



IAL AIRPORT SERVICES LIMITED



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BOARD OF DIRECTORS (AS ON 02.12.2008)

Shri Raghu Menon Chairman

Smt. Vilasini Ramachandran

Shri R. K. Singh

Shri N. Vaghul

Bankers

State Bank of India
Parliament Street
New Delhi-110 001

Statutory Auditors

M/s Lochan & Co.
Chartered Accountants
B-1, Dharma Apartments
Indraprastha Extension
Delhi - 110 092

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 Fifth Annual Report, together with the Audited Statement of Accounts of IAL-Airport Services Ltd. for the period from 1.4.2007 to 31.3.2008

INCORPORATION

The Company was incorporated on August 27, 2003 (vide Registration Certificate No. UL-3013 DL-2003 PLC 121950 issued by Registrar of Companies, NCT and Haryana, New Delhi), having its registered office at 113, Gurudwara Rakabganj Road, New Delhi-110001. The company obtained Certificate for Commencement of Business on December 22, 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 STRUCTUREAuthorised 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/-
			<u>Rs.100,00,00,000/-</u>
B)		<u>Issued, Subscribed and Paid Up Capital</u>	<u>Rs. 5,00,00,000/-</u>
		50,000 Equity Shares of Rs. 10/- each	

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. 32, 237/- (Thirty two thousand two hundred thirty seven only) consisting of administration charges, filing fees, provision for professional charges and auditor's fees.

DIRECTORS' RESPONSIBILITY STATEMENTThe Directors Confirm

- ❖ That in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ❖ That they had selected such accounting policies and applied them consistently and made judgements 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.
- ❖ 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.
- ❖ They had prepared the Annual Accounts on a going concern basis.

AUDITORS

The Statutory Audit for the financial year 2007-08 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 Directors of IAL Airport Services Limited held four meetings. The present Board consists of the following Directors:

Shri Raghu Menon
Chairman & MD, NACIL

Shri R.K. Singh
Joint Secretary, MCA

Shri N. Vaghul
Chairman-ICICI Bank

ACKNOWLEDGEMENTS

The Board places on record its appreciation of the valuable services rendered by Shri V.Thulasidas, Dr. V. Trivedi, Shri K. Ramalingam & Shri Rajiv Bansal 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, Deptt. of Company Affairs and other Govt departments, National Aviation Company of India Ltd., Airline Allied Services Ltd. and other agencies.

For and on behalf of the Board

sd/-
Raghu Menon
Chairman

Place : New Delhi
Date : 28 May 2008



**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 31 MARCH 2008**

The preparation of financial statements of **IAL Airport Services Limited** for the year ended 31 March 2008 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 and 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 28 May 2008.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **IAL Airport Services Limited** for the year ended 31 March 2008. This supplementary audit has been carried out independently without access to working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on 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 : 27 June 2008

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

1. We have audited the attached Balance Sheet of **M/s IAL Airport Services Limited** as at March 31, 2008, the Profit and Loss Account for the year ended on that date annexed thereto. 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 the 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 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 Government 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
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by Law have been kept by the company as far as it appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account dealt with by this report is in agreement with the books of accounts.
 - d) In our opinion the balance sheet, profit and loss account dealt with by this report comply with the Accounting Standards referred to in sub - section 3(c) of section 211 of the Companies Act, 1956.
 - e) That as per Notification No. GSR 829(E) dated 21/10/2003 the provision of Section 274(1)(g) are not applicable to a Government Company.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes to accounts give 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:-
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2008.
 - ii) In the case of the profit and Loss Account, of the loss for the year ended on that date.

For Lochan & Co.
Chartered Accountants

sd/-
Amit Bansal
Partner

Place : New Delhi
Date : 28 May 2008

**ANNEXURE TO THE AUDITORS REPORT****M/s IAL Airport Services Limited, 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 Register 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. 66,17,702/- to M/s Indian Airlines Ltd. comprising opening balance of Rs. 66,17,952/- (including preliminary expenses of Rs. 66,14,202/- and Rs. 250/- paid during the year).
(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 and 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 to 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 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 a 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.
17. Based on the information and explanations given to us and on an overall examinations of the books of accounts on 31/03/2008, 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. 91598

Place : New Delhi
Date : 28 May 2008

ANNUAL ACCOUNTS
2007-08

BALANCE SHEET AS ON 31 MARCH, 2008

(Amount in Rupees)

Particulars	Schedule	March 31, 2008		March 31, 2007	
i. Sources of funds					
1 Shareholders' Funds					
a) Share Capital	1		500000.00		500000.00
			500000.00		500000.00
2. Application of funds					
a) Current Assets and Loan & Advances					
b) Cash & Bank Balances	2	392848.00		430335.00	
		392848.00		430335.00	
Less : Current Liabilities & Provisions					
Current Liabilities	3	6627253.00		6627503.00	
		6627253.00		6627503.00	
Net Current Assets			(6234405.00)		(6197168.00)
3. Misc. Expenditure					
(To the extent not written off)	4		6614202.00		6614202.00
4. Profit & Loss Account					
	5		120203.00		82966.00
			500000.00		500000.00

Significant Accounting Policies & Notes to Account 7

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

For and on behalf of
Lochan & Co.
Chartered Accountants

For IAL Airport Services Ltd.

