

फा0 सं. ऐरा/20010/एम.वाई.टी.पी. भद्रा/जी.एच/टी.वी. एम./ सी.पी.दो/ 2016-17
भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
ऐरा भवन, प्रशासनिक कॉम्पलेक्स,
सफदरजंग एयरपोर्ट,
नई दिल्ली -110003

दिनांक : 12 सितम्बर, 2017

विषय : त्रिवेन्द्रम अंतर्राष्ट्रीय हवाई अड्डा, त्रिवेन्द्रम में ग्राउंड हैंडलिंग सेवाएं प्रदान करने हेतु मैसर्स भद्रा इंटरनेशनल (इंडिया) प्राईवेट लिमिटेड (मैसर्स भद्रा) के संबंध में द्वितीय नियंत्रण अवधि के लिए बहुवर्ष प्रशुल्क प्रस्ताव (01.04.2016 से 31.03.2021) और टैरिफ वर्ष -1 (01.04.2016 से 31.03.2017) तथा टैरिफ वर्ष -2 (01.04.2017 से 31.03.2018) हेतु वार्षिक प्रशुल्क प्रस्ताव ।

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उपर्युक्त विषय पर परामर्श पत्र सं0 24/2017-18, दिनांक 12.09.2017 सूचना एवं टिप्पणी के लिए संलग्न है।

भवदीय,
विजय कुमार यादव
(वी. के. सचदेवा)
उप महा प्रबंधक (वित्त)

सेवा में,

सभी पणधारी।



Airports Economic Regulatory Authority of India

TO CONSIDER THE MULTI YEAR TARIFF PROPOSAL FOR THE 2nd CONTROL PERIOD (01.04.2016 TO 31.03.2021) AND ANNUAL TARIFF PROPOSAL FOR TARIFF YEAR 1(01.04.2016 TO 31.03.2017) AND TARIFF YEAR 2(01.04.2017 TO 31.03.2018) OF M/S BHADRA INTERNATIONAL (INDIA) PVT LTD (M/S BHADRA) FOR PROVIDING GROUND HANDLING SERVICES AT THIRUVANANTHAPURAM INTERNATIONAL AIRPORT, THIRUVANATHAPURAM.

New Delhi: 12th September, 2017

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi-110003**

M/s Bhadra International (India) Pvt Ltd submitted, online on 15th March 2016, their Multi Year Tariff Proposal for the 2nd control period (01.04.2016 to 31.03.2021) and Annual Tariff Proposal for tariff year 1 (01.04.2016 to 31.03.2017) and tariff year 2 (01.04.2017 to 31.03.2018), for determination of ground handling tariff at Thiruvananthapuram International Airport, Thiruvananthapuram. Following are the salient features of the proposal:

1	Name of the ISP	M/s Bhadra International (India) Pvt. Ltd.(M/s Bhadra)
2	Service	Ground Handling Service.
3	Airport	Thiruvananthapuram International Airport, Thiruvananthapuram
4	(i) Proposal under consideration (ii) Whether Justification for proposed increase in tariffs provided by M/s Bhadra.	(i) a) MYTP for the 2 nd control period w.e.f. 01.04.2016 to 31.03.2021 b) ATP for FY 2016-17 & 2017-18(Annexure I) (ii) Yes. Justifications submitted by M/s Bhadra for tariff increase are as follows: (a) Increase in operational cost. (b) Increase in the land license fee by AAI.
5	Year of Last Revision of rates with % (+/-).	There has been no revision in the tariff since the first tariff order for the first control period in FY. 2012-13 vide AERA Order No. 8/2012-13 dated 12.06.2012. The tariffs approved for the 1 st tariff year of the 1 st control period are continuing till date.
6	Regulatory Approach in first control period.	Authority Adopted-‘Light Touch Approach’ for the 1 st control period as the service was “material but competitive” and also determined the tariff for 1 st tariff year vide Tariff Order No. 8/2012-13 dated 12.06.2012. (Annexure II)
7	(i) Tariff Comparison for M/s Bhadra- Existing Rates Vs Proposed Rates (ii) Tariff Comparison M/s Bhadra vs. Competitors.	(i) M/s Bhadra has submitted the comparative tariff [1 st Control period vs 2 nd Control period (1 st Tariff Year & 2 nd Tariff year)] along with justification for the proposed increase. (Annexure III) (ii) M/s Bhadra has not submitted Form F1 (b) on competition assessment for the 2 nd control period. M/s AIATSL is providing similar services in Thiruvananthapuram International Airport, Thiruvananthapuram. On a comparison of the existing tariff rates of M/s Bhadra and M/s AIATSL, it is observed that in international tariff, M/s Bhadra is charging higher by 20%. However, in case of domestic tariff, M/s AIATSLs rates are higher by more than 50%.
8	(i) Annual Compliance Statement (ACS) for	(i) Key parameters:

