Fiscal Services Private Ltd. In Section 25 Companies 1.Park Hospitals 2. Shopping Centres Association of India
Air Chief Marshal Fali H Major (Retd) DIN:03026199	65	5 March 2010	101,MS Apartments, 81, Robertson Road, Frazer Town, Bangalore-560 005.	1. Air India Air Transport Service Ltd. 2. Air India Engineering Services Ltd. 3. Air India Charters Ltd

ii. Details of change in directors since last three year

(From April 2009 till 9 November 2012)

Name, Designation & DIN	Date of Appointment	Cessation date	Remarks
Mr. Raghu Menon Additional Secretary & Financial Advisor-Ministry of Civil Aviation DIN :00366753	30 March 2007 (as director) 1 April 2008 (as Chairman & Managing Director)	24 April 2009	Acted as Director and also as Chairman & Managing Director
Mr. N Vaghul Chairman-ICICI DIN:00002014	18 September 2007	1 March 2010	Acted as Independent Director

Name, Designation & DIN	Date of Appointment	Cessation date	Remarks
Mr. Amod Sharma SBU Head-Related Business- Air India Ltd. DIN:00206997	18 September 2007	1 February 2011	Acted as Functional Director
Mr. Anand Gopal Mahindra Vice Chairman & MD-Mahindra & Mahindra Ltd. DIN:00004695	5 March 2010	9 March 2011	Acted as Independent Director
Dr. Amit Mitra Secretary General-FICCI DIN:00154041	5 March 2010	18 March 2011	Acted as Independent Director
Mr. Anup K. Srivastava Director- Personnel- Air India Ltd. DIN:00240937	18 September 2007	22 June 2011	Acted as Functional Director
Ms. Anita Khurana SBU Head (Cargo)- Air India Ltd. DIN:00518141	18 September 2007	14 July 2011	Acted as Functional Director
Mr. Arvind Jadhav Chairman & Managing Director- Air India Ltd. DIN:00795741	4 May 2009	12 August 2011	Acted as Chairman & Managing Director
Mr. S. Chandrasekhar Director (Finance) Air India Ltd. DIN:01367349	18 September 2007	31 August 2011	Acted as Functional Director

Name, Designation & DIN	Date of Appointment	Cessation date	Remarks
Mr. E.K. Bharat Bhushan Additional Secretary & Financial Advisor, Ministry of Civil Aviation DIN:01124966	20 March 2009	2 January 2012	Acted as Government Director
Mr. Yusuffali MA MD-EMKE Group, UAE DIN:00364677	7 May 2010	27 June 2012	Acted as Independent Director
Mr. Prashant Sukul Joint Secretary, Ministry of Civil Aviation DIN:02558916	9 February 2009	28 September 2012	Acted as Government Director
Mr. Anil Srivastava Jt.Secretary-MOCA DIN:02903603	28 September 2012	18 October 2012	Acted as Government Director
Mr. Rohit Nandan CMD-Air India Ltd. DIN:02195896	12 August 2011	NA	Acting as Chairman & Managing Director
Mr. Syed Nasir Ali Director-MOCA DIN:03113580	13 July 2012	NA	Acting as Jt. Managing Director
Mr. S Venkat Director Finance- Air India Ltd. DIN:03616104	12 December 2011	NA	Acting as Functional Director
Mr. Gyan Deepak Brara Director-Commercial- Air India Ltd. DIN:00896451	19 March 2012	NA	Acting as Functional Director

Name, Designation & DIN	Date of Appointment	Cessation date	Remarks
Mr .Nikhil Kumar Jain Director-Personnel- Air India Ltd. DIN:05332456	5 July 2012	NA	Acting as Government Director
Mr. S Machendranathan DIN:00751975	2 January 2012	NA	Acting as Government Director
Dr. Prabhat Kumar Jt.Secretary-MOCA DIN:06415793	18 October 2012	NA	Acting as Government Director
Mr. Harshavardhan Neotia Managing Director, Ambuja Realty Development Ltd. DIN:00047466	5 March 2010	NA	Acting as Independent Director
Air Chief Marshal Fali H Major (Retd) DIN:03026199	5 March 2010	NA	Acting as Independent Director

f. Details regarding the auditors of the Company

i. Details of the statutory auditor (for the FY 2011-12) of the Company

Name of Statutory Auditor	Address	Auditor Since
M/s Kapoor Tandon & Co. Chartered Accountants	C/o Rajesh Parasranra, Room no. 1577, 3 rd Floor, Bldg No. 42-B, Gangadhar Coop. Housing Society, Vartaknagar, Thane (west), Mumbai- 400 606	FY 2010-11
R DEVENDRA KUMAR & ASSOCIATES Chartered Accountants	205, Blue Rose Industrial Estates, Near Petrol Pump, Western Express Highway, Borivali (East), Mumbai- 400 066	FY 2010-11
P K K G BALASUBRAMANIAM & ASSOCIATES Chartered Accountants	Flat No. 2& 3, Door No. 68/38, Brindavan, Street west Mambalam, Chennai - 600 033	FY 2010-11

Note: The Auditors for the company are appointed by CAG

ii. Details of change in auditor of the Company since last three year

Name	Address	Date of Appointment	Cessation Date	Remarks
M/s P.K. Chopara & Co. Chartered Accountants	N-Block, Bombay Life Building, III Floor, Above Post office, Cannaught Place, New Delhi- 100 001	From FY 2007-08	From FY 2010-11	Nil
M/s. Chaajed & Doshi Chartered Accountants	5/6 Western Prabhadevi Society, 1 st Floor, V S Marg, Prabhadevi, Mumbai- 400 025	From FY 2008-09	From FY 2010-11	Nil
M/s. Thakur Vaidyanathan Aiyar & Co. Chartered Accountants	221-223, Deen Dayal Marg, New Delhi- 110 002	From FY 2008-2009	From FY 2010-11	Nil
M/s Kapoor Tandon & Co. Chartered Accountants	C/o Rajesh Parasranra, Room no. 1577, 3 rd Floor, Bldg No. 42-B, Gangadhar Coop. Housing Society, Vartaknagar, Thane (west), Mumbai- 400 606	From FY 2010-11	NA	Acting as statutory auditor for FY 2011-12
R DEVENDRA KUMAR & ASSOCIATES Chartered Accountants	205, Blue Rose Industrial Estates, Near Petrol Pump, Western Express Highway, Borivali (East), Mumbai- 400 066	From FY 2010-11	NA	Acting as statutory auditor for FY 2011-12
P K K G BALASUBRAMANIAM & ASSOCIATES Chartered Accountants	Flat No. 2& 3, Door No. 68/38, Brindavan, Street west Mambalam, Chennai - 600 033	From FY 2010-11	NA	Acting as statutory auditor for FY 2011-12

Note: The Auditors for the company are appointed by CAG

g. Details of borrowings of the Company, as on the latest quarter end i.e. September 30, 2012

i. Details of secured loan facilities as on September 30, 2012

Lenders Name	Type of Facility	Currency	Amt Sanctioned (in respective currency)	Principal amount outstanding (in Rs. crore)	Repayment Date/Schedule	Security
A) Corporate Loan						
Consortium of Lenders under FRP	Long Term Loan	INR	1,04,98,61,50,000	10,498.62	Repayable in 52 unequal quarterly instalments starting from December 31, 2013 and ending on September 30, 2026	Security as given below#
Consortium of Lenders under FRP	FITL	INR	20,42,36,63,803	2,042.37	Same as Long Term Loan	Same as Long term loan security
Consortium of Lenders under FRP	Working Capital Loan	INR	34,65,22,13,417	3,465.22	-	Same as Long term loan security
HDFC Bank	Working Capital Loan	INR	23,23,00,000	15.31	-	First pari-pasu charge on inventories
Central Bank	Working Capital Loan	INR	100,00,00,000	16.65	-	First charge on one aircraft
Standard Chartered Bank	Buyers' credit	USD	28,80,00,000	1,463.80	-	Three B 747-400 aircraft and charge on IATA BSP receivables
B) Aircraft Loan						
Standard Chartered Bank	Bridge Loan Tr V	USD	19,55,00,000	1,084.42	Paid quarterly and last repayment on June-13	Charge on 3A320 & 2A321 aircraft

Lenders Name	Type of Facility	Currency	Amt Sanctioned (in respective currency)	Principal amount outstanding (in Rs. crore)	Repayment Date/ Schedule	Security
CitiBank N.A.	Exim Loan for 7 acft & 2 sp. eng. - Tr I (Finance lease)	USD	86,25,57,492	3,048.54	Paid Quarterly, Last payment on Dec-19	GOI Gtee & 1st charge on acft
ICICI Bank	Commercial Loan for 7 acft & 2 sp. eng. -Tr I (Finance lease)	USD	14,66,60,256	85.24	Paid Quarterly, Last payment on Dec-12	2nd charge on acft
Standard Chartered Bank	Exim Loan for 3 acft & 1 sp. eng. - Tr II (Finance lease)	USD	36,33,16,349	1,315.42	Paid Quarterly, Last payment on May-20	GOI Gtee & 1st charge on acft
J P Morgan Chase	Exim Loan for 7 acft & 1 sp. Eng.- Tr III (Finance lease)	USD	83,08,37,430	3,736.91	Paid Quarterly, Last payment on Sep-21	GOI Gtee & 1st charge on acft
CitiBank N.A.	Exim Loan for 3 acft & 1 sp. eng.- Tr IV (Finance lease)	USD	37,70,00,000	1,845.40	Paid Quarterly, Last payment on Jul-22	GOI Gtee & 1st charge on acft
Total principal outstanding (in Rs. Crore)				28,617.90		

Security to Consortium of Lenders under FRP

- A first *pari-passu* charge on the following fixed assets;
 - A - 310-F (1 nos.)
 - A - 319 (9 nos.)
 - A - 320 (11 nos.)
 - A - 321 (6 nos.)
 - B - 787-800 (1 no)
- Air India Office Building at Old Airport, Kalina, Mumbai
- Air India Building, Nariman Point, Mumbai
- Land at CIDCO Plot, Nerul, Navi Mumbai, popularly known as Air India Housing Colony
- Air India Office Building at New International Terminal Complex NITC, Santacruz, Sahar Airport, Mumbai
- Commercial Open Land proposed for Air India City Terminal Complex at Baba Kharak Singh Marg, Connaught Place, New Delhi

- Land & Residential Buildings (33 Blocks, Shopping complex and Community Centre) at Air India Housing Colony - Vasant Vihar, New Delhi
 - Freehold land and Residential flats at Palavanthangal Village & IA Staff Housing Colony (312 flats in 31 blocks) at Chennai, Tamil Nadu
 - Unit No. 264, 297, 310, 489, 631, 678, 684, 714, Asiad Village Complex, New Delhi
 - Vacant Land No. V-37/13at DLF, Qutab Enclave, Phase-III, Gurgaon, Haryana
 - Airlines House, 113, Gurudwara Rakabganj Road, Delhi
 - Freehold Land Plot No. 504, Laxmi House, Annasalai / Teynampet, Chennai
 - Freehold Land at Ferozguda, Ranga Reddy District, Hyderabad and Buildings located at Land at Ferozguda, Ranga Reddy District, Hyderabad and Buildings located at Central Training Establishment (CTE) Complex, Balangar and Buildings, Hyderabad
- First charge on the Current Assets

ii. Details of Unsecured loan facilities as on September 30, 2012

Lenders Name	Type of Facility	Currency	Amount Sanctioned (in respective currency)	Principal amount outstanding (in Rs. crore)	Repayment Date/ Schedule
A) Corporate Loan					
Consortium of Lenders under FRP	Short term Loan	INR	73,91,67,00,000	7,391.67	To be repaid through proceeds from the proposed NCD issue in this document
Bank of Baroda	OD	USD	4,49,00,000	240.89	-
B) Aircraft Loan					
Export Development Corporation, Canada #	A310-300 Loan (Simulator) EDC Loan	USD	74,51,000	7.38	Paid Half yearly, last payment on Mar-2037
DVB Bank	PDP Loan for advance payment of 7 787 acft	USD	11,55,28,751	457.73	Jan-13
IDBI Bank	Commercial Loan for 3 acft & 1 sp. eng. (INR)-Tr II	INR	2,85,00,00,000	124.69	Paid Quarterly , last payment on Feb-14

Lenders Name	Type of Facility	Currency	Amount Sanctioned (in respective currency)	Principal amount outstanding (in Rs. crore)	Repayment Date/ Schedule
Standard Chartered Bank #	Comm Loan for 7 acft & 1 sp. eng.-Tr III (NCD issue)	INR	7,00,00,00,000	700.00	Bullet payment on Mar-20
Standard Chartered Bank#	Commercial Loan for 3 acft & 1 spe eng -Tr IV	USD	6,90,65,000	383.10	Bullet payment on Sep-16
EDC Canada#	ECB	USD	1,26,00,000	16 .14	Paid Half yearly, last payment on Oct-2039
Consortium of Foreign lenders led by KfW, Germany#	ECB / Finance Lease	USD	51,86,50,000	1,944.61	Paid Quarterly , last payment on Dec-19
Consortium of Foreign lenders led by KfW, Germany#	ECB / Finance Lease	USD	60,11,34,000	2,510.39	Paid Quarterly , last payment on Feb-21
ICICI Bank#	refinancing the rupee loan taken for purchase of Airbus aircraft delivered during April'09 to April'10(NCD issue)	INR	40,00,00,00,000	4,000.00	Bullet payment on Sep-26

Lenders Name	Type of Facility	Currency	Amount Sanctioned (in respective currency)	Principal amount outstanding (in Rs. crore)	Repayment Date/ Schedule
ICICI Bank#	refinancing the rupee loan taken for purchase of Airbus aircraft delivered during April'09 to April'10(NCD issue)	INR	15,00,00,00,000	1,500.00	Bullet payment on Sep-31
Total principal outstanding (in Rs. Crore)				19,260.46	

Facility is backed by GOI Guarantee

iii. Details of NCDs

Debenture series #	Tenor/period of maturity	Coupon (p.a.)	Amount (Rs. Crore)	Date of allotment	Redemption date	Credit Rating	Security
NCD Rs. 700 crore	10 yrs	9.13%	700	26.03.2010	26.03.2020	AAA (SO) by CRISIL & Fitch	Unsecured*
NCD Rs. 4000 crore	15 yrs	9.84%	4000	27.09.2011	27.09.2026	AAA (SO) by CRISIL & ICRA	Unsecured*
NCD Rs. 1500 crore	20 yrs	10.05%	1500	27.09.2011	27.09.2031	AAA (SO) by CRISIL & ICRA	Unsecured*

*The bonds are backed by unconditional and irrevocable guarantee from the GOI for timely payment of interest and repayment of principal amounts.

These NCD are part of aircraft loan.

iv. List of Top 10 Debenture Holders as on September 30, 2012

The Company had previously issued ten years Rupee Bonds for Rs.700 crores with bullet repayment on maturity. The proceeds from Bonds were drawn on 26th March 2010 and used to finance 15% of cost of purchase of 3 B777-200LR, 4 B777-300 ER and 1 GE 90 Spare Engine arranged by Standard Chartered Bank. The Bond had the rating of AAA (SO) from CRISIL and

AAA (ind) (SO) from Fitch Ratings. The Bond bear a fixed rate of interest of 9.13% p.a. and drawal has been made on 26-03-2010.