Sd/-
Amit Bansal
Partner
M.No. 91598

Sd/-
Raghu Menon
Chairman

Sd/-
R. K. Singh
Director

Sd/-
A. K. Sharma
Chief Operating Officer

Sd/-
R. Thyagarajan
Chief Finance Officer

Place : New Delhi
Date : 28 May 2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rupees)

Particulars	Schedule	2007-08	2006-07
1 Income		-	-
Total Income		-	-
2 Expenditure			
i) Administration Expenses	6	37,237.00	44,964.00
Total Expenditure		37,237.00	44,964.00
Profit / (Loss) before Tax		(37,237.00)	(44,964.00)
Provision for Tax		-	-
Profit/ (Loss) after Tax		(37,237.00)	(44,964.00)
Balance Carried to Balance Sheet		(37,237.00)	(44,964.00)

Significant Accounting Policies & Notes to Accounts

7

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

For and on behalf of
Lochan & Co.
Chartered Accountants

For IAL Airport Services Ltd.

Sd/-
Amit Bansal
Partner
M.No. 91598

Sd/-
Raghu Menon
Chairman

Sd/-
R. K. Singh
Director

Sd/-
A. K. Sharma
Chief Operating Officer

Sd/-
R. Thyagarajan
Chief Finance Officer

Place : New Delhi
Date : 28 May 2008

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET**SCHEDULE "1" : SHARE CAPITAL:**

(Amount in Rupees)

Particulars	(Amount in Rupees)	
	March 31, 2008	March 31, 2007
AUTHORISED CAPITAL		
(9 Crore Equity Shares of Rs. 10/- Each)	900000000.00	900000000.00
(10 lakhs redeemable preference shares of Rs.100/-each)	100000000.00	100000000.00
TOTAL	1000000000.00	1000000000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
(50000 Equity Shares of Rs 10/- Each)	500000.00	500000.00
TOTAL	500000.00	500000.00

SCHEDULE "2" : CASH AND BANK BALANCES:

(Amount in Rupees)

Particulars	(Amount in Rupees)	
	March 31, 2008	March 31, 2007
Cash in hand	-	-
Balance with State Bank of India	392848.00	430335.00
TOTAL	392848.00	430335.00

SCHEDULE "3" : CURRENT LIABILITIES:

(Amount in Rupees)

Particulars	(Amount in Rupees)	
	March 31, 2008	March 31, 2007
Liabilities for Expenses	9551.00	9551.00
Indian Airlines Ltd., WR	-	250.00
Indian Airlines Ltd.	6617702.00	6617702.00
TOTAL	6627253.00	6627503.00

SCHEDULE "4" : MISCELLANEOUS EXPENDITURE:

(Amount in Rupees)

Particulars	March 31, 2008	March 31, 2007
(To the extent not written off)		
Preliminary expenses	6614202.00	6614202.00
TOTAL	6614202.00	6614202.00

SCHEDULE "5" : PROFIT & LOSS ACCOUNT:

(Amount in Rupees)

Particulars	March 31, 2008	March 31, 2007
Opening Balances	82966.00	38002.00
Add: Loss during the year	37237.00	44964.00
TOTAL	120203.00	82966.00

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT**SCHEDULE "6" : ADMINISTRATION EXPENSES:**

(Amount in Rupees)

Particulars	2007-08	2006-07
Bank Charges	710.00	37.00
Filing Fees	4500.00	6500.00
Professional Charges	26409.00	32809.00
Audit fees	5618.00	5618.00
TOTAL	37237.00	44964.00

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

The company is following mercantile system of Accounting. Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. Amortisation of Miscellaneous Expenditure

The company is yet to commence commercial operation, hence preliminary expenses have not been amortized.

3. Valuation of Current Assets, Loans & Advances

Current Assets comprise of bank balance and cheque deposit but not credit given up to 31.03.2008. There is no loan or advances given by the company.

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

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fees	5618/-	5618/-

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

3. Company has received Rs. 2,35,775/- on account of application money from various candidates and reimbursed to the parent company. Therefore this amount has not been shown as an income of the company.

For and on behalf of
Lochan & Co.
Chartered Accountants

For IAL Airport Services Ltd.

Sd/-
Amit Bansal
Partner
M.No. 91598

Sd/-
Raghu Menon
Chairman

Sd/-
R. K. Singh
Director

Sd/-
A. K. Sharma
Chief Operating Officer

Sd/-
R. Thyagarajan
Chief Finance Officer

Place : New Delhi
Date : 28 May 2008

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 Number	121950	State Code	55
Balance sheet date	31.03.2008		
II. Capital raised during the year (amount in Rs. in thousands)			
Public issue	NIL	Right issue	NIL
Bonus issue	NIL	Private placement	NIL
III. Position of mobilization and deployment of funds (amount in Rs. in thousands).			
Total Liabilities	500	Total assets	500
Sources of funds			
Paid up capital	500	Reserves & surplus	NIL
Secured loan	NIL	Unsecured loan	NIL
Application of funds			
Net Fixed Assets	NIL	Investments	NIL
Net current Assets	(6234)	Misc. Expenditure	6614
Accumulated Losses	120		
IV. Performance of the company (amount in Rs. in thousands)			
Turnover	NIL	Total Expenditure	37
Profit before tax	(37)	Profit/(loss) after tax	(37)
Earning per share in Rs.	N/A	Dividend rate %	NIL
V. Generic names of three principal products/services of the company (as per monetary terms)			
Item code no.	:	NIL	
Product description	:	NIL	

For and on behalf of
Lochan & Co.
Chartered Accountants

For IAL Airport Services Ltd.

Sd/-
Amit Bansal
Partner
M.No. 91598

Sd/-
Raghu Menon
Chairman

Sd/-
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Director

Sd/-
A. K. Sharma
Chief Operating Officer

Sd/-
R. Thyagarajan
Chief Finance Officer

Place : New Delhi
Date : 28 May 2008