the 1 st control period with key parameters Revenue, Expenditure, Operating Profit, CAPEX, Volume, PBT & PAT.	(ii) Comparative ACS for 5 years (2011-12 to 2015-16) (iii) Audited Balance Sheet	Rs Crs					
		Performance Report for the years	2011-12	2012-13	2013-14	2014-15	2015-16
		Total Revenue	2.83	5.81	6.96	9.03	11.80
		Total Expenditure	5.00	9.29	10.71	12.44	15.26
		Regulatory Operating Profit	-2.17	-3.48	-3.75	-3.42	-3.46
		Return on Average RAB	-17%	-15%	-18%	-18%	-21%
		Average RAB	12.73	23.91	21.40	19.04	16.48
		Capital Expenditure	25.99	-	0.01	0.51	0.11
		Total Volume (MT)	388	754	835	1,189	1,732
		PBT & PAT: Details of consolidated PBT and PAT for 2013-14, 2014-15 and 2015-16 audited financial statement of M/s Bhadra are as follows:					
		Rs Crs					
		Particulars	Financial Year				
			2013-14	2014-15	2015-16		
Total Revenue	108.66	124.68	156.55				
Total Expenses	112.60	131.63	152.70				
Earnings before interest depreciation & Amortisation	-3.94	-6.96	3.85				
Depreciation & Amortisation expense	27.03	28.60	32.88				
Finance Cost	36.40	39.45	37.57				
Profit before tax (PBT)	-67.37	-75.00	-66.60				
Tax Expenses	-	-	-				
Profit after tax (PAT)	-67.37	-75.00	-66.60				
(ii) Comparative ACS for the 5 years, 2011-12 to 2015-16 is annexed with the CP. (Annexure IV)							
(iii) M/s Bhadra has submitted audited financial Statement for 2015-16, 2014-15 and 2013-14 (Annexure V)							
9	Whether copy of User Agreements/Concessi on Agreement provided by M/s Bhadra.	User Agreement is available.					
10	Evidence of Stakeholder Consultation done by M/s Bhadra with reference to their	1. List of Stakeholders		Evidence for stakeholder consultation has not been submitted.			
		2. Meeting Notice					
		3. Minutes of the meeting with the attendance sheet of the participants.					

	proposed MYTP-ATP submitted to AERA.	4. Comments of the Stakeholders	
		5. Redressal of stakeholder's concerns, if any,	
11	License Fee	<p>As per the license agreement (Annexure VI), the license fee (royalty) is to be determined as follows:</p> <p>a) Minimum Amount of royalty of 13% of the gross turnover.</p> <p>b) Additional amount of royalty of 18.81% on the gross annual turnover.</p> <p>Note: 'Gross Annual Turnover' will be the actual turnover during the year or the minimum turnover of Rs 126 crore as specified in the license agreement, whichever is higher.</p>	
12	Examination of the proposal as per the "Light Touch" approach parameters provided in the CGF guidelines, 2011.	Parameter	Status
		1. Materiality Index (MI)	Not Material (4.48%).
		2. Competition	M/s Bhadra has not submitted Form F1 (b) on competition assessment for the 2 nd control period.
		3. Reasonableness of user agreements.	M/s Bhadra has valid user agreement and the same has been submitted.
13	Remarks :	<p>i) M/s Bhadra has submitted the MYTP for the 2nd control period and ATP for 1st and 2nd tariff year of the 2nd control period, proposing an increase in the upper limit of tariffs. The increase in domestic maximum tariff rates range from 8% to 117% and that in international maximum tariff increase ranges from 1.5% to 32%</p> <p>ii) M/s Bhadra has not submitted any evidence of stakeholder consultation for the 2nd control period.</p> <p>iii) As per 'Form F9- Formats for forecast and actual roll forward regulatory asset base', M/s Bhadra does not plan for any capital expenditure in 2nd control period.</p> <p>(iv) As per the projected volume data for the 2nd control period furnished in Form F12(c) "Projected Aircraft Movement", aircraft movement is projected to increase by 7% p.a. in the 2nd control period. (Annexure VII)</p> <p>v) <u>Justification for increase in Tariff:</u> M/s Bhadra has provided the following justification for tariff increase- '<i>Due to hike in operational cost over the year which is being proposed to be partially charged in the revised upper limit of prices</i>'. However, on a review of both the historical and projected revenue and</p>	

