

Consultation Paper No. 39/2017-18



Airports Economic Regulatory Authority of India

TO CONSIDER THE MULTI YEAR TARIFF PROPOSAL AND ANNUAL TARIFF PROPOSAL (FY.2016-17 & 2017-18) FOR THE SECOND CONTROL PERIOD (FY.2016-17 to FY2020-21) IN RESPECT OF M/s INDO THAI AIRPORT MANAGEMENT SERVICES PVT.LTD.(ITAMS) FOR PROVIDING GROUND HANDLING SERVICES AT CHAUDHARY CHARAN SINGH INTERNATIONAL AIRPORT, AMAUSI,LUCKNOW

03rd January, 2018.

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi.**

Brief Background:

1. M/s Indo Thai Airport Management services Pvt. Ltd.(ITAMS) is carrying out Ground Handling (GH) services at Chaudhary Charan Singh International Airport, Amausi, Lucknow. The Authority, vide its MYTO Order No. 34/2011-12 dated 25.01.2012, decided to adopt '**Light Touch Approach**' in respect of the ITAMS for Ground Handling services at Chaudhary Charan Singh International Airport, Amausi, Lucknow for determination of tariffs for the first control period.
2. M/s ITAMS submitted their MYTP on 27th April,2016 and subsequently on 14.05.2016 with hardcopy of Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP) for second control period. Further, M/s ITAMS vide letter dated 12.10.2017 submitted the required Annual Compliance Statements (ACS) for the first control period (FY 11-12 to FY 15-16) with their Annual statement of Accounts.

1	Name of the ISP	INDO THAI AIRPORT MANAGEMENT SRVICES PVT.LTD. (M/s ITAMS)
2	Service	Ground Handling Services
3	Airport	Chaudhary Charan Singh International Airport, Amausi, Lucknow.
4	(i) Proposal under consideration (ii) Whether Justification for proposed increase in tariffs provided by ITAMS	(i) The following proposal is submitted for consideration: (a) MYTP for the 2 nd control period w.e.f. 01.04.2016 to 31.03.2021 for determination of tariffs under 'Light Touch Approach'. (b) ATP for F/Y 2017-18 enclosed as Annexure-“A” (ii) M/s ITAMS has not submitted the justification for increase in tariff.
5	(i) Year of Last Revision of rates with % (+/-). (ii) Copy of the existing rate card	(i) Last revision in F/Y 2012-13,vide tariff order no.20/2012-13 and tariff was fixed for the period from 01.04.2012 to 31.03.2016 and determined at the same rate as prevalent as on 31.03.2012. Annexure-“B” (ii) Enclosed as Annexure-“B”
6	Regulatory Approach in first control period.	Authority observed that the ground handling service rendered by ITAMS at Chaudhary Charan Singh International Airport, Amausi, Lucknow. was deemed to be “not material” accordingly, adopted 'Light Touch Approach' for determination of tariffs during the first control period. Multi Year Tariff Order No.34/2011-12,dt.25.01.2012, enclosed as Annexure “C”

7	<p>Comparative Tariff Card</p> <p>(i) Existing rate Vs. proposed rate</p> <p>(ii) Tariff comparison M/s ITAMS vs Competitors</p>	<p>(i) On a comparison of the existing tariff in the 1st control period with the tariff proposed for the 2nd control period, it is observed that M/s ITAMS has proposed a decrease in the tariffs for the aircraft types Single engine aircraft and Dornier in the range of 1%-5% whereas increase is proposed for aircraft types A319, A320, B737, ATR72 and B-757 in the range of 4%-25%. Details are enclosed as Annexure-“D”</p> <p>(ii) M/s AIATSL is providing similar services at the Lucknow Airport. On a comparison of the existing tariff card available of M/s AIATSL with M/s ITAMS it shows that the approved tariff rates of M/s ITAMS is lower than that of M/s AIATSL in the range of 52.84%-56.96%. Details are enclosed as Annexure-“E”</p>																																																																																										
8	<p>(i) Comparative Annual Compliance Statement (ACS) for the first control period.</p> <p>(ii) Audited financial statements</p>	<p>(i) Key Parameters:- (Rs. Lakhs)</p> <table border="1" data-bbox="592 913 1463 1240"> <thead> <tr> <th>Performance report for the Years</th> <th>'11-12</th> <th>'12-13</th> <th>'13-14</th> <th>'14-15</th> <th>'15-16</th> </tr> </thead> <tbody> <tr> <td>Total Revenue</td> <td>326.82</td> <td>414.67</td> <td>629.55</td> <td>637.92</td> <td>1,339.52</td> </tr> <tr> <td>Total Expenditure</td> <td>288.14</td> <td>371.17</td> <td>563.21</td> <td>633.46</td> <td>986.44</td> </tr> <tr> <td>Operating profit</td> <td>38.68</td> <td>43.50</td> <td>66.34</td> <td>4.46</td> <td>353.08</td> </tr> <tr> <td>Return on Average RAB</td> <td>36%</td> <td>21%</td> <td>27%</td> <td>2%</td> <td>241%</td> </tr> <tr> <td>Total volume(ATM)</td> <td>1,339</td> <td>1,940</td> <td>4,799</td> <td>4,333</td> <td>5,625</td> </tr> </tbody> </table> <p>(ii) Audited financial Statements for the year (Rs. Lakhs)</p> <table border="1" data-bbox="603 1339 1458 1805"> <thead> <tr> <th>Particulars</th> <th>'11-12</th> <th>'12-13</th> <th>'13-14</th> <th>'14-15</th> <th>'15-16</th> </tr> </thead> <tbody> <tr> <td>Total revenue</td> <td>1000.92</td> <td>1690.45</td> <td>2434.76</td> <td>3083.26</td> <td>4180.51</td> </tr> <tr> <td>Total expenses</td> <td>564.48</td> <td>1244.55</td> <td>1831.37</td> <td>2389.14</td> <td>3116.54</td> </tr> <tr> <td>Earnings before int., depr. & Amortiz.</td> <td>436.44</td> <td>445.90</td> <td>603.39</td> <td>694.12</td> <td>1063.97</td> </tr> <tr> <td>Dep. & Amortiz.</td> <td>89.31</td> <td>166.30</td> <td>196.43</td> <td>270.26</td> <td>281.94</td> </tr> <tr> <td>Finance Cost</td> <td>163.27</td> <td>170.26</td> <td>212.99</td> <td>202.52</td> <td>261.61</td> </tr> <tr> <td>Profit before tax (PBT)</td> <td>183.86</td> <td>109.34</td> <td>193.97</td> <td>221.34</td> <td>520.42</td> </tr> <tr> <td>Tax Expenses</td> <td>35.09</td> <td>32.42</td> <td>47.88</td> <td>71.94</td> <td>70.55</td> </tr> <tr> <td>Profit after Tax (PAT)</td> <td>148.77</td> <td>76.92</td> <td>146.09</td> <td>149.40</td> <td>449.87</td> </tr> </tbody> </table> <p>(i) Comparative ACS for the five years from F/Y 2011-12 to 2015-16 is enclosed as Annexure-“F”</p> <p>(ii) ITAMS has submitted consolidated audited financial statements, enclosed as Annexure-G</p>	Performance report for the Years	'11-12	'12-13	'13-14	'14-15	'15-16	Total Revenue	326.82	414.67	629.55	637.92	1,339.52	Total Expenditure	288.14	371.17	563.21	633.46	986.44	Operating profit	38.68	43.50	66.34	4.46	353.08	Return on Average RAB	36%	21%	27%	2%	241%	Total volume(ATM)	1,339	1,940	4,799	4,333	5,625	Particulars	'11-12	'12-13	'13-14	'14-15	'15-16	Total revenue	1000.92	1690.45	2434.76	3083.26	4180.51	Total expenses	564.48	1244.55	1831.37	2389.14	3116.54	Earnings before int., depr. & Amortiz.	436.44	445.90	603.39	694.12	1063.97	Dep. & Amortiz.	89.31	166.30	196.43	270.26	281.94	Finance Cost	163.27	170.26	212.99	202.52	261.61	Profit before tax (PBT)	183.86	109.34	193.97	221.34	520.42	Tax Expenses	35.09	32.42	47.88	71.94	70.55	Profit after Tax (PAT)	148.77	76.92	146.09	149.40	449.87
Performance report for the Years	'11-12	'12-13	'13-14	'14-15	'15-16																																																																																							
Total Revenue	326.82	414.67	629.55	637.92	1,339.52																																																																																							
Total Expenditure	288.14	371.17	563.21	633.46	986.44																																																																																							
Operating profit	38.68	43.50	66.34	4.46	353.08																																																																																							
Return on Average RAB	36%	21%	27%	2%	241%																																																																																							
Total volume(ATM)	1,339	1,940	4,799	4,333	5,625																																																																																							
Particulars	'11-12	'12-13	'13-14	'14-15	'15-16																																																																																							
Total revenue	1000.92	1690.45	2434.76	3083.26	4180.51																																																																																							
Total expenses	564.48	1244.55	1831.37	2389.14	3116.54																																																																																							
Earnings before int., depr. & Amortiz.	436.44	445.90	603.39	694.12	1063.97																																																																																							
Dep. & Amortiz.	89.31	166.30	196.43	270.26	281.94																																																																																							
Finance Cost	163.27	170.26	212.99	202.52	261.61																																																																																							
Profit before tax (PBT)	183.86	109.34	193.97	221.34	520.42																																																																																							
Tax Expenses	35.09	32.42	47.88	71.94	70.55																																																																																							
Profit after Tax (PAT)	148.77	76.92	146.09	149.40	449.87																																																																																							

