

**Consultation Paper No. 2/2010-11**



**Airports Economic Regulatory Authority of India**

**10% Increase in Aeronautical Charges requested by Delhi  
International Airport Ltd. (DIAL) with effect from  
03.05.2009**

**New Delhi: 12<sup>th</sup> April, 2010**

**Rajiv Gandhi Bhawan  
Near Safdarjung Airport  
New Delhi – 110003**

**SUBJECT: 10% INCREASE IN AERONAUTICAL CHARGES REQUESTED BY DELHI INTERNATIONAL AIRPORT (DIAL) WITH EFFECT FROM 03.05.2009.**

The Ministry of Civil Aviation vide its letter no. AV.20036/014/2009-AD dated 06.10.2009 (**Annexure-I**), had forwarded the request received from the Delhi International Airport Limited (DIAL) (letter ref. no. DIAL/2009-10/COMM/0625 dated 10.07.2009, **Annexure-II**) for a 10% increase in aeronautical charges at IGI Airport, New Delhi with effect from 03.05.2009 for the Authority's consideration. The aforesaid request was made by DIAL on the grounds that as per Schedule 6 of the State Support Agreement (SSA), entered in to between the Central Government and DIAL, the regulatory authority/Government of India, will set the aeronautical charges from the commencement of the 4<sup>th</sup> year from the effective date, i.e. 03.05.2006 and for every year thereafter subject always to the condition that, at least, nominal increase of 10% of base airport charges will be available to DIAL.

1.2 DIAL has interpreted the above provisions to mean that the Authority/GoI are bound to permit an increase of 10% of the Base Airport Charges after the commencement of the 4<sup>th</sup> year and every year thereafter and, accordingly, approval was solicited to increase the airport charges by 10% w.e.f 03.05.2009.

1.3 DIAL has not otherwise justified its proposal. It is relevant to mention here that DIAL was permitted a 10% increase in airport charges w.e.f. 16.02.2009, by the Ministry, in terms of Clause 1 of the Schedule 6 after completion of two years.

1.4 Pending further examination of the matter, DIAL was advised vide letter no. AERA/20010/DIAL-AC/2009 dated 11.11.2009 (**Annexure-III**) to submit a well justified proposal for the consideration of the Authority in case they propose any increase in the tariff of aeronautical services, on merits. DIAL vide letter ref. no. DIAL/AERA/2009-10/1665 dated 01.12.2009 (**Annexure IV**) reiterated its earlier position and requested for expeditious permission for 10% increase over the base aeronautical charges.

2.1 The matter has been examined by the Authority.

2.2 In terms of Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008 (the Act), the Authority is required to determine the tariff for aeronautical services, inter-alia, taking into consideration "*(vi) the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise.*"

2.3 For ease of reference Schedule 6 of the SSA is extracted below:-

*"Aeronautical Charges, for the purposes of this Agreement, shall be determined in the manner as set out hereunder:*

1. *The existing AAI airport charges (as set out in Schedule 8 appended hereto) (“**Base Airport Charges**”) will continue for a period of two (2) years from the Effective Date and in the event the JVC duly completes and commissions the Mandatory Capital Projects required to be completed during the first two (2) years from the Effective Date, a nominal increase of ten (10) percent over the Base Airport Charges shall be allowed for the purposes of calculating Aeronautical Charges for the duration of the third (3rd) Year after the Effective Date (“**Incentive**”). It is hereby expressly clarified that in the event JVC does not complete and commission, by the end of the second (2nd) year from the Effective Date, the Mandatory Capital Projects required to be completed and commissioned, the Incentive shall not be available to the JVC for purposes of calculating Aeronautical Charges for the third (3rd) year after the Effective Date.*
2. *From the commencement of the fourth (4th) year after the Effective Date and for every year thereafter for the remainder of the Term, Economic Regulatory Authority / GOI (as the case may be) will set the Aeronautical Charges in accordance with Clause 3.1.1 read with Schedule 1 appended to this Agreement, subject always to the condition that, at the least, a permitted nominal increase of ten (10) percent of the Base Airport Charges will be available to the JVC for the purposes of calculating Aeronautical Charges in any year after the commencement of the fourth year and for the remainder of the Term.*
3. *For abundant caution, it is hereby expressly clarified that in the event AAI increases the airport charges (as available on the AAI website [www.airportsindia.org](http://www.airportsindia.org) anytime during the first two (2) years from the Effective Date, such increase shall not be considered for revising calculating the Aeronautical Charges chargeable by the JVC.”*