		<p>the operating expenditure following was observed:</p> <p>(a) During 2011-12 to 2015-16, both revenue and expenditure displayed a growing trend.</p> <p>(b) The projected data submitted for the second control period (2016-17 to 2020-21) is showing a consistent growth in revenue and expenditure (approx 9%)</p>
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- 2.1 As stipulated in Clause 3 of the guidelines, the Authority shall follow a three stage process for determining its approach to the regulation of regulated service-
- (i) 'Materiality' as per Clause 4 of the CGF Guidelines, 2011;
 - (ii) 'Competition' as per Clause 5 of the CGF Guidelines, 2011; and
 - (iii) Reasonability of User Agreement(s) as per Clause 6 of the CGF Guidelines, 2011.
- 2.2 The materiality index for service provided for ground handling facility at a major airport A shall be defined as:
Materiality Index (MI_C) is= $\frac{\text{Int. Aircraft movement at major airport A}}{\text{Total Int. aircraft movement at Major Airports}} \times 100$
- Where the MI_C, as calculated above is 5% or more at a major airport, the service shall be deemed 'material'.
- 2.3 *As per the AERA order no.15/2016-17 dated 12th Jan 2017 on the provisions of NCAP-2016, the airport operator will ensure that there will be three ground handling agencies (GHA) including Air India's subsidiary/JV at all major airports to ensure fair competition.*
- 2.4 As per Clause 6 of the guidelines, 2011, the Authority shall consider the existing User Agreement(s) as reasonable provided that:
- (i) *"The Service Provider submits 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".*
- 2.5 As per Clause 3.2 (i) of the guidelines, 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.
- 2.6 In terms of Clause 7.3 of the Guidelines, the Authority shall upon due consideration of the MYTP and stakeholder consultations thereon and after obtaining such additional information, as it may consider necessary, make a MYTO for a Control Period.
- 2.7 As per Clause 11.2, the ATP is required to be submitted in the manner and form

provided in AI. 8.1 of Appendix I and should be supported by the following documents:

- 2.7.1 Form B and Form 14(b)
- 2.7.2 Details of consultation with stakeholders
- 2.7.3 Evidence of User Agreements clearly indicating the Tariff proposed by the Service Provider.

3 Examination

- 3.1 The ground handling service rendered by M/s Bhadra at Thiruvananthapuram International Airport, Thiruvananthapuram 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.
- 3.2 The Materiality Index (MI) for Ground handling services at Thiruvananthapuram International Airport, Thiruvananthapuram is 4.48% based on the aircraft movement statistics for the FY 2014-15 and hence, is deemed as ‘not material’.
- 3.3 With respect to competition, only M/s AIATSL is operating in Thiruvananthapuram International Airport and providing similar services. As per AERA order no.15/2016-17 dated 12th Jan 2017, there must be 3 or more service providers, including Air India subsidiaries/Joint Ventures, in a major airport in order to consider the service as competitive. Hence the regulated service is “not competitive”.
- 3.4 M/s Bhadra has submitted valid user agreements and the license agreement.
- 3.5 Financial Data:
Aircraft movement is projected to increase by 7% p.a. in the 2nd control period. Both the revenue and expenditure is projected to grow at a rate of 9% (approx.) in the 2nd control period.
- 3.6 M/s Bhadra in their Annual Tariff Proposal have submitted Form-B and Annual Tariff Proposal (Form 14(b)) along with the submission. The increase in domestic maximum tariff rates range from 8% to 117% and that in international maximum tariff increase ranges from 1.5% to 32%

4 Proposal

The Authority after careful consideration of the MYTP for FY 2016-17 to FY 2020-21 and ATP for FY 2016-17 & 2017-18 makes the following proposal for stakeholder consultation:

- 4.1 Ground Handling Service being provided by M/s Bhadra is “not Material and not competitive”. 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.
- 4.2 Allow the continuation of the tariff as on 31st March 2016 in 2016-17.

- 4.3 Consider the Annual Tariff Proposal for 2017-18 for the purpose of determination of tariff for 2017-18. Authority has proposed not to allow any increase in rates effective as on 31.03.2016 and the same will be applicable for TY 2017-18 due to the reason that rates charged by M/s Bhadra from users are much lower than the rates determined by AERA for the 1st control period as effective till 31.03.2016.
- 4.4 The Authority will review the financial performance and other parameters of M/s Bhadra before determining the tariffs for the remaining period of the 2nd Control Period i.e FY.2018-19 to FY. 2020-21.
- 4.5 In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 4 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.

The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, latest by 03.10.2017 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**



A- International Maximum Tariff.

Existing AEREA approved Tariff For 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16				New Purposed Rate For 2016-17 & 2017-18			
ICAO Code			Tariff per Flight in (INR)	ICAO Code			Tariff per Flight in (INR)
[a]- Passenger International Flights				[a]- Passenger International Flights			
Code B				Code B		Upper Limit	24,738
Code B1				Code B1		Upper Limit	36,104
Code C1				Code C1		Upper Limit	51,148
Code C	A320 (Narrow Body)	Upper Limit	125,208	Code C		Upper Limit	127,034
Code D	A300/310 (Wide Body)	Upper Limit	155,100	Code D	A330/310	Upper Limit	216,626
Code E				Code E		Upper Limit	300,870
Code F	747/777 (Wide Body)	Upper Limit	202,100	Code F	747/777 (Wide Body)	Upper Limit	240,696
				Code F		Upper Limit	247,382
[b]- Freighter International Flights				[b]- Freighter International Flights			
Code B		Upper Limit		Code B		Upper Limit	
Code B1		Upper Limit		Code B1		Upper Limit	
Code C1		Upper Limit		Code C1		Upper Limit	48,139
Code C		Upper Limit		Code C		Upper Limit	120,348
Code D		Upper Limit	211,500	Code D		Upper Limit	240,696
Code E		Upper Limit		Code E		Upper Limit	300,870
Code F		Upper Limit		Code F		Upper Limit	247,382

B- Domestic Maximum Tariff.