9	Whether copy of User Agreements/Concession Agreement provided by the ITAMS.	User Agreements without depicting the tariff rate are provided. Concession Agreement has been provided by ITAMS.								
10	Evidence of Stakeholder Consultation done by ITAMS with reference to their proposed MYTP-ATP submitted to AERA.	<table border="1"> <tr> <td data-bbox="582 418 1086 450">1. List of stakeholders</td> <td data-bbox="1093 418 1474 920" rowspan="5">1. Minutes of the stake holders meeting held on 22nd September, 2017 has been submitted. 2. As per the minutes, “In view of the services rendered and flawless performance of the company, IAMSPL the proposed ATP was accepted by all the stake unanimously”</td> </tr> <tr> <td data-bbox="582 450 1086 481">2. Meeting Notice</td> </tr> <tr> <td data-bbox="582 481 1086 593">3. Minutes of the meeting with the attendance sheet of the participants.</td> </tr> <tr> <td data-bbox="582 593 1086 669">4. Comments of the Stakeholders</td> </tr> <tr> <td data-bbox="582 669 1086 911">5. Redressal of stakeholder’s concerns, if any.</td> </tr> </table>	1. List of stakeholders	1. Minutes of the stake holders meeting held on 22 nd September, 2017 has been submitted. 2. As per the minutes, “In view of the services rendered and flawless performance of the company, IAMSPL the proposed ATP was accepted by all the stake unanimously”	2. Meeting Notice	3. Minutes of the meeting with the attendance sheet of the participants.	4. Comments of the Stakeholders	5. Redressal of stakeholder’s concerns, if any.		
1. List of stakeholders	1. Minutes of the stake holders meeting held on 22 nd September, 2017 has been submitted. 2. As per the minutes, “In view of the services rendered and flawless performance of the company, IAMSPL the proposed ATP was accepted by all the stake unanimously”									
2. Meeting Notice										
3. Minutes of the meeting with the attendance sheet of the participants.										
4. Comments of the Stakeholders										
5. Redressal of stakeholder’s concerns, if any.										
11	Concession fee payable to the Airport Operator.	Details of the concession fee payable are enclosed as Annexure-“H”								
12	Examination of the proposal as per the “Light Touch” approach parameters provided in the CGF guidelines,2011.and further amendments vide its AERA order no.15/2016-17 dt.10 th Feb.2017	<table border="1"> <thead> <tr> <th data-bbox="582 1070 1048 1102">Parameter</th> <th data-bbox="1054 1070 1474 1102">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="582 1102 1048 1435">1. Materiality Index (MI)</td> <td data-bbox="1054 1102 1474 1435">The MI for Ground Handling services at Lucknow Airport is 0.91% which is less than the threshold limit of 5%. Hence, the Ground Handling service is “Not material”.</td> </tr> <tr> <td data-bbox="582 1435 1048 1832">2. Competition</td> <td data-bbox="1054 1435 1474 1832">Only M/s AIATSL is providing similar services at Chaudhary Charan Singh International Airport, Amausi, Lucknow. Airport, as communicated through email dt. 05.12.17 by AAI, Lucknow, apart from M/s ITAMS. Hence the service is “Not competitive”.</td> </tr> <tr> <td data-bbox="582 1832 1048 1975">3. Reasonableness of user agreements.</td> <td data-bbox="1054 1832 1474 1975">ITAMS has submitted user agreements without depicting the tariff rate.</td> </tr> </tbody> </table>	Parameter	Status	1. Materiality Index (MI)	The MI for Ground Handling services at Lucknow Airport is 0.91% which is less than the threshold limit of 5%. Hence, the Ground Handling service is “Not material” .	2. Competition	Only M/s AIATSL is providing similar services at Chaudhary Charan Singh International Airport, Amausi, Lucknow. Airport, as communicated through email dt. 05.12.17 by AAI, Lucknow, apart from M/s ITAMS. Hence the service is “Not competitive” .	3. Reasonableness of user agreements.	ITAMS has submitted user agreements without depicting the tariff rate.
Parameter	Status									
1. Materiality Index (MI)	The MI for Ground Handling services at Lucknow Airport is 0.91% which is less than the threshold limit of 5%. Hence, the Ground Handling service is “Not material” .									
2. Competition	Only M/s AIATSL is providing similar services at Chaudhary Charan Singh International Airport, Amausi, Lucknow. Airport, as communicated through email dt. 05.12.17 by AAI, Lucknow, apart from M/s ITAMS. Hence the service is “Not competitive” .									
3. Reasonableness of user agreements.	ITAMS has submitted user agreements without depicting the tariff rate.									

13	Remarks :	<p>i) The ground handling service provided by M/s ITAMS at Chaudhary Charan Singh International Airport, Amausi, Lucknow. is 'not material'</p> <p>ii) <u>Analysis of ACS data:</u> On a review of the ACS data submitted by M/s ITAMS, following was observed:</p> <p>a) Revenue has registered an impressive growth of around 310% in the 1st control period from Rs.3.27 crs in 2011-12 to Rs.13.40 crs in 2015-16.</p> <p>b) Operating profit has also registered an impressive growth of around 813% in the 1st control period from Rs. 38.68 lakhs in 2011-12 to Rs.3.53 crs in 2015-16.</p> <p>c) Return on average RAB has also grown by 205 percentage points in the 1st control period from 36% in 2011-12 to 241% in 2015-16.</p> <p>(iii) <u>Analysis of projected data:</u></p> <p>a) As per the projected Air traffic movement (ATM) data submitted in Form F12(e), ATM is projected to grow by 21.32% in the 2nd control period from 5458 in 2015-16 to 6622 in 2020-21</p> <p>b) As per form F3, Revenue is expected to grow by 3.69 % in the 2nd control period from Rs. 13.55 crs in 2015-16 to Rs.14.05 crs in 2020-21.</p> <p>c) Profit after taxation is, however, projected to decline by 12% in the 2nd control period from Rs. 1.67 crs in 2015-16 to Rs.1.47 crs in 2020-21, on account of a 7% increase in operating expenditure.</p> <p>(iv) As per form 10(a) 'Capital projects completed before review of Roll forward of regulatory asset base', no capital expenditure was projected for the 2nd control period.</p>
----	-----------	---

3. As per clause 3 of the CGF Guidelines, 2011 (the guidelines), the Authority shall while considering the proposal under the 'Light Touch Approach', follow a three stage procedure for determining its approach to the regulation of Regulated Service(s) as under:

Stage 1: The Authority shall first assess 'Materiality' according to provisions of Clause 4;

Stage 2: The Authority shall then assess 'Competition' according to provision of Clause 5; and

Stage 3: The Authority shall then assess the reasonableness of existing User Agreement(s), according to provision of Clause 6.