In September 2011, the Company has also issued 15 year rupee Bond for Rs. 4,000 crore at fixed coupon rate of 9.84% p.a. and 20 year rupee Bond for Rs. 1,500 crore at fixed rate of 10.05% and used for refinancing the rupee loan taken for the purchase cost of aircraft, spare engines and other related equipments like simulator, BFE items, aircraft spares, workshop toolings, ground equipment for the Airbus aircraft delivered during April'09 to April'10 and financing of upfront financing charges, GOI Guarantee fee as may be applicable. The Bond had rating of AAA (SO) from ICRA Ltd and AAA(SO)/Stable from CRISIL.

i) List of top 10 Bond Holders as on September 30, 2012 for Rs. 700 crore Rupee Bond

Sr. No.	Name of Security holder	No of Bonds held	% to total	Address of the holder
1.	MAHARASHTRA STATE ELECTRICITY BOARDS CONTRIBUTORY PROVIDENT FUND	1182	16.89	ESTRELLA BATTERIES EXPANSIONBLDG PLOT NO 1 DHARAVI ROAD MATUNGA, MUMBAI- 400019
2.	PROVIDENT FUND OF TATA STEEL LIMITED	550	7.86	BOMBAY HOUSE 24 HOMI MODY STREET FORT, NUMBAI -400001
3.	NALCO EMPLOYEES PROVIDENT FUND TRUST	390	5.57	P/1 NAYAPALLI, BHUBANESWAR, ORISSA- 751013
4.	INFOSYS TECHNOLOGIES LIMITED EMPLOYEES PROVIDENTFUND TRUST	270	3.86	C O INFOSYS TECHNOLOGIES LTD, PLOT NO 44 ELECTRONICS CITY, HOSUR ROAD, BANGLORE- 560100
5.	NAVODAYA VIDYALAYA SAMITI CONTRIBUTORY PROVIDENT FUND A/C	249	3.56	A 28, KAILASH COLONY, NEW DELHI- 110048
6.	TATA MOTORS LIMITED GRATUITY FUND	230	3.29	BOMBAY HOUSE 24 HOMI MODY STREET FORT, NUMBAI -400001
7.	OIL INDIA LIMITED EMPLOYEES PROVIDENT FUND	220	3.14	PO DULIAJAN, DIST DIBRUGARH- 786602
8.	TRIPURA GRAMIN BANK	190	2.71	HEAD OFFICE, ABHOYNAGAR, AGARTALA, WEST TRIPURA-799 005
9.	NUCLEAR POWER CORPORATION OF INDIA LTD EMPLOYEES PROVIDENT FUND	189	2.70	6TH FLOOR, SOUTH WING, VIKRAM SARABHAI BHAVAN, ANUSHAKTI NAGAR, MUMBAI-400 094

Sr. No.	Name of Security holder	No of Bonds held	% to total	Address of the holder
10.	TATA MOTORS LIMITED PROVIDENT FUND	170	2.43	BOMBAY HOUSE 24 HOMI MODY STREET FORT, NUMBAI -400001

ii) List of top 10 Bond Holders as on September 30, 2012 for Rs. 4,000 crore Rupee Bond

Sr. No.	Name of Security holder	No of Bonds held	% to total	Address of the holder
1.	ICICI BANK LTD	34602	86.51	TREASURY MIDDLE OFFICE GROUP, 2ND FLOOR, NORTH TOWER, EAST WING ICICI BANK TOWER, BKC BANDRA (EAST) , MUMBAI - 400 051
2.	INFOSYS TECHNOLOGIES LIMITED EMPLOYEES PROVIDENT FUND TRUST	850	2.13	C/ O INFOSYS TECHNOLOGIES LTD, PLOT NO 44 ELECTRONICS CITY, HOSUR ROAD, BANGALORE- 560 100
3.	ING VYSYA BANK LIMITED	750	1.88	ING VYSYA BANK LTD FINANCIAL MARKET, OPERATIONS C-12 G BLOCK 7TH FLOOR, BANDRA KURLA COMPLEX, BANDRA EAST, MUMBAI -400 051
4	NALCO EMPLOYEES PROVIDENT FUND TRUST	625	1.56	P/1 NAYAPALL, BHUBANESWAR , ORISSA - 751 013
5.	ICICI BANK LIMITED PROVIDENT FUND	450	1.13	ICICI BANK TOWERS 1 ST FLOOR, NORTH TOWER EAST WING, BANDRA KURLA COMPLEX, MUMBAI - 400 051
6.	POSTAL LIFE INSURANCE FUND A/C SBIFMPL	350	0.83	HDFC BANK LTD, CUSTODY SERVICES, LODHA - I THINK TECHNO CAMPUS, OFF FLR 8, KANJURMARG EAST, MUMBAI- 400 042
7.	CANARA BANK EMPLOYEES GRATUITY FUND	250	0.63	CANARA BANK, NAVEEN COMPLEX (H O ANNEXE) , 14 M G ROAD, BANGALORE- 560 001
8.	RURAL POSTAL LIFE INSURANCE FUND A/C UTI AMC	150	0.38	HDFC BANK LTD, CUSTODY SERVICES, LODHA - I THINK TECHNO

Sr. No.	Name of Security holder	No of Bonds held	% to total	Address of the holder
				CAMPUS, OFF FLR 8, KANJURMARG EAST, MUMBAI- 400 042
9.	RURAL POSTAL LIFE INSURANCE FUND A/C SBIFMPL	150	0.38	HDFC BANK LTD, CUSTODY SERVICES, LODHA - I THINK TECHNO CAMPUS, OFF FLR 8, KANJURMARG EAST, MUMBAI- 400 042
10.	DURGAPUR STEEL PLANT PROVIDENT FUND	135	0.34	ISPAT BHAWAN, PROVIDENT FUND SECTION, ROOM NO- 501, DURGAPUR STEEL, PLANT, DURGAPUR-713 203

iii) List of top 10 Bond Holders as on September 30, 2012 for Rs. 1,500 crore Rupee Bond

Sr. No.	Name of Security holder	No of Bonds held	% to total	Address of the holder
1.	ICICI BANK LTD	3740	24.93	TREASURY MIDDLE OFFICE GROUP, 2ND FLOOR, NORTH TOWER, EAST WING ICICI BANK TOWER, BKC BANDRA (EAST) , MUMBAI - 400 051
2.	WELSPUN CORP LTD	1467	9.78	WELSPUN CITY, TAL ANJAR, DISTRICT KUTCH, GUJRAT - 370 110
3.	JM FINANCIAL PRODUCTS LIMITED	900	6.00	141 MAKER CHAMBERS III , NARIMAN POINT - MUMBAI - 400 021
4.	ADITYA BIRLA FINANCE LIMITED	803	5.35	APEEJAY 2ND FLOOR, SHAHID BHAGAT SINGH ROAD, FORT, MUMBAI-400 001
5.	ING VYSYA BANK LIMITED	750	5.00	ING VYSYA BANK LTD, FINANCIAL MARKET OPERATIONS, C-12 G BLOCK 7TH FLOOR, BANDRA KURLA COMPLEX BANDRA (EAST), MUMBAI - 400 051
6.	BARCLAYS BANK PLC	750	5.00	801 / 808, CEEJAY HOUSE , SHIVSAGAR ESTATE, DR A. BEASANT ROAD , WORLI, MUMBAI- 400 018

Sr. No.	Name of Security holder	No of Bonds held	% to total	Address of the holder
7.	NPS TRUST- A/C SBI PENSION FUND SCHEME - CENTRAL GOVT	535	3.57	C/O SBI PENSION FUNDS PVT. LTD., NO. 32, MAKER CHAMBERS - III, NARIMAN POINT, MUMBAI- 400 021
8.	INDIA HORIZON FUND LTD	500	3.33	STANDARD CHARTERED BANK, CRESCENZO SECURITIES SERVICES, 3RD FLOOR, C-38/39 G-BLOCK, BKC BANDRA (EAST) MUMBAI- 400 051
9.	DELHI DEVELOPMENT AUTHORITY	450	3.00	VIKAS SADAN, INA, NEW DELHI - 110 023
10.	BHARAT KANAIYALAL SHETH RAVI KANAIYALAL SHETH AMITA RAVI SHETH	432	2.88	19 B, MANEK, 11, L D RUPAREL MARG, MUMBAI- 400 006

- v. **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued.**

The Company has issued following Corporate Guarantees, letters of comfort on behalf of its fully owned subsidiaries.

Name of Subsidiary	Amount (Rs. Crore)
Airline Allied Services Ltd	19.76
Air India Charters Ltd	348.72

- vi. **Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end**

The Issuer Company has not issued any Commercial Paper till the date of this Disclosure Document.

- vii. **Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares)**

The Issuer has not issued any hybrid debt like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures/ Preference Shares etc.

- viii. **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years .**

- a) Corporate Loan: There had been delay in the payment of interest and principal amount, however after the execution of the Financial Restructuring Plan (FRP) which was also approved by Group of Ministers and Board of the respective Lending Banks, these delay has been regularized.

- b) Aircraft loan: There has been no default or delay in payment of principal and interest amount on aircraft loans. The aircraft loans are backed by GOI guarantee and US EXIM guarantee.
- c) The Issuer has not defaulted in any of its payment obligations arising out of any corporate guarantee issued by it to any counterparty including its subsidiaries, joint venture entities, group companies etc in the past.

ix. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

The Issuer confirms that it has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

h. Details of Promoters of the Company

i. Details of Promoter Holding in the Company as on the latest quarter end i.e. as on September 30, 2012

Sr No	Name of the Share Holders	Total No of Equity shares	No of shares in Demat form	% shareholding	No of shares pledged	% share pledges with respect to share owned
1	President of India (including its nominees)	626,10,00,000	NIL	100%	NIL	NIL

i. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications , if any.

Audited Profit & Loss statement, Balance Sheet and Cash Flow for FY 2009, FY 2010 and FY 2011 attached in Annexure - VI, VII & VIII respectively.

j. Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any

Abridged version of Provisional Profit & Loss statement is annexed as Annexure-IX

k. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities.

The Company hereby declares that to the best of its knowledge and belief, there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of the Company.

- 1. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities**

The Company has appointed SBICAP Trustee Company Limited as the Trustee for the Issue. All the rights and remedies of the Debentureholders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debentureholders. All investors are deemed to have irrevocably given their authority and consent to SBICAP Trustee Company Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debentureholders shall discharge the Company *pro tanto* to the Debentureholders. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Regulations and this Disclosure Document/Information Memorandums, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed being entered into between the Company and the Debenture Trustee. A notice in writing to the Debentureholders shall be provided for the same. The Debenture Trustee shall duly intimate the Debentureholders and the general public by issuing a press release on occurrence of any of the following events:

- (a) Default by the Company to pay interest on the Debentures or redemption amount on Due Date; and
- (b) Revision of credit rating assigned to the Debentures.

- m. The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies**

Ratings letters and Ratings rationale from India Ratings & Research Private Limited and CRISIL Limited are enclosed in the annexure II and annexure III to this document respectively.

- n. If the security is backed by a guarantee or letter of comfort or any other document/ letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

Government of India Guarantee Structure

The NCD would be backed by unconditional and irrevocable guarantee by the Government of India for inter alia payment of principal and interest payments till debt obligations in respect of the Debentures are outstanding. It is clarified that GOI's guarantee does not extend to and GOI shall not be liable to pay any default interest or penal or overdue interest or charges it being understood that GOI's liability is limited to payment of Principal and Interest in terms of the Deed of Guarantee cum Indemnity executed by The Government of India in favor of the Trustee. A copy of Deed of Guarantee cum Indemnity is annexed at **Annexure -V**.

Collection, Payment Mechanism and invocation of Guarantee

Cabinet Committee on Economic Affairs (CCEA) at its meeting held on April 12, 2012 approved the Financial Restructuring Plan (FRP) of Air India which inter alia included issuance of GOI guaranteed Non-Convertible Debenture (NCD) to the extent of Rs. 7400 crore. As per FRP, Government has to meet the interest payment periodically by corresponding equity infusion before Due Date. The equity infusion from the GOI for the interest payment on NCD will be credited to GOI Equity Account of the Company and the Company will ensure the transfer of the requisite amount to the Designated Account.

The Company shall open a no lien Designated Account with State Bank of India which would be exclusively used for servicing the liability towards debentureholder(s) and the Trustee. The "Designated Account" shall be held by the Bank to the order of the Trustee. Unless otherwise agreed to by the Debentureholder(s)/ Beneficial Owner(s)/Trustee, any payments due and payable to the Debentureholder(s)/Beneficial Owner(s) and made by the Company shall be appropriated towards such dues in the following order, viz. :-

- a) First all expenses incurred by the Debentureholder(s)/Beneficial Owner(s)/ Trustee upon occurrence of an Event of Default and after any Due Date/Accelerated Payment Date in connection with collection of Adequate Funds;
- b) Secondly, towards Interest; and
- c) Thirdly, towards redemption of Principal amount of the Debentures due and payable by the Company to Debentureholder(s)/Beneficial Owner(s)

The Trustee shall within 45 days before the Due Date inform the Company in writing regarding the Due Date of payment and the corresponding Principal and/or Interest amount so that the necessary arrangements could be made to transfer Adequate Funds in the Designated Account for meeting the Principal and Interest repayment obligation. If the Designated Account is not funded by the Company with requisite amount for payment of interest and/or principal on or before thirty (30) days before the respective Due Date, the following mechanism would be triggered. The Trigger Dates for the invocation of the GOI Guarantee would be any day on which 'Event of Default' is observed and is continuing or be as follows, where 'T' refers to the Due Date for payment of interest and/or principal:

Trigger Dates	Action Points
T-30	If the Designated Account does not have Adequate Funds on or before thirty (30) days prior to the Due Date, it shall constitute an Event of Default.
T-29	Trustee shall intimate the GOI about the Event of Default. However, any failure on the part of the Trustee to send intimation to GOI shall not prejudice the right of the Trustee to invoke the Guarantee.
T-8 working days	If default continues upto eight (8) working days before the Due Date, the Trustee shall invoke the Guarantee by sending a Notice to GOI. Upon receipt of Notice from the Trustee GOI shall transfer into the Designated Account by the Guarantor's Payment Date (mean a date not later than seven (7) working days from the date of Notice or atleast one working day prior to Due Date whichever is earlier), Adequate Funds as notified by the Trustee in the Notice.
T-1 working day	The GOI has to fund the Designated Account for payment of interest and/or Principal.

Trigger Dates	Action Points
T	Due Date for Payment of Interest/Principal

In the event of Trustee's failure to send the Notice within 45 days of the Due Date, the right of the Trustee to invoke the Guarantee shall lapse and the guarantee shall cease to exist only for that portion of the liability for which the guarantee has not been invoked.

In case the default occurs due to reasons other than default on payment of Interest and/or Principal as mentioned above, the Trustee shall send a notice to GOI to invoke the Guarantee within two (2) working days from the knowledge of occurrence of such default. GOI irrevocably and unconditionally agrees that it shall, forthwith on the receipt of notice without demur, reservations, recourse, contest or protest and without any reference to the Company, pay to the Trustee by the Accelerated Payment Date (mean a date not later than seven (7) working days from the date of notice), such amounts as may be claimed by the Trustee.

o. Copy of consent letter from Debenture trustee shall be disclosed.

The Company has appointed SBICAP Trustee Company Limited to act as Trustee for the Debentureholders (hereinafter referred to as "Trustee"). A copy of letter from SBICAP Trustee Company Limited conveying their consent to act as Trustee for the Debentureholders is annexed to this Disclosure Document/Information Memorandum at **Annexure IV**.