[a]- Passenger Flights				[a]- Passenger Flights			
Code B				Code B		Upper Limit	19,000
Code B1				Code B1		Upper Limit	19,800
Code C1				Code C1		Upper Limit	41,400
Code C		Upper Limit	45,000	Code C		Upper Limit	63,000
Code D		Upper Limit	54,000	Code D		Upper Limit	117,000
Code E		Upper Limit	99,000	Code E		Upper Limit	171,000
Code F				Code F		Upper Limit	153,000
b- Freighter Flights				b- Freighter Flights			
Code B				Code B		Upper Limit	
Code B1				Code B1		Upper Limit	
Code C1		Upper Limit	21,620	Code C1		Upper Limit	36,000
Code C				Code C		Upper Limit	63,000
Code D	A-310	Upper Limit	74,730	Code D	A-310	Upper Limit	117,000
Code E				Code E		Upper Limit	171,000
Code F				Code F		Upper Limit	126,000

Justification for increase, if any, in Tariff sought

- Due to increasing operational cost over the year which is being proposed to be partially charged in the revised upper limit of prices.
- In view of the various increases in the cost structure and around 40% hike in the central minimum wages act and having impact on other contractual obligations like PF, ESI etc during the last five years and recent major hike in wages.
- During the last five years there had been major increase in almost all other costs.
- Keeping in view the revised policy where the self-handling has also been allowed the scope for the absorption of cost becomes difficult and hence the increase is proposed rate.
- Abnormal increase in the land license fees rates by AAI w.e.f. 01/10/2014 (Copy Attached), where earlier rate of Rs. 2700 p.s.m.p.a. has gone up to Rs. 6300 p.s.m.p.a.



A- International Carriers Maximum Tariff.				B- Domestic Carriers Maximum Tariff.			
New Purposed Rate For 2016-17 & 2017-18				New Purposed Rate For 2016-17 & 2017-18			
ICAO Code	Aircraft Type		Tariff per Flight in (INR)	ICAO Code	Aircraft Type		Tariff per Flight in (INR)
[a]- Passenger International Flights				[a]- Passenger Domestic Flights			
Code B	Single Engine Aircraft, test-int	Upper Limit	24,738	Code B	Single Engine Aircraft, test-int	Upper Limit	19,000
Code B1	Dornier	Upper Limit	36,104	Code B1	Dornier	Upper Limit	19,800
Code C1	EMB 135, ATR 72, EMB 170	Upper Limit	51,148	Code C1	EMB 135, ATR 72, EMB 170	Upper Limit	41,400
Code C	YAK 40, ATR 42, F27, F50, AN 24, ATR 72, AN 26, F28, F70, F100, YAK 42, B717, A318, A319, A320, A321, B727, B737, BBJ, "MD81 to MD 90", DC 9, TU 134A	Upper Limit	127,034	Code C	YAK 40, ATR 42, F27, F50, AN 24, ATR 72, AN 26, F28, F70, F100, YAK 42, B717, A318, A319, A320, A321, B727, B737, BBJ, "MD81 to MD 90", DC 9, TU 134A	Upper Limit	63,000
Code D	B 727-100, B 757, B 767, A 767 F, B-767, A300-600, A-310, A-310-F, B 707, DC 8, DC 10, B 787-300, MD 11, MD 11-F	Upper Limit	216,626	Code D	B 727-100, B 757, B 767, A 767 F, B-767, A300-600, A-310, A-310-F, B 707, DC 8, DC 10, B 787-300, MD 11, MD 11-F	Upper Limit	117,000
Code E	A330-200, A 330-309, B 787-800, A-340, B- 747, B-747SP, B 747-200, B-777, B777-200F, B 787-900, IL 96	Upper Limit	300,870	Code E	A330-200, A 330-309, B 787-800, A-340, B- 747, B-747SP, B 747-200, B-777, B777-200F, B 787-900, IL 96	Upper Limit	171,000
Code F	A 380	Upper Limit	247,382	Code F	A 380	Upper Limit	153,000
[b]- Freighter International Flights				b- Freighter Domestic Flights			
Code B		Upper Limit		Code B		Upper Limit	
Code B1		Upper Limit		Code B1		Upper Limit	
Code C1	EMB 135, ATR 72, EMB 170	Upper Limit	48,139	Code C1	EMB 135, ATR 72, EMB 170	Upper Limit	36,000
Code C	YAK 40, ATR 42, F27, F50, AN 24, ATR 72, AN 26, F28, F70, F100, YAK 42, B717, A318, A319, A320, A321, B727, B737, BBJ, "MD81 to MD 90", DC 9, TU 134A	Upper Limit	120,348	Code C	YAK 40, ATR 42, F27, F50, AN 24, ATR 72, AN 26, F28, F70, F100, YAK 42, B717, A318, A319, A320, A321, B727, B737, BBJ, "MD81 to MD 90", DC 9, TU 134A	Upper Limit	63,000
Code D	B 727-100, B 757, B 767, A 767 F, B-767, A300-600, A-310, A-310-F, B 707, DC 8, DC 10, B 787-300, MD 11, MD 11-F	Upper Limit	240,696	Code D	B 727-100, B 757, B 767, A 767 F, B-767, A300-600, A-310, A-310-F, B 707, DC 8, DC 10, B 787-300, MD 11, MD 11-F	Upper Limit	117,000
Code E	A330-200, A 330-309, B 787-800, A-340, B- 747, B-747SP, B 747-200, B-777, B777-200F, B 787-900, IL 96	Upper Limit	300,870	Code E	A330-200, A 330-309, B 787-800, A-340, B- 747, B-747SP, B 747-200, B-777, B777-200F, B 787-900, IL 96	Upper Limit	171,000
Code F	A 380	Upper Limit	247,382	Code F	A 380	Upper Limit	126,000