4. As per clause 4.4 of the CGF Guidelines 2011 in respect of Ground handling services, the materiality shall be assessed as a percentage of the International Aircraft Movements at Chaudhary Charan Singh International Airport, Amausi, Lucknow. to Total Intl. Aircraft Movements at all major airports.

$$\text{Materiality Index (MIg)} = \frac{\text{International Aircraft Movement at ccsIntl.Airport JP}}{\text{Total Intl.Aircraft Movement at major airports}} \times 100$$

5. AERA on provisions of the National Civil Aviation Policy (NCAP- 2016), vide Order No. 15/2016-17 dated 10th Feb,2017, The Authority will adopt the criteria for competition assessment for ground Handling Agencies as "three (3) Ground Handling Agencies (GHA) including Air India's subsidiary/JV at all major Airports".

As per Clause 6 of CGF Guidelines, 2011 the Authority shall consider the existing User Agreement(s) as reasonable provided that:

- i. *The Service Provider submits the existing User Agreement(s) between the Service Provider and all the User(s) of the Regulated Service(s), clearly indicating the tariff(s) that are agreed to between the Service Provider and the User(s) of the Regulated Service(s) and*
 - ii. *The User(s) of the Regulated Service(s) have not raised any reasonable objections or concerns in regard to the existing User Agreement(s) which have not been appropriately addressed.*
6. As per Clause 3.2 (i) of the CGF guidelines 2011, wherever the regulated service provided is 'not material', the Authority shall determine Tariff(s) for service Provider (s) based on a 'light touch approach' for the duration of the control period, according to the provisions of chapter V.
 7. As per Clause 11.2, the ATP is required to be submitted in the manner and form provided in clause AI. 8.1 (Appendix I) of the CGF Guidelines and should be supported by the following documents:
 - i. Form B and Form 14(b).
 - ii. Details of consultation with stakeholders.
 - iii. Evidence of User Agreement(s),if any, between the service provider(s) and the users(s) of the regulated service(s) clearly indicating the Tariff(s) that are proposed by the Service Provider and agreed to by User(s).

8. Authority's Examination on the proposal

- 8.1 The ground handling service rendered by M/s ITAMS at Chaudhary Charan Singh International Airport, Amausi, Lucknow is an "aeronautical service" in terms of section 2(a) of the Airports Economics Regulatory Authority of India Act, 2008 (Act) whereas under section 13 (1)(a) of the Act, the Authority is required to determine tariff for aeronautical services.

- 8.2 The materiality index at Chaudhary Charan Singh International Airport, is $3,004/330467= 0.91\%$ which is less than 5% Materiality Index (MIc) for ground handling service. Hence the regulated service is “not material” for the second control period.
- 8.3 As per confirmation received from Airport Director, at Chaudhary Charan Singh International Airport, Amausi, Lucknow. M/s AIATSL is providing similar kind of service. As there are only two service providers at Chaudhary Charan Singh International Airport, Amausi, Lucknow, therefore, in the instance case the service is deemed ‘Not competitive’.
- 8.4 ITAMS has submitted the Form B and some of the user agreements. However, the user agreements submitted do not contain the tariff rates. ITAMS has also submitted the copy of their Concession Agreement.
- 8.5 M/s ITAMS has submitted the Annual Compliance Statement (ACS) for the tariff years 2011-12 to 2015-16 of first control period and Annual Tariff Proposal (ATP) for FY. 2016-17 and 2017-18.
- 8.6 Minutes of the stake holders meeting held on 22nd September, 2017 has been submitted by M/s ITAMS wherein following has been stated
- “In view of the services rendered and flawless performance of the company, IAMSPL the proposed ATP was accepted by all the stake unanimously”
- 8.7 Based on the ACS submissions by ITAMS a comparative scenario of revenue, cost and return on average RAB for the first control period is prepared and annexed as “**Annexure-F**”.
- 8.7.1 Revenue has registered an impressive growth of around 310% in the 1st control period from Rs.3.27 crs in 2011-12 to Rs.13.40 crs in 2015-16.
- 8.7.2 Operating profit has also registered an impressive growth of around 813% in the 1st control period from Rs. 38.68 lakhs in 2011-12 to Rs.3.53 crs in 2015-16.
- 8.7.3 Return on average RAB has also grown by 205 percentage points in the 1st control period from 36% in 2011-12 to 241% in 2015-16.

9. Proposal

The Authority, after careful consideration of the MYTP, ATP for FY 2016-17 and 2017-18 and all the other information furnished as stated above makes the following proposal for stakeholder consultation:

- 9.1 The service for Ground handling being provided by M/s Indo Thai Airport Management Services Pvt. Ltd. at Chaudhary Charan Singh International Airport, Amausi, Lucknow, is deemed “**Not Material**”. Therefore the Authority proposes to adopt ‘**Light Touch Approach**’ for determination of tariffs for the 2nd control period w.e.f. 01.04.2016 to 31.03.2021 as per clause 3.2(i) of the CGF Guidelines, 2011.
- 9.2 As the financial year (T1) 2016-17 has already been completed, allow the continuation of the tariff as on 31.03.2016 for FY 2016-17.

- 9.3 As there are only about 4 months left for the FY (T2) 2017-18, allow the continuation of the tariff as on 31.03.2016 for the FY 2017-18 also.
- 9.4 Considering the good performance parameters of M/s ITAMS as evident from the ACS/projected/financial data submitted to the Authority for the determination of tariff, allow the continuation of the tariff as on 31.03.2016 for the financial year (T3) 2018-19 also and no increase is proposed.
10. Tariff proposed above will be maximum tariff to be charged from the users of the ground handling service. No other charges to be levied over and above the approved tariff.
11. M/s ITAMS should not exceed the tariff charges for its Non-Schedule Operations as approved by AERA for its schedule operations for similar class of aircraft.
12. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 5 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed as annexures to the consultation paper. For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.
13. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made above, latest by **24.01.2018** at the following address:

**Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: puja.jindal@nic.in
Tel: 011-24695042
Fax: 011-24695039**

**(S. Machendranathan)
Chairperson**

- 703 -

Annexure - (A)

67

Annexure-8

Indo Thai Airport Management Services Private Limited - Lucknow

**Annual Tariff Proposal (ATP) for the 2nd Tariff/ year
(financial year 2017-18) for Ground Handling Services.**

Code	Aircraft Type	Conditions of Tariff E.g. Tariff per Flight (in INR)
B	Single Engine Aircraft	21075.00
B1	Dornier	30107.00
C	A319	48173.00
C	A-320	48173.00
C	B-737	45161.00
C	ATR -72	23237.00
D	B757	140082.00

Note-Above Price is exclusive of Government taxes.



[F. No. AERA/20010/MYTP-Indo Thai/GH/LKO/2011-12]

Airports Economic Regulatory Authority of IndiaOrder No. 20/2012-13

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

Date of Order: 11th September, 2012Date of Issue: 26th October, 2012

In the matter of Determination of Tariff(s) for the first Control period in respect of Ground Handling Services provided by Indo Thai Airport Management Services Pvt. Ltd. at Ch. Charan Singh Airport, Amausi, Lucknow.

Indo Thai Airport Management Services Pvt. Ltd. (ITAMS), vide their proposal dated 25.08.2011 and subsequent submission dated 08.11.2011 submitted their Multi Year Tariff Proposal (MYTP), for the first control period of 5 years, in respect of the services provided for Ground Handling at Ch. Charan Singh Airport Amausi, Lucknow. ITAMS also submitted the Annual Tariff Proposal (ATP) for the first tariff year requesting for approval of the tariff for the ground handling services at the airports.