2.4.1 Clause 2 of Schedule 6, of the SSA (being relied upon by DIAL in support of the proposal) requires the Authority/GoI to set the aeronautical charges :-

- (i) in accordance with the clause 3.1.1 read with Schedule 1 appended to the SSA; and
- (ii) subject to the condition that, at least, a permitted nominal increase of 10% of the Base Airport Charges will be available to the JVC for the purpose of calculating aeronautical charges in any year after the commencement of the 4<sup>th</sup> year for the remainder of the Term.

2.4.2 The second part of Clause 2 of Schedule 6 provides that, atleast, a permitted nominal increase of 10% of the Base Airport Charges will be available to the JVC for the purposes of calculating Aeronautical charges in any year after the commencement of the fourth year and for the remainder of the Term.

2.4.3 The Airports Authority of India (AAI) airport charges, on the date of the agreement, i.e. 26.04.2006, which are set out in Schedule 8, are treated as ‘Base Airport Charges’ as evident from Clause 1 of Schedule 6. Further, a nominal increase of 10% over the Base Airport Charges was to be allowed to DIAL in the

event it completed and commissioned the Mandatory Capital Projects (MCPs) required to be completed during the first two years from the effective date.

2.4.4 As indicated in para 2.4.3 above, 'Base Airport Charges' are the charges which were prevalent on 26.04.2006 (as set out in Schedule 8). A nominal increase of 10% has already been permitted by the GoI over the Base Airport Charges in terms of Clause 1 of Schedule 6. Thus this could be termed as "permitted nominal increase of 10%".

2.4.5 In terms of the second part of Clause 2 of Schedule 6, "a permitted nominal increase of ten (10) percent of Base Airport Charges will be available to the JVC for the purposes of calculating Aeronautical Charges in any year after the commencement of the fourth year". Thus, on a conjoint reading of Clauses 1 & 2, it is evident that as per Clause 1 a nominal increase of 10% is to be permitted on completion of first two years, subject to certain conditions, and as per Clause 2, this permitted nominal increase of 10% will, at the least, be available to the JVC for the purposes of calculating airport charges from fourth year onwards. Expressed differently, in terms of first part of Clause 2, the Authority/GOI are required to set aeronautical charges in accordance with Clause 3.1.1 read with the principles set out in Schedule 1 of SSA from 4<sup>th</sup> year onwards and by virtue of second part the nominal increase of 10% permitted (in terms of Clause 1) is saved.

2.4.6 It is also relevant to notice here that M/s DIAL have requested for an increase of 10% on the Airport Charges, which are prevalent on date. However, the second part of the Clause 2 of Schedule 6 mentions an increase of 10% on the Base Airport Charges. As stated in para 1.2 and 2.4.4 above, this increase of 10% on the Base Airport Charges has already been permitted by the GOI in terms of Clause 1 of Schedule 6. It is also noted that the increase of 10% was permitted as the delay in completion of MCPs was condoned by the AAI.

2.4.7 In any case, if it is accepted that Clause 2 contemplates an year upon year increase of 10% from the commencement of 4<sup>th</sup> year onwards, it would mean that the GOI have agreed to a doubling of Base Airport Charges in about 7 years time irrespective of the actual determination in terms of principles set out in Schedule 1.

2.5 Thus, on a co-joint reading and harmonious construction of the provisions of Schedule 6 of SSA, the following scheme is revealed:-

- (i) The airport charges, as existing on 26.04.2006 (which are set out in Schedule 8) will continue for first two years from the effective date.
- (ii) In the event DIAL fully completes and commissions all the mandated facilities required to be completed during the first two years, it would be allowed a tariff increase of 10% in nominal terms from the beginning of 3<sup>rd</sup> year from the effective date, as an incentive.

- (iii) From the commencement of 4th year onwards, tariff will be set by the Authority/GOI as per principles set out in Schedule 1 subject to the condition that, at the least, the nominal increase of 10% permitted during the third year, as incentive, will, continue to be available to DIAL.

3. Briefly stated, it would appear that there is no warrant in Schedule 6 of SSA for an automatic year on year increase of 10% in airport charges from the commencement of fourth year onwards as contended by DIAL.