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A- NSO's International Flights Maximum Tariff.				B- NSO's Domestic Flights Maximum Tariff.			
New Purposed Rate For 2016-17 & 2017-18				New Purposed Rate For 2016-17 & 2017-18			
ICAO Code	Aircraft Type		Tariff per Flight in (INR)	ICAO Code	Aircraft Type		Tariff per Flight in (INR)
Code B	Single Engine Aircraft, test-int	Upper Limit	30,087	Code B	Single Engine Aircraft, test-int	Upper Limit	29,700
Code B1	Dornier	Upper Limit	42,122	Code B1	Dornier	Upper Limit	21,700
Code C1	EMB 135, ATR 72, EMB 170	Upper Limit	60,174	Code C1	EMB 135, ATR 72, EMB 170	Upper Limit	50,400
Code C	YAK 40, ATR 42, F27, F50, AN 24, ATR 72, AN 26, F28, F70, F100, YAK 42, B717, A318, A319, A320, A321, B727, B737, BBJ, "MD81 to MD 90", DC 9, TU 134A	Upper Limit	150,435	Code C	YAK 40, ATR 42, F27, F50, AN 24, ATR 72, AN 26, F28, F70, F100, YAK 42, B717, A318, A319, A320, A321, B727, B737, BBJ, "MD81 to MD 90", DC 9, TU 134A	Upper Limit	99,000
Code D	B 727-100, B 757, B 767, A 767 F, B-767, A300-600, A-310, A-310-F, B 707, DC 8, DC 10, B 787-300, MD 11, MD 11-F	Upper Limit	240,696	Code D	B 727-100, B 757, B 767, A 767 F, B-767, A300-600, A-310, A-310-F, B 707, DC 8, DC 10, B 787-300, MD 11, MD 11-F	Upper Limit	144,000
Code E	A330-200, A 330-309, B 787-800, A-340, B- 747, B-747SP, B 747-200, B-777, B777-200F, B 787-900, IL 96	Upper Limit	300,870	Code E	A330-200, A 330-309, B 787-800, A-340, B- 747, B-747SP, B 747-200, B-777, B777-200F, B 787-900, IL 96	Upper Limit	198,000
Code F	A 380	Upper Limit	247,382	Code F	A 380	Upper Limit	162,000



[F.No. AERA/20010/MYTP/Bhadra/GH/TVM /2011-12]

Airports Economic Regulatory Authority of IndiaOrder No. 8/2012-13

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

Date of Order: 12th June, 2012Date of Issue: 19th June, 2012

In the matter of Multi Year Tariff Proposal for 1st Control Period submitted by Bhadra International India Ltd., for providing Ground Handling Services at Thiruananthapuram International Airport, Thiruananthapuram.

Bhadra International India Limited (Bhadra), vide their application dated 30.04.2011, and subsequent communications submitted their Multi Year Tariff Proposal (MYTP) for the first control period commencing 01.04.2011, in respect of the tariff for the services provided for ground handling facility at Thiruananthapuram International Airport, Thiruananthapuram. Bhadra also submitted the Annual Tariff Proposal (ATP) for the First Tariff year requesting for approval of the tariff to be applicable from 01.04.2011.

2. Briefly, the facts of the case are as under:-

- (i) Vide the MYTP, Bhadra have sought approval for the tariff for ground handling services for the first control period (period of 5 years commencing 01.04.2011) based on a "light touch approach" as specified in Chapter V of 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 (the Guidelines). Bhadra further sought approval for rates w.e.f. 01.04.2011, on the basis of user consultation as contained in the ATP.
- (ii) As stipulated in the Guidelines, the Authority follows 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.
- (iii) The ground handling service at Thiruananthapuram International Airport, Thiruananthapuram has a materiality index of 5.9%, which is greater than 5% materiality Index fixed for the subject service, hence the service is deemed as "material", in terms of Clause 4.3 of the Guidelines.



