

## ANNUAL REPORT 2013



*Let's save earth together!*



*Let's fly high together!*

Delhi Aviation Fuel Facility Private Limited



## NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Members of DELHI AVIATION FUEL FACILITY PRIVATE LIMITED ("the Company") will be held at New Udaan Bhawan, Indira Gandhi International Airport, New Delhi - 110037, India on Friday, the 27<sup>th</sup> day of September, 2013, at 12:30 PM (IST), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013 and the Balance Sheet on that date together with the Notes as on that date and the Reports of the Directors and the Auditors thereon, including the Comments of the Office of the Comptroller & Auditor General of India (C&AG) on the accounts of the Company, if any, for the year ended March 31, 2013.
2. To declare Dividend on Equity Shares for the year 2012-13.
3. To approve the payment of remuneration to the Statutory Auditor(s) of the Company appointed by the Office of the Comptroller & Auditor General of India (C&AG) for the Financial Year 2013-14.



## **SPECIAL BUSINESS:**

### **4. Appointment of Mr. Pramod Sharma as a Director of the Company**

To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** Mr. Pramod Sharma, who was appointed as an Additional Director by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the company.

### **5. Appointment of Mr. Rajiv Bahl as a Director of the Company**

To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** Mr. Rajiv Bahl, who was appointed as an Additional Director by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the company.

#### **Registered Office:**

Aviation Fuelling Station,  
Shahbad Mohammad Pur,  
Indira Gandhi International Airport,  
**New Delhi - 110061**

By Order of the Board of Directors  
For **DELHI AVIATION FUEL FACILITY (P) LIMITED**

**Sd/-**  
**(PRABIN KUMAR DOKANIA)**  
CFO & Company Secretary

28<sup>th</sup> August, 2013



## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY DULY FILLED, STAMPED & SIGNED NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING OR TWENTY-FOUR HOURS (24) HOURS BEFORE THE TIME APPOINTED FOR TAKING OF A POLL, IF ANY SUPPORTED BY APPROPRIATE RESOLUTIONS/ LETTER OF AUTHORITY AS APPLICABLE.
- A proxy so appointed shall not have any right to speak at the meeting.
- Members/Proxies should bring their Attendance Slip duly filled and signed for attending the meeting.
- Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday between 10:30 am to 12:30 pm upto the date of Annual General Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 20.09.2013 to 27.09.2013 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend.
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the Annual General Meeting is annexed hereto and forms part of the notice.





## **EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173 OF THE COMPANIES ACT, 1956**

### **Item No. 4**

Pramod Sharma, Executive Director, Bharat Petroleum Corporation Limited heads Aviation Business Unit of the Corporation, which controls 24.74% of aviation market share as on March 2013. He has 33 years of professional experience and held several leadership positions from Information Technology to heading Government Coordination and Northern Region Retail. He was deputed to Oil Coordination Committee, Ministry of Petroleum & Natural Gas as Joint Director from February 1990 – Jan 1994 and later as Additional Director from October 1999 to June 2002. He was part of the Sunderarajan Committee who formulated “Hydrocarbon Perspectives 2010”, which was backbone for deregulation roadmap of Oil Industry in India.

Details of Directorships in other companies Nil

Membership/Chairmanship in the committees of other companies Nil

No. of shares held in the Company Nil

Relationship between Directors inter se Nil

Mr. Pramod Sharma was appointed as Additional Director of the Company with effect from 1<sup>st</sup> April, 2013 by the Board of Directors and holds office upto the date of this Annual General Meeting.

The Company has received a notice from Bharat Petroleum Corporation Limited signifying its intention to propose Mr. Pramod Sharma as a candidate for the office of director.

The Directors, therefore recommend the Ordinary Resolution. None of the Directors of the Company except Mr. Pramod Sharma is interested or concerned in the resolution.



## **Item No. 5**

Mr. Rajiv Bahl, a Chartered Accountant by profession is presently heading the Corporate Finance & Treasury of Indian Oil Corporation Limited as Executive Director (Corporate Finance & Treasury). While working with IndianOil in the last three decades, has had varied experience which ranges from the entire gamut of finance related activities including Treasury, Corporate Finance, International Oil Trading, Shipping, etc. Mr. Rajiv Bahl headed the Shipping Department and was responsible conceptualizing and establishing the Ship Chartering Cell in IndianOil. IndianOil has also been benefitted with his excellent commercial ability in finalizing the oil contracts during his stint in Shipping and International oil trading side of the business. With his command over language and authority on subject matters, he is known to be an excellent orator.

Details of Directorships in other companies	02
Membership/Chairmanship in the committees of other companies	01
No. of shares held in the Company	Nil
Relationship between Directors inter se	Nil

Mr. Rajiv Bahl was appointed as Additional Director of the Company with effect from 30<sup>th</sup> July, 2013 by the Board of Directors and holds office upto the date of this Annual General Meeting.

The Company has received a notice from IndianOil Corporation Limited signifying its intention to propose Mr. Rajiv Bahl as a candidate for the office of director.

The Directors, therefore recommend the Ordinary Resolution. None of the Directors of the Company except Mr. Rajiv Bahl is interested or concerned in the resolution.



**Mr. R. Sareen, Chairman**

Dear Stakeholders,

Greetings!

I would like to take this opportunity to share the financial highlights of yet another year of performance of your company. During the fiscal 2012-13, the turnover is Rs. 98.87 Crore as against the turnover of Rs. 126.69 Crore for the preceding fiscal. The decline in the turnover was due to the downturn in the aviation industry e.g. closure of operation of many premiere domestic and international flights during the fiscal. However, the Profit after Tax (PAT) is Rs. 29.63 Crore.