2. It was noted that the ground handling services being provided at Ch. Charan Singh Airport Amausi, Lucknow have a materiality index of 0.8%, which is less than 5% materiality Index fixed for the subject service. Hence, the service was deemed to be "not material", in terms of Clause 4.3 of the Direction No. 4/2010-11, the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011 dated 10.01.2011 (i.e., the Guidelines). As the ground handling services at Ch. Charan Singh Airport Amausi, Lucknow being provided by Indo Thai were "not material", hence they could be regulated under light touch approach for determination of tariffs in the first control period. Further, as ITAMS had submitted its Annual Tariff Proposal (ATP) for the 1st tariff year of the Control Period, the ATP was also considered alongwith the MYTP.

3. After stakeholder consultation regarding the MYTP and ATP submitted by ITAMS, vide Order No. 34/2011-12 dated 25.01.2012, the Authority decided to adopt light touch approach for determination of tariff during the first control period of 5 years commencing w.e.f. 01.04.2011 and also determined the tariffs for 1st tariff year of the current control period.

4. After issue of Authority's said Order and subsequent communications, it was noted that ITAMS has not submitted any further proposal/information. Thus, it appears that there exist no changed circumstances warranting any revision of the charges for the



ground handling services rendered by them at Lucknow airport from the level as was existing on 31.3.2012.

ORDER:

5. After careful consideration of the facts as above and material available on record the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airport Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) The tariff for ground handling services provided by M/s Indo Thai Airport Management System Ltd., at Ch. Charan Singh Airport Amausi, Lucknow is determined to be the tariff at the same rate, as on 31.03.2012, for the period 1.4.2012 to 31.03.2016, i.e., the balance period of the 1st control period.(As at **Annexure – I**).
- (ii) It is clarified that Indo Thai Airport Management Services Pvt. Ltd., may approach the Authority for revision in the charges, if any, on the basis of relevant materials in accordance with the Guidelines. The Authority shall undertake an appropriate exercise to consider the same, subject to stakeholder consultation, at material time.

**By the Order of and in the
Name of the Authority**


(Capt. Kapil Chaudhary)
Secretary

To,

**Indo Thai Airport Management Services Pvt. Ltd.,
904-907, Time Tower,
M.G. Road, Sector 28,
Gurgaon- 122 002
(Through: Shri P.C. Sinha, Chief Operating Officer)**



Annexure - I

Indo Thai Airport Management Services Pvt. Ltd.

Station Name: Ch. Charan Singh Airport, Lucknow

Sl. No.	Tariff heading	Maximum Tariff per flight (in INR)
1.	Comprehensive Handling of Scheduled B-737	112,066
2.	Comprehensive Handling of Non Scheduled Aircrafts MTOW upto and including 10,000 kgs	22,255
3.	Comprehensive Handling of Non Scheduled Aircrafts MTOW above 10,000 below 20,000 kgs	30,465
4.	Comprehensive Handling of Non Scheduled Aircrafts MTOW above 20,000 below 50,000 kgs	40,625



F.No. AERA/20010/MYTP/Indothai/GH/LKO/2011-12]

Airports Economic Regulatory Authority of India

Order No. 34/2011-12

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

Date of Order : 13th January, 2012

Date of Issue : 25th January, 2012

In the matter of Multi Year Tariff Proposal for 1st Control Period submitted by Indo Thai Airport Management Services Pvt. Ltd., for providing Ground Handling Services at Ch. Charan Singh Airport, Amausi, Lucknow.

Indo Thai Airport Management Services Pvt. Ltd. (ITAMS), have vide their proposal dated 25.08.2011 and subsequent submission dated 08.11.2011 submitted their Multi Year Tariff Proposal (MYTP), for the first control period of 5 years, in respect of the services provided for Ground Handling at Ch. Charan Singh Airport Amausi, Lucknow. ITAMS have also submitted the Annual Tariff Proposal (ATP) for the first tariff year requesting for approval of the tariff rates.

2.1 As stipulated in the Guidelines, the Authority shall follow a three stage process for determining its approach to the regulation of a regulated service:-

- a) Materiality Assessment;
- b) Competition Assessment;
- c) Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated services.

The ground handling service being provided at Ch. Charan Singh Airport Amausi, Lucknow has a materiality index of 0.8%, which is less than 5% materiality Index fixed for the subject service, hence the service is deemed as "not material", in terms of Clause 4.3 of the Guidelines.

2.2 Hence the ground handling services at Ch. Charan Singh Airport Amausi, Lucknow being provided by Indo Thai is "not material" and may be regulated under light touch approach for tariff determination.

2.3 The Authority, vide its Order No.17/2010-11 dated 31.03.2011, while extending the timeline for submission of MYTP by the independent service providers (ISP(s)) upto 30.04.2011 had also decided that, in the interim, all ISP(s) may continue to charge the tariffs as prevalent on 01.09.2009 or as may have been approved/determined by the Authority thereafter with effect from 01.4.2011 and upto the date when the new tariffs as may be approved by the Authority became applicable and that this interim arrangement would be subject to the condition that the concerned independent service providers submit the MYTP latest by 30.04.2011. In case any service provider(s) fails to submit



MYTP on or before 30.4.2011, the interim arrangement in respect of such service provider (s) would cease to be effective.

3.1 The Authority, vide Consultation Paper No. 31/2011-12, dated 30.11.2011, proposed for stakeholder Consultation that the ground handling services provided by ITAMS at Ch. Charan Singh Airport Amausi, Lucknow is "not material" and hence the Authority may adopt a, "Light Touch Approach" for determination of tariff in the first control period w.e.f. 01.04.2011. Since, the tariff is to be determined under light touch approach and keeping in view the precedents in other cases, the Authority decided to propose for stakeholder consultation that the Annual Tariff Proposal (ATP), as submitted by ITAMS may be considered at this stage itself and that the ATP may be made effective from 1.04.2011 or such other prospective date as the Authority may finally decide.


3.2 In response to the Consultation Paper, no comments have been received from any stakeholders.

ORDER:

4. Upon careful consideration of material available on record, the Authority in exercise of powers conferred by Section 13(1)(a) of the Act, hereby orders that:

- (i) The services provided for ground handling at Ch. Charan Singh Airport Amausi, Lucknow by Indo Thai Airport Management Services Pvt. Ltd., are "not material". Hence the Authority shall adopt light touch approach for determination of tariff during the first control period of 5 years commencing w.e.f. 01.04.2011.
- (ii) The tariff for the ground handling services provided by ITAMS at Ch. Charan Singh Airport Amausi, Lucknow, is determined, as at **Annexure-I**, w.e.f. 1.04.2011.

**By the Order of and in the
Name of the Authority**


**(Capt. Kapil Chaudhary)
Secretary**

To

**IndoThai Airport Management Services Pvt.Ltd.,
904-907, Time Tower,
M.G.Road, Sector 28,
Gurgaon – 122 002
(Through: Shri P.C.Sinha, Chief Operating, Officer)**



Annexure - I

Indo Thai Airport Management Services Pvt. Ltd.

