

# **IAL AIRPORT SERVICES LIMITED**

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**BOARD OF DIRECTORS (AS ON 11.12.2009)**

Shri Arvind Jadhav

**Chairman**

Shri E. K. Bharat Bhushan

Shri Prashant Sukul

Shri N. Vaghul

**Auditors**

M/s. Lochan & Co.  
Chartered Accountants  
B-I, Dharma Apartments,  
Indraprastha Extension,  
New Delhi - 110 092.

**Bankers**

State Bank of India

**Registered Office**

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

## DIRECTORS' REPORT

The Directors of your company have the pleasure in presenting the Sixth Annual Report, together with the Audited Statement of Accounts of IAL-Airport Services Ltd. for the period from 1.4.2008 to 31.3.2009.

### INCORPORATION

The Company was incorporated on 27 August, 2003 (vide Registration Certificate No. UL-3013 DL-2003 PLC 121950 issued by the Office of the Registrar of Companies, NCT and Haryana, New Delhi) having its Registered Office at 113, Gurudwara Rakabganj Road, New Delhi-110 001. The company obtained certificate for commencement of Business on 22 December 2003, (vide No. 55-121950 issued by Registrar of Companies, NCT & Haryana, New Delhi).

The objective of the company inter alia provides that the Company shall carry out Aircraft Handling Services at various Airports.

### CAPITAL STRUCTURE

#### Authorised Capital of the Company

A)	i)	9 Crore Equity Shares of Rs.10/- each	Rs. 90,00,00,000/-
	ii)	10 Lakhs Redeemable Preference Shares of Rs.100/- each.	Rs. 10,00,00,000/-
			Rs.100,00,00,000/-
B)	Issued, Subscribed and Paid Up Capital		
	50,000 Equity Shares of Rs.10/- each		Rs. 5,00,000/-

### OPERATIONALISATION

The issue of operationalisation has been taken up with Ministry of Civil Aviation for approval of Cabinet.

### FINANCIAL RESULTS

The Profit & Loss Account of the company shows a loss of Rs. 13,915/- (Rupees Thirteen Thousand Nine Hundred Fifteen only) consisting of administration charges, filing fees, provision for professional charges and auditor's fees.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm :-

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that they had prepared the Annual Accounts on a going concern basis.

### AUDITORS

The Statutory Audit for the financial year 2008-09 has been carried out by M/s. Lochan and Company, Chartered Accountants, New Delhi, appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956.

### BOARD OF DIRECTORS

During the year the Board of Director of IAL Airport Services Limited held four meetings. The present Board consists of the following Directors :

1. Shri Arvind Jadhav  
CMD, NACIL
2. Shri E.K. Bharat Bhushan  
Jt. Secy. & Fin. Advisor, Ministry of Civil Aviation

3. Shri Prashant Sukul  
Jt. Secy., Ministry of Civil Aviation
4. Shri N. Vaghul  
Chairman, ICICI Bank

**ACKNOWLEDGEMENTS**

The Board places on record its appreciation of the valuable services rendered by Shri Raghu Menon, Shri R.K. Singh and Mrs. Vilasini Ramachandran as Directors on the Board of the Company.

The Board sincerely acknowledges the assistance and continued support given by the Ministry of Civil Aviation, Airport Authority of India, Comptroller & Auditor General of India, Department of Company Affairs and other Govt. Departments, National Aviation Company of India Ltd., Airlines Allied Services Ltd. and other agencies.

For and on behalf of the Board

Sd/-  
**Arvind Jadhav**  
Chairman

Place : Mumbai  
Date : 23 September 2009

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF IAL AIRPORT SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2009.**

The preparation of financial statements of **IAL Airport Services Limited** for the year ended 31st March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 4th August 2009.

I on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of **IAL Airport Services Limited** for the year ended 31st March 2009 and as such have no comments to make under section 619(4) of the Companies Act, 1956.

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

Sd/-  
**Birendra Kumar**  
**Principal Director of Commercial Audit**  
**& ex-officio Member, Audit Board I, New Delhi**

Place : New Delhi  
Date : 15 October 2009

**REPORT OF THE AUDITORS TO THE MEMBERS OF IAL AIRPORT SERVICES LIMITED**

1. We have audited the attached Balance Sheet of **IAL Airport Services Limited**, as at 31 March, 2009 and the Profit & Loss Account for the year ended on the date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies Order, (Auditor Report) 2003 issued by the Central Govt. of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion the Company has kept proper books of accounts as required by law so far as appears from our examination of such books.
  - (iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standard referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as Directors in terms of clause (g) Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information & according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the notes thereon given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a. In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
    - b. In the case of the Profit & Loss Account for the loss of the Company for the year ended on that date.