4.1 As the concession in form of the subject SSA has been granted by the Central Government, the Authority has also consulted the said Government in the matter.

4.2 The Authority has been advised that in view of the enactment of the Airports Economic Regulatory Authority of India Act, 2008 and specific assignment of powers to the Authority under Section 13(1)(a) of the Act, fixation of airport charges is the function of the Authority. The Authority being a statutory authority needs to consider the other aspects stipulated under the relevant section alongwith the provisions of SSA. Further, there is no warrant in Schedule 6 of the SSA for an automatic increase of 10% in the airport charges prevalent during the third year, upon commencement of the fourth year and every year thereafter.

5. In view of the position discussed above, the Authority proposes to reject the request of DIAL for a 10% increase in aeronautical charges at the IGI Airport, New Delhi, with effect from 03.05.2009.

6. The Authority solicits feedback, comments and suggestions from stakeholders on the proposal contained in para 5 above. Comments/submissions may please be furnished to the Authority, latest by **Monday, the 26<sup>th</sup> April, 2010**, at the following address:

**Shri Sandeep Prakash,  
Secretary,  
Airports Economic Regulatory Authority of India,  
Room No. 58, Rajiv Gandhi Bhawan,  
New Delhi.  
Tel: 011-24616025  
Fax: 011-24656214  
Email: [sandeep.moca@nic.in](mailto:sandeep.moca@nic.in)  
[sandeep.prakash@aera.gov.in](mailto:sandeep.prakash@aera.gov.in)**

**Yashwant S. Bhawe  
Chairperson**

F. No. AV.20036/014/2009-AD  
Government of India  
Ministry of Civil Aviation  
AD Section  
\*\*\*\*\*

Safdarjung Airport, New Delhi,  
Dated 06.10.2009.

To,  
**Shri Sandeep Prakash,**  
Secretary,  
Airports Economic Regulatory Authority of India,  
Safdarjung Airport,  
New Delhi.

**Sub: Upward revision of aeronautical charges by AERA- pending cases to be transferred to AERA.**

Sir,

I am directed to refer to d.o. letter No. AERA/20011/DIAL-DF/2009 dated 10.09.2009 from Chairman, AERA on the above-mentioned subject and to forward herewith a set of the relevant extracts of files and correspondence (photocopies) of the proposals received from M/s DIAL, MIAL, CIAL, HIAL & BIAL pertaining to upward revision of aeronautical charges at airports managed by them for further necessary action, as desired. The relevant agreements executed in this regard are available on this Ministry's web-site.

Yours faithfully,

  
(Oma Nand)

**Under Secretary to the Government of India.**

Tele-24640214.

**Encl:**

- (i) Relevant extract of notings of files and correspondences relating to upward revision of aeronautical charges in respect of DIAL.
- (ii) Relevant extract of notings of files and correspondences relating to upward revision of aeronautical charges of MIAL.
- (iii) Relevant extract of notings of files and correspondences relating to upward revision of aeronautical charges of CIAL.
- (iv) Relevant extract of notings of files and correspondences relating to upward revision of aeronautical charges of HIAL.
- (v) Relevant extract of notings of files and correspondences relating to upward revision of aeronautical charges of BIAL.

Delhi International Airport (P) Limited

Registered Office :  
New Udaan Bhawan, Terminal 3,  
Opp. ATS Complex,  
International Terminal, IGI Airport,  
New Delhi 110 037, India  
+91 11 47197000  
+91 11 47197482  
nair.ps@gmrgroup.in  
www.newdelhiairport.in

**P S Nair**  
Chief Executive Officer

Ref. No.DIAL/2009-10/COMM/ 0625  
10<sup>th</sup> July, 2009

The Secretary  
Ministry of Civil Aviation  
Rajiv Gandhi Bhawan  
Safdarjung Airport  
New Delhi – 110003.

Dear Sir,

**Subject: 10% increase in Aeronautical Charges at IGI Airport, New Delhi.**

The modernization and development of the IGI Airport, New Delhi ("Airport") is continuing as per the schedule and we are putting in our best effort to complete this prestigious project of the Airport before the stipulated time period. The modernization and development of the Airport has accomplished a major milestone with the completion and commissioning of a new Runway 29/11 and the commissioning of new domestic departure Terminal 1D. All domestic departures from the earlier Terminal 1B have been transitioned to the new Terminal 1D in a smooth and efficient manner. The new Terminal 1D has introduced some state-of-the-art features such as 'in-line baggage handling system'.