Station Name: Ch. Charan Singh Airport, Lucknow

Sl. No.	Tariff heading	Maximum Tariff per flight (in INR)
1.	Comprehensive Handling of Scheduled B-737	112,066
2.	Comprehensive Handling of Non Scheduled Aircrafts MTOW upto and including 10,000 kgs	22,255
3.	Comprehensive Handling of Non Scheduled Aircrafts MTOW above 10,000 below 20,000 kgs	30,465
4.	Comprehensive Handling of Non Scheduled Aircrafts MTOW above 20,000 below 50,000 kgs	40,625



M/S Indo Thai Airport Management services Pvt.Ltd.
Comparitive chart in respect of Proposed Tariff Rate for the year 2015-16 &
2017-18

Sr.no.	(ICAO Code)	Aircraft Type	2015-16	2017-18	% variation in tariff in 2nd control period vis a vis 1st control period
			Conditions of Tariff e.g.Tariff per Flight(INR)	Conditions of Tariff e.g.Tariff per Flight(INR)	
1	B	Sinfle Engine Aircraft	22,255	21,075	-5%
	B1	Dornier	30,465	30,107	-1%
2	C	A319	40,625	48,173	19%
	C	A320	40,625	48,173	19%
3	C	B737	40,625	45,161	11%
4	C	ATR-72	22,255	23,237	4%
5	D	B-757	112,066	140,082	25%

Annexure-E

M/S INDO THAI AIRPORT MANAGEMENT SERVICES PVT LTD, LUCKNOW Comparison of Existing Tariff of M/s ITAMS with that of existing tariff of M/s AIATSL

Sr.no.	(ICAO Code)	Aircraft Type	ITAMS	AIATSL	% Variation (ITAMS vs AIATSL)
1	B	Single Engine Aircraft	22,255	NA*	NA*
2	B1	Dornier	30,465	NA*	NA*
3	C	A319	40,625	94,380	(56.96)
4	C	A320	40,625	94,380	(56.96)
5	C	B737	40,625	94,380	(56.96)
6	C	ATR-72	22,255	47,190	(52.84)
7	D	B-757	112,066	NA*	NA*

*NA- Not Available

ANNEXURE "F"

M/S INDO THAI AIRPORT MANAGEMENT SERVICES PVT LTD, LUCKNOW
 COMPARATIVE STATEMENT OF ACS FOR THE TARIFF YEAR 1 TO 5 of 1st CONTROL PERIOD

Rs. Lakhs

Sl No.	Performance Report for the years	2011-12	2012-13	2013-14	2014-15	2015-16
1	Regulated revenue :	323.09	413.62	618.82	626.04	1,277.59
2	Regulated Services-Cargo Handling	323.09	413.62	618.82	626.04	1,277.59
3	Revenue from other than Regulated Services	3.73	1.05	10.73	11.88	61.93
4	Total Revenue (2+3)	326.82	414.67	629.55	637.92	1,339.52
5	Expenditure:					
6	Operating Expenditure	260.11	328.87	497.82	564.02	930.79
7	Finance Cost	-	-	-	-	-
8	Depreciation	28.03	42.30	65.39	69.44	55.65
9	Total Expenditure (6+7+8)	288.14	371.17	563.21	633.46	986.44
10	Operating Profit (4-9)	38.68	43.50	66.34	4.46	353.08
11	Capital Expenditure	121.10	156.45	13.91	0.62	54.31
12	Opening RAB	60.17	153.24	267.39	215.91	147.09
13	Disposals /Transfers	-	-	-	-	-
14	Depreciation	28.03	42.30	65.39	69.44	55.65
15	Closing RAB (11+12-13-14)	153.24	267.39	215.91	147.09	145.75
16	Average RAB (12+15)/2	106.71	210.32	241.65	181.50	146.42
17	Return on Average RAB (10/16)	36%	21%	27%	2%	241%
18	Total Volume (ATM)	1,339	1,940	4,799	4,333	5,625

M/S INDO THAI Airport Management Services Private Limited.

ANNEXURE-"G"

Rs in Lakhs

Particulars	Financial Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Total Revenue (i)	1,000.92	1,690.45	2,434.76	3,083.26	4,180.51
Total Expenses (ii)	564.48	1,244.55	1,831.37	2,389.14	3,116.54
Earnings before interest, depreciation & Amortisation	436.44	445.90	603.39	694.12	1,063.97
Depreciation & Amortisation expense	89.31	166.30	196.43	270.26	281.94
Finance Cost	163.27	170.26	212.99	202.52	261.61
Profit before tax (PBT)	183.86	109.34	193.97	221.34	520.42
Tax Expenses	35.09	32.42	47.88	71.94	70.55
Current Taxes	38.75	49.25	66.00	110.70	106.10
Deferred Tax (Assets)/Liability	(3.66)	(16.83)	(18.12)	(38.76)	(35.55)
Profit after tax (PAT)	148.77	76.92	146.09	149.40	449.87

Annexure - 6
2011-12

INDO-THAI AIRPORT MANGEMENT SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2012

Particulars	Note No	31/03/2012	31/03/2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	760,000.00	760,000.00
(b) Reserves and Surplus	3	2,705,161.94	(12,171,373.79)
(2) Non Current Liabilities			
(a) Deferred tax liabilities		-	158,500.00
(b) Long term borrowings	4	5,338,624.51	907,673.83
(3) Current Liabilities			
(a) Short-term borrowings	5	182,194,485.00	152,664,108.00
(b) Trade payables		7,017,237.00	1,755,512.00
(c) Other current liabilities	6	16,815,451.32	2,975,284.89
(d) Short-term provisions	7	3,874,990.00	-
Total		218,705,949.77	147,049,704.93
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	56,565,005.51	21,784,909.00
(b) Preliminary Expenses		10,880.00	16,320.00
(c) Long term loans and advances	9	110,631,899.52	110,186,809.00
(d) Other non-current assets		-	-
(e) Deferred tax Assets		207,500.00	-
(2) Current assets			
(a) Trade receivables	10	23,536,515.47	4,619,604.00
(b) Cash and bank balances	11	16,860,550.31	6,254,127.93
(c) Short-term loans and advances	12	10,893,598.96	4,187,935.00
Total		218,705,949.77	147,049,704.93

Summary of significant accounting policies 1

The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 324473E

Chartered Accountants

Ajay Agarwal

Ajay Agarwal
Partner

Membership No. - 058275



For and on behalf of the Board of Directors

Indo-Thai Airport Management Services (P) Ltd.

Authorised Signatory/Director

Indo-Thai Airport Management Services (P) Ltd.

Authorised Signatory/Director

Place - Kolkata

Date - June 12, 2012

INDO-THAI AIRPORT MANGEMENT SERVICES PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No	31/03/2012 ₹	31/03/2011 ₹
I. Revenue from Operations	13	85,704,628.00	1,267,972.00
II. Other Income	14	14,387,863.25	424,692.17
III. Total Revenue (I + II)		100,092,491.25	7,692,664.17
<i>(V. Expenses:</i>			
Employee benefit expense	15	19,633,072.00	2,804,118.00
Financial costs	16	16,327,460.46	7,652,236.03
Depreciation and amortization expense		8,930,934.00	1,315,403.00
Other expenses	17	36,815,499.06	6,904,066.93
Total Expenses		81,706,965.52	18,675,823.96
V. Profit before exceptional and extraordinary items and tax	(III - IV)	18,385,525.73	(10,983,159.79)
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		18,385,525.73	(10,983,159.79)
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)		18,385,525.73	(10,983,159.79)
<i>X. Tax expense:</i>			
(1) Current tax		3,874,990.00	
(2) Deferred tax		366,000.00	(158,500.00)
XI. Profit/(Loss) from the period from continuing operations	(VII-VII)	14,876,535.73	(11,141,659.79)
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discontinuing operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV. Profit/(Loss) for the period (XI + XIV)		14,876,535.73	(11,141,659.79)
<i>XVI. Earning per equity share:</i>			
(1) Basic	18	195.74	(146.60)
(2) Diluted		195.74	(146.60)

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

ERN - 324473E

Chartered Accountants

Ajay Agarwal

Ajay Agarwal

Partner

Membership No. - 058275



Place - Kolkata

Date - June 12, 2012

For and on behalf of the Board of Directors

Indo-Thai Airport Management Services (P) Ltd.

Salacei
Authorized Signatory/Director

Indo-Thai Airport Management Services (P) Ltd.