1. The Company and the Trustee will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Company and the Trustee in respect of the Debentures.
1. The Debentureholder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Disclosure Document/Information Memorandum.
2. All the rights and remedies of the Debentureholder(s) shall vest in and shall be exercised by the said Trustee without having it referred to the Debentureholder(s).
3. No Debentureholder shall be entitled to proceed directly against the Company unless the Trustee, having become so bound to proceed, fail to do so.
4. Any payment made by the Company to the Trustee on behalf of the Debentureholders shall discharge the Company *pro tanto* to the Debentureholder(s).
5. The Trustee will protect the interest of the Debentureholder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.
6. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (Issue and Listing of Debt Security) Regulations, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document/Information Memorandum, with due care, diligence and loyalty.
7. The Debenture Trustee shall supervise the implementation of the conditions regarding creation of security for the debt securities and the debenture redemption reserve.

Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debentureholders shall be provided for the same.

p. Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.

The Debentures of the Company will be listed on the Wholesale Debt Market (WDM) segment of the BSE and/or NSE. The company shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis.

B. Issue Details

- a. Summary term sheet shall be provided which shall include at least following information (where relevant) pertaining to the Secured / Unsecured Non Convertible debt securities (or a series thereof):-

Issuer	Air India Limited
Type of Instrument	Government of India Guaranteed, Redeemable, Unsecured, Taxable, Non-Convertible Debentures
Government Guarantee	<p>Unconditional, Irrevocable and Continuing Guarantee by Government of India for inter alia payment of Principal and Interest Payment till all debt obligations in respect of bonds are outstanding. It is clarified that GOI's guarantee does not extend to and GOI shall not be liable to pay any default interest or penal or overdue interest or charges it being understood that GOI's liability is limited to payment of Principal and Interest in terms of the Deed of Guarantee cum Indemnity executed by the Government of India in favor of the Trustee.</p> <p>The Government of India Guarantee is proposed to have the following mechanism:</p> <p>Issuer will have fund the Designated Account at T - 30 days. If the Designated Account is not fund by T-30 days, the Trustees will send a letter to the Government of India about the same. If the Designated account is not funded by T-8 working days, the Trustees will invoke the Guarantee and the Government (guarantor) will fund the designated account by T-1 working day for interest and principal servicing.</p> <p>Where 'T' is the due date of payment of principal and/or interest.</p>
Nature of Instrument	Government of India Guaranteed, Unsecured Debenture
Seniority	Senior and Unsubordinated
Mode of Issue	Private Placement
Eligible Investors	<p>1. Commercial Banks, Mutual Funds, Insurance Companies, Financial Institutions</p> <p>2. Companies and Bodies Corproate including Public Sector Undertakings</p> <p>3. Provident Funds, Gratuity Funds, Pension Fund</p> <p>4. Any other investors authorized to invest in these Debentures</p>
Listing	Proposed to be listed on BSE and/or NSE

Rating of the Instrument	'IND AAA(SO)(EXP)' by India Ratings & Research Private Limited and 'CRISIL AAA(SO)/Stable' by CRISIL Limited		
Security Name	Air India 9.08% 2031 - Series I	Air India 9.08% 2031 - Series II	Air India 9.08% 2031 - Series III
Issue Size	Rs. 3000 crores	Rs. 100 crores	Rs. 5 crores
Option to retain Oversubscription	The Company has the option to retain additional subscription such that the total amount mobilized and retained across Series I, II & III does not exceed Rs. 7400 crores.	The Company has the option to retain additional subscription such that the total amount mobilized and retained across Series I, II & III does not exceed Rs. 7400 crores.	The Company has the option to retain additional subscription such that the total amount mobilized and retained across Series I, II & III does not exceed Rs. 7400 crores
Coupon Rate	9.08% p.a.	9.08% p.a.	9.08% p.a.
Step Up/Step Down Coupon Rate	NA	NA	NA
Coupon Payment Frequency	Semi-Annual	Semi-Annual	Semi-Annual
Coupon Payment Dates	20th May and 20th November every year	30th May and 30th November every year	18th June and 18th December every year
Coupon Reset Process	NA	NA	NA
Coupon Type	Fixed	Fixed	Fixed
Issue Price	Rs. 10,00,000	Rs. 10,00,000	Rs. 10,00,000
Discount	Nil	Nil	Nil
Put Option Date	NA	NA	NA
Put Option Price	NA	NA	NA
Call Option Date	NA	NA	NA
Call Option Price	NA	NA	NA
Put Notification Time	NA	NA	NA
Call Notification Time	NA	NA	NA
Face Value	Rs. 10,00,000	Rs. 10,00,000	Rs. 10,00,000

Issue Timing			
1. Issue Opening Date**	15-Nov-12	15-Nov-12	15-Nov-12
2. Issue Closing Date**	20-Nov-12	30-Nov-12	18-Dec-12
3. Pay-in Date*	From 16th November, 2012 to 20th November, 2012	From 16th November, 2012 to 30th November, 2012	From 16th November, 2012 to 18th December, 2012
4. Deemed Date of Allotment**	20-Nov-12	30-Nov-12	18-Dec-12
Objects of the Issue	Repayment of Outstanding Short-term Loans as per Financial Restructuring Plan approved by the Cabinet, interest thereon, expenses in relation to the Debenture issue and GOI Guarantee Fee as may be applicable.		
Details of Utilization of Proceeds	Repayment of Outstanding Short-term Loans as per Financial Restructuring Plan of Rs. 7391.67 crores, interest thereon, expenses in relation to the Debenture issue and GOI Guarantee Fee as may be applicable		
Day Count Basis	Actual/Actual (366 days in a leap year)		
Interest on Application Money	At the same rate as the coupon rate for the period from pay-in date to one day prior to deemed date of allotment		
Tenor	228 months from the deemed date of allotment		
Redemption Date	As per Redemption Schedule below		
Redemption Amount	As per Redemption Schedule below		
Redemption Premium Discount	As per Redemption Schedule below		
Minimum Application Size	50 Debentures, thereafter in multiples of 1 (One) Debenture		
Issuance Mode	Demat only		
Trading Mode	Demat only		
Settlement Mode	Payment of Interest and repayment of principal shall be made by way of Credit through RTGS/NEFT system.		
Depository	NSDL and/or CDSL		
Business Day Convention	In case of Interest Payment/Principal Payment Date falls on a Saturday, Sunday or Public Holiday, payment shall be made on the next Business Day. In case the Record Date falls on Saturday, Sunday or Public Holiday, the prior Business Day to the said Saturday, Sunday or Public Holiday shall be the Record Date. For		

	all other purposes if any date falls on a Sunday or Public Holiday, the prior Business Day shall be taken as the Effective Date
Record Date	15 Days prior to each coupon payment/Redemption Date
Security	The Debenture is guaranteed by Government of India for payment of Interest and repayment of Principal amount of the Debenture. No other security is being provided.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:
	1. Deed of Guarantee Cum Indemnity
	2. Debenture Trustee Agreement
	3. Debenture Trust Deed
	4. Letter appointing Debenture Trustee
	5. Rating Agreement with CRISIL Ltd and India Ratings & Research Pvt Ltd
	6. Letter appointing Registrar
	7. Tripartite Agreement between Air India Ltd, M/s. Link Intime India Pvt Ltd and NSDL and CDSL for offering depository option to the investors
	8. Listing Agreement with BSE and /or NSE
	9. This Disclosure Document/Information Memorandum
10. Any other document in connection with the NCD Issue	
Conditions precedent to Disbursement	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:
	1. Rating letter(s) from the aforesaid rating agency(ies);
	2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);
	3. Application to NSE and/or BSE for seeking its in-principle approval for listing of Bonds.
Events of Default	As Given Below
Provision related to Cross Default Clause	NA
Name of the Trustees	SBICAP Trustee Company Limited

Roles & Responsibilities of Debenture Trustees	The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Regulations and this Disclosure Document/Information Memorandums, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed being entered into between the Company and the Debenture Trustee. A notice in writing to the Debentureholders shall be provided for the same. The Debenture Trustee shall duly intimate the Debentureholders and the general public by issuing a press release on occurrence of any of the following events:
	(a) Default by the Company to pay interest on the Debentures or redemption amount on Due Date; and
	(b) Revision of credit rating assigned to the Debentures.
Name of the Registrar	Link Intime India Private Limited
Mode of Subscription	By way of electronic transfer of funds through RTGS mechanism for credit in the account as detail given below:
	Name of Account : NCD Proceeds Account
	Bank & Branch: State Bank of India, CAG Branch, Mumbai
	A/c No. : 32365544631
	MICR Code: 400002133
	IFSC Code: SBIN0009995
Governing Law & Jurisdiction	The Debentures are Governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the non-exclusive jurisdiction of New Delhi
Additional Covenants	Listing: The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment.
	Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period. It is clarified that GOI's guarantee does not extend to and GOI shall not be liable to pay any default interest or penal or overdue interest or charges it being understood that GOI's liability is limited to payment of Principal and Interest in terms of the Guarantee Deed.

*The Issuer reserves the right to utilize the application money towards the objects of the issue i.e. repayment of short-term loans.

**The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also

be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

Repayment Schedule

Redemption Date (months from deemed date of allotment)	180	192	204	216	228
% Redemption	20%	20%	20%	20%	20%
Redemption Amount (Rs. Per Debenture)	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000
Redemption Discount/Premium	-	-	-	-	-

Events Of Default

i) Payment Default

- a) The Trustee shall within 45 days before each Due Date inform the Company in writing regarding the Due Date and the Adequate Funds. The Company shall ensure that the Adequate Funds are available in the Designated Account latest by 30 (thirty) calendar days before the Due Date.
- b) In case the Designated Account does not have Adequate Funds latest by thirty (30) days prior to the Due Date, it shall constitute a Payment Default.
- c) In the case of a Payment Default, the Trustee shall:
 - I. Intimate the GOI about the Payment Default committed by the Company on the next working day.
 - II. In case the Designated Account is not funded to the extent of Adequate Funds at least eight (8) working days before the Due Date, the Trustee shall forthwith invoke the GOI guarantee by sending Notice of Invocation to the GOI in the manner provided in the Guarantee Agreement. Any invocation of the guarantee pursuant to the Guarantee Agreement should be within forty five (45) days from the Due Date. In case the guarantee is not invoked within the stipulated period of forty five (45) days, the guarantee shall cease to exist only for that portion of the Principal and/or Interest for which the guarantee has not been invoked.

ii) Other Default

Notwithstanding anything contained hereinabove, the repayment of the whole of the Principal together with the payment of accrued Interest shall stand accelerated and shall be deemed forthwith to have become due and payable on the happening of any of the following events:-

- a) If a petition for winding up of the Company shall have been admitted or if an order of a court of a competent jurisdiction is made or a resolution for the winding up of the Company has been passed and the order of admission for winding up has not been stayed or vacated by the court within a period of 180 days from the passing of such order or if the Company has not filed an appeal against such order;

- b) If an encumbrancer takes possession, or a receiver is appointed, of the material properties and material assets of the Company and such possession or appointment has not been stayed or vacated by the court within a period of 180 days from the date of possession or if the Company has not filed an appeal against such order;
- c) If a distress, execution or other process shall be levied or enforced upon or taken out against the material properties and material assets of the Company and shall not be withdrawn or discharged, satisfied or paid out within 180 days or such extended period as may be agreed to in writing by the Trustee from the date of levy or enforcement of such distress, execution or other process or if the Company has not filed an appeal against such distress, execution or other process or taking of the material properties and material assets of the Company;
- d) If the Company at any time fails to observe or perform any material covenants, conditions or provisions herein contained and on its part to be observed and performed and the Company continues to fail to perform such material covenant, condition or provisions within a period of 180 days of being notified of such failure by the Trustee.

Procedure in case of Other Default:

- a) The Trustee shall forthwith notify the Company to transfer the entire Principal and accrued Interest to the Designated Account;
 - b) If the Company does not fund the Designated account to the required extent, the Trustee shall, within two working days from the knowledge of occurrence of the Other Default invoke the guarantee in terms of clause 5.4 of the Guarantee Agreement;
 - c) The Guarantee Agreement provides that the GOI shall pay the entire Principal and Interest on a date not later than seven (7) working days from the date of such notice.
- (iii) All expenses incurred by the Debentureholder(s)/Beneficial Owner(s)/ Trustee after an Event of Default has occurred in connection with collection of amounts due under this Deed, shall be payable by the Company.

C. Other Issue details including application process, rights of debentureholders etc

How to Apply

This Disclosure Document/Information Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the institution(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be sent specifically addressed to the institution(s) by the Issuer Company.

Only eligible investors as given hereunder may apply for Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 50 Debentures and in multiples of 1 Debenture thereafter. The applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects must be submitted with the Company. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention its Permanent Account Number (PAN) allotted under the Income-tax Act, 1961. As per the provision of Section 139A(5A) of the Income Tax Act, PAN needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN if the investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case the PAN has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected. In case of failure to furnish PAN Number, Tax at source will be deductible at the rate of 10%.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Unless the Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

Application Form must be accompanied by way of electronic transfer of funds through RTGS mechanism for credit in the account of '**NCD Proceeds Account**' at **State Bank of India, CAG Branch, Mumbai** having IFSC code number **SBIN0009995**, Account No. **32365544631**, MICR code **400002133**. Cash, outstation cheques, money orders, postal orders and stockinvest shall not be accepted. The Company assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

Detailed instructions for filling up the application form and list of collection centers are provided elsewhere in this Disclosure Document/Information Memorandum.

Who can invest

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures by submitting all the relevant documents along with the application form.

1. Commercial Banks;
2. Companies and Bodies Corporate including Public Sector Undertakings;
3. Mutual Funds;
4. Financial Institutions;
5. Insurance Companies;
6. Provident Funds;
7. Gratuity Funds;
8. Pension Funds;
9. Any other investors authorized to invest in these NCD's

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable

- Memorandum and Articles of Association / Documents Governing Constitution
- Resolution authorizing investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the application money.
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- PAN to be submitted.

Applications under Power of Attorney

A certified true copy of the Memorandum of Association &/ Power of Attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

Authority for the Placement

The present issue of Debentures is being made pursuant to the resolution of the Board of Directors of the Company, passed at its meeting held on May 14, 2012, wherein Board of Directors of the Company have been authorized to decide the terms of the Debentures. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 293(1)(d) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on March 25, 2011. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

Market Lot

The market lot will be 1 Debenture (“Market Lot”). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

Terms of Payment

The full Face Value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and RTGS for the full Face Value of the Debentures applied for.

Face Value Per Debenture	Minimum Application	Amount Payable on Application per Debenture
Rs. 10,00,000/-	Rs. 10,00,00,000/-	Rs. 10,00,000/-

Right to Accept or Reject Applications

The Board of Directors/ Committee of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on Application Money will be paid from the Pay-in Date till one day prior to the Refund Date. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the Minimum Subscription;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic/dematerialised form not given;
- d. PAN/GIR and IT Circle/Ward/District not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;
- f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

Payment of Interest

The interest will be payable to the Debenture holder (s) whose names appear in the List of Beneficial Owners given by the Depository to the Company on the Record Date. Payment of interest will be made by way of credit through RTGS system. The last interest payment will coincide with the Redemption Date.

Creation of Security

The Debenture is unsecured, therefore no security creation is required.

List of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Notices

All notices to the Debentureholder(s) required to be given by the Company or the Trustee Shall be given individually and/or as per the SEBI guidelines.

All notice(s) to be given by the Debentureholder(s) shall be sent by registered post or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

Joint-Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of Information

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debentureholders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Depository Arrangements

The Company proposes to appoint M/s. Link Intime India Pvt Ltd as Registrars & Transfer Agent for the present Debenture issue. The Company will make necessary depository arrangements with NSDL/CDSL for issue and holding of Debentures in dematerialized form. In this context the Company has signed a tripartite agreement as under:

1. Tripartite Agreement between Air India Ltd, M/s. Link Intime India Pvt Ltd and NSDL for offering depository option to the investors.
2. Tripartite Agreement between Air India Ltd, M/s. Link Intime India Pvt Ltd and CDSL for offering depository option to the investors.