We sincerely thank and appreciate all the support and guidance provided by MoCA and AAI in achieving this milestone. With the completion of the Terminal 1D and other initiatives taken by DIAL, there is now significant improvement in the passenger convenience, which is evident from the ASQ ratings recorded in the successive quarterly surveys.

The admissible tariff increase of 10% on Base Airport Charges which was to be allowed to DIAL from commencement of 3<sup>rd</sup> year of the Effective Date (i.e. effective from 3<sup>rd</sup> May, 2008) under the provisions of the State Support Agreement ("SSA") was actually allowed to DIAL with effect from 16<sup>th</sup> February, 2009.

Further, as you are aware, as per the provisions of Schedule 6 of the SSA, from the commencement of the 4<sup>th</sup> year from the Effective Date (i.e. 3<sup>rd</sup> May, 2009) and for every year thereafter, Airport Economic Regulatory Authority ("AERA") / GOI (as the case may be) will set the Aeronautical Charges, subject always to the condition that, at least, an admissible nominal increase of 10 percent of the Base Airport Charges (as specified in the SSA) will be available to DIAL.

Pending the full fledged constitution of the Regulatory Authority under the AERA Act and notification of Tariff Regulations, it is imperative that we may be allowed the minimum increase of 10% in the Aeronautical Charges as per the above mentioned provisions of the SSA. This may be subject to the tariff regulations finalized by AERA.

*For your info.*  
*100% AERA*  
*100%*  
*Discussed with*  
*Govt. Secy. No.*  
*action is up to*  
*Govt. Negotiation*  
*is/for.*  
*21/7/09.*

Hence keeping in view the contractual commitment assured by the government through State Support Agreement, we request you to kindly permit the eligible 10% increase in the Aeronautical Charges with immediate effect.

Thanking you,

Yours truly,  
for **Deihi International Airport (P) Ltd.**

Sd/-

**(P.S.Nair)**

Copy to : The Chairman, Airports Authority of India, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi.

✓ The Secretary, Airport Economic Regulatory Authority (AERA), New Delhi



**(P.S.Nair)**



No. AERA/20010/DIAL-AC/2009/169  
Government of India  
Airports Economic Regulatory Authority of India  
\*\*\*\*\*

B-Block, Rajiv Gandhi Bhawan,  
New Delhi – 110 003.

Dated the 10<sup>th</sup> November, 2009

To


Shri P.S. Nair  
Chief Executive Officer  
Delhi International Airport (P) Ltd.  
New Uddan Bhawan, Terminal 3  
Opp. ATS Complex  
International Terminal, IGI Airport,  
New Delhi 110 037.

**Subject: 10% increase in Aeronautical Charges at IGI Airport, New Delhi.**

Sir,

I am directed to refer to your letter No. nil dated 10.7.2009 on the above subject and to say that AERA is required to determine tariff for aeronautical services in accordance with the provisions of Section 13 of the Airports Economic Regulatory Authority of India Act 2008. Therefore, in case DIAL proposes any increase in tariff for aeronautical services, a well justified proposal, on merits, including all requisite financial details may be submitted for the consideration of AERA.

Yours faithfully,

  
(C.V. Deepak)  
OSD-II  
Tel:24618539

279/509/08  
cy/m/s

Ref. No. DIAL/AERA/2009-10/1665

Date: December 1, 2009

The Secretary  
Airport Economic Regulatory Authority of India  
Room No-1, new administrative Block  
Safdarjung Airport  
New Delhi -110003

Dear Sir,

Sub: 10% increase in Aeronautical Charges at IGI Airport, New Delhi.

Ref: Your letter number AERA/20010/DIAL-AC/2009/162 dt.10-11-2009

This is in reference to your aforementioned letter pursuant to our request for the stipulated increase in the aeronautical charges in accordance with the Concession Agreement "OMDA" and the State Support Agreement.

Your kind attention is drawn to Schedule 6 of State Support Agreement (SSA) executed between the Government of India and Delhi International Airport Ltd. (DIAL). The relevant clause is depicted for ready reference as "Annexure I".