Sanjiv Choudhary
Authorized Signatory/Director

2012-13

INDO-THAI AIRPORT MANGEMENT SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2013

Particulars	Note No	31/03/2013 Rs.	31/03/2012 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	760,000.00	760,000.00
(b) Reserves and Surplus	3	10,397,441.84	2,705,161.94
(2) Non Current Liabilities			
(a) Long term borrowings	4	1,512,262.00	5,338,624.51
(3) Current Liabilities			
(a) Short-term borrowings	5	198,650,617.00	182,194,485.00
(b) Trade payables		11,894,828.53	7,017,237.00
(c) Other current liabilities	6	13,448,290.51	16,815,451.32
(d) Short-term provisions	7	7,234,361.00	3,874,990.00
Total		243,897,800.88	218,705,949.77
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	79,553,870.19	56,565,005.51
(b) Preliminary Expenses		5,440.00	10,880.00
(c) Long term loans and advances	9	104,347,001.00	110,631,899.52
(d) Other non-current assets			
(e) Deferred tax Assets. (Net)		1,891,000.00	207,500.00
(2) Current-assets			
(a) Trade receivables	10	45,728,561.29	23,536,515.47
(b) Cash and bank balances	11	368,881.07	16,860,550.31
(c) Short-term loans and advances	12	12,003,047.33	10,893,598.96
Total		243,897,800.88	218,705,949.77

Summary of significant accounting policies

1

The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 324473E

Chartered Accountants

Ajay Agarwal

Ajay Agarwal
Partner

Membership No. - 058275



For and on behalf of the Board of Directors

Indo-Thai Airport Management Services (P) Ltd. Indo-Thai Airport Management Services (P) Ltd.

Ajaykumar Shrestha

Authorised Signatory/Director

Authorised Signatory/Director

Place - Kolkata

Date - August 02, 2013

INDO-THAI AIRPORT MANGEMENT SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No	31/03/2013	31/03/2012
		Rs.	Rs.
I. Revenue from Operations	13	166,248,640.00	94,549,281.00
II. Other Income	14	2,796,119.25	5,543,210.25
III. Total Revenue (I + II)		169,044,759.25	100,092,491.25
IV. Expenses:			
Employee benefit expense	15	38,015,867.00	19,633,072.00
Financial costs	16	17,026,086.42	16,327,460.46
Depreciation and amortization expense		16,630,439.00	8,930,934.00
Other expenses	17	86,438,586.93	36,815,499.06
Total Expenses		158,110,979.35	81,706,965.52
V. Profit before exceptional and extraordinary Items and tax	(III - IV)	10,933,779.90	18,385,525.73
VI. Exceptional Items		-	-
VII. Profit before extraordinary Items and tax (V - VI)		10,933,779.90	18,385,525.73
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		10,933,779.90	18,385,525.73
X. Tax expense:			
(1) Current tax		4,925,000.00	3,874,990.00
(2) Deferred tax		1,683,500.00	366,000.00
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	7,692,279.90	14,876,535.73
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		7,692,279.90	14,876,535.73
XVI. Earning per equity share:	18		
(1) Basic		101.21	195.74
(2) Diluted		101.21	195.74

Summary of significant accounting policies

1

The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN:- 324473E

Chartered Accountants

Ajay Agarwal
Ajay Agarwal
Partner
Membership No. : 058275

For and on behalf of the Board of Directors

Indo-Thai Airport Management Services (P) Ltd.

Shalini
Authorised Signatory / Director

Place - Kolkata

Date - August 02, 2013

Indo-Thai Airport Management Services (P) Ltd.

Jayesh Shroff
Authorised Signatory / Director

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2014

Particulars	Note No	31/03/2014 Rs.	31/03/2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	760,000.00	760,000.00
(b) Reserves and Surplus	3	25,006,089.82	10,397,441.84
(2) Non Current Liabilities			
(a) Long term borrowings	4	139,918.00	1,512,262.00
(3) Current Liabilities			
(a) Short-term borrowings	5	230,216,624.00	198,650,617.00
(b) Trade payables		12,330,506.00	11,894,828.53
(c) Other current liabilities	6	14,496,725.60	13,448,290.51
(d) Short-term provisions	7	13,834,361.00	7,234,361.00
Total		296,784,224.42	243,897,800.88
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	76,675,475.94	79,553,870.19
(ii) Capital Work In Progress		1,029,968.00	-
(b) Preliminary Expenses		-	5,440.00
(c) Long term loans and advances	9	111,227,152.27	104,347,001.00
(d) Deferred tax Assets (Net)		3,703,000.00	1,891,000.00
(2) Current assets			
(a) Trade receivables	10	64,189,775.94	45,728,561.29
(b) Cash and bank balances	11	20,710,401.93	368,881.07
(c) Short-term loans and advances	12	19,248,450.34	12,003,047.33
Total		296,784,224.42	243,897,800.88

Summary of significant accounting policies

1

The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 324473E

Chartered Accountants

Ajay Agarwal

Partner

Membership No. - 058275

Place - Kolkata

Date - August 30, 2014

For and on behalf of the Board of Directors

Indo-Thai Airport Management Services (P) Ltd.

[Signature]
Authorized Signatory / Director

Indo-Thai Airport Management Services (P) Ltd.

[Signature]
Authorized Signatory / Director

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note No	31/03/2014	31/03/2013
		Rs.	Rs.
Revenue from Operations	13	237,936,139.00	166,248,640.00
Other Income	14	5,540,311.19	2,796,119.25
III. Total Revenue (I + II)		243,476,450.19	169,044,759.25
IV. Expenses:			
Employee benefit expense	15	60,693,431.00	38,015,867.00
Financial costs	16	21,299,514.99	17,026,086.42
Depreciation and amortization expense		19,642,790.00	16,630,439.00
Other expenses	17	122,444,066.22	86,438,586.93
Total Expenses		224,079,802.21	158,110,979.35
V. Profit before exceptional and extraordinary items and tax	(III - IV)	19,396,647.98	10,933,779.90
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		19,396,647.98	10,933,779.90
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		19,396,647.98	10,933,779.90
X. Tax expense:			
(1) Current tax		6,600,000.00	4,925,000.00
(2) Deferred tax		1,812,000.00	1,683,500.00
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	14,608,647.98	7,692,279.90
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		14,608,647.98	7,692,279.90
XVI. Earning per equity share:	18		
(1) Basic		192.22	101.21
(2) Diluted		192.22	101.21

Summary of significant accounting policies

1

The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 324473E

Chartered Accountants

Ajay Agarwal

Partner

Membership No. - 058275

Place - Kolkata

Date - August 30, 2014

For and on behalf of the Board of Directors

Indo-Thai Airport Management Services (P) Ltd.

[Signature]
Authorised Signatory / Director

Indo-Thai Airport Management Services (P) Ltd.

[Signature]
Authorised Signatory / Director

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2015

Particulars	Note No	31/03/2015 Rs.	31/03/2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	760,000.00	760,000.00
(b) Reserves and Surplus	3	39,900,931.66	25,006,089.82
(2) Non Current Liabilities			
(a) Long term borrowings	4	87,703,818.00	139,918.00
(3) Current Liabilities			
(a) Short-term borrowings	5	230,840,489.00	230,216,624.00
(b) Trade payables		9,793,785.00	12,330,506.00
(c) Other current liabilities	6	45,457,211.71	14,496,725.60
(d) Short-term provisions	7	24,904,361.00	13,834,361.00
Total		439,360,596.37	296,784,224.42
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets			
(I) Tangible assets	8	67,487,182.94	76,675,475.94
(II) Capital Work In Progress		-	1,029,988.00
(b) Long term loans and advances	9	112,807,771.76	111,227,152.27
(c) Deferred tax Assets (Net)		7,578,997.00	3,703,000.00
(2) Current assets			
(a) Trade receivables	10	73,633,172.53	64,189,775.94
(b) Cash and bank balances	11	13,097,602.80	20,710,401.93
(c) Short-term loans and advances	12	164,755,869.34	19,248,450.34
Total		439,360,596.37	296,784,224.42

Summary of significant accounting policies

1

The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 324473E

Chartered Accountants

Ajay Agarwal
Partner

Membership No. - 058275

Place - Kolkata

Date - September 03, 2015

For and on behalf of the Board of Directors

Indo-Thai Airport Management Services Pvt. Ltd.

Srinivas Shrivastava
Director/Authorised Signatory

Indo-Thai Airport Management Services Pvt. Ltd.