Investors can hold the debentures only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

The Company is in the process of making arrangements with NSDL and CDSL for holding of the Debentures in the dematerialized form.

Right to Re-Issue

In the event of the Debentures being so purchased and/ or redeemed before maturity in any circumstances whatsoever, the Company shall have the right to re-issue the Debentures under section 121 of the Companies Act, 1956 or any other relevant statute(s), as applicable.

Debentureholder not a Shareholder

The Debentureholders will not be entitled to any of the rights and privileges available to the Shareholders.

Rights of Debentureholders

- The Debentures shall not, except as provided in the Companies Act, 1956 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to

receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debentureholders for their consideration. In terms of Section 219(2) of the Companies Act, 1956, holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.

- The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debentureholders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/ debenture certificates that will be issued.
- The registered Debentureholder or in case of joint-holders, the one whose name stands first in the Register of Debentureholders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debentureholders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debentureholders.
- The Debentures are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles of the Company, the terms of this Disclosure Document/Information Memorandum and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document/Information Memorandum, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debentureholders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- A register of Debentureholders will be maintained in accordance with Section 152 of the Companies Act, 1956 and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debentureholders.
- The Debentureholders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

Effect of Holidays

Should any of the dates defined above or elsewhere in this document other than the Deemed Date of Allotment, fall on a Saturday, Sunday or a public holiday, the previous Working day would be considered as the effective date(s) for matters mentioned in the Guarantee Deed and the next Business Day shall be considered as the effective date(s) in all other cases.

Interest on Taxable Debentures

Interest shall accrue, at the Coupon Rate for respective series, on the outstanding value of the Debentures from the Deemed Date of Allotment and the payment shall be made on Interest Payment Dates every year till maturity, subject to deduction of Tax at Source at prevailing rates.

Interest on Debentures shall accrue to the Debentureholders / Beneficiaries as per the List of Beneficial Owners provided by the Depository as on the Record Date. If any of the interest payment date(s) fall on a day which is not a Business Day, then payment of interest will be made on the next Business Day.

Computation of Interest

All interest accruing on the outstanding principal amount of the Debentures shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a year of 365 days (or 366 days in case of a leap year), at the applicable Coupon Rate and rounded off to the nearest Rupee.

Put or Call Option

There are no put or call options in the debentures.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Instrument Holders at the registered office of the Company at least 30 days before the interest payment becoming due and if required, be submitted afresh annually and/or as and when called upon for the same by the Company. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the application form. Failure to comply with the above shall entitle the Company to deduct tax at source as may be advised to it.

Debenture Certificates in dematerialized mode

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/CDSL/Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

PAN Number

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961.

Record Date Falling on Sunday / Holiday

Record Date for the Issue will be 15 (Fifteen) days prior to the next Interest Payment Date / Redemption Date. In case Record Date falls on Sunday / Holiday, the prior Business Day to the said Sunday / Holiday shall be the Record Date.

Payment on Redemption

The payment of the redemption amount of the Debentures will be made by the Company to the beneficiaries as per the List of Beneficial Owners provided by the depository as on the Record Date.

The Debentures held in the dematerialized form shall be taken as discharged on payment of the redemption amount by the Company on Redemption Date to the Beneficial Owners on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debentureholders. On such payment being made, the Company will inform NSDL/CDSL/Depository Participant and accordingly, the account of the Debentureholders with NSDL/CDSL/Depository Participant will be adjusted.

The Company's liability to the Debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the Due Dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

Purchase and Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at the price available in the Debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

Future Borrowings

The Company shall be entitled from time to time to make further issue of Debentures to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets.

Governing Law

The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the jurisdiction at the city of New Delhi.

Consents

Consents in writing of the Registrar of the Issue and Trustee for the Debentureholders to act in their respective capacities, have been obtained and such consents have not been withdrawn upto the time of filing this Disclosure Document/Information Memorandum with the BSE and/or NSE.

Obtaining permission / consent from the prior creditor for a second or pari passu charge being created in favor of the trustee to the proposed issue

The Debentures is guaranteed by Government of India guarantee for interest payment and principal repayment. The instrument is unsecured and no charge will be created on the assets of the Company, therefore consents from prior creditors are not required.

Debenture Redemption Reserve ("DRR")

The Company hereby agrees that it would create a Debenture Redemption Reserve in accordance with the Act and/or any guidelines issued by the SEBI as made applicable to it and if during the currency of these presents, any guidelines are formulated (or modified or revised) by the Central Government or any government agency or corporation having authority under the law in respect of creation of a

Debenture Redemption Reserve, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modification as may be required by the Debentureholder(s)/Beneficial Owner(s) or the Trustee. The Company shall submit to the Trustee a certificate duly certified by the auditors certifying that the Company has transferred suitable sum to the Debenture Redemption Reserve at the end of each of financial year.

Material contracts & agreements involving financial obligations of the issuer

By very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts and documents referred to below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material have been entered into by the Issuer. Copies of Material Contracts/documents as disclosed below may be inspected at the Corporate Office of the Company between 10.30 a.m. – 5.00 p.m. on any working day until the Issue Closing Date.

Material contracts and documents:

1. Copy of letter appointing Debenture Trustee for the Issue
2. Copy of letter appointing Registrar to the Issue
3. Memorandum and Articles of Association of Air India Limited;
4. Annual Report for FY 2009, FY 2010 and 2011 of Air India Limited; and unaudited financial results of FY 2012
5. Resolution from the shareholders of the Company dated March 25, 2011 authorizing the borrowing by the Company of up to Rs. 50,000 crores.
6. Resolutions of the Board of Directors of Air India passed at its Board Meeting held on May 14, 2012 for the issue of debentures aggregating to Rs. 7,400 crores and to take all necessary actions including the listing of Debentures in Stock Exchanges.
7. Letter from India Ratings & Research Private Limited dated November 05, 2012 assigning 'IND AAA(SO)(EXP)' rating for an amount up to Rs. 7,400 crores to be raised through Debentures and Letter from CRISIL Limited dated November 6, 2012 assigning 'CRISL AAA(SO)/Stable' rating for an amount upto Rs. 7,400 crores to be raised through Debentures;
8. Consent dated October 13, 2012 of M/s. Link Intime India Pvt Ltd to act as Registrar to the Debenture Issue.
9. Consent dated September 14, 2012 of M/s. SBICAP Trustee Company Limited to act as Trustee to the Debenture Issue.
10. CCEA approval on Financial Restructuring Plan (FRP)
11. Government of India Guarantee for the NCDs
12. Letter from BSE for granting In-principle approval for Listing
13. Tripartite Agreement between Air India Ltd, M/s. Link Intime India Pvt Ltd and NSDL for offering depository option to the investors.
14. Tripartite Agreement between Air India Ltd, M/s. Link Intime India Pvt Ltd and CDSL for offering depository option to the investors


DECLARATION

It is hereby declared that this Disclosure Document/Information Memorandum contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended.

The Company also confirms that this Disclosure Document/Information Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document/Information Memorandum also does not contain any false or misleading statement.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document/Information Memorandum or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk. Signed pursuant to the authority granted by Board of Directors of the Company at its Board meeting held on May 14, 2012.

For Air India Ltd

Signature : 
Name : S. VENKAT
Designation : Director - Finance
Place : MUMBAI
Date : 12th November, 2012

एस. वेंकट / S. Venkat
निदेशक - वित्त
Director - Finance
एअर इंडिया लिमिटेड / Air India Limited

Depository Name	NSDL		CDSL	
Depository Participant Name				
DP-ID				
Client ID				
Beneficiary Account Number				
Name of the Applicant(s)				

I/We understand that: i) in case of allotment of Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole option to reject the application.

I / We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the principal, returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Company (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. **I /We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier.**

I/We hereby confirm that I/we have reviewed, read and understood the terms and conditions contained in the Information Memorandum, and found the same acceptable for the investment.

#Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

#In case of corporate/HUF/partnership, authorized signatories with stamp

<u>For office use only</u>	
Date of receipt _____	Date of clearance _____

ACKNOWLEDGMENT SLIP:
(To be filled in by Applicant)

Application form serial no.		
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AIR INDIA LIMITED

Registered Office: Airlines House, 113, Gurudwara Rakabganj Road, New Delhi - 110 001, India;
Telephone: 011-2342 2000; Fax: 011-2342 2107;
Website: <http://www.airindia.com>

SERIES: Air India 9.08% 2031- Series- I / Air India 9.08% 2031- Series II / Air India 9.08% 2031- Series III

Date of Application: ____/____/ 2012

Received from Ms./Mr./Mrs. _____

(*RTGS detail: UTR No* _____ *Date of Transfer* _____ *transferred*
from _____ *Bank*)

for Rs. _____ (Rupees _____)

being the subscription for _____ (in words _____) No. of Debentures
applied for.

Accepting Officer Signature with Date

INSTRUCTIONS

1. Application Forms must be completed in full in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name, for example:

A	B	C		D	E	F	H
---	---	---	--	---	---	---	---

2. Signatures should be made in English or in any of the Indian languages and must be attested by an authorised official of a bank or by a Magistrate/Notary Public under his/her official seal. Attestation may be done in the space provided in the Application Form or a separate signature attestation may be enclosed.
3. The application form should be submitted to the Company at following address:

General Manager – Finance
Air India Limited
Finance Building, 3rd Floor,
Old Airport Office,
Kalina, Santacruz (East)
Mumbai – 400 029
Telephone No: 022-2626 5660
Fax No : 022-2615 7173

4. Applications once submitted cannot be withdrawn.
5. **RTGS details**
IFSC Code: **SBIN0009995**
MICR Code: **400002133**
Bank & Branch: **State Bank of India, CAG Branch, Mumbai**
Account No: **32365544631**
Name of Account: **NCD Proceeds Account**
6. CASH OR STOCKINVEST WILL NOT BE ACCEPTED.
7. First applicants should mention their Permanent Account Number, allotted under the Income-Tax Act, 1961 and also the Income-Tax Circle/Ward/District. Investors should not submit the GIR Number or Form 60/61 instead of the Permanent Account Number as the application is liable to be rejected on this ground.
8. The Application form in order to be complete, should be accompanied by the following documents, as applicable :
(Please tick below for the documents submitted alongwith the application form)
(i) Memorandum & Articles of Association in the case of Corporate investors/Trust Deed in the case of Trusts.
(ii) Board Resolution/Power of Attorney or other authorisation empowering the signatories to make the investment.
(iii) Signature attestation, for applications other than individual(s), if not attested in the space provided in the application form.
The above documents need to be submitted in original or should be certified to be a true copy.
9. Receipt of applications will be acknowledged by the Air India Limited in the "Acknowledgement Slip" appearing below the Application Form.
10. Air India Limited is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reasons. An application form which is not complete in all respects is liable to be rejected.

11. Provident, superannuation and gratuity funds should ensure that their investments are within the authorised limits under applicable law.
12. Trusts, public or private, religious, charitable or otherwise should ensure that their investments are authorised by their charter documents.

Annexure II: Rating Letter and Rationale from India Rating & Research Pvt Ltd dated November 05, 2012

India Ratings
& Research

Fitch Group

Mr. S. Venkat (Executive Director & Company Secretary)
Air India Limited
Air India Building
Nariman Point
Mumbai 400 021

November 5, 2012

Kind Attn: Mr. S. Venkat (Executive Director & Company Secretary)

Dear Sir,

Re: Rating Letter for Air India Limited's proposed INR74bn Non Convertible Debenture Issue

India Ratings (see definition below) assigns the following ratings:-

Proposed INR74bn Non-Convertible Debenture Issue : IND AAA(SO)(EXP).

The Non-Convertible Debentures are expected to be backed by an unconditional and irrevocable guarantee by the Government of India for payment of principal and interest.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.



India Ratings & Research Private Limited - A Fitch Group Company
Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | www.indiaratings.co.in

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in a India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings's ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

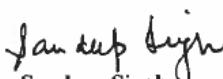
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91-22-4000 1700.

Sincerely,

India Ratings


Rakesh Vatecha
Senior Director


Sandeep Singh
Senior Director

Annexure - Details of Air India Limited's Proposed INR74bn Non-Convertible Debenture Issue

Issuer	Air India Limited
Issue Size	INR74bn
Nature of Debt Securities	Government of India guaranteed, redeemable, unsecured, taxable, Non-Convertible Debentures
Face Value	INR 1m
Issue Price	INR 1m
Minimum Subscription	100 Debentures, thereafter in multiples of 50 Debentures
Tenor	19 years
Coupon payment frequency	Semi-annual
Redemption	In five equal annual installments starting from the 15 th year from the deemed date of allotment
Security	Unsecured
Government of India Guarantee	Unconditional and Irrevocable guarantee from the GOI for the timely payment of interest and redemption of principal amount.
Repayment Structure	
Transaction documents to be executed	Information Memorandum, Debenture Trust Deed and Trustee Agreement.
Bank account	Air India Ltd shall open a non-lien bank account for meeting interest and principal obligations on the NCDs. The company cannot withdraw from this account for the purpose other than for meeting debt service on these bonds
Important milestones and actions for interest payment and principal repayment	
T-45 th Day	The Trustee shall within 45 days before the due date inform the company in writing regarding the due date of the debentures and adequate funds required to pay the principal and/or interest accrued on the NCD on the due date.
T-30 th Day	If the designated account does not have adequate funds on or before 30 days prior to the due date, it shall constitute an event of default.
T-29 th Day	Trustee shall intimate the GOI about the event of default. However, any failure on the part of the Trustee to send intimation to GOI shall not prejudice the right of the trustee to invoke the guarantee.
T-8 th Day	If default continues upto 8 working days before the Due Date, the Trustee shall invoke the Guarantee by sending a Notice to GOI. Upon receipt of notice from the Trustee GOI shall transfer into the designated account by the guarantor's payment date (meaning a date not later than 7 working days from the date of notice or at least one working day prior to due date whichever is earlier), adequate funds as notified by the trustee in the notice.

Aw
5/11/2012

Annexure III: Rating Letter and Rationale from CRISIL Limited dated November 06, 2012



CONFIDENTIAL

Ref: BK/RCO/11/2012- 2184
November 6, 2012

Mr. S. Venkat
Director- Finance
Air India Limited,
Old Airport, Kalina, Santacruz (E),
Mumbai 400 029

Dear Mr. Venkat,

Re: CRISIL Rating for the Rs.74 billion Non-Convertible Debenture (NCD) Programme of Air India Limited backed by unconditional and irrevocable guarantee from the Government of India (GoI)

We refer to your letter VM/AIL/2012/CH5586 August 13, 2012, for a rating for the above mentioned instrument backed by an unconditional and irrevocable guarantee by GoI.

CRISIL has, after due consideration, assigned a rating of “**CRISIL AAA (SO)/Stable**” (pronounced “**CRISIL Triple A Structured Obligation with Stable outlook**”) to the debt issue. This rating indicates ‘**highest degree of safety**’ regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. This rating is based on the strength of the guarantee provided by GoI to the instrument securing all principal and interest obligations on the debt programme, the payment structure designed to ensure full and timely payment to investors as set out in Annexure A, the strength of the warranties provided by you as set out in Annexure B, and the confirmation provided by the trustee that it will ensure compliance to the proposed debt issue, as set out in Annexure C. We further request you to apprise us of the instrument details as set out in Annexure D as soon as it is placed.

In the event of your company not making the issue within a period of 90 days from the date of this letter, or in the event of any increase in the size of the issuance or any change in the structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

CRISIL has assumed that the representations made by you are true and that the structure, based on which the rating is assigned, shall work and operate as represented by you. CRISIL does not guarantee the accuracy, adequacy, or completeness of the representations to be made in the Offer Documents. CRISIL is not responsible for any acts of commission or omission of the issuer / Guarantor / Trustee.