Under Clause 1 of the SSA, DIAL was entitled for a nominal 10% increase over Base Airport Charges subject to completion of Mandatory Capital Projects from the start of 3<sup>rd</sup> year (May 3<sup>rd</sup> 2008) from Effective Date i.e. May 3<sup>rd</sup>, 2006. In line with this we had, vide our letter number DIAL/2008-09/SPG/0326 dated May 1<sup>st</sup>, 2009 (copy enclosed) requested for the 10% increase eligible from the start of 3<sup>rd</sup> year. This request was reiterated vide our letter number DIAL/2008-09/SPG dated 24<sup>th</sup> November 2008 and again vide our letter number DIAL/2008-09/SPG/2302 dated 8<sup>th</sup> December 2008 (copies of letters enclosed). However the final increase was sanctioned by MOCA vide their letter number AV.2401/003/2008-AD dated 2nd February 2009 (copy enclosed) to be effective from 16<sup>th</sup> February 2009. As a result of delay in sanction of the increase in tariff by MOCA, DIAL suffered financial loss which was not compensated.

We invite attention to Clause 2 of Schedule 6 of the SSA which describes the eligible increase in Airport Charges from the start of 4<sup>th</sup> year of Effective Date and thereafter for the remainder term of the agreement. Under this clause DIAL's is eligible for tariff as computed under Schedule 1 of the SSA, subject always to the condition that, at the least, a permitted nominal increase of 10% of Base Airport Charges will be available to DIAL for the purposes of calculating Aeronautical Charges in any year after the commencement of the 4<sup>th</sup> year and for the remainder of the term.

You may be aware that DIAL is in the process of implementation of the new integrated terminal T3 which is expected to be completed by next year. Thus we propose to approach AERA for an increase in tariff based on clause 3.3.1 of Schedule 6 of the SSA. Given the current amount of assets capitalized in the books of DIAL and keeping in mind market conditions we seek only the 10% increase which we are eligible "at the least".

Further, we draw your kind attention to Section 13 (I) (a) (vi) of the AERA Act, 2008, wherein the Airport Economic Regulatory Authority "AERA" while determining the tariff for the aeronautical services will consider the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise. The SSA is a contract between the Government of India and DIAL based on which DIAL has various obligations including payment of revenue share. The fixation of desired tariff as per SSA is thus a prerequisite to ensure a balanced implementation of the public private partnership. Based on the provisions of the SSA, DIAL has made commitments to its lenders including that on tariff.

We enclose the audited financial statements of DIAL for the financial year ending March 31<sup>st</sup> 2009 and for six months ending September 30<sup>th</sup> 2009 as "Annexure II". You will observe that we incurred a loss of Rs. 24 crores for the financial year ended March 31, 2009 and a loss of Rs. 6 crores for the six month ended September 30, 2009. The nominal increase of 10% in Aeronautical Charges will thus only alleviate the loss on an annualized basis of Rs. 40 crores based on Aeronautical Charges for the 6 months ended September 30, 2009. Thus this increase will be reasonable.

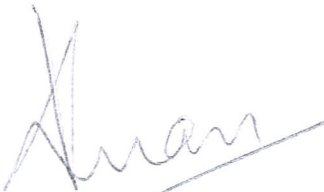
In view of aforesaid we had asked for increase of 10% vides our letter number DIAL/2009-10/COMM/0625 with immediate effect. Delay in effecting this increase means an irreparable financial loss to DIAL. We shall like to reiterate the fact that the project is in the last leg of completion and as such it is very pertinent to sustain the financial performance and to give support to project lenders.

We trust you will appreciate our position and expeditiously permit the stipulated 10% increase without further delay.

Thanking you,

Yours faithfully,

For **Delhi International Airport Private Limited**



**Kiran Kumar Grandhi**  
**Managing Director**

SCHEDULE 6

AERONAUTICAL CHARGES

Aeronautical Charges, for the purposes of this Agreement, shall be determined in the manner as set out hereunder:

1. The existing AAI airport charges (as set out in Schedule 8 appended hereto) (“**Base Airport Charges**”) will continue for a period of two (2) years from the Effective Date and in the event the JVC duly completes and commissions the Mandatory Capital Projects required to be completed during the first two (2) years from the Effective Date, a nominal increase of ten (10) percent over the Base Airport Charges shall be allowed for the purposes of calculating Aeronautical Charges for the duration of the third (3<sup>rd</sup>) Year after the Effective Date (“**Incentive**”). It is hereby expressly clarified that in the event JVC does not complete and commission, by the end of the second (2<sup>nd</sup>) year from the Effective Date, the Mandatory Capital Projects required to be completed and commissioned, the Incentive shall not be available to the JVC for purposes of calculating Aeronautical Charges for the third (3<sup>rd</sup>) year after the Effective Date.
2. From the commencement of the fourth (4<sup>th</sup>) year after the Effective Date and for every year thereafter for the remainder of the Term, Economic Regulatory Authority / GOI (as the case may be) will set the Aeronautical Charges in accordance with Clause 3.1.1 read with Schedule 1 appended to this Agreement, subject always to the condition that, at the least, a permitted nominal increase of ten (10) percent of the Base Airport Charges will be available to the JVC for the purposes of calculating Aeronautical Charges in any year after the commencement of the fourth year and for the remainder of the Term.
3. For abundant caution, it is hereby expressly clarified that in the event AAI increases the airport charges (as available on the AAI website [www.airportsindia.org](http://www.airportsindia.org) anytime during the first two (2) years from the Effective Date, such increase shall not be considered for revising calculating the Aeronautical Charges chargeable by the JVC.



Audited Financial Statements as on March 31<sup>st</sup>2009

Annexure II

**DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED**  
Balance Sheet as at March 31, 2009

(Rupees in Crores)

	Schedule Reference	March 31, 2009	March 31, 2008
<b>I. Sources of Funds</b>			
1. Shareholders' Funds			
a) Capital	1	1,200.00	700.00
b) Share Application Money		1,250.00	550.00
c) Reserves and Surplus	2	62.50	85.99
		2,512.50	1,335.99
2. Loan Funds			
a) Secured Loans	3	3,427.63	2,030.00
b) Unsecured Loans	4	550.00	470.00
		3,977.63	2,500.00
4. Deferred tax Liability (Net)		30.30	43.44
<b>Total</b>		<b>6,520.43</b>	<b>3,879.43</b>
<b>II. Application of Funds</b>			
1. Fixed Assets			
a) Gross Block	5	2,189.45	297.84
b) Less : Depreciation		66.41	12.94
c) Net Block		2,123.04	284.90
d) Capital Work-in-Progress (including capital advances)		4,054.84	2,369.99
Less: Development Fund		35.12	-
		6,142.76	2,654.89
2. Expenditure during construction, pending allocation (Net)	6	413.68	252.28
3. Investments	7	55.57	880.54
4. Current Assets, Loans and Advances			
a) Sundry Debtors	8	175.27	210.54
b) Cash and Bank Balances	9	111.24	234.79
c) Inventories	10	4.31	-
c) Other Current Assets	11	0.04	0.13
d) Loans and Advances	12	146.98	88.02
		437.84	533.48
Less : Current Liabilities and Provisions	13	493.41	-
a) Liabilities		526.90	441.17
b) Provisions		2.52	0.59
		529.42	441.76
Net Current Assets		(91.58)	91.72
Statement on Significant Accounting Policies and Notes to the Accounts	20		
<b>Total</b>		<b>6,520.43</b>	<b>3,879.43</b>

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

**DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED**  
**Profit And Loss Account for the Year Ended March 31, 2009**

(Rupees in Crores)

Particulars	Schedule Reference	March 31, 2009	March 31, 2008
<b>I. Income</b>			
Income from services	14	947.62	870.58
Other Income	15	10.48	5.08
Gross Income		<b>958.10</b>	<b>875.66</b>
Less: Annual Fee - Airport Authority of India (AAI)		440.63	402.72
Net Income		<b>517.47</b>	<b>472.94</b>
<b>II. Expenditure</b>			
Personnel Cost	16	205.26	172.51
Operating Expenses	17	145.82	104.00
Administration Cost	18	94.23	98.27
		<b>445.31</b>	<b>374.78</b>
<b>III. Profit Before Interest and Depreciation</b>		<b>72.16</b>	<b>98.16</b>
Interest and Finance Charges	19	53.87	0.76
Depreciation and Amortisation		52.52	9.11
		<b>106.39</b>	<b>9.87</b>
<b>IV. Profit Before Taxation</b>		<b>(34.23)</b>	<b>88.29</b>
Provision for Taxation - Current		-	9.26
Less: MAT Credit		-	(9.26)
- Deferred		(13.14)	29.00
- Fringe Benefit tax		2.40	2.63
<b>V. Profit After Taxation</b>		<b>(23.49)</b>	<b>56.66</b>
Balance brought forward from previous period		85.99	29.33
<b>VI. Balance carried to Balance Sheet</b>		<b>62.50</b>	<b>85.99</b>
<b>Earnings Per Share (Rs.) -Basic</b>		<b>(0.33)</b>	<b>2.52</b>
<b>Earnings Per Share (Rs.) -Diluted</b>		<b>(0.15)</b>	<b>1.84</b>
Statement on Significant Accounting Policies and Notes to the Accounts	20		