**For Lochan & Co.**  
Chartered Accountants

Sd/-  
**Amit Bansal**  
Partner  
M. No. 091598

Place : Noida  
Dated : 4 August 2009

**ANNEXURE TO THE AUDITOR'S REPORT****Referred to in Paragraph (3) of our report of even date.**

1. The Company has no fixed assets and therefore no comment is being offered.
2. The Company has not carried any inventory during the year, and therefore no comment is being offered.
3.
  - a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in Registrar Maintained under section 301 of the Companies Act, 1956.
  - b) The provision of this clause is not applicable to the Company.
  - c) The provision of this clause is not applicable to the Company.
  - d) The provision of this clause is not applicable to the Company.
  - e) The Company owes a sum of Rs.66,37,353/- to M/s. NACIL (erstwhile Indian Airlines Ltd.) comprising opening balance of Rs.66,17,702/- (including preliminary expenses of Rs.66,14,202/-).
  - f) The loan has not been taken on any specific term and hence the term does not appear to be prejudicial to the interest of the Company.
  - g) There is no written agreement and as explained there are no overdues of the Company.
4. The Company has not commenced any business operations and no internal audit is in place for the operation of the Company.
5.
  - a) There were no transactions during the year that needed to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.
  - b) The provision of this clause is not applicable on the Company.
6. The Company has not accepted any deposit from the public. Therefore, the provision of Section 58A & 58AA of the Companies Act, 1956 and the rules framed there under do not apply.
7. The provision of this clause is not applicable to the Company.
8. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the Company.
9.
  - a) According to the books and records as produced and examined by us in accordance with the generally accepted Auditing Practice there are no undisputed dues pending for the payment on the Company.
  - b) In reference to (a) above provision of this clause are not applicable to the Company.
10. The Company is not registered for 5 years and therefore this clause is not applicable to the Company.
11. According to information and explanations given to us and as shown by the records examined by us there were no dues payable to financial institutions or banks.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not Chit Fund Company and hence this clause is not applicable to the Company.
14. The provision of this clause is not applicable to the Company.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year.

**IAL ASL**

17. Based on the information and explanations given to us and on an overall examination of the books of accounts on 31/03/2009, we report that no funds raised on short term basis have been used for long-term investments by the Company and vice versa.
18. The provision of this clause is not applicable to the Company.
19. The provision of this clause is not applicable to the Company.
20. The provision of this clause is not applicable to the Company.
21. This is to certify that there was no case of fraud on or by the Company noticed or reported during the year under Audit.

**For Lochan & Co.**  
Chartered Accountants

Sd/-  
**Amit Bansal**  
Partner  
M. No. 091598

Place : Noida  
Dated : 4 August 2009

**BALANCE SHEET AS AT MARCH 31, 2009**

(Amount in Rupees)

Particulars	Schedule	March 31, 2009		March 31, 2008	
<b>SOURCES OF FUNDS :</b>					
<b>1. Shareholders' Funds :</b>					
a) Share Capital	1		500000		500000
			500000		500000
<b>APPLICATION OF FUNDS :</b>					
a) Cash & Bank Balances	2	394548		392848	
		394548		392848	
<b>Less : Current Liabilities and Provisions</b>					
Current Liabilities	3	6642868		6627253	
		6642868		6627253	
Net Current Assets			(6248320)		(6234405)
<b>Miscellaneous Expenditure</b> (To the extent not written off)	4		6614202		6614202
<b>Profit &amp; Loss Account</b>	5		134118		120203
			500000		500000
Significant Accounting Policies & Notes to Accounts	7				

The schedule referred to above and the notes attached form an integral parts of the accounts.

As per our report of even date attached.

**For Lochan & Co.**  
Chartered Accountants

Sd/-  
**Amit Bansal**  
Partner  
M. No. 091598

For and on behalf of the Board

Sd/-  
**Arvind Jadhav**  
Chairman

Sd/-  
**A.K. Sharma**  
Chief Operating Officer

Sd/-  
**Prashant Sukul**  
Director

Sd/-  
**R. Thyagarajan**  
Chief Finance Officer

Place : New Delhi  
Date : 4 August 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

(Amount in Rupees)

Particulars	Schedule	2008 - 09	2007 - 08
<b>Income :</b>			
Interest from Bank		2250	-
<b>Total Income</b>		2250	-
<b>Expenditure :</b>			
Administrative Expenses	6	16165	37237
<b>Total Expenditure</b>		16165	37237
<b>Profit / (Loss) Before Tax</b>		(13915)	(37237)
Provision for Tax		-	-
<b>Profit / (Loss) After Tax</b>		(13915)	(37237)
<b>Balance Carried to Balance Sheet</b>		(13915)	(37237)

Significant Accounting Policies &amp; Notes to Accounts 7

The schedule referred to above and the notes attached form an integral parts of the accounts.

As per our report of even date attached.