Shalini
Director/Authorised Signatory

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No	31/03/2015 Rs.	31/03/2014 Rs.
I. Revenue from Operations	13	299,480,371.00	237,936,139.00
II. Other Income	14	8,845,910.97	5,540,311.19
III. Total Revenue (I + II)		308,326,281.97	243,476,450.19
IV. Expenses:			
Employee benefit expense	15	87,964,337.00	60,693,431.00
Financial costs	16	20,252,253.06	21,299,514.99
Depreciation and amortization expense		27,025,878.00	19,642,790.00
Other expenses	17	150,949,697.07	122,444,066.22
Total Expenses		286,192,165.13	224,079,802.21
V. Profit before exceptional and extraordinary items and tax	(III - IV)	22,134,116.84	19,396,647.98
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		22,134,116.84	19,396,647.98
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		22,134,116.84	19,396,647.98
X. Tax expense:			
(1) Current tax		11,070,000.00	6,600,000.00
(2) Deferred tax		3,875,997.00	1,812,000.00
XI. Profit/(Loss) from the period from continuing operations	(VII-VIII)	14,940,113.84	14,608,647.98
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		14,940,113.84	14,608,647.98
XVI. Earning per equity share:	18		
(1) Basic		196.58	192.22
(2) Diluted		196.58	192.22

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 3247/2015

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

Chartered Accountants

For and on behalf of the Board of Directors

Indo-Thai Airport Management Services Pvt. Ltd.

Singh Shoot
Director/Authorised Signatory

Director/Authorised Signatory

Indo-Thai Airport Management Services Pvt. Ltd.

Shalini
Director/Authorised Signatory

Director/Authorised Signatory

Place - Kolkata

Date - September 03, 2015

687 -

50

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No	31/03/2016 Rs.	31/03/2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	7,60,000.00	7,60,000.00
(b) Reserves and Surplus	3	8,48,80,240.74	3,99,00,931.66
(2) Non Current Liabilities			
(a) Long term borrowings	4	11,54,69,168.02	8,77,03,818.00
(b) Long term Provisions	5	50,28,959.00	
(3) Current Liabilities			
(a) Short-term borrowings	6	24,52,08,875.45	23,08,40,489.00
(b) Trade payables		1,70,81,141.00	97,93,785.00
(c) Other current liabilities	7	2,04,39,696.67	4,54,57,211.71
(d) Short-term provisions	8	2,44,45,111.00	2,49,04,361.00
Total		51,33,13,191.88	43,93,60,596.37
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	7,08,08,632.10	6,74,87,182.94
(ii) Capital Work in Progress		31,442.00	-
(b) Long term loans and advances	10	26,63,05,344.04	22,31,13,392.86
(c) Deferred tax Assets (Net)		1,11,34,629.00	75,78,997.00
(2) Current assets			
(a) Trade receivables	11	10,18,64,176.97	7,36,33,172.53
(b) Cash and bank balances	12	1,53,95,426.38	2,19,05,374.56
(c) Short-term loans and advances	13	4,77,73,541.39	4,56,42,476.48
Total		51,33,13,191.88	43,93,60,596.37

Summary of significant accounting policies 1

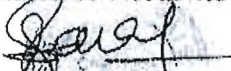
The Accompanying notes are an integral part of the financial statements

As per our report of even date

For SAV & Associates

FRN - 324473E

Chartered Accountants



Sandeep Saraf
Partner

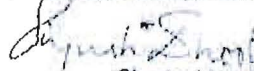
Membership No. - 58316

For and on behalf of the Board of Directors

For Indo Thai Airport Management Services Pvt. Ltd.


Director / Authorised Signatory

For Indo Thai Airport Management Services Pvt. Ltd.


Director / Authorised Signatory

Place - Kolkata

Date - September 05, 2016



688 -

(51)

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Note No	31/03/2016 Rs.	31/03/2015 Rs.
I. Revenue from Operations	14	40,18,85,158.00	29,94,80,371.00
II. Other Income	15	1,61,66,076.30	88,45,910.97
III. Total Revenue (I + II)		41,80,51,234.30	30,83,26,281.97
<u>IV. Expenses:</u>			
Employee benefit expense	16	12,44,85,500.00	8,79,64,337.00
Financial costs	17	2,61,60,761.83	2,02,52,253.06
Depreciation and amortization expense		2,81,94,307.00	2,70,25,878.00
Other expenses	18	18,71,68,748.39	15,09,49,697.07
Total Expenses		36,60,09,317.22	28,61,92,165.13
V. Profit before exceptional and extraordinary items and tax (III - IV)		5,20,41,917.08	2,21,34,116.84
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		5,20,41,917.08	2,21,34,116.84
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		5,20,41,917.08	2,21,34,116.84
X. Tax expense:			
(1) Current tax (Refer Note 31)		1,06,10,750.00	1,10,70,000.00
(2) Deferred tax		35,55,632.00	38,75,997.00
XI. Profit(Loss) from the period from continuing operations		4,49,86,799.08	1,49,40,113.84
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		4,49,86,799.08	1,49,40,113.84
XVI. Earning per equity share:	19		
(1) Basic		591.93	196.58
(2) Diluted		591.93	196.58

Summary of significant accounting policies 1

The Accompanying notes are an integral part of the financial statements
As per our report of even date

For **SAV & Associates**
FRN - 324473E
Chartered Accountants

Saraf
Sandeep Saraf,
Partner
Membership No. - 58316

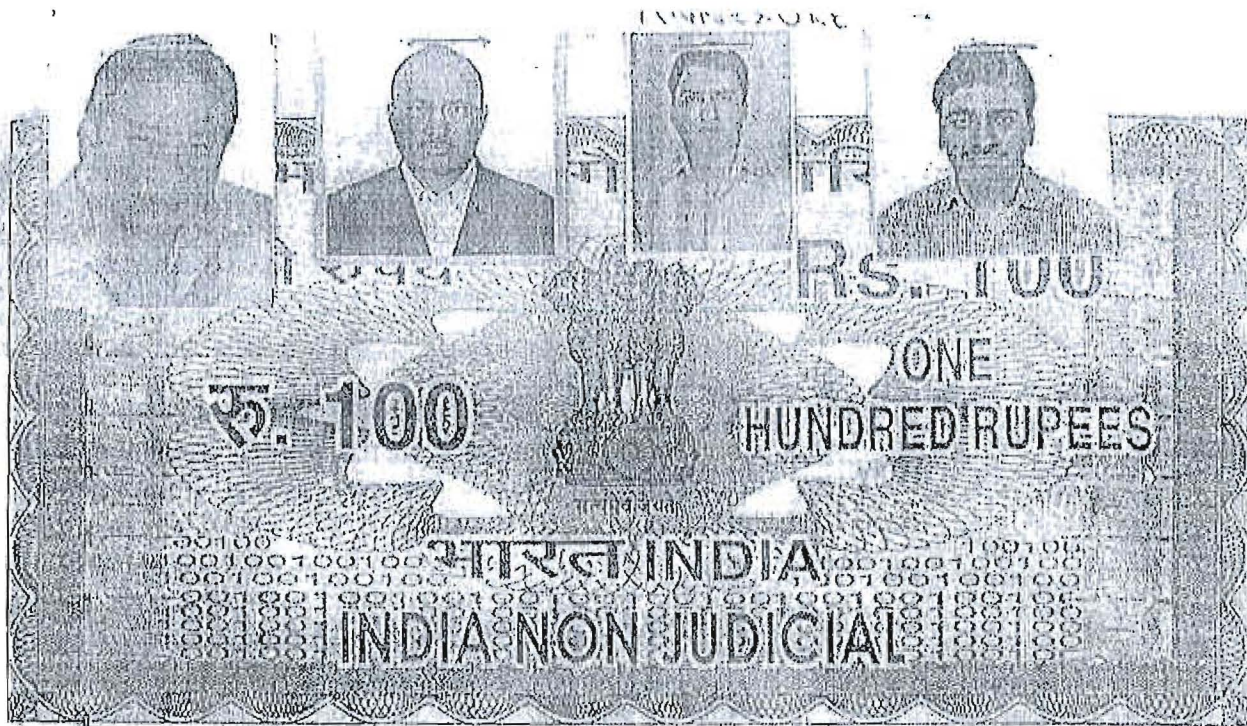
For and on behalf of the Board of Directors
For Indo Thai Airport Management Services Pvt. Ltd. For Indo Thai Airport Management Services Pvt. Ltd.