- (iv) As per the information furnished by Bhadra in Form F1 (b), on the Competition Assessment, following service provider is rendering similar service at Thiruananthapuram International Airport:
 - (i) M/s Air India SATS;
- (v) The Guidelines provide that where a regulated service is being provided at a major airport by two or more service providers(s), it shall be deemed 'competitive' at that airport. In the instant case with the total number of ground handling services providers being two, the service merits to be deemed as 'material but competitive.'
- (vi) It was observed that as the ground handling services at Thiruananthapuram International Airport, Thiruananthapuram being provided by Bhadra is "material but competitive", it may be regulated under light touch approach for tariff determination.
- (vii) 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) 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.
- (viii) Bhadra had submitted the MYTP for ground handling services provided by them in respect of Thiruananthapuram International Airport, Thiruananthapuram as per the timelines prescribed in the Guidelines.

3.1 The Authority, vide Consultation Paper No. 28/2011-12, dated 09.11.2011, proposed for stakeholder Consultation that the ground handling services provided by Bhadra at Thiruananthapuram International Airport, Thiruananthapuram is "material but competitive" 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 was 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 ATP, as submitted by Bhadra, 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 above, comments were received from M/s Deccan Charters Limited, who, inter-alia, pointed out that the rates for certain categories of aircraft had not been indicated by Bhadra in their MYTP and the rates did not include Ground Power Unit (GPU) charges, which are extra.



4.1 The Authority, considered the MYTP, ATP and the comments of stakeholders in response to the Consultation Paper No. 28/2011-12 and observed that the Ground Handling services at Thiruvananthapuram International Airport, Thiruvananthapuram is "material but competitive" and hence Bhadra was not the sole Ground Handling service provider at the Airport. However, the Authority also noted that as pointed out by Deccan Charters Limited, Bhadra had not indicated rates for certain categories of aircrafts etc.

4.2 The matter was further considered by the Authority and it was observed that:-

- (a) Air India/NACIL is also providing ground handling services at the Airport hence the ground handling services provided by Bhadra is competitive and the Authority may adopt a light touch approach for determination of tariff for the 1st control period. Regarding the quantum of revenue share payable by Bhadra to AAI, the Authority observed that this issue is outside the purview of Authority and Deccan may take up with the concerned authority i.e. AAI if deemed fit.
- (b) GPU charge is a separate charge levied as and when the service is available by the Airlines as per copies of standard Ground handling agreements submitted by Bhadra and other ground handlers.
- (c) The GPU charges have not been determined separately for the other ground handlers such as AISATS, Indo Thai etc. There was no indication in their tariff proposals that these charges were included in the ground handling charges as determined by Authority as a package.
- (d) However, GPU is a service that forms part of ground handling service and Bhadra has not submitted the rates for the same, as has been pointed out by the Deccan.

5. In view of the above observations, it was decided that point wise clarification/comments and tariff for GPU service be called for from Bhadra, for inclusion in the tariff card.

6. Accordingly, the comments/clarifications and tariff rates in respect of GPU were called for from Bhadra, in response to which Bhadra submitted the following rates vide its letter dated 28.05.2012:

Equipment	Rate/hr-contracted Airline*	Rate/hr-casual Airline*
GPU -140 KVA	Rs.7,909/hr	Rs.9,490/hr
GPU-90 KVA	Rs.6,590/hr	Rs.7,909/hr

*Service tax extra as applicable

The submission by Bhadra were further considered by the Authority and it was observed that the services for ground handling being material but competitive, light touch approach may be adopted for determination of tariffs for the 1st Control Period and accordingly, the tariffs for 1st tariff year as proposed by Bhadra may be approved w.e.f. 01.04.2011.



ORDER:

Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

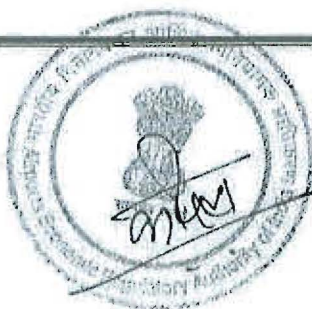
- (i) The service for ground handling services being provided by Bhadra at Thiruananthapuram International Airport, Thiruananthapuram is "material but competitive". Hence, the Authority will adopt a "light touch approach" for tariff determination for the 1st Control period w.e.f. 01.04.2011.
- (ii) The tariff for the ground handling services provided by Bhadra at Thiruananthapuram International Airport, Thiruananthapuram 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

M/s Bhadra International India Limited,
B-4/62, Safdarjung Enclave,
New Delhi – 110 029
(Through: Shri Prem Bajaj, Managing Director)



Annexure -I**Bhadra International India Limited****Station Name: Thiruananthapuram International Airport,
Thiruananthapuram**