Disclaimer: A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 – 09.

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CRISIL Limited

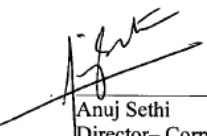
Mezzanine Floor, Thapar House' 37, Montlieth Road, Egmore, Chennai - 600 008, India. Phone: +91 (44) 2854 6205/ 6206/ 6093/ 8834 Fax: +91 (44) 2854 7531/ 6656 3160
Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400 076. Phone: +91 (22) 3342 3000 Fax: +91 (22) 3342 3001
Web: www.crisil.com

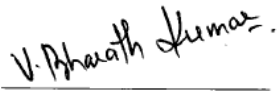


CRISIL reserves the right to suspend, withdraw or revise the rating assigned to the captioned programme, at any time, on the basis of new information, or unavailability of information or other circumstances which CRISIL believes may have an impact on the rating.

Should you require any clarifications, please feel free to contact us.

With best regards,
Yours sincerely,


Anuj Sethi
Director- Corporate & Government Ratings


V. Bharath Kumar
Manager- Corporate & Government Ratings

Disclaimer: A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 - 09.

Encl.: As above

- **Annexure A:** Payment Structure
- **Annexure B:** Representation and Warranties furnished by Air India Ltd
- **Annexure C:** Trustee Awareness Letter
- **Annexure D:** Instrument Details



Annexure A: Payment Structure

The rating is based on the payment structure proposed by Air India Limited.

The trigger dates for the invocation of the GoI guarantee would be any day on which 'Default' is observed and is continuing or be as follows, where 'T' refers to the Due Date for payment of interest and/or principal

Trigger Dates	Action Point
T-30 calendar days	Issuer to fund the Designated Account with Adequate Funds required to make payments to the Debenture Holders; failure of Issuer to fund the Designated Account as aforesaid constitutes Default
T-29	If the Designated Account of the Trustee is not funded to the requisite extent by T-30 calendar days, the Trustee shall intimate the GOI about the Default on the next working day
T-8 working days	If default continues up to T-8 working days, the Trustee shall forthwith invoke the GOI Guarantee by sending Notice of invocation to the GOI.
T-1	The Guarantor shall, upon such invocation, forthwith (and in any event not later than 7 working days from the date of Notice or at least one working day prior to Due Date whichever is earlier) pay to the designated account of the Trustee as per Notice of invocation.
T	Payments to be made to the Debenture Holders

Annexure B: Representation and Warranties furnished by Air India Ltd



Date: 05 November, 2012

To,

CRISIL Limited
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai - 400076

Representation and Warranties from Air India Limited

Dear Sir,

This is with reference to the private placement of rated, listed, unsecured, taxable, redeemable, non-convertible debentures of the face value of Rs. 10,00,000/- each, aggregating to Rs. 7400 Crores (Rupees Seven Thousand Four Hundred Crores Only) (the "Debentures") by Air India Limited (the "Issuer").

The Issuer hereby represents, warrants and undertakes to CRISIL as follows:

1. All information provided by the Issuer to CRISIL regarding the issuance of Debentures, including the operation of the payment structure is true and correct.
2. The transaction structure and payment mechanism (as mentioned in Annexure to this Representations & Warranties) shall operate in the same manner as represented by the Issuer to CRISIL.
3. The instrument details and the payment structure to be incorporated in the final transaction documents, including the Deed of Guarantee, will be same in all respects as the draft transaction documents/term sheet and Guarantee documents shared with CRISIL.
4. The executants of the legal documentation on behalf of the Issuer have been duly empowered and authorized to execute the same and to carry out all necessary actions in accordance with the terms set out therein.
5. The Issuer shall satisfy all the covenants to ensure that the Debentures are fully redeemed in a timely manner.
6. The Issuer shall within a period of 3 months from the date of allotment of the Debentures:
 - Open a Designated Account with State Bank of India for meeting the obligations on the aforesaid debt.

Page 1 of 2



- Execute all the requisite transaction documents as per the terms and conditions intimated to CRISIL, to enable the Trustee to operate the Designated Account and for the effective operation of the transaction structure
 - Submit copies of all the executed transaction documents to CRISIL.
7. All the representations and warranties provided by the Issuer to CRISIL are true and correct.

Yours sincerely,

(S. Venkat)
Director-Finance

Annexure – Payment Mechanism

Trigger Dates	Action Point
T-30 calendar days	Issuer to fund the Designated Account with Adequate Funds required to make payments to the Debenture Holders; failure of Issuer to fund the Designated Account as aforesaid constitutes Default
T-29	If the Designated Account is not funded to the requisite extent by T-30 calendar days, the Trustee shall intimate the GOI about the Default on the next working day
T-8 working days	If default continues up to T-8 working days, the Trustee shall forthwith invoke the GOI Guarantee by sending Notice of invocation to the GOI.
T-1	The Guarantor shall, upon such invocation, forthwith (and in any event not later than 7 working days from the date of Notice or at least one working day prior to Due Date whichever is earlier) fund the designated account as per Notice of invocation.
T	Payments to be made to the Debenture Holders

Page 2 of 2

Annexure C: Trustee Awareness Letter



SBICAP Trustee
Company Ltd.

No. 2195/OPR/STCL/2012

November 5, 2012.

Mr. Anuj Sethi
Director - Corporate & Infrastructure Ratings
CRISIL Ltd.,
Thapar House, Mezzanine Floor,
37, Montieith Road, Egmore
Chennai 600 008
Tel No - 044 6656 3108
Fax No - 044 6656 3160

Dear Sir,

Sub: Confirmation on awareness of the structure and responsibility to ensure its compliance for the proposed Rs. 7400 crores non-convertible debenture (NCD) issue by Air India Ltd (AIL).

We refer to the captioned transaction, and the payment structure accompanying the same. We, in our capacity as Trustee to the captioned transaction, confirm our understanding and acceptance that:

- i. We are aware that the proposed NCD issue will be guaranteed by the Government of India. Further, we are also aware of the payment structure, as proposed by AIL (*please refer Annexure*). We understand that the proper functioning of the payment structure is vital for the timely servicing of payments to the investors.
- ii. We will ensure that all the requisite transaction documents including the guarantee agreement will be executed as per the terms and conditions of the Information Memorandum/term sheet, and will be submitted to CRISIL within 3 (three) months from the date of allotment.
- iii. We fully understand all the aspects of the said payment structure. We also understand our responsibilities there under, which includes ensuring that AIL opens a Designated Account with a bank acceptable to Issuer/CRISIL and the monitoring of the payment structure. We also confirm that we shall discharge all our responsibilities mentioned in the information memorandum/term sheet.

We further undertake

- i. To inform CRISIL immediately in writing or on e-mail of any instance of non-compliance with the transaction structure or with the payment mechanism or with regard to paras (ii) and (iii) stated above.
- ii. To inform CRISIL immediately upon acceleration of payment of Principal and Interest on account of occurrence of any event of default as per the terms of the NCDs
- iii. To monitor the designated account for upcoming payments, and if not funded adequately, as per stipulated dates, intimate the Government of India, in a timely

8, Khetan Bhavan, 5th Floor, 198, J. Tata Road, Churchgate, Mumbai - 400 020. Tel.: 91-22-4302 5555 Fax: 91-22-4302 5500

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manner in accordance with the payment structure, about the non-funding of the Designated Account.

- iv. To monitor the designated account for upcoming payments, and if not funded adequately, as per stipulated dates, invoke guarantee of Government of India in a timely manner in accordance with the payment structure.
- v. To certify to CRISIL, at least on an annual basis, about the compliance of the structure. This will include a specific confirmation that funds are being paid through the Designated Account on specified dates as stated in the Information Memorandum/term sheet.

Thanking You,

Yours faithfully,


(V. G. Lakshmi)
VF & COO

Annexure: Payment structure



Annexure 1 - Payment Mechanism

Trigger Dates	Action Point
T-30 calendar days	Issuer to fund the Designated Account with Adequate Funds required to make payments to the Debenture Holders; failure of Issuer to fund the Designated Account as aforesaid constitutes Default
T-29	If the Designated Account of the Trustee is not funded to the requisite extent by T-30 calendar days, the Trustee shall intimate the GOI about the Default on the next working day
T-8 working days	If default continues up to T-8 working days, the Trustee shall forthwith invoke the GOI Guarantee by sending Notice of invocation to the GOI.
T-1	The Guarantor shall, upon such invocation, forthwith (and in any event not later than 7 working days from the date of Notice or at least one working day prior to Due Date whichever is earlier) pay to the designated account of the Trustee as per Notice of invocation.
T	Payments to be made to the Debenture Holders

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Annexure D: Instrument Details

<i>Instrument Type:</i>		
<i>Amount Placed:</i>		
<i>Maturity Period:</i>		
<i>Coupon Rate:</i>		
<i>Call/Put Option if any with date/s (Pls incorporate in the next two columns, date and amount)</i>		
<i>Interest Payment Dates:</i>		
<i>Principal Repayment Details:</i>	Date	Amount
<i>Investors:</i>		
<i>Names of Investors (*)</i>		
<i>Trustees:</i>		

(* If necessary, please attach a sheet giving the names of the Investors.

Annexure IV: Consent Letter from SBICAP Trustee Company Ltd dated September 14, 2012

No. ¹⁵⁸⁸ /STCL/OPR/2012-13/ CL - 385
Date: 14th September, 2012.

Air India Limited
Old Airport, Kalina,
Santacruz (East)
Mumbai 400 029.

Attn : Mr. S. Venkat – Director (Finance)

Dear Sir,

Appointment of SBICAP Trustee Company Limited as Debenture Trustee for Non-convertible Debentures aggregating to Rs. 7,400 crores

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee for the above assistance.

In this connection, we hereby give our consent to act as Debenture Trustee for the above assistance on the following terms :-

Acceptance fees : Rs.2,00,000/- plus applicable taxes (one time payment) to be paid immediately on our appointment.

Annual Service Charges : Rs.1,00,000/- plus applicable taxes payable yearly in advance on 1st April each year from the date of the execution of the documents or date of allotment of Bonds whichever is earlier. The Trusteeship remuneration will be payable by you till the time repayment / redemption of entire bonds and its satisfaction of charge thereof in full.

Trust Settlement Fees : Rs.1,000/- only.

Out of Pocket Expenses : On Actual Basis.


Overdue payment of Annual Service Charges, if any, may carry the interest at 12% (twelve per cent) per annum payable from due date till the date of actual payment.

We request you to kindly contact following officials :

Mr. Girish Wagh VP- Legal contact no. 022 – 43025533 Cell no.8879150033 & Ms. Rupali Patil AVP –Operations contact no. 022 -43025501 Cell no. 8879150001 for any assistance in future.

We keenly look forward for our association.

Yours Faithfully,


Vishwas Pathak
(Vice President & COO)

We accept the above terms

For _____

Authorized Signatory
(signature with stamp)

एस. वेंकट / S. Venkat
निदेशक-वित्त / Director-Finance
एअर इंडिया लिमिटेड
Air-India Limited

DATED 02 day of November 2012

DEED OF GUARANTEE CUM
INDEMNITY

IN FAVOUR OF

SBICAP Trustee Company Limited

AS TRUSTEE

BY

THE GOVERNMENT OF INDIA

And

Air India Limited (as “**Confirming Party**”)



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

A small handwritten signature or mark in black ink, appearing as a simple scribble.

DEED OF GUARANTEE CUM INDEMNITY

THIS DEED OF GUARANTEE CUM INDEMNITY (the “**Deed**”) is made at New Delhi, on this 2nd day of November of the year Two Thousand and Twelve

by

THE PRESIDENT OF INDIA, on behalf of the GOVERNMENT OF INDIA and acting through Under Secretary, Ministry of Civil Aviation, and Government of India (hereinafter referred to as “**GOI**”, which expression shall, unless it be repugnant to the subject or context thereof, include his/her successor in office)

in favor of

SBICAP Trustee Company Limited a company registered under the Companies Act, 1956, having its registered office at 202, Maker Tower , E wing, Cuffe Parade, Mumbai – 400005 and also having office at 5th Floor, Khetan Bhavan, J.T.Road, Churchgate, Mumbai – 400 020 hereinafter referred to as (the “**Trustee**”, which expression shall, unless it be repugnant to the subject or context thereof, include the trustee(s) for the time being and their successors, assignees, transferees, novatees and assigns)

And

Air India Limited, a company registered under the Companies Act, 1956 having its registered office at Airline House, 113 Gurudwara Rakabganj Road, New Delhi 110001 hereinafter referred to as (the “**Company**”, which expression shall, unless it be repugnant to the subject or context thereof, include the trustee(s) for the time being and their successors, assignees, transferees, novatees and assigns) in its capacity as a “**Confirming Party**”.

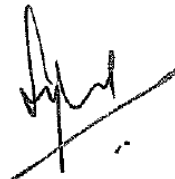
WHEREAS:

1. Air India Limited is a company registered under the Companies Act, 1956 and having its registered office at Airlines House, 113, Gurudwara Rakabganj Road, New Delhi 110001 (the “**Company**” or “**Air India**”, which expression shall, unless it be repugnant to the subject or context thereof, include their successors, assignees, transferees and novatees).
2. Air India has formulated Turnaround Plan (“**TAP**”) which includes operational turnaround and a Financial Restructuring Plan (“**FRP**”). Both the TAP and FRP have been approved by the GOI. An integral part of the FRP comprises conversion of part of existing working capital loans into Short Term Loans (“**STL**”) (to the extent of Rs. 7,400 crore) and Long Term Loans (“**LTL**”).





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3. FRP envisages retirement of STL through proceeds of Non Convertible Debentures ("NCD") to be placed and subscribed by no later than November 30 2012. The NCD would be issued by Air India with principal and interest payment guaranteed by GOI.
4. The Company has vide Information Memorandum (the "**Information Memorandum**") offered for subscription on private placement basis the aforementioned NCD for the purposes mentioned in the Information Memorandum. A copy of the Information Memorandum is annexed herein as Schedule III.
5. The Trustee has agreed to act as a trustee for the holders of the NCD on the condition that the Company shall procure GOI to issue an unconditional and irrevocable guarantee cum indemnity in favour of the Trustee as security for the obligations of the Company to the holders of the NCD and the Trustee.
6. The GOI has agreed to execute this Deed in favour of the Trustee.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. DEFINITIONS

For the purpose of this Deed, the following expressions listed below shall have the meanings hereinafter mentioned, that is to say:

"**Accelerated Payment Date**" shall mean a date not later than seven (7) working days from the date of notice, as set out in Schedule II, requiring transfer of the amounts in the Designated Account claimed by the Trustee, on occurrence of a default other than a default under Clause 5.2;

"**Adequate Funds**" means the amount of monies required to pay the Principal and Interest accrued on the NCD on each of the Due Dates;

"**Bank**" means State Bank of India;

"**Default**" shall mean failure to make Adequate Funds available for the Designated Account at least thirty (30) days before each of the Due Dates and /or any other default under the Transaction Documents;

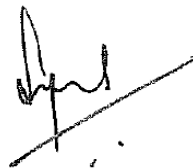
"**Designated Account**" shall mean the no lien account opened by the Company with the Bank for the specific purpose mentioned herein;

"**Due Date**" shall mean any or all dates during the term of the NCD on which any payment of Principal and/or interest in relation to the NCD falls due for payment to the Holders and/or to the Trustee under the Transaction Documents;

"**Equity Account**" shall mean the account opened by the Company for the specific



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purpose of deposit of funds by GoI for meeting requirements of the Company for payment of Interest on NCD as per the approved TAP and FRP.