Sharma
Director / Authorised Signatory

Sharma
Director / Authorised Signatory

Place - Kolkata
Date - September 05, 2016

PA



दिल्ली DELHI

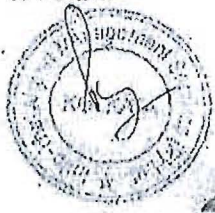
M 215941

LICENCE AGREEMENT

THIS AGREEMENT MADE this 27th day of DECEMBER Two Thousand Ten between AIRPORTS AUTHORITY OF INDIA, a body corporate constituted by the Central Government under the Airports Authority Act, 1994 and having its Corporate Office at Rajiv Gandhi Bhavan, New Delhi and Units at the International Airports at Chennai, Kolkata, Ahmedabad, Thiruvananthapuram, Amritsar, Jaipur, Guwahati, Calicut, Srinagar, Portblair and other Civil Airports in India hereinafter called "the Authority" (which expression shall, unless expressly excluded by or repugnant to the context, include its Chairman, Whole time Member, Airport Director, Regional Executive Director, Executive Director, General Manager and Officers and all or any of them duly authorised by Chairman in this behalf and its successors and assign

[Handwritten signature]

THE ONE PART



TAGS



AND

INDO-THAI AIRPORT MANAGEMENT SERVICES PRIVATE LIMITED, a Company incorporated under the laws of India and having its Registered Office at 5 J. B. S. Halden Avenue, Silver Arcade, Room No. S - 2 , Kolkata - 700105, a Joint Consortium Comprises of M/s Thai Airports Ground Services Co. Limited, located at 222 Moo 10 Cargo Terminal 4, Donmuang International Airport, Vibhavadi Rangsit Road, Seokan, Donmuang, Bangkok 10210 Thailand, Star Consortium Aviation Services Private Limited of 5 J. B. S. Halden Avenue, Silver Arcade, Room No. S - 2 , Kolkata - 700105, & Skyline Mercantile Private Limited of 113 Netaji subhas road, room No. 6, Kolkata - 700001 mutually formed under a MEMORANDUM OF UNDERSTANDING, hereinafter called "the Licensee", (which expression shall, unless excluded by or repugnant to the context, be deemed to include its successors and assigns) of THE OTHER PART.

WHEREAS the Authority is desirous of maintaining amenities and facilities for airlines and passengers comparable to International standards at its International and Domestic Airports in India and has decided to provide safe and secure Ground Handling Services at its airports in India.

AND WHEREAS the Authority had invited tenders for granting licence for providing efficient, safe and secure ground handling services to the interested airlines at Airports for maintaining turn around time of aircraft handling as per International standard;

AND WHEREAS the licensee had submitted a tender to the Authority for providing such Ground Handling Services to the interested airlines at Amritsar, Jaipur,



DR. P. S. K. KRISHNAN
DIRECTOR GENERAL
AIRPORT AUTHORITY OF INDIA
NEW DELHI

2. The licensee shall pay to the Authority, amount of gross turnover related royalty as per following details:

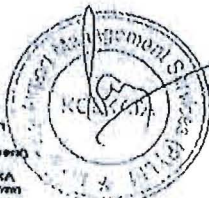
Particulars Airports Located in Northern Region (1)	Prescribed amount of GTO in respect of National & International flights (in Rs. In crores p. a.) (2)	Minimum amount of royalty payable to AAI at 13% of the gross turnover calculated on the amount indicated in column (2) (Rs. In crores) (3)	Additional 8 % of quoted Royalty payable to AAI on the annual turnover, in addition to the 13% of GTO as indicated in Column (2) (4)
Amritsar, Jaipur, Lucknow, Srinagar, Varanasi	40.00	5.20	3.20

N.B. : Annual gross turnover which will be the actual turnover during the year or the minimum turnover (as indicated in Column 2 above), whichever is higher.

3(a) The amount of gross turnover related royalty shall be payable and be paid by the Licensee to the the Airport Director, AAI, Amritsar Airport, every month in advance on or before the 10th day of every English Calendar month. Amritsar Airport would be the coordinating unit for billing purposes for the Airports in the Region under the Licence Agreement.

3(b) The amount of additional royalty at rate/percentage on the basis of actual gross turnover as over and above the AAI prescribed annual turnover shall be payable and be paid by the licensee to the Airport Director, AAI, Amritsar Airport for every quarter on or before the 10th day of the calendar month immediately following each


M. L. Krishnan
Executive Director (Land Management)
AIRPORTS AUTHORITY OF INDIA
New Delhi





IN WITNESS WHEREOF the Parties hereto have executed these presents the day and year 27th DAY OF DECEMBER 2010

-----first above written.

SIGNED and DELIVERED by
the within named AIRPORTS
AUTHORITY OF INDIA by its
Mr. L.L. KRISHNAN



Mr. L.L. Krishnan
Executive Director (Land Management)
AIRPORTS AUTHORITY OF INDIA
New Delhi

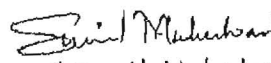
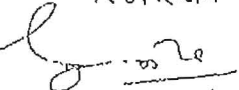
in the presence of:

1. 
2. 

SIGNED and DELIVERED by
the within named LICENSEE

M/s INDO-THAI AIRPORT MANAGEMENT SERVICES PVT. LTD.
by its Director Mr. PAWAN KUMAR DHOOT Indo-Thai Airport Management Services (P) Ltd.
duly authorised in this behalf in the presence of:


Authorised Signatory / Director

1. 
(Sumit Maheshwari)
32/4, Sahitya Parishad Street,
Kolkata - 700007.
2. 
(P. a. Sinha)
DW-222, Dees Court House, Nirvana Country, Unit C, h
Gate 5B, Gurgaon, Haryana.

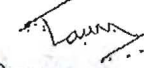
SIGNED and DELIVERED by

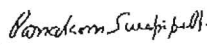
the within named

M/s THAI AIRPORT GROUND SERVICES CO. LTD.

by its Authorised Signatory Mr. Narong Tumprayoth
duly authorised in this behalf in the presence of :


(NARONG TUMPRAYOTH)
ATAGS

1. 
[RAKESH JAIN]
FLAT No. 1A/B, BLOCK-10,
CLUB TOWN COMPLEX,
2. VIP ROAD, KOLKATA-700052

2. 
[PASSAKORN SURAPI PITH]
NO. 47, SOI TIWANONT
NONTABURI, THAILAND,
SIGNED and DELIVERED by

the within named

M/s. STAR CONSORTIUM AVIATION SERVICES PVT. LTD.

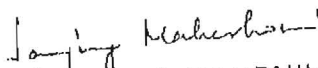
Star Consortium Aviation Services Pvt Ltd.


by its Authorised Signatory Mr. SHYAM SUNDER MALANI


Director

duly authorised in this behalf in the presence of :

[SHYAM SUNDER
MALANI]

1. 
(SANTAY MAHESHWARI)
616, Dakshindani Road,
KOLKATA - 700048.

2. 
(SARA CHHABRA)
94, N.S.C. BOSE ROAD
KOLKATA - 700040.

SIGNED and DELIVERED by

the within named

M/s SKYLINE MERCANTILE PVT. LTD.

by its Authorised Signatory Mr. PIYUSH DHOOT
duly authorised in this behalf in the presence of:

Skyline Mercantile (P) Ltd.

Piyush Dhoot
Authorised Signatory
(PIYUSH DHOOT)

1. K. N. *KTU*
[KEDAR NATH DHOOT]
CF-388, SALT LAKE CITY
KOLKATA- 700064

2. *Panna Lal Wasth*
(PANNA LAL WASTH)
34th SALT LAKE CITY
KOLKATA 700091

Sh.
Mr. P. L. Krishna
Executive Director (and Managing Director)
APPOINTMENT AUTHORITY OF INDKA
TANK AND MERCANTILE GENERAL SERVICES
CORPORATION (PVT.) LTD. (INCORPORATED IN INDIA)