



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 22, 2011

Via Facsimile and U.S. Mail

Mr. Joseph P. Macaluso
Chief Financial Officer
Tel-Instrument Electronics Corp
728 Garden Street
Carlstadt, New Jersey 07072

**Re: Tel-Instrument Electronics Corp
Form 10-K for the Year Ended March 31, 2010
Filed July 14, 2010
Form 10-Q for the Quarter Ended December 31, 2010
File No. 001-13651**

Dear Mr. Macaluso:

We have reviewed your response filed March 11, 2011 and have the following additional comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by providing the requested information or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances, please tell us why in your response.

After reviewing the information you provide in response to these comments, we may have additional comments.

Mr. Joseph P. Macaluso
Tel-Instrument Electronics Corp
March 22, 2011
Page 2

Form 10-K for the Fiscal Year Ended March 31, 2010

Item 8. Financial Statements and Supplementary Data, page 19

Note 9. Income Taxes, page 35

1. We note your response to prior comment 3. Please revise your future filings to include an enhanced discussion similar to the one included within your response that explains why you believe that it is more likely than not that all of your deferred tax assets will be realized as of March 31, 2010 and December 31, 2010 based upon the guidance in paragraphs 740-10-30-5e and 740-10-30-16 through 24 of the FASB Accounting Standards Codification.
2. Further to the above, we note from your response that you have increased your backlog to \$30 million due to winning significant military contracts. We also note that you have experienced shipments delays under these military contracts and that you anticipate shipping these orders under these contracts within the next 12-18 months. Please provide to us the projections that demonstrate that you will produce more than enough taxable income to realize the deferred tax assets based upon the potential value of the deliverables that contained within the contracts awarded, options that you expect the government to exercise under these contracts, the continued sales of your existing products, and your cost structure.

Form 10-Q for the Quarter Ended December 31, 2010

Note 9. Fair Value Measurements, page 10

3. We note your response to prior comment 7. Please further expand your proposed disclosure to also address how you determined the significant assumptions utilized with the Black-Scholes model at inception and at each subsequent reporting date. Provide us with a sample of your proposed revised disclosure.

You may contact Tara Harkins, Staff Accountant, at (202) 551-3639 or me at (202) 551-3643 if you have questions regarding these comments. In this regard, do not hesitate to contact Martin James, Senior Assistant Chief Accountant, at (202) 551-3671.

Sincerely,

Kevin L. Vaughn
Accounting Branch Chief