“**Guarantee**” or “**Deed**” shall mean this unconditional and irrevocable guarantee – cum – indemnity and shall include all amendments hereto;

“**Guarantor’s Payment Date**” shall mean a date not later than seven (7) working days from the date of Notice or at least one working day prior to Due Date whichever is earlier, as set out in Schedule II, requiring transfer of Adequate Funds in the Designated Account;

“**Holder**s” shall mean the several persons who are, for the time being, holders of the NCD and who are entered in the ‘register of debenture holders’ as mentioned in the Trustee Agreement.

“**Interest**” shall mean the interest at the rate of % per annum on the NCD as stated in the relevant Transaction Documents. The first interest payment shall be made six months after the Issue Date and the subsequent Interest payments shall be made semi-annually thereafter;

“**Issue Date**” shall mean the date of the issue of the NCD;

“**Notice**” shall mean the notice to be issued by the Trustee to GOI eight (8) working days before the Due Date in the form as set out under Schedule II of this Deed, requiring transfer of Adequate Funds in the Designated Account;

“**Principal**” means the principal amount of the NCD;

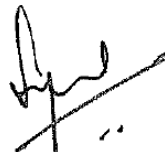
“**Transaction Documents**” shall mean and include this Deed, the Information Memorandum, the Trustee Agreement or any other agreements entered into in relation to the issuance of the NCD; and

“**Trustee Agreement**” shall mean the agreement to be entered into, between the Trustee and the Company.

Capitalised terms used but not defined in this Deed shall have the respective meaning ascribed to them in the Information Memorandum or the Trustee Agreement, as the case may be. The principles of construction set forth in the Trustee Agreement, shall apply to this Deed as if expressly set out in full herein with each reference to ‘this Agreement’ therein being deemed to be a reference to this Deed.

2. GUARANTEE

In consideration of the aforesaid premises and the Trustee agreeing to act as the trustee as per the terms of the Trustee Agreement, GOI, hereby unconditionally, absolutely and irrevocably, and as a continuing obligation, guarantees, as a principal debtor and not merely as a surety, and undertakes to comply with the terms of this Deed and pay Principal and Interest accrued and payable to the Holders and/or the Trustee on the respective Due Dates



under the Transaction Documents. It is clarified that GOI's guarantee hereunder does not extend to and GOI shall not be liable to pay any default interest or penal or overdue interest or charges it being understood that GOI's liability hereunder is limited to payment of Principal and Interest in terms of this Deed.

3. REQUISITE APPROVALS AND AUTHORISATIONS

- 3.1 The Guarantor hereby agrees and confirms that it has the full power and authority to execute, deliver and enter into this Deed and fulfill its obligations hereunder and confirm that all necessary clearances, consents and authorisations as may be required in connection with the execution, delivery, performance, validity and enforceability of this Deed have been duly obtained and are in full force and effect. GOI also confirm that this Deed is being issued within the limits fixed by the Legislature as stated under Article 292 of the Constitution of India.
- 3.2 The liability of GOI under this Deed shall not be affected nor shall this Deed be discharged or diminished by reason of any renewal, variation, modification of the terms of the NCD between the Company and the Trustee and/or the Holders, Provided, however, the prior written concurrence or consent of GOI shall always be obtained for any variation, alteration or modification of the terms and conditions of the NCDs which shall result in the enhancement of monetary liability of GOI under this Guarantee.

4. INDEMNITY

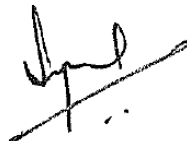
As a separate and independent stipulation it is agreed by GOI that if the amount due under this Deed is not recoverable for any reason whatsoever including (but not limited to) the obligation to pay the Holders being or becoming void, voidable or unenforceable, GOI unconditionally and irrevocably undertakes to indemnify the Trustee on demand (without requiring the Trustee to first take steps against the Company or any other person) against the payment of that amount.

5. OBLIGATIONS OF THE COMPANY AND GOI

- 5.1 (a) As per the terms of FRP approved by GOI, GOI would infuse the funds in the Company for ensuring timely payment of the Interest on NCD till the NCD is paid off completely. Accordingly, GOI shall, notwithstanding the availability of funds with the Company, contribute to the Company amounts equal to Interest payable thirty (30) days before the respective Due Date; such contributions shall be deposited in the Equity Account of the Company. The Company shall ensure transfer of such contributed amount thirty (30) days before the respective Due Date to the Designated Account. The aforesaid mechanism for contribution of Interest payable amounts will not affect this Guarantee for repayment of the Principal and Interest till the NCD is completely paid off.
- (b) Further, the Company shall intimate in writing to the Trustee immediately on the same day upon the transfer of such funds to the Designated Account.



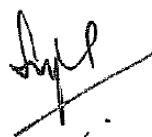
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- 5.2 If the Designated Account does not have Adequate Funds on or before thirty (30) days prior to the Due Date, then the Trustee shall intimate the GOI about the default committed by the Company on the next working day (being issued to it in the form set out in Schedule I of this Deed). Notwithstanding the above, any failure on the part of the Trustee to send to GOI as aforesaid shall not prejudice the right of the Trustee to invoke this Guarantee. If such default continues upto eight (8) working days before the Due Date, the Trustee shall forthwith invoke the Guarantee by sending a Notice (being issued to it in the form set out in Schedule II of this Deed) to GOI, through the Secretary, Ministry of Civil Aviation or any other designated official to pay the amounts as may be required to be paid to the Holders. Notwithstanding anything mentioned herein, in the event of Trustee's failure to send the Notice within 45 days of the Due Date, the right of the Trustee to invoke the Guarantee shall lapse and this guarantee shall cease to exist only for that portion of the liability for which the guarantee has not been invoked.
- 5.3 GOI hereby irrevocably and unconditionally agrees, declares, and confirms that upon receipt of Notice from the Trustee as stated in Clause 5.2 hereinabove, GOI shall, forthwith transfer into the Designated Account by the Guarantor's Payment Date, Adequate Funds as notified by the Trustee in the Notice. GOI further irrevocably and unconditionally agrees that if such transfer of funds takes place post the Guarantor's Payment Date, the Interest accrued on the principal amount from the Due Date till the date of such transfer shall also be paid along with the Adequate Funds as notified by the Trustee in the Notice.
- 5.4 The Trustee shall send a notice to GOI to invoke the Guarantee on occurrence of a default under the Transaction Documents (other than a default under Clause 5.2 above) within 2 working days from the knowledge of occurrence of such default. GOI hereby further irrevocably and unconditionally agrees that it shall, forthwith on the receipt of notice without demur, reservations, recourse, contest or protest and without any reference to the Company, pay to the Trustee by the Accelerated Payment Date, such amounts as may be claimed by the Trustee under this Deed. GOI agrees that the Trustee may make more than one demand under this Guarantee within the ambit of this Guarantee.
- 5.5 The change in the address of the Secretary, Ministry of Civil Aviation or any other designated official will be intimated to the Trustee by GOI in advance and in writing. In the event of the change of address not being communicated to the Trustee, Notice or any other communication sent at the old address of GOI will be valid and binding. The address for the purpose of Notice is as under:
- Secretary
Government of India
Ministry of Civil Aviation
Rajiv Gandhi Bhavan,
Safdarjung Airport,
New Delhi 110003
- 5.6 The Designated Account shall not be closed during the subsistence of the Trustee Agreement and/or until all amounts due to the Trustee and Holders is paid in full and in any event without the prior written consent of the Trustee.







6. CONTINUING GUARANTEE

This Guarantee shall be a continuing one and shall remain in full force and effect until the full and final discharge of the obligations of the Company under the Transaction Documents, and is irrevocable during the term hereof without the prior written consent of the Trustee.

GoI hereby undertakes and confirms unconditionally and irrevocably that its liability under the said Guarantee, shall not be affected by any infirmity or irregularity on the part of the Company to undertake all or any of the obligations thereunder including any reference to the Company to the Board for Industrial and Financial Reconstruction and/or the Company falling within the purview of Sick Industrial Companies Act or under the purview of any other authority notified under any other law with powers in respect of revival/ rehabilitation of sick companies and/or by any dissolution/ insolvency/ liquidation/ winding up proceedings initiated by or against the Company. GoI reconfirms that it will pay all the amounts claimed by the Trustee according to the terms of the said Guarantee without any dispute, delay or demur.

7. WAIVER OF SOVEREIGN IMMUNITY

GOI hereby unconditionally and irrevocably agrees that the execution and delivery of this Deed, and the GOI's performance of and compliance with the obligations expressed to be assumed by it hereunder are in furtherance of and for the purpose of assisting private and commercial acts done and performed for private and commercial purposes and that neither GOI or any of its properties or assets enjoys, or is entitled to claim or shall at any time claim, immunity from any suit, execution, attachment or other legal process in respect of any of its obligations hereunder.

8. MISCELLANEOUS

- 8.1 This Guarantee shall be effective on and from the Issue Date and shall be in force till all the obligations in respect of the NCD have been fully paid and discharged and thereafter all the parties will be released of their respective rights and obligations.
- 8.2 This Deed shall be governed by the laws of the Republic of India.
- 8.3 The civil court in New Delhi shall have the exclusive jurisdiction in respect of any matter, claim or dispute arising out of or in any way relating to this Deed.
- 8.4 If any provision of this Deed is prohibited or unenforceable, the prohibition or unenforceability thereof shall not invalidate the remaining provisions of this Deed.
- 8.5 The benefit of the trustee in and to this Deed shall not be capable of assignment or transfer without the prior written consent of GoI.

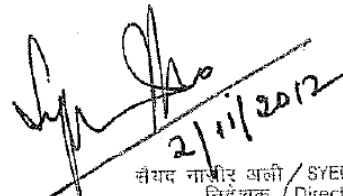
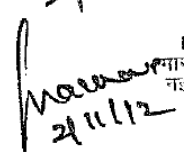


- 8.6 Any disputes or differences arising out of or upon or in relation to or in connection with this Agreement and the guarantee between GOI on one side and the Trustee on the other, shall be referred to Arbitration to a Sole Arbitrator to be nominated by Law Secretary, Government of India, otherwise to three Arbitrators of whom one to be appointed by GoI and the other by the Trustees and the two arbitrators so appointed by the parties hereto will appoint the third Arbitrator who shall act as the Presiding Arbitrator, such arbitration shall be conducted in Delhi and shall be governed in accordance with the Arbitration and conciliation Act, 1996 or any re-enactment or modification thereof for the time being in force.
- 8.7 The arbitration proceedings shall be held in accordance with the Rules of Arbitration of the International Centre for Alternate Dispute Resolution, New Delhi (The ICADR Arbitration Rules, 1996) or such other Rules as may be mutually agreed by the parties and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.
- 8.8 If any provision of this Deed is prohibited or unenforceable, the prohibition or unenforceability thereof shall not invalidate the remaining provisions of this Deed.
- 8.9 The benefit of the Trustee in and to this Deed shall not be capable of assignment or transfer without the prior written consent of GOI.
- 8.10 Any act required to be done under the terms of this Guarantee falls on a day which is not a working day said act shall be done on the immediately preceding working day.
- 8.11 It is hereby expressly agreed that any modification, amendments, alteration and/or variation in the terms of this Deed shall be made only after obtaining the written consent of the Trustee regarding the proposed amendments to this Deed.

IN WITNESS WHEREOF this Deed has been executed by GOI on the day, month and year first hereinabove written and in the manner hereinafter appearing.

SIGNED AND DELIVERED BY the
within named Director,
Ministry of Civil Aviation, Government of
India for and on behalf of President of India,
who is duly authorised under Article 299 of
the Constitution of India in the presence of :

Shri S V Ramana, Under Secretary,
Government of India, Ministry of Civil
Aviation, Rajiv Gandhi Bhavan, Safdarjung
Airport, New Delhi 110003


2/11/2012
सैयद नासीर अली / SYED NASIR ALI
निदेशक / Director
नागर विमानन मंत्रालय
Ministry of Civil Aviation
भारत सरकार / Govt. of India
नई दिल्ली-3 / New Delhi-3

2/11/12

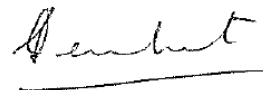
SIGNED AND DELIVERED BY the within named SBICAP Trustee Company Limited by the hand of ATM TOSHI an authorised signatory [Trusteeship Company]

For SBICAP TRUSTEE COMPANY LIMITED

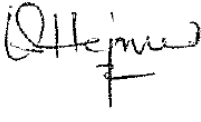


Authorised Signatory

SIGNED, DELIVERED AND CONFIRMED by the within named Air India by the hand of S. VENKAT, its Director Finance, Air India and authorized signatory/official, in the presence of



श्री. वेंकट / S. Venkat
निदेशक-वित्त / Director-Finance
एअर इंडिया लिमिटेड
Air India Limited

1. 
- 2.

V.S. Hejmadi
DCM - Finance -
AIR INDIA



SCHEDULE I

**FORMAT FOR NOTIFYING GOVERNMENT OF INDIA ABOUT THE
NON-PAYMENT OF FUNDS ON DUE DATE**

Dated: []

To:
Secretary
Government of India
Ministry of Civil Aviation
Rajiv Gandhi Bhavan
Safdarjung Airport
New Delhi 110003

From: [Authorised Officer],
[] (the "Trustee")

Dear Sirs,

Guarantee cum Indemnity dated [] (the "Guarantee cum Indemnity") executed by the Government of India ("GOI") in favour of the Trustee in respect of the Non Convertible Debentures aggregating Rs. _____ crores issued by Air India Limited (the "Company").

This is to inform you that an amount of Rs. [] towards Interest and/or Principal has become due and payable by the Company to the Holders on [] day of [] (the "**Due Amount**"). The Company has not made available funds in the Designated Account for the Due Amount and this constitutes as a Default. A copy of letter from GOI in relation to the Guarantee cum Indemnity is annexed here to.

Please note that as per the terms of the issuance, interest at the coupon rate shall be payable by the company on the Due Amount for the period from [] day of [] to the actual payment date

Capitalised terms not defined herein shall have the same meaning assigned to them in the Guarantee cum Indemnity.

Yours faithfully,

[Authorised Officer]

[Trustee]

cc. Air India Limited, Address

9



SCHEDULE II

FORM OF DEMAND NOTICE

Dated: []

To:
Secretary
Government of India
Ministry of Civil Aviation
Rajiv Gandhi Bhavan
Safdarjung Airport
New Delhi 110003

From: [Authorised Officer],
[] (the "Trustee")

Dear Sirs,

Guarantee cum Indemnity dated [] (the "Guarantee cum Indemnity") executed by the Government of India ("GOI") in favour of the Trustee in respect of the Non Convertible Debentures aggregating Rs. _____ crores issued by the Air India Ltd (the "Company").

An amount of Rs. [] which includes the Principal and Interest is payable by the Company to the Holders on [] day of [] (the "Due Amount") The Company has not made available funds in the Designated Account for the Due Amount and we call upon you to deposit amounts equal to the Due Amount on or before _____, as per the Guarantee cum Indemnity, a copy of which is annexed hereto.

All amounts should be paid to the account [details of account].

Capitalised terms not defined herein shall have the same meaning assigned to them in the Guarantee cum Indemnity.