Tariff Heading	Conditions of Tariff
A-International	Maximum Tariff per Flight in (INR)
a-Passenger Flights	
A320(Narrow Body)Upper Limit	1,25,208
A320(Narrow Body)Lower Limit	83,472
A300/310 Upper Limit	1,55,100
A300/310 Lower Limit	1,36,300
Wide Body(747/777)Lower Limit	1,73,900
Wide Body(747/777)Upper Limit	2,02,100
b-Freighter	
Freighter Lower Limit	1,55,100
Freighter Upper Limit	2,11,500
B-Domestic	
a- Passenger Flights	
Learjet, Jetstream, DH6, C560	12,600
YAK40, CL60, F50, F27, F28, C750, AN24, ATR42, ATR72, HS748, HS125, DA90, G-2 to GB, TU124, TU134, CRJ, EM4, CV580, BAC111, BE2	20,250
AN8, AN12, B737-100/200, IL18, DC9, MD82, F70, F100	36,000
A320, A321, B727, B737-500 to 800, C130, MD 83/87/88/90, TU154, TU104	45,000
B757, TU204, B707, C106	45,000
A310, A300, A330, B767, II62, IL76, DC8, 787-3	54,000
A340, B777, DC10, IL86, IL96, MD11, L1011, B747, AN124	99,000
b-Freighter	
Freighter A310	74,730
Freighter ATR	21,620

GPU Charges as and when requested by airline

Equipment	Rate/hr-contracted Airline	Rate/hr - casual Airline
Ground Power Unit - 140 KVA	Rs. 7,909/hr	Rs. 9,409/hr
Ground Power Unit - 90 KVA	Rs. 6,590/hr	Rs. 7,909/hr



TARIFF COMPARISON-EXISTING VS PROPOSED

Existing				Proposed:2016-17 & 2017-18				
ICAO Code	Aircraft type	Limit	Tariff Per flight (in INR)	ICAO Code	Aircraft type	Limit	Tariff Per flight (in INR)	% Increase/ (decrease)
International Maximum Tariff								
(a) Passenger International Flights				(a) Passenger International Flights				
Code B				Code B		Upper limit	24738	
Code B1				Code B1		Upper limit	36104	
Code C1				Code C1		Upper limit	51148	
Code C	A320 (Narrow Body)	Upper limit	1,25,208	Code C		Upper limit	127034	1.5%
Code D				Code D		Upper limit	216626	
Code D	A300/310 (Wide Body)	Upper limit	1,55,100	Code D	A300/310	Upper limit	204592	31.9%
Code E				Code E		Upper limit	300870	
Code E	747/777 (Wide Body)	Upper limit	2,02,100	Code E	747/777 (Wide Body)	Upper limit	240696	19.1%
Code F				Code F		Upper limit	247382	
(b) Freight International Flights				(b) Freight International Flights				
Code B		Upper limit		Code B		Upper limit		
Code B1		Upper limit		Code B1		Upper limit		
Code C1		Upper limit		Code C1		Upper limit	48139	
Code C		Upper limit		Code C		Upper limit	120348	
Code D		Upper limit	2,11,500	Code D		Upper limit	240696	13.8%
Code E		Upper limit		Code E		Upper limit	300870	
Code F		Upper limit		Code F		Upper limit	247382	
Domestic Maximum Tariff								
(a) Passenger International Flights				(a) Passenger International Flights				
Code B				Code B		Upper limit	19000	
Code B1				Code B1		Upper limit	19800	
Code C1				Code C1		Upper limit	41400	
Code C		Upper limit	45,000	Code C		Upper limit	63000	40.0%
Code D		Upper limit	54,000	Code D		Upper limit	117000	116.7%
Code E		Upper limit	99,000	Code E		Upper limit	171000	72.7%
Code F				Code F		Upper limit	153000	
(b) Freight International Flights				(b) Freight International Flights				
Code B				Code B		Upper limit		
Code B1				Code B1		Upper limit		
Code C1		Upper limit	21,620	Code C1		Upper limit	36000	66.5%
Code C				Code C		Upper limit	63000	
Code D				Code D		Upper limit	117000	
Code D	A-310	Upper limit	74,730	Code D	A-310	Upper limit	81000	8.4%
Code E				Code E		Upper limit	171000	
Code F				Code F		Upper limit	126000	

EXISTING TARIFF COMPARISON-M/S BHADRA VS M/S AIATSL						
Particulars	BHADRA		AIATSL		% variation (International) (Bhadra vs AIATSL)	% variation (Domestic) (Bhadra vs AIATSL)
	Scheduled International	Scheduled Domestic	Scheduled International	Scheduled Domestic		
A-Single Engine Aircraft	-	-	-	38,700	-	-
B-ATR/Embraer/CRJ	-	-	50,000	46,500	-	-
C-A319/A320/A321/B737	1,25,208	45,000	1,04,000	94,750	20.39	(52.51)
D-A300/A310/B767	1,55,100	54,000	1,45,600	1,32,600	6.52	(59.28)
E-A330/B787/B777	2,02,100	54,000	1,82,000	1,65,800	11.04	(67.43)
F-A340/B747	2,02,100	99,000	2,18,400	1,90,000	(7.46)	(47.89)
G-A380	-	-	2,62,000	-	-	-

COMPARATIVE STATEMENT OF ACS FOR THE TARIFF YEAR 1 TO 5

(TOTAL REVENUE-TOTAL COST)

(Refer AI.9 of the Guidelines and Form No. 16)

THIRUVANANTHAPURAM

Rs. In Crs.