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

Half Yearly Financial Statement as on September 30<sup>th</sup> 2009

**DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED**

**Balance Sheet as at September 30, 2009**

	Schedule Reference	September 30, 2009	March 31, 2009
<b>I. Sources of Funds</b>			
1. Shareholders' Funds			
a) Capital	1	1,200.00	1,200.00
b) Share Application Money		1,250.00	1,250.00
c) Reserves and Surplus	2	56.53	62.50
		2,506.53	2,512.50
2. Loan Funds			
a) Secured Loans	3	5,016.76	3,427.63
b) Unsecured Loans	4	1,840.93	715.39
		6,857.69	4,143.02
4. Deferred tax Liability (Net)		21.17	30.30
<b>Total</b>		<b>9,385.40</b>	<b>6,685.82</b>
<b>II. Application of Funds</b>			
1. Fixed Assets			
a) Gross Block	5	2,846.13	2,189.45
b) Less : Depreciation		121.90	66.41
c) Net Block		2,724.23	2,123.04
d) Capital Work-in-Progress (including capital advances)		5,780.03	3,979.81
Less: Development Fund		334.96	35.12
		8,169.29	6,067.74
2. Expenditure during construction, pending allocation (Net)	6	686.74	413.68
3. Investments	7	634.51	55.56
4. Current Assets, Loans and Advances			
a) Sundry Debtors	8	234.76	175.27
b) Cash and Bank Balances	9	211.05	111.24
c) Inventories	10	6.86	4.22
c) Other Current Assets	11	0.69	0.04
d) Loans and Advances	12	246.08	222.01
		699.44	512.78
Less : Current Liabilities and Provisions	13		
a) Liabilities		800.40	361.42
b) Provisions		4.18	2.52
		804.58	363.94
Net Current Assets		(105.14)	148.84
<b>Total</b>		<b>9,385.40</b>	<b>6,685.82</b>

**DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED**  
**Profit And Loss Account for the Period Ended September 30, 2009**

Particulars	Schedule Reference	September 30, 2009	March 31, 2009
<b>I. Income</b>			
Income from services	14	523.39	947.62
Other Income	15	2.50	10.47
Gross Income		<b>525.89</b>	<b>958.09</b>
Less: Annual Fee - Airport Authority of India (AAI)		241.86	440.62
Net Income		<b>284.03</b>	<b>517.46</b>
<b>II. Expenditure</b>			
Personnel Cost	16	48.74	205.26
Operating Expenses	17	92.28	145.82
Administration Cost	18	39.56	94.23
		<b>180.58</b>	<b>445.31</b>
<b>III. Profit Before Interest and Depreciation</b>		<b>103.45</b>	<b>72.15</b>
Interest and Finance Charges	19	63.37	53.87
Depreciation and Amortisation		55.18	52.52
		<b>118.55</b>	<b>106.39</b>
<b>IV. Profit Before Taxation</b>		<b>(15.10)</b>	<b>(34.23)</b>
Provision for Taxation - Current		-	-
Less: MAT Credit		-	-
- Deferred		(9.13)	(13.14)
- Fringe Benefit tax		-	2.40
<b>V. Profit After Taxation</b>		<b>(5.97)</b>	<b>(23.49)</b>
Balance brought forward from previous period		<b>62.50</b>	85.99
<b>VI. Balance carried to Balance Sheet</b>		<b>56.53</b>	<b>62.50</b>
<b>Earnings Per Share (Rs.) -Basic</b>		<b>(0.05)</b>	<b>(0.33)</b>
<b>Earnings Per Share (Rs.) -Diluted</b>		<b>(0.05)</b>	<b>(0.15)</b>
Statement on Significant Accounting Policies and Notes to the Accounts	20		