Yours faithfully,

[Authorised Officer],
[]

Encl: (Copy of Guarantee Letters)

a



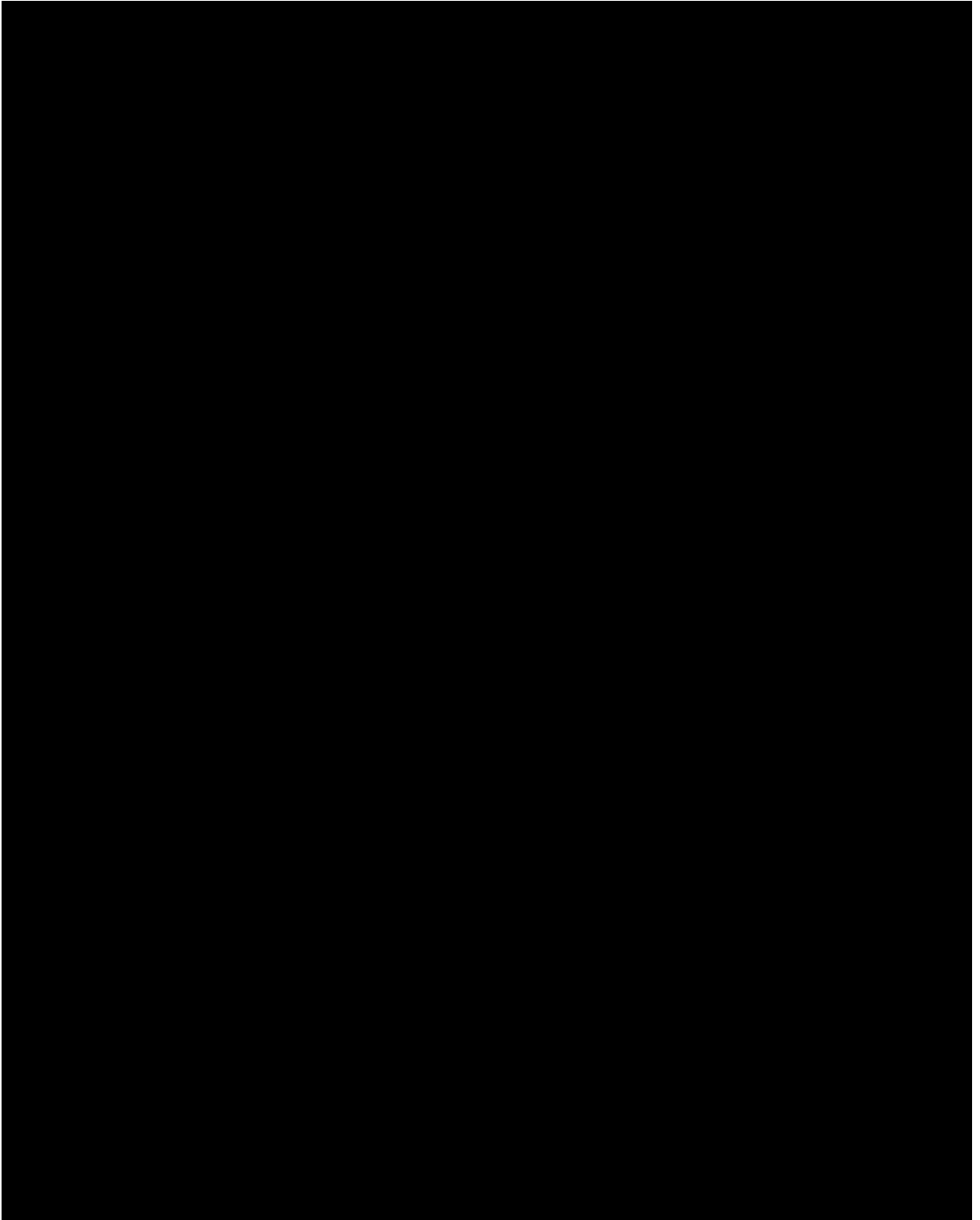
SCHEDULE III
INFORMATION MEMORANDUM

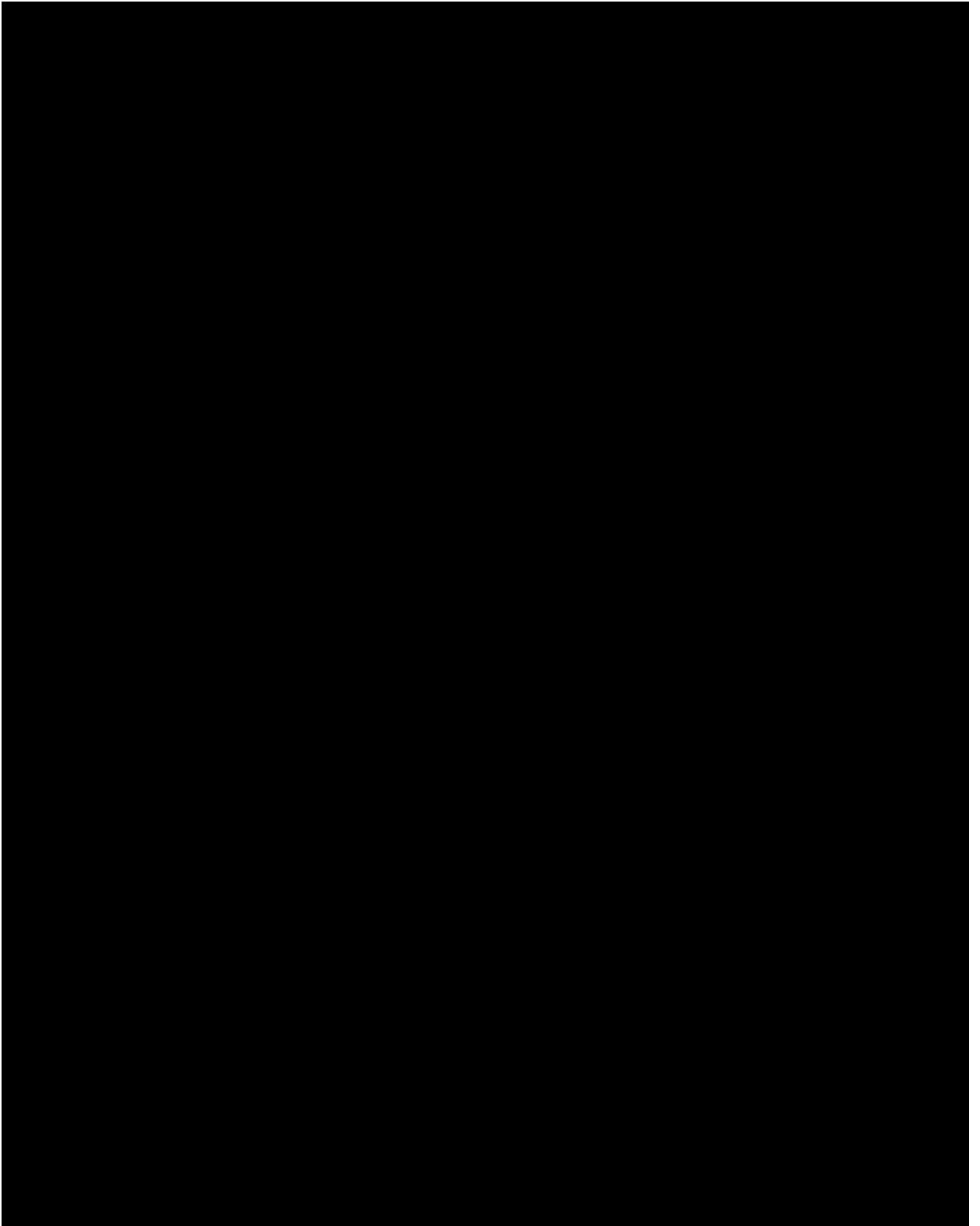


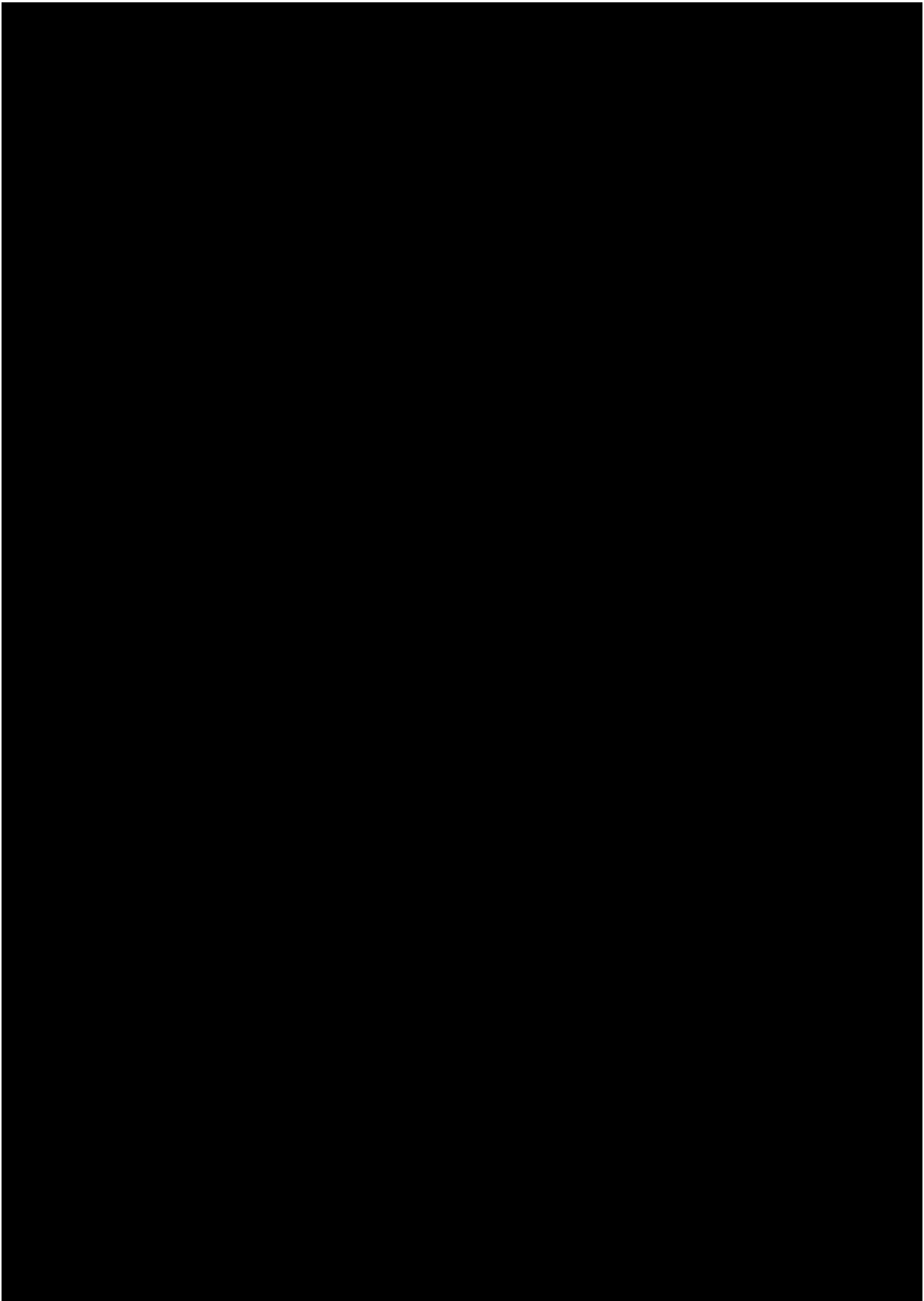
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Annexure VI: Abridged version of Profit and Loss, Balance Sheet and Cash Flow for the FY 2009







Annexure VII: Abridged version of Profit and Loss, Balance Sheet and Cash Flow for the FY 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in Million)

Particulars	Schedule	2009-10		2008-09	
L Revenue :					
1. Traffic	O				
i) Scheduled Services		100,146.4	117,424.2	100,515.4	119,797.0
ii) Others		17,277.8	13,662.0	19,281.6	12,448.2
2. Handling, Servicing and Incidental	P		131,086.2		132,245.2
Operating Revenue			2,936.5		2,548.6
3. Others	Q		134,022.7		134,793.8
Total Revenue	I				
II. Expenses :					
1. Payments to and Provisions for Employees including Crew Allowances	R		33,567.2		33,388.5
2. Insurance			914.7		861.8
3. Aircraft Fuel and Oil			50,150.2		70,606.4
4. Navigation, Landing, Housing and Parking			10,604.4		9,290.9
5. Aircraft Material Consumed			4,262.7		5,560.5
6. Outside Repairs - Aircraft			8,031.5		6,910.8
7. Hire of Aircraft			11,774.9		13,847.8
8. Handling Charges			6,045.5		5,290.6
9. Passenger Amenities			4,838.1		4,865.6
10. Booking Agency Commission			4,083.7		4,360.5
11. Communication Charges :					
i) Reservation Systems		3,246.2		2,456.8	
ii) Others		1,652.1	4,916.3	1,667.5	4,124.3
12. Travelling Expenses :					
i) Crew		2,226.8		2,571.9	
ii) Others		909.6	3,136.4	1,032.8	3,604.7
13. Depreciation		13,917.4		12,258.9	
Less : Transfer from Capital Reserve (Ref. Note 14)		19.5	13,897.9	-	12,258.9
14. Other Expenses	S		9,583.2		13,993.2
Total Operating Expenses	II		165,806.7		188,964.5
III. Loss before Interest, Prior Period Adjustments and Taxation	III		31,784.0		54,170.7
Add : i) Interest and Finance Charges	T	24,343.5		16,658.8	
ii) Prior Period Adjustments (Net)	U	208.1		1,056.8	
IV. Loss before Extra Ordinary Items and Taxation			24,551.6		17,715.6
Less : Extra Ordinary Items (Net)	V		56,335.6		71,886.3
V. Loss before Taxation			826.6		-
Add : Provision for Current Tax			55,509.0		71,886.3
i) Fringe Benefit Tax				122.0	
ii) Wealth Tax		15.4	15.4	26.1	148.1
Less : Deferred Tax Benefit			-		16,551.8
VI. Loss after Taxation			55,524.4		55,482.6
Balance Brought Forward			-		22,261.6
VII. Loss Carried to Balance Sheet			55,524.4		77,744.2
Basic and Diluted Earning per Share of Rs.10 each. Refer Note No. 31			(Rs.371.7)		(Rs.382.6)
Significant Accounting Policies	W				
Notes to Accounts	X				

The Schedules referred to herein above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of
P.K. Chopra & Co.
Chartered Accountants

For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

For and on behalf of
Chhajed & Doshi
Chartered Accountants

For and on behalf of the Board
Sd/-
Arvind Jadhav
Chairman &
Managing Director

Sd/-
Prashant Sukul
Director

Sd/-
P. K. Chopra
Partner
M.No. 6094

Sd/-
V. Rajaraman
Partner
M.No. 02705

Sd/-
Kiran K. Daftary
Partner
M.No. 10279

Sd/-
S. Chandrasekhar
Director - Finance

Sd/-
S. Venkat
Executive Director -
Finance & Company
Secretary

Place : New Delhi
Date : 18 November 2010

BALANCE SHEET AS AT MARCH 31, 2010
(Rupees in Million)

Particulars	Schedule	As at March 31, 2010		As at March 31, 2009	
I. SOURCES OF FUNDS :					
Shareholders' Funds :					
a) Capital	A	9,450.0		1,450.0	
b) Reserves and Surplus	B	624.8		633.5	
			10,074.8		2,083.5
Loan Funds :					
a) Secured Loans	C	65,907.1		23,659.5	
b) Unsecured Loans	D	184,761.1		168,764.9	
			250,668.2		192,424.4
Future Lease Obligations	E		133,559.6		116,887.5
TOTAL			394,302.6		311,395.4
II. APPLICATION OF FUNDS :					
Fixed Assets :					
a) Gross Block	F	328,410.5		243,294.0	
Less : Depreciation		31,990.6		18,380.5	
b) Net Block		296,419.9		224,913.5	
c) Capital Work-in-Progress		24,656.2		50,113.7	
			321,076.1		275,027.2
Investments :	G		1,219.3		1,231.8
Deferred Tax Assets (Net) :			28,425.2		28,425.2
Foreign Currency, Monetary Items Translation Difference Account			99.5		1,528.0
Current Assets, Loans and Advances :					
a) Inventories	H	8,677.8		9,642.1	
b) Sundry Debtors	I	25,791.1		24,731.0	
c) Cash and Bank Balances	J	5,284.7		11,396.4	
d) Other Current Assets	K	768.1		561.6	
e) Loans and Advances	L	14,466.5		11,175.9	
		54,988.2		57,507.0	
Less : Current Liabilities and Provisions	M				
a) Current Liabilities		55,466.7		42,282.9	
b) Provisions		10,929.9		10,040.9	
		66,396.6		52,323.8	
Net Current Assets			(11,408.4)		5,183.2
Profit and Loss Account	N		54,890.9		-
TOTAL			394,302.6		311,395.4
Significant Accounting Policies	W				
Notes to Accounts	X				