**For Lochan & Co.**  
Chartered Accountants

Sd/-  
**Amit Bansal**  
Partner  
M. No. 091598

For and on behalf of the Board

Sd/-  
**Arvind Jadhav**  
Chairman

Sd/-  
**A.K. Sharma**  
Chief Operating Officer

Sd/-  
**Prashant Sukul**  
Director

Sd/-  
**R. Thyagarajan**  
Chief Finance Officer

Place : New Delhi  
Date : 4 August 2009

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET****SCHEDULE - 1 : SHARE CAPITAL :****(Amount in Rupees)**

<b>Particulars</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
<b>AUTHORISED SHARE CAPITAL</b>		
(9 Crore Equity Shares of Rs.10/- Each)	<b>900000000</b>	900000000
(10 Lakhs Redeemable Preference Shares of Rs.100/- Each)	<b>100000000</b>	100000000
<b>TOTAL</b>	<b>1000000000</b>	1000000000
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>		
(50000 Equity Shares of Rs.10/- Each)	<b>500000</b>	500000
<b>TOTAL</b>	<b>500000</b>	500000

**SCHEDULE - 2 : CASH AND BANK BALANCES :****(Amount in Rupees)**

<b>Particulars</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
Cash in Hand	-	-
Balance with State Bank of India	<b>394548</b>	392848
<b>TOTAL</b>	<b>394548</b>	392848

**SCHEDULE - 3 : CURRENT LIABILITIES :****(Amount in Rupees)**

<b>Particulars</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
Liabilities for Expenses	<b>5515</b>	9551
NACIL (Erstwhile Indian Airlines Ltd.)	<b>6637353</b>	6617702
<b>TOTAL</b>	<b>6642868</b>	6627253

**SCHEDULE - 4 : MISCELLANEOUS EXPENDITURE :****(Amount in Rupees)**

<b>Particulars</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
(To the extent not written off)		
Preliminary Expenses	<b>6614202</b>	6614202
<b>TOTAL</b>	<b>6614202</b>	6614202

**SCHEDULE - 5 : PROFIT & LOSS ACCOUNT :****(Amount in Rupees)**

<b>Particulars</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
Opening Balance	<b>120203</b>	82966
Add : Loss during the year	<b>13915</b>	37237
<b>TOTAL</b>	<b>134118</b>	120203

**SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE - 6 : ADMINISTRATION EXPENSES :****(Amount in Rupees)**

<b>Particulars</b>	<b>2008- 09</b>	<b>2007-08</b>
Bank Charges	<b>550</b>	710
Filing Fee	<b>4500</b>	4500
Professional Charges	<b>5600</b>	26409
Audit Fee	<b>5515</b>	5618
<b>TOTAL</b>	<b>16165</b>	37237

**SCHEDULE - 7 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS :****A. SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Concepts**

Financial Statement is prepared under Historical Cost Convention in accordance with Accounting Standard applicable in India. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

**2. Amortisation of Miscellaneous Expenditure**

The Company has yet to commence commercial operation, hence preliminary expenses has not been amortized.

**3. Valuation of Current Assets, Loans & Advances**

Current Assets comprises of bank balance and cheque deposit but not credit given upto 31.03.2009. There is no loan or advances given by the Company.

**B. NOTES TO ACCOUNTS****1. Payment to Auditors :**

	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Statutory Audit Fees	5515/-	5618/-

**2. Previous year figures are regrouped and rearranged as necessary for balance sheet.**


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As per our report of even date attached.

**For Lochan & Co.**  
Chartered Accountants

Sd/-  
**Amit Bansal**  
Partner  
M. No. 091598

For and on behalf of the Board

Sd/-  
**Arvind Jadhav**  
Chairman

Sd/-  
**A.K. Sharma**  
Chief Operating Officer

Sd/-  
**Prashant Sukul**  
Director

Sd/-  
**R. Thyagarajan**  
Chief Finance Officer

Place : New Delhi  
Date : 4 August 2009

**ANNEXURE****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

**I. Registration Details :**

Registration No.	121950	State Code	:	55
Balance Sheet Date	:	March 31,2009		

**II. Capital Raised during the Year (Amount in Thousand Rs.)**

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Thousand Rs.)**

Total Liabilities	:	500	Total Assets	:	500
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**Sources of Funds :**

Paid Up Capital (Including Share Application Money)	:	500	Reserves and Surplus	:	NIL
Secured Loans	:	NIL	Unsecured Loans	:	NIL

**Application of Funds :**

Net Fixed Assets	:	NIL	Investments	:	NIL
Net Current Assets	:	(6348)	Misc.Expenditure	:	6614
Accumulated Profit / (Loss)	:	(134)			

**IV. Performance of Company (Amount in Thousand Rs.)**

Turnover	:	2	Total Expenditure	:	16
Profit / (Loss) Before Tax	:	(14)	Profit / (Loss) After Tax	:	(14)
Earning Per Share in Rs.	:	N/A	Dividend Rate (%)	:	NIL

**V. Generic Names of Three Principle Products / Services of Company (As per Monetary Terms)**

Item Code No.	:	NIL
Product Description	:	NIL

As per our report of even date attached.

**For Lochan & Co.**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**Amit Bansal**  
Partner  
M. No. 091598

Sd/-  
**Arvind Jadhav**  
Chairman

Sd/-  
**Prashant Sukul**  
Director

Sd/-  
**A.K. Sharma**  
Chief Operating Officer

Sd/-  
**R. Thyagarajan**  
Chief Finance Officer

Place : New Delhi  
Date : 4 August 2009