Though we have witnessed dynamic changes in the aviation industry globally including in India, nevertheless, we are hopeful about positive scenario in coming times. The Indian Aviation Industry has been going through a turbulent phase over the past several years facing multiple headwinds – high input cost and limited pricing power. Domestic commercial airlines piled up loss of \$1.65 billion (Rs 8,910 Crore) on revenue of \$9.5 billion (Rs 51,300 Crore) during 2012-13 with more than 40 per cent of the annual loss coming from operations in the last quarter (January-March), according to the Centre for Asia Pacific Aviation (CAPA). The aviation think tank in its India Aviation Outlook 2013-14 report further stated that average fares increased by 15-20 per cent year-on-year in the last fiscal and aggressive discounting during the traditionally weak period between January and March resulted in loss of \$700 million during the last quarter alone. The report also states that the debt of the aviation industry has increased eight to nine per cent in 2012-13 to \$14.5 billion (Rs 78,300 Crore) with additional vendor-related liabilities of around \$2 billion compared with an average cash position of just \$500-\$550 million.

***Let's fly high together!***



In spite of the down turn in the aviation industry, there is a silver lining which is approval by Ministry of Civil Aviation to the Indigo for importing 28 Airbus A320 aircrafts in 2013 and 2014. The report predicts a rosy picture for the country's four private airlines -Jet Airways, Spice Jet, Go Air and Indigo-which are expected to post a combined profit of over \$300 million (Rs 1,620 Crore) during the same period. Further the decision on 49 per cent FDI in aviation will transform the sector as the same is aimed for construction of new airports, expansion, modernization of existing airports and development of low-cost airports to keep the tariff at its minimal at smaller airports, improvement in connecting infrastructure, and development of world class Air Navigation Services infrastructure. The government envisages investment of \$12.1 billion in the sector in the 12th Plan period (2012-2016). Also the rapidly expanding air transport network and opening up of infrastructure to the private sector have fuelled the growth of air traffic in India.

Recently, the Aircraft Acquisition Committee has been abolished to liberalize the acquisition of aircraft by the scheduled, non-scheduled airlines, flying institutes and for private use, which will give impetus to the growth and expansion of airlines in India. Tata-Air Asia and proposed Jet Airways-Etihad collaborations are examples of growing business confidence in the Indian civil aviation sector.

Going forward, Delhi International Airport (P) Limited (DIAL) has a vision of building the Delhi Airport as a Major hub and it is forecasted that in the coming days the number of flights touching will increase and so will your company get opportunity to cater to more flights and more volume for business. The Indira Gandhi International Airport has been named the 4<sup>th</sup> best Airport in Asia Pacific by the Airports Council International's annual Airport Service Quality Awards.



Your company endeavours to play a vital role by contributing its efficacy in uninterrupted flow of aviation turbine fuel (ATF) at the IGI Airport, New Delhi, in line with the concession granted to it, thus making it a key contributor in guaranteeing the smooth day to day operation inside the Airport. Further our Company has made investment in assets keeping in view the operational smoothness, safety aspect and environmental protection. Further, electricity being the key parameter for flow of ATF, the Company has installed an additional 11 KVA line power supply for uninterrupted supply of electricity and in turn ATF for round the clock operations at the airport.

In conclusion, I urge all the stakeholders to support in our constant endeavor to drive the company in a faster and responsible manner to make it one of the best fuelling facility providers of the world.

I would like to convey my sincere gratitude for your support and confidence which has enabled us to reach the pinnacle. Your company remains committed to uphold the highest standards of governance and pursue higher value creation for all stakeholders.

All of us at DAFFPL look forward to an exciting year ahead with new milestones and new accomplishments.

***Let's fly high together!***

Very Sincerely,  
Sd/-  
R. Sareen  
**Chairman**



## Brief Profile of the Company

**DAFFPL**, a Joint Venture Company of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Delhi International Airport Private Limited (DIAL) was awarded the right to design, develop, construct, manage, upgrade and operate the aviation fuel facility for the newly commissioned Terminal - III at the Indira Gandhi International (IGI) Airport in New Delhi.

The Company was assigned this responsibility through the means of a Concessions & Operating Agreement (“C&OA”) executed by and amongst IOCL, BPCL, IOSL and DIAL, whereby **DAFFPL** (“the Concessionaire”) was granted the right to design, develop, construct, manage, maintain, upgrade & operate the Aviation Fuelling Facility at the Fuel Farm situated at the IGI Airport on a Build, Own, Operate & Transfer (“BOOT”) basis.

**DAFFPL’s** aim is ensuring an uninterrupted flow of aviation turbine fuel (ATF) on Open Access model to all type of aircrafts at the IGI Airport whether on local, domestic & international flights including en-route navigation & other automobile services according to international benchmarks thus making it a key contributor in guaranteeing the smooth day-to-day operational life inside IGI Airport.

**DAFFPL** undertakes the development, of the Aviation Fuelling Facility at the IGI Airport, which includes the development of a modern and robust facility at Terminal 3 as well as upgrading & development of the existing facilities at Terminal-2 (viz., Cargo Terminal), by optimally utilising all existing assets & facilities .