Sl No.	Performance Report for the years	2011-12	2012-13	2013-14	2014-15	2015-16
1	Regulated revenue :	2.7520	5.6398	6.8178	8.9052	11.6095
2	Regulated Services-Ground Handling	2.7520	5.6398	6.8178	8.9052	11.6073
3	-Cargo Handling	0.0000	0.0000	0.0000	0.0000	0.0022
4	Other than Regulated Services	0.0760	0.1713	0.1379	0.1217	0.1917
5	Total Revenue {(1)+(4)}	2.8280	5.8111	6.9557	9.0269	11.8013
	Expenditure:					
6	Operating Expenditure	3.8164	6.8460	8.1398	9.7765	12.1872
7	Finance Cost	2.4440	3.7069	3.3822	3.6250	3.4736
8	Depreciation	1.1834	2.4440	2.5661	2.6658	3.0710
9	Total Expenditure{(6)+(7)+(8)}	7.4438	12.9969	14.0882	16.0673	18.7318
10	Regulatory Operating Profit {(5)-(9)}	-4.6158	-7.1858	-7.1325	-7.0404	-6.9305
11	Capital Expenditure	25.9850	0.0000	0.0054	0.5080	0.1075
12	Opening RAB	0.0000	0.0000	0.0000	20.1230	17.9574
13	Disposals /Transfers	0.0000	0.0000	0.0000	0.0077	0.0000
14	Depreciation	1.1834	2.4440	2.5661	2.6658	3.0710
15	Closing RAB {(11+12-13-14)}	24.8016	-2.4440	-2.5607	17.9574	14.9939
16	Average RAB{(12+15)/2}	12.4008	-1.2220	-1.2804	19.0402	16.4757
17	Return on Average RAB {(10)/(16)}	-0.3722	5.8804	5.5706	-0.3698	-0.4207
18	Total Volume	388	754	835	1,189	1,732
	Actual Yield Per Unit {(1)/(18)}	70928	74798	81651	74897	67030

Note: Details of disposal/transfers have not been provided by M/s Bhadra for years 2011-12 to 2013-14. Hence the comparison has been done assuming NIL disposal/transfer during the years 2011-12 to 2013-14.

Additional Information (As per Audited Consolidated Profit & Loss Account):

Rs Crs

Particulars	Financial Year		
	2013-14	2014-15	2015-16
Revenue:			
Revenue from Operations	106.51	123.00	154.01
Other Income	2.15	1.68	2.54
Total Revenue (i)	108.66	124.68	156.55
Expenses:			
Employee benefit expenses	47.51	56.35	65.46
Other expenses	65.09	75.28	87.24
Total Expenses (ii)	112.60	131.63	152.70
Earnings before interest depreciation & Amortisation {(i)-(ii)}=(iii)	-3.94	-6.96	3.85
Depreciation & Amortisation expense (iv)	27.03	28.60	32.88
Finance Cost (v)	36.40	39.45	37.57
Profit before tax (PBT){(iii)-(iv)-(v)}=(vi)	-67.37	-75.00	-66.60
Tax Expenses (vii)			
Current Tax	-	-	-
Deferred tax expense/(credit)	-	-	-
Profit after tax (PAT) {(vi)-(vii)}	-67.37	-75.00	-66.60
ACS data for other stations (For the purpose of reconciliation):			
Total Revenue-Calicut	12.24	12.23	10.31
Total Revenue-Kolkata	11.41	14.82	24.39
Total Revenue-Chennai	74.66	79.83	96.01
Total Revenue-Other Airports	3.38	8.77	14.04
Total Operating Expenditure-Calicut	10.34	10.36	9.57
Total Operating Expenditure-Kolkata	15.63	18.87	24.81
Total Operating Expenditure-Chennai	74.11	84.79	95.46
Total Operating Expenditure-Other airports	4.37	7.83	10.68
Total Depreciation-Calicut	3.12	3.31	3.70
Total Depreciation-Kolkata	5.45	5.72	6.78
Total Depreciation-Chennai	13.46	14.30	15.96
Total Depreciation-Other Airports	2.44	2.61	3.37
Total Finance Cost-Calicut	4.19	4.52	4.14
Total Finance Cost-Kolkata	7.10	7.69	7.64
Total Finance Cost-Chennai	18.57	20.07	18.50
Total Finance Cost-Other airports	3.14	3.55	3.82
Reconciliation (ACS Revenue Vs Audited Financial Statement Revenue)	-0.01	0.00	0.00
Reconciliation (ACS Expenditure Vs Audited Financial