The Schedules referred to herein above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of
P.K. Chopra & Co.
Chartered Accountants

For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

For and on behalf of
Chhajed & Doshi
Chartered Accountants

For and on behalf of the Board
Sd/-
Arvind Jadhav
Chairman &
Managing Director

Sd/-
P. K. Chopra
Partner
M.No. 6094

Sd/-
V. Rajaraman
Partner
M.No. 02705

Sd/-
Kiran K. Daftary
Partner
M.No. 10279

Sd/-
S. Chandrasekhar
Director - Finance

Sd/-
S. Venkat
Executive Director -
Finance & Company
Secretary

Place : New Delhi
Date : 18 November 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in Million)

Particulars	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net (Loss)/Profit Before Taxes		(55,509.0)
Adjustments for :		
Depreciation	13,917.4	12,258.9
(Profit)/Loss on Sale of Fixed Assets	408.1	(1,046.2)
Dividend Income	(44.6)	(72.1)
Interest Income	(313.4)	(189.4)
Interest Expenditure	24,343.5	16,658.8
	38,311.0	27,610.0
Operating (Loss)/Profit Before Working Capital Changes	(17,198.0)	(44,276.3)
Adjustments for :		
Inventories	964.3	374.0
Debtors and Other Receivables	(4,350.7)	5,527.4
Creditors and Other Payables	13,925.4	484.5
	10,539.0	6,385.9
Cash Generated from Operations	(6,659.0)	(37,890.4)
Direct Taxes Paid	(14.8)	(136.2)
Net Cash Flow (used in)/from Operating Activities	(6,673.8)	(38,026.6)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(60,509.6)	(68,955.9)
Proceeds from Sale of Fixed Assets	135.2	2,722.4
Increase in Capital Reserve	624.8	-
Increase in Surplus Assets	(109.2)	(241.9)
Purchase of Investments (Net)	-	(330.6)
Sale of Investments (Net)	12.5	-
Interest Received	216.1	190.9
Dividend Received	44.6	72.1
Net Cash Flow used in Investing Activities	(59,585.6)	(66,543.0)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Shares	8,000.0	-
Proceeds from Borrowings (Net)	74,915.9	124,946.2
Foreign Currency Monetary Items Translation Difference A/c	1,428.5	(1,528.0)
Interest Paid	(24,196.7)	(16,394.0)
Net Cash Flow from/(used in) Financing Activities	60,147.7	107,024.2
Net Increase in Cash and Cash equivalents	(6,111.7)	2,454.6
Cash and Cash equivalents (Opening Balance)	11,396.4	10,845.0
As 11 Notification impact adjusted to General Reserve	-	(1,903.2)
Cash and Cash equivalents (Closing Balance)	5,284.7	11,396.4

Notes

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3(AS-3) on "Cash Flow Statements", and present cash flows by operating, investing and financing activities.
- Figures in brackets are outflows / deductions.

For and on behalf of
P.K. Chopra & Co.
Chartered Accountants

Sd/-
P. K. Chopra
Partner
M.No. 6094

For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

Sd/-
V. Rajaraman
Partner
M.No. 02705

For and on behalf of
Chhajed & Doshi
Chartered Accountants

Sd/-
Kiran K. Daftary
Partner
M.No. 10279

For and on behalf of the Board
Sd/-
Arvind Jadhav
Chairman &
Managing Director

Sd/-
S. Chandrasekhar
Director - Finance

Sd/-
Prashant Sukul
Director

Sd/-
S. Venkat
Executive Director -
Finance & Company
Secretary

Place : New Delhi
Date : 18 November 2010

Annexure VIII: Abridged version of Profit and Loss, Balance Sheet and Cash Flow for the FY 2011

AIR INDIA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in Million)

Particulars	Schedule	2010-11		2009-10	
I. Revenue :					
1. Traffic	O				
i) Scheduled Services		114,570.0		100,146.4	
ii) Others		12,394.9	126,964.9	13,268.1	113,414.5
2. Handling, Servicing and Incidental	P		12,779.0		14,205.8
Operating Revenue			139,743.9		127,620.3
3. Others	Q		2,807.2		2,936.5
Total Revenue	I		142,551.1		130,556.8
II. Expenses :					
1. Payments to and Provisions for Employees including Crew Allowances	R		37,268.7		33,567.2
2. Insurance			1,204.6		914.7
3. Aircraft Fuel and Oil			61,120.5		50,150.2
4. Navigation, Landing, Housing and Parking			10,774.8		10,604.4
5. Aircraft Material Consumed			3,251.7		4,262.7
6. Outside Repairs - Aircraft			5,932.2		8,031.5
7. Hire of Aircraft			5,820.7		8,309.0
8. Handling Charges			6,190.2		6,045.5
9. Passenger Amenities			4,598.1		4,838.1
10. Booking Agency Commission			6,219.1		4,083.7
11. Communication Charges :					
i) Reservation Systems		3,741.6		3,264.2	
ii) Others		1,345.7	5,087.3	1,652.1	4,916.3
12. Travelling Expenses :					
i) Crew		1,928.2		2,226.8	
ii) Others		698.1	2,626.3	909.6	3,136.4
13. Depreciation		16,933.0		13,907.1	
Less : Transfer from Capital Reserve		32.0	16,901.0	19.5	13,887.6
14. Other Expenses	S		12,963.9		9,583.2
Total Operating Expenses	II		179,959.1		162,330.5
III. Loss before Interest, Prior Period Adjustments, Extraordinary Items and Tax	II-I		37,408.0		31,773.7
Add : i) Interest and Finance Charges	T	32,959.0		24,343.5	
ii) Prior Period Adjustments (Net)	U	278.4		218.4	
IV. Loss before Extraordinary Items and Tax			33,237.4		24,561.9
Less : Extra Ordinary Items (Net)	V		70,645.4		56,335.6
V. Loss before Tax			2,008.7		826.6
Add : Provision for Current Tax			68,636.7		55,509.0
Wealth Tax		12.0	12.0	15.4	15.4
Add : Provision for Previous Year Tax					
Wealth Tax			3.0		-
VI. Loss after Tax			68,651.7		55,524.4
Balance Brought Forward			54,890.9		-
Less : Transferred from General Reserve			-		633.5
VII. Loss Carried to Balance Sheet			123,542.6		54,890.9
Basic and Diluted Earning per Share of Rs.10 each. (Refer Note No. 43)			(Rs.58.1)		(Rs.371.7)

Significant Accounting Policies W

Notes to Accounts X

The Schedules referred to herein above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of R. Devendra Kumar & Associates Chartered Accountants	For and on behalf of Kapoor Tandon & Co. Chartered Accountants	For and on behalf of P.K. Chopra & Co. Chartered Accountants	For and on behalf of P.K.K.G. Balasubramaniam & Associates Chartered Accountants	For and on behalf of the Board Sd/- Rohit Nandan Chairman & Managing Director
Sd/- D. K. Gupta Partner M.No. 09032	Sd/- Rajesh Parasramka Partner M.No. 074192	Sd/- Tarun Kandhari Partner M.No. 074852	Sd/- C. Suresh Partner M.No. 204602	Sd/- S. Venkat Executive Director - Finance & Company Secretary

Place : New Delhi

Date : 29 November 2011

BALANCE SHEET AS AT MARCH 31, 2011

(Rupees in Million)

Particulars	Schedule	As at March 31, 2011		As at March 31, 2010	
I. SOURCES OF FUNDS :					
Shareholders' Funds :					
a) Capital	A	21,450.0		9,450.0	
b) Reserves and Surplus	B	804.7		624.8	
			22,254.7		10,074.8
Loan Funds :					
a) Secured Loans	C	107,080.4		65,907.1	
b) Unsecured Loans	D	198,901.4		184,761.1	
			305,981.8		250,668.2
Future Lease Obligations	E		120,308.2		133,373.8
TOTAL			448,544.7		394,116.8
II. APPLICATION OF FUNDS :					
Fixed Assets :	F				
a) Gross Block		354,408.9		328,410.5	
Less : Depreciation		47,282.5		31,990.6	
b) Net Block		307,126.4		296,419.9	
c) Capital Work-in-Progress		18,964.2		24,656.2	
			326,090.6		321,076.1
Investments :	G		1,320.5		1,219.3
Deferred Tax Assets (Net) : (Ref. Note No. 44)			28,425.2		28,425.2
Foreign Currency, Monetary Items Translation Difference Account			113.3		99.5
Current Assets, Loans and Advances :					
a) Inventories	H	6,759.6		8,677.8	
b) Sundry Debtors	I	28,376.2		25,791.1	
c) Cash and Bank Balances	J	4,164.4		5,284.7	
d) Other Current Assets	K	825.2		768.1	
e) Loans and Advances	L	13,806.1		14,466.5	
			53,931.5		54,988.2
Less : Current Liabilities and Provisions	M				
a) Liabilities		69,241.1		55,652.5	
b) Provisions		15,637.9		10,929.9	
			84,879.0		66,582.4
Net Current Assets			(30,947.5)		(11,594.2)
Profit and Loss Account	N		123,542.6		54,890.9
TOTAL			448,544.7		394,116.8
Significant Accounting Policies	W				
Notes to Accounts	X				

The Schedules referred to herein above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of R. Devendra Kumar & Associates Chartered Accountants	For and on behalf of Kapoor Tandon & Co. Chartered Accountants	For and on behalf of P.K. Chopra & Co. Chartered Accountants	For and on behalf of P.K.K.G. Balasubramaniam & Associates Chartered Accountants	For and on behalf of the Board Sd/- Rohit Nandan Chairman & Managing Director
Sd/- D. K. Gupta Partner M.No. 09032	Sd/- Rajesh Parasramka Partner M.No. 074192	Sd/- Tarun Kandhari Partner M.No. 074852	Sd/- C. Suresh Partner M.No. 204602	Sd/- S. Venkat Executive Director - Finance & Company Secretary

Place : New Delhi
Date : 29 November 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in Million)

Particulars	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net (Loss)/Profit Before Taxes	(68,636.7)	(55,509.0)
Adjustments for :		
Depreciation	16,934.2	13,897.9
(Profit)/Loss on Sale of Fixed Assets	209.3	408.1
Dividend Income	(41.7)	(44.6)
Interest Income	(110.3)	(313.4)
Interest and Finance Charges	32,959.0	24,343.5
	49,950.5	38,291.5
Operating (Loss)/Profit Before Working Capital Changes	(18,686.2)	(17,217.5)
Adjustments for :		
Inventories	1,918.2	964.3
Debtors and Other Receivables	(1,924.7)	(4,350.7)
Creditors and Other Payables	18,493.5	13,925.4
	18,487.0	10,539.0
Cash Generated from Operations	(199.2)	(6,678.5)
Direct Taxes Paid	(14.5)	(14.8)
Net Cash Flow (used in)/from Operating Activities	(213.7)	(6,693.3)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(23,279.5)	(60,509.6)
Proceeds from Sale of Fixed Assets	747.2	26.0
Increase in Capital Reserve	211.9	644.3
(Increase)/Decrease in Investments (Net)	(101.2)	12.5
Interest Received	395.5	216.1
Dividend Received	41.7	44.6
Net Cash Flow used in Investing Activities	(21,984.4)	(59,566.1)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Shares	12,000.0	8,000.0
Proceeds from Borrowings (Net of Repayments)	42,248.0	74,915.9
Foreign Currency Monetary Items Translation Difference A/c	(13.8)	1,428.5
Interest Paid	(33,156.4)	(24,196.7)
Net Cash Flow from/(used in) Financing Activities	21,077.8	60,147.7
Net Increase/(Decrease) in Cash and Cash equivalents	(1,120.3)	(6,111.7)
Cash and Cash equivalents (Opening Balance)	5,284.7	11,396.4
Cash and Cash equivalents (Closing Balance)	4,164.4	5,284.7

Notes

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3(AS-3) on "Cash Flow Statements", and present cash flows by operating, investing and financing activities.

For and on behalf of R. Devendra Kumar & Associates Chartered Accountants	For and on behalf of Kapoor Tandon & Co. Chartered Accountants	For and on behalf of P.K. Chopra & Co. Chartered Accountants	For and on behalf of P.K.K.G. Balasubramaniam & Associates Chartered Accountants	For and on behalf of the Board Sd/- Rohit Nandan Chairman & Managing Director
Sd/- D. K. Gupta Partner M.No. 09032	Sd/- Rajesh Parasramka Partner M.No. 074192	Sd/- Tarun Kandhari Partner M.No. 074852	Sd/- C. Suresh Partner M.No. 204602	Sd/- S. Venkat Executive Director - Finance & Company Secretary

Place : New Delhi

Date : 29 November 2011

Annexure IX: Abridged version of Profit and Loss of H1FY2013

(Figures in Rs. Crore)

Particulars	Apr-Sep 12
	(Provisional)
<u>REVENUE</u>	
Passenger	5677.79
Excess Baggage	17.02
Cargo (Mail & Freight)	342.04
Other Revenue	952.03
Total Operating Revenue	6988.88
Non - Operating Revenue	6.48
Extra Ordinary Items - Boeing Compensation	108.97
Total Revenue	7104.33
<u>EXPENDITURE</u>	
Pay & Allowances	1593.85
Staff Welfare Exp.(incl. Other Staff Costs)	83.72
Fuel & Oil (Aircraft)	3807.09
Insurance	62.10
Aircraft Landing, Parking & Navigation	485.93
Hire of Aircraft	231.08
Materials Consumed and Outside Repairs (Aircraft)	363.98
Booking Agency Commission	253.54
Traffic Handling by other operators	234.71
Depreciation & Obsolescence	861.10
Food Services and Other Pax Amenities	208.03
FCMI Amortisation / Denied Boarding Compensation	5.00
Other Operating Expenses	593.52
Total Operating Expenses	8783.65
Non-Operating Expenses	1782.35
<i>Interest on Aircraft Project</i>	486.35
<i>Interest on Borrowings</i>	1296.00
Total Expenses	10566.00
PBT	(3,461.67)

Annexure X: In-principle approval for listing from BSE dated November 12, 2012

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com



DCS/COMP/SP/IP-PPDI/158/12-13

November 12, 2012

The Company Secretary
Air India Limited
Airlines House,113,
Gurudwara Rakabganj Road,
New Delhi -110001


Re: Private Placement Of Government Of India Guaranteed, Redeemable, Unsecured, Taxable, Non Convertible Debentures (Ncds) Of Rs. 10.00.000/- Each For Cash At Par Aggregating Rs. 7,400 Crore ("Debentures")

We acknowledge receipt of your email dated November 12, 2012 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and submission of Disclosures and Documents as per Regulations 21, in the format specified in Schedule I of the said Regulations.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time.

This In Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter"

Yours faithfully,


Hetal Kotak
Asst. Gen Manager


Arpita Joshi
Deputy Manager