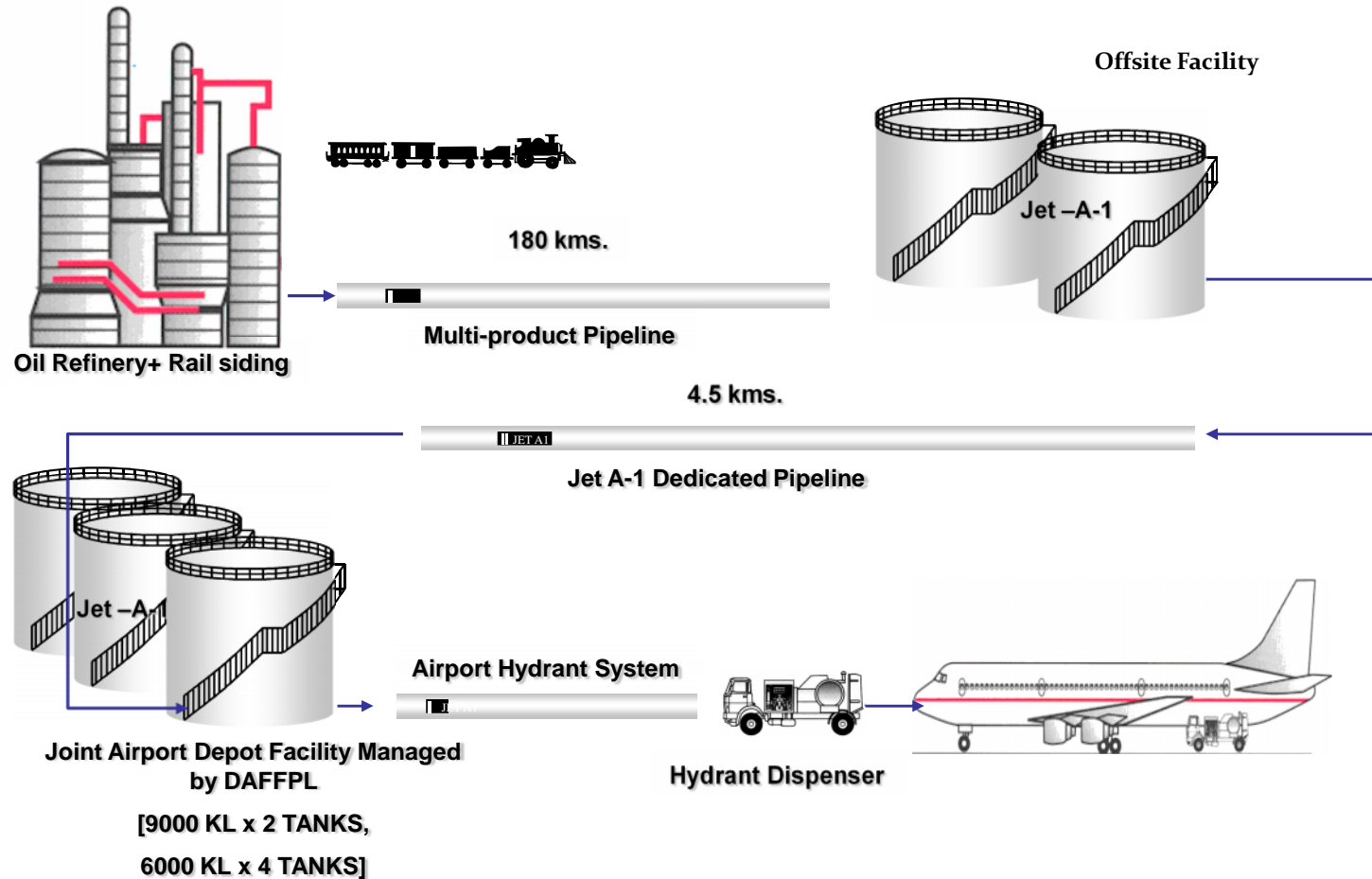
## OUR BUSINESS

### SALIENT FEATURES OF DAFFPL's BUSINESS:

- **DAFFPL** started its commercial operations in the month of July, 2010 when IGI Airport Terminal 3 was commissioned for the public.
- **DAFFPL** promotes open access model and increase competitiveness among fuel suppliers.
- **DAFFPL** owns the ATF Facility which includes the On-site facility at Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi & the Aviation Fuel Hydrant System (AFHS) at Terminal-3 and T-2at IGI Airport.
- IndianOil Skytanking Limited (IOSL) is appointed as the Operator to operate, manage & maintain the Fuel Farm facility on behalf of DAFFPL.
- IndianOil Skytanking Limited (IOSL) & Bharat Stars Services Private Limited (BSSPL) appointed as Into Plane Agent responsible for providing defueling & refueling activities to Air Carriers.



## Overview of ATF supply chain at Terminal 3



DELHI AVIATION FUEL FACILITY (P) LIMITED

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## Board of Directors

Mr. R. Sareen, Chairman	IOCL
Mr. S. Krishna Prasad	IOCL
Mr. Vijay Gupta [Up to 30.07.2013]	IOCL
Mr. Rajiv Bahl [w.e.f. 31.07.2013]	IOCL
Mr. P.S. Nair	DIAL
Mr. Pradeep Panicker	DIAL
Mr. P. Balasubramanian [w.e.f. 16.06.2012]	BPCL
Mr. Sunil Agrawal	BPCL
Mr. S.B. Bhattacharya [ w.e.f. 16.06.2012 till 31.03.2013]	BPCL
Mr. S.P. Mathur [Up to 16.06.2012]	BPCL
Mr. V. Ranjan [Up to 16.06.2012]	BPCL



### **Audit, Finance & Compensation Committee**

Mr. S. Krishna Prasad	Chairman
Mr. Pradeep Panicker	Member
Mr. Sunil Agrawal	Member

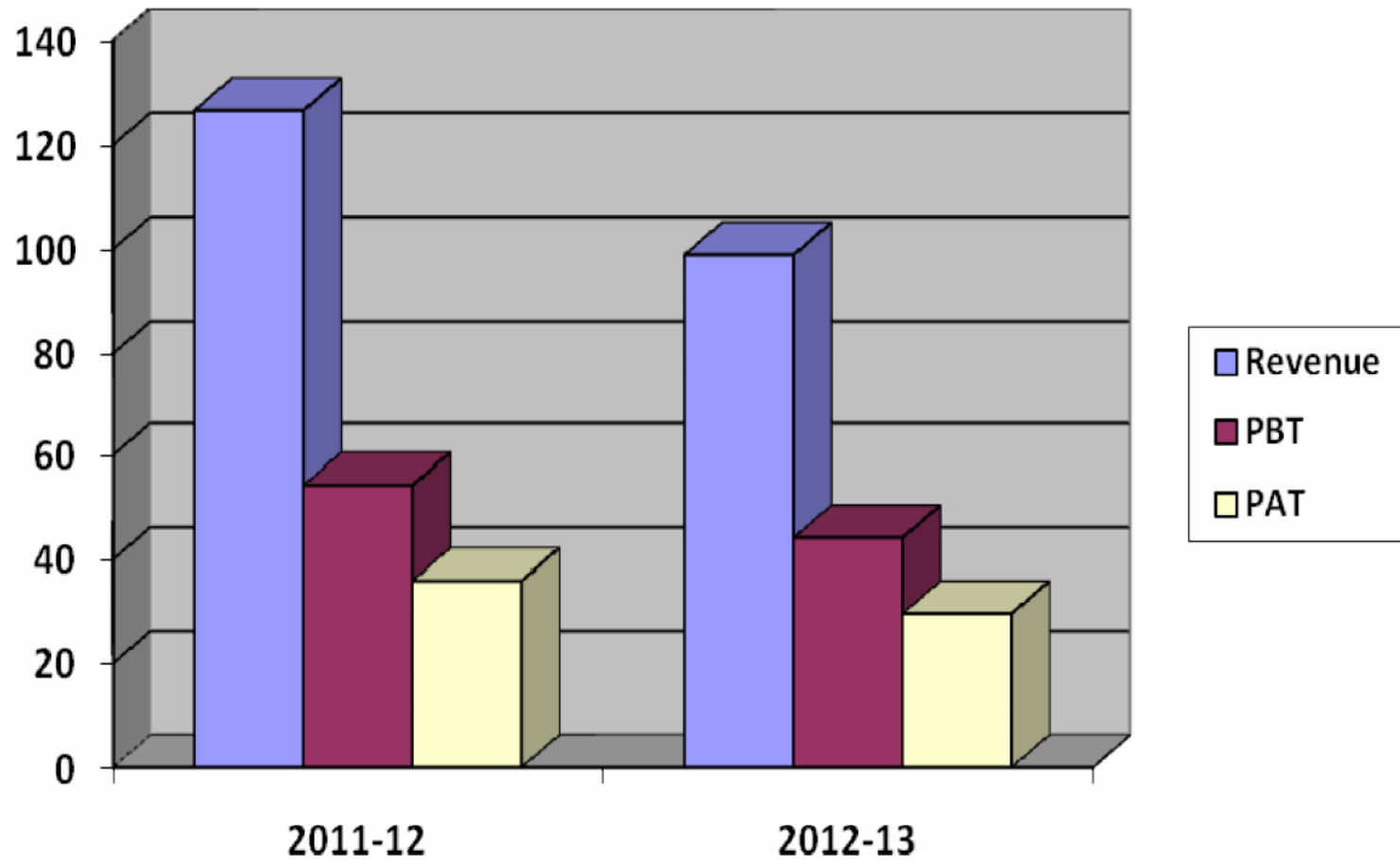
### **Management**

Mr. R.V.S.S. Ramachandra Rao	Chief Executive Officer
Mr. Prabin Dokania	CFO & Company Secretary

<b>M/s. J. C. Bhalla &amp; Co., Chartered Accountants</b>	<b>Statutory Auditor</b>
M/s. V. Sankar Aiyar & Co., Chartered Accountants	Internal Auditor
Indian Bank	Banker
ICICI Bank	Banker



## FINANCIAL ACHIEVEMENTS 2012 -13 (Rs. In Crore)





## OPERATIONAL ACHIEVEMENT 2012-13





# Board of Directors



**Mr. R. Sareen, Chairman, DAFFPL,  
Executive Director (Aviation), Indian Oil Corporation Limited**

As the Executive Director (Aviation), heading the aviation group in IndianOil, Mr. R. Sareen has been responsible for the formulation and execution of key strategies to steer the aviation group of the company. His core competence in aviation business, backed by a wealth of experience in the domain and his well orchestrated strategies have helped IndianOil sustain its leadership in the aviation fuel business with a current market share of 64% in the face of stiff and predatory domestic and International competition. Operationally, he is also responsible for the seamless functioning of Indian Oil's extensive network of 96 Aviation fuel stations across the country, refuelling the aircrafts round the clock irrespective of the climatic and operational conditions. Apart from, Mr. Sareen is also currently serving on the board of AVI OIL and IndianOil Skytanking Ltd.

His strategic moves, representing IndianOil as a major JV partner were critically instrumental in IndianOil Skytanking clinching the fuelling business at the Bengaluru International airport to start with and Terminal 3 of Delhi International airport now. Mr. Sareen, an electrical engineer by training is also an alumnus of IIM, Ahmedabad.



# Board of Directors



**Mr. P.S. Nair, Ex- Chairman, DAFFPL,  
CEO – Corporate (Airport Sector), GMR Group**

A Master of Arts in Political Science/ Public Administration with a Post Graduate Diploma in Public Sector Management from Leeds University, UK, Mr. P.S. Nair has over 37 years of diverse experience in the Airport Sector - both in the public and private domains. Mr. Nair has been a Member in several High Level Task Forces, Committees, Working Groups and Advisory Committees formed by the Government of India on various facets of Civil Aviation. He had been an ex-officio Director on the Boards of Directors of Hotel Leela Venture, Mumbai and Radisson Hotel, New Delhi.

Mr. Nair joined the GMR Group, in 2006 and was the first Chief Executive Officer (CEO) of the ACI best rated GMR Hyderabad International Airport. He played an instrumental role in successful commissioning of the Hyderabad International Airport ahead of schedule and laying down the operating systems that lead the Airport to the world's No.1 position in 'Airport Service Quality (ASQ) rating by the ACI.



# Board of Directors



**Mr. S. Krishna Prasad, Director - DAFFPL,**

**ED (Finance & Information Systems) Indian Oil Corporation Limited**

Shri S. Krishna Prasad is a Member of the Institute of Chartered Accountants of India. He is presently working as Executive Director (Finance & Information Systems) in Indian Oil Corporation Limited, Mumbai. He has over 30 years of experience in various areas of Finance and Accounting like Corporate Finance, Taxation and Marketing Finance. He is also the Chairman of the Audit Committee of the Company.



**Mr. Rajiv Bahl, Director – DAFFPL,**

**ED (Finance & Treasury), Indian Oil Corporation Limited**

Mr. Rajiv Bahl, a Chartered Accountant by profession is presently heading the Corporate Finance & Treasury of Indian Oil Corporation Limited as Executive Director (Corporate Finance & Treasury). having varied experience which ranges from the entire gamut of finance related activities including Treasury, Corporate Finance, International Oil Trading, Shipping, etc. He has headed the Shipping Department and was responsible conceptualizing and establishing the Ship Chartering Cell in IndianOil. With his command over language and authority on subject matters, he is known to be an excellent orator.



# Board of Directors



**Mr. Pradeep Panicker, Director – DAFFPL**

**CCO – Delhi International Airport Private Limited**

Mr. Pradeep Panicker is a Chartered Accountant, Cost and Works Accountant, Diploma in Merchant Banking and Financial Services from ICAI. He has over 23 years of experience working with various organisations like Price Waterhouse Coopers, IDBI, L&T, Feedback Ventures (P.) Ltd., Mumbai SEZ Development Company, etc., prior to joining GMR Group in 2004. He was part of the successful team that won the bid for modernization of Indira Gandhi International Airport (IGIA), New Delhi and a key member of IGIA takeover and transition team. He had set-up and headed the Strategic Process Group (SPG) for 2 years and is presently the Vice-President (VP) & Chief Commercial Officer at Delhi International Airport Private Limited.



**Mr. S.K. Agrawal, Director – DAFFPL**

**Head- Finance & Commercial of Aviation Business Unit, Bharat Petroleum Corporation Limited**

Shri S. K. Agrawal is an MBA in Finance and currently working as the Head- Finance & Commercial of Aviation Business Unit of BPCL. He has been working with BPCL for more than 25 years. During this period he has worked in various departments and functions like Refinery/ Regional Finance set up. Subsequent to restructuring in BPCL, he has worked as the Regional Finance Head of Retail Business. Subsequently, he has worked as the Head of Finance & Commercial in Lubricants SBU.





# Board of Directors



**Mr. P. Balasubramanian, Director - DAFFPL**

**ED (Corporate Finance), Bharat Petroleum Corporation Limited**

Mr. Balasubramanian, a Chartered Accountant by profession, joined Bharat Petroleum Corporation Limited in 1985. Presently, he is heading Corporate Finance in Mumbai. His contribution towards his position includes statutory reporting, governance and risk management, investment appraisals and policy formation. He had stint in Internal Audit, Regional Finance, Corporate Treasury, Management Accounts and Corporate Finance.



**Mr. Pramod Sharma, Director – DAFFPL,**

**ED (Aviation), Bharat Petroleum Corporation Limited**

Pramod Sharma, Executive Director, Bharat Petroleum Corporation Limited heads Aviation Business Unit of the Corporation, which controls 24.74% of Aviation market share as on March 2013. Joining Bharat Petroleum in 1982, he has over 30 years of experience and held several leadership positions from Information Technology to heading Government Coordination and Northern Region Retail. He was Executive Assistant to C&MD from May 2006 – May 2011. He was also deputed to Oil Coordination Committee, Ministry of Petroleum & Natural Gas as Joint Director from February 1990 – Jan 1994 and later as Additional Director from October 1999 to June 2002. He was part of the Sundararajan Committee who formulated “Hydrocarbon Perspectives 2010”, which was backbone for deregulation roadmap of Oil Industry in India.



## Directors' Report

To the members,

We are delighted to present the Report on our business and operations for the year ended 31<sup>st</sup> March, 2013

### **FINANCIAL PERFORMANCE**

The Financial Results of your Company for the Financial Year ended March 31, 2013 are as under:

PARTICULARS	As on 31.03.2013	As on 31.03.2012
Revenue including other Income	98.87	126.69
Profit before Depreciation	59.20	68.52
Depreciation	15.04	14.23
Profit before Tax	44.16	54.29
Provision for Tax	9.24	17.58
Profit after Tax	29.63	35.91
Profit brought forward from last year	22.94	34.67



## Directors' Report

### **AMOUNT PROPOSED TO BE CARRIED TO RESERVES IN BALANCE SHEET**

During the year under review your Company transferred Rs. 0.74 Crore of profits to General Reserves to comply with the provision of section 205 of companies act, 1956.

### **FIXED DEPOSITS**

During the year under review your Company has not accepted any deposits from the public as defined under Section 58A of the Companies Act, 1956 and rules made there under.

### **DIVIDEND**

Your directors recommend a final Dividend at the rate of 12% per share i.e. Rs. 1.20/- per share on the amount paid up on the equity capital of the Company amounting to Rupees Nineteen Crore Sixty Eight Lac only, subject to the approval of Shareholders at the ensuing Annual General Meeting. The dividend will be paid in compliance with applicable regulations.

### **BUY-BACK**

Your Company has not initiated any buy-back of its shares nor does it have any such plans in the pipeline.



## Directors' Report

### **BOARD OF DIRECTORS**

The present Board comprises of the following 8 directors:

NAME OF DIRECTOR	DESIGNATION	DATE OF APPOINTMENT	REPRESENTING
Mr. Ravinder Sareen	CHAIRMAN	17.04.2010	IOCL
Mr. S. Krishna Prasad	DIRECTOR	17.04.2010	IOCL
Mr. Rajiv Bahl	DIRECTOR	30.07.2013	IOCL
Mr. P.S. Nair	DIRECTOR	11.08.2009	DIAL
Mr. Pradeep Panicker	DIRECTOR	14.09.2009	DIAL
Mr. Pramod Sharma	DIRECTOR	01.04.2013	BPCL
Mr. P. Balasubramanian	DIRECTOR	16.06.2012	BPCL
Mr. S.K. Agrawal	DIRECTOR	17.04.2010	BPCL



## Directors' Report

Mr. S.B. Bhattacharya, Nominee Director of Bharat Petroleum Corporation Limited (BPCL) resigned from the Board of Directors with effect from 1<sup>st</sup> April, 2013. BPCL has nominated Mr. Pramod Sharma, ED (Aviation) as the Director of the Company with effect from 1<sup>st</sup> April, 2013.

Mr. Vijay Kumar Gupta, Nominee Director of Indian Oil Corporation Limited (IOCL) resigned from the Board of Directors with effect from 30<sup>th</sup> July, 2013. IOCL has nominated Mr. Rajiv Bahl, ED (Finance & Treasury) as the Director of the Company with effect from 30<sup>th</sup> July, 2013.

Your Board of Directors places on record its appreciation for the contribution of Mr. S.B. Bhattacharya & Mr. Vijay Kumar Gupta.

None of the Directors are disqualified under Section 274(1) (g) of the Companies Act, 1956 as on 31.03.2013 and all the Directors have submitted their Disclosure of Interest under Sec. 299(3) of the Companies Act, 1956 for the Financial Year 2012-13 disclosing the nature of interests, if any, in any other Body Corporates with which your Company has entered into any agreement in the Financial Year under review.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, the directors shall not be liable to retire by rotation.



## Directors' Report

### **COMMITTEES & COMPOSITION**

The Board has at present one (01) Board Level Committee in your Company namely – Audit Committee. The work of the other two (02) Board Level Committees' namely - Compensation Committee & Finance Committee are being carried out by the Audit Committee itself, till these Committees are formally constituted by the Board.

The Composition of the Audit Committee as constituted in your Company is as follows:

NAME OF DIRECTOR	DESIGNATION	REPRESENTING
Mr. S. Krishna Prasad	Chairman	IOCL
Mr. Sunil Kumar Agrawal	Member	BPCL
Mr. Pradeep Panicker	Member	DIAL



## Directors' Report

### **AUDITORS**

#### **STATUTORY AUDITOR**

The Statutory Auditor of your company is appointed by the Comptroller & Auditor General of India (C&AG) under Section 619(2) of the Companies Act, 1956. M/s J.C. Bhalla & Co., Chartered Accountants, New Delhi was appointed as the Statutory Auditor of your Company for the Financial Year 2012-13 to hold office in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the ensuing Annual General Meeting.

The remuneration of the Statutory Auditor of your Company for the annual audit assignment was fixed at Rs.2,00,000/- (Rupees Two Lac only) as consolidated Audit Fees by your Board. The above fee is exclusive of Service Tax and reimbursement of reasonable travelling and out-of-pocket expenses actually incurred.

The review and comments on the Annual Accounts of your Company for the Financial Year 2012-13 by CAG forms part of the Annual Report. Notes on Accounts referred in the Auditors' Report are self – explanatory and therefore do not call for any further comments.



## Directors' Report

### INTERNAL AUDITOR

As a part of good corporate governance, your Company appointed M/s. V. Sankar Aiyar & Co., Chartered Accounts as Internal Auditor for F.Y. 2012-13 which would result in better control and better monitoring, as well as testing the efficacy of the various internal processes, systems and maintaining internal checks and streamlining the activities of the Company towards the desired goal of profitability.

The Board of Directors in its meeting held on 13<sup>th</sup> May, 2013 has re-appointed M/s. V. Sankar Aiyar & Co., Chartered Accounts, as the Internal Auditor of your Company with effect from April 01, 2013 for a period of One (1) year.

### TAX AUDITOR

The company has appointed M/s. J.C. Bhalla & Co., Chartered Accountants, New Delhi, the erstwhile CAG appointed Statutory Auditor of the Company as Tax Auditors under Section 44AB of the Income Tax Act, 1961 for the financial year 2012-13.





## Directors' Report

### **SAFETY, HEALTH AND ENVIRONMENT**

Your Company is committed to conducting business with a strong environment conscience for sustainable development, safe workplaces and operations aimed at enriching of life of employers, consumers and the community at large.

### **CHANGES IN NATURE OF BUSINESS OR ACTIVITIES OF YOUR COMPANY**

During the Financial Year, your Company has not undergone any change in the nature of its business nor has there been any change in the classes of business in which your Company has an interest. Your Company does not have any Subsidiaries as on date of this Report.

### **CHANGE IN AUTHORISED AND PAID-UP CAPITAL OF YOUR COMPANY**

The authorized Capital of your Company is Rupees One Hundred Seventy Crore Only comprising of 170,000,000 equity shares of Rs. 10/- each (fully paid up) and the paid-up Capital of your Company stands at Rupees One Hundred Sixty Four Crore Only comprising of 164,000,000 equity shares of Rs. 10/- each (fully paid up). There is no change in the Authorised or Paid up capital of the Company during the financial year under review.



## Directors' Report

### **AUDITORS' REPORT**

The Notes to Accounts forming part of the financial statements of your Company are self-explanatory. There are no qualifications or adverse remarks in the Independent Auditors' Report which require any clarification / explanation.

However, the Auditors of your Company have without qualifying their opinion, drawn attention of the members in their Report on Other Legal and Regulatory Requirements under Companies (Auditor's Report) Order, 2003

- i. Internal control procedures in respect of areas such as monitoring the delay in recovery of outstanding dues and charging of interest thereon from the debtor needs to be strengthened to make it commensurate with the size of the Company and the nature of the business. Further there is a continuing failure to correct major weaknesses in the aforesaid internal control system with respect to above mentioned areas. Further the auditor has not been informed of the steps taken by the management to correct the weaknesses in the internal control system with respect to the above mentioned areas.

*Company is taking step to rectify the process and recovery.*



## Directors' Report

- ii. That the internal audit function requires to be further strengthened to make it commensurate with the size and nature of the business of the company.

*Company has engaged Chartered Accountant firm M/s V. Sankar Aiyar & Company as internal auditor of company, the scope and area of audit is covered considering the size of business, though company has taken steps to further strengthen of same.*

- iii. Funds amounting to Rs. 753 Lac raised on short term basis have been used for long term investment.

*As per the terms of Concession& Operating Agreement, Company is required to pay security deposit to DIAL. Company has sanctioned limit of over draft facility to meet the mismatch in Cash flow, out of which part of the overdraft amount was utilized for payment of Security Deposit to DIAL. The Company has planned to approach bank for sanctioning of term loan for reimbursement of fund used from short term loan for paying security deposit*



## Directors' Report

### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 read with Section 217(1) of the Companies Act, 1956 your Directors are pleased to make the following declaration to its Shareholders:

#### **Conservation of Energy, Research and Development and technology absorption:**

Your Company continues to pursue the energy conservation efficiency by closely monitoring of the Power Consumption and maintenance to minimize the wastage, thereby facilitating optimum utilization of energy. Regular maintenance and repair of all equipments and machines are being carried out to ensure optimum efficiency.

#### **Foreign Exchange earnings and outgo:**

There were no foreign exchange earnings or outgo during the year under review in your Company.

### **PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report.

In your Company there are no employee(s) who was in receipt of remuneration in excess of the limits specified under the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956 nor there any employee who is a relative of any director or manager in your Company.



## Directors' Report

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provision of Section 217 (2AA) of The Companies Act, 1956, the Board hereby certifies and confirms:

- i. that in the preparation of the annual accounts of your Company, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your Company at the end of the financial year ended on 31<sup>st</sup> March, 2013 and of profit of your Company for that period;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- iv. that the statements of account of your Company for the year ended on 31st March, 2013 have been prepared on a going concern basis.



## Directors' Report

### **FUTURE OUTLOOK OF THE BUSINESS OF YOUR COMPANY**

Your Company is extending its Hydrant facility for Pier-E and the new Cargo Terminal and exploring other business avenues in Terminal-I, which will enable us to expand our scale of operations. Further your Company is continuously exploring other avenues of expansion and diversification.

### **ACKNOWLEDGEMENT**

Your Directors acknowledge the constructive suggestions received from Statutory Auditor and Comptroller and Auditor General of India and are grateful for their consistent support. Your Directors place on record their gratitude to the Shareholders, Bankers and regulatory authorities specially Airport Economic Regulatory Authority (AERA).

Your Directors also wish to thank all the stakeholders of the Company for reposing their faith, trust and confidence in the Company. On behalf of your Directors, I would like to place on record our sincere appreciation to all the employees for their continuing support and unstinted efforts in ensuring an excellent all-around performance.



## Balance Sheet as at March 31, 2013

Rs. In Lakh

Particulars	As at March 31, 2013	As at March 31, 2012
<b>I. Equity &amp; Liabilities</b>		
<b><u>Shareholder's Funds</u></b>		
Share Capital	16,400	16,400
Reserve and Surplus	2,954	2,293
<b><u>Non – Current Liabilities</u></b>		
Long Term Borrowing (Secured)	16,325	18,275
Deferred Tax Liability (net)	2,383	1,825
Long Term Provisions	4	2
<b><u>Current Liabilities</u></b>		
Short term borrowing	2,635	-
Other Current Liabilities	365	1,163
Short Term Provisions	2,303	4,765
<b>Total</b>	<b>43,369</b>	<b>44,723</b>
<b>II. Assets</b>		
<b><u>Non – Current Assets</u></b>		
Fixed Assets		
a) Tangible assets	24,990	26,125
b) Intangible assets	2	2
c) Capital WIP	491	373
Long Term Loans & Advance	16,715	8,403
Other Non-Current assets	1	-
<b><u>Current Assets</u></b>		
Trade Receivables	990	622
Cash and Bank Balances	2	8,643
Short Term Loans and Advances	178	451
Other Current Assets	-	104
<b>Total</b>	<b>43,369</b>	<b>44,723</b>

*Let's fly high together!*

DELHI AVIATION FUEL FACILITY (P) LIMITED



## Statement of Profit and Loss

Rs. In Lakh

Particulars	F.Y. 2012 – 13	F.Y. 2011 – 12
<b>Net Revenue from Operations</b>	<b>9,536</b>	<b>12,275</b>
Other Income	351	394
<b>Total Revenue</b>	<b>9,887</b>	<b>12,669</b>
<b>Expenditure:</b>		
Employee Benefit cost	91	39
Finance Cost	2,314	2,244
Depreciation and Amortization expenses	1,504	1,423
Other Expenses	183	74
License fees	1,283	1,178
<b>Total Expenses</b>	<b>5,375</b>	<b>4,958</b>
<b>Profit before prior period, exceptional and extra ordinary items and tax</b>	<b>4,512</b>	<b>7,711</b>
Prior Period Items (Net)	96	(109)
<b>Profit before exceptional and extra ordinary items and tax</b>	<b>4416</b>	<b>7820</b>
Exceptional Items	-	2,391
<b>Profit before extra ordinary items and tax</b>	<b>4416</b>	<b>5,429</b>
Extra ordinary items	-	-
<b>Profit before Tax</b>	<b>4,416</b>	<b>5,429</b>
Current Tax	924	1,759
MAT Credit Entitlement	(30)	(993)
Deferred Tax	559	1,072
<b>Profit after tax</b>	<b>2,963</b>	<b>3,591</b>
<b>Earning Per Share</b>	<b>1.81</b>	<b>2.19</b>





# Cash Flow Statement

Rs. In Lakh

Particulars	FY 12 – 13	FY 11 – 12
<b>Cash flow from Operations</b>		
Profit Before Tax & Exceptional Items	4,416	5,429
Depreciation & Amortization Expenses	1,504	1,423
Prior Period Depreciation	--	(562)
Interest income	(296)	(355)
Interest expenses	2,314	2,678
Reversal on Interest expenses	(35)	--
Loss on fixed asset	98	4
Net Change in WC	(8,761)	8,095
Income Tax Paid	(901)	(3,162)
<b>Net Cash flow from Operating Activities</b>	<b>(1,661)</b>	<b>13,550</b>
<b>Cash flow from Investing Activities</b>		
(Purchase)/Sale of Fixed Assets	(584)	(1,075)
Reversal in cost of fixed assets	--	755
Interest received	362	298
<b>Net Cash flow from Investing Activities</b>	<b>(222)</b>	<b>(22)</b>
<b>Cash flow from Financing Activities</b>		
Proceed from/(Repayment of) Long Term Borrowing	(2,058)	(2,910)
Proceed from Short Term Borrowing	2,635	--
Interest paid	(2,569)	(2,379)
Dividend and Tax on Dividend Paid	(4,765)	--
<b>Net Cash flow from Financing Activities</b>	<b>(6,757)</b>	<b>(5,289)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(8,640)</b>	<b>8,239</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>8,642</b>	<b>403</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>2</b>	<b>8,642</b>





गोपनीय

संख्या / No. : RAP/भारत/डी.ए.एफ. एफ. की. एल. / 43-1/2013-14/  
**भारतीय लेखा तथा लेखापरीक्षा विभाग**  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा  
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II  
नई दिल्ली

236.

**INDIAN AUDIT & ACCOUNTS DEPARTMENT**  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL  
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD - II,  
NEW DELHI

दिनांक / DATE 19/7/13

सेवा में,

निदेशक,  
दिल्ली एविएशन फ्यूल फेसिलिटी प्राइवेट लिमिटेड,  
निगम कार्यालय प्रथम मंजिल,  
एं विंग, टी -III प्रोजेक्ट ऑफिस,  
आई.जी.आई. एयरपोर्ट,  
नई दिल्ली -110037

विषय:- कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च, 2013 को समाप्त वर्ष के लिए दिल्ली एविएशन फ्यूल फेसिलिटी प्राइवेट लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ ।

महोदय,

मैं कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2013 को समाप्त हुए वर्ष के लिए दिल्ली एविएशन फ्यूल फेसिलिटी प्राइवेट लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित करती हूँ । इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए ।

भवदीया,

न. अ. कुमार  
19/7/13.  
(नयना अ. कुमार)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा  
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-II  
नई दिल्ली

संलग्नक: यथोपरि



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF DELHI AVIATION FUEL FACILITY PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2013**

The preparation of financial statements of Delhi Aviation Fuel Facility Private Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 619 (2) of the Companies Act, 1956 is 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 18 May, 2013.

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 Delhi Aviation Fuel Facility Private Limited for the year ended 31 March, 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to the inquiries of the statutory auditor and the 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 Auditor's report under Section 619 (4) of the Companies Act, 1956.

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



**(Naina A. Kumar)**

**Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-II,  
New Delhi**

**Place: New Delhi  
Date: 19.07.2013**





Mr. Vijay Ranjan, retiring director receiving memento from Mr. P.S. Nair



Meeting with Oil Suppliers – Vision 2020



Delegates from Shell-MRPL, BPCL, HPCL, Reliance, IOSL at Vision 2020



Delegates from DIAL with CEO and CFO of DAFFPL





Mr. R.C. Rekhi, Sr. Consultant – Master Planning, DIAL, giving presentation on Vision 2020



Mr. Prabin Dokania, CFO and Mr. R. Ramachandra Rao, CEO of DAFFPL at Vision 2020



Plantation by Mr. GM Rao at Fuel Farm on his visit



Mr. GM Rao with Visitors Book at Fuel Farm





Mr. P.S. Nair, Ex-Chairman presenting memento to present Chairman, Mr. R. Sareen



Mr. R. Sareen presenting memento to Mr. S.P. Mathur, Retiring Director



Mr. G.M. Rao, Group Chairman, GMR Group with Mr. I.P. Rao and Mr. P. Panicker attentively listening about the process of fuelling and quality control aspect at Control Room at Fuel Facility



Board of Directors along with CEO



*Let's fly high together!*

Corporate Office

1<sup>st</sup> Floor, Wing "A", T-III Project Office,  
Adj. to New Udaan Bhawan  
IGI Airport, New Delhi - 110037

Registered Office

Aviation Fuelling Station,  
Shahbad Mohammad Pur,  
IGI Airport, New Delhi – 110061

Joint Venture of:



**IndianOil**



*aviation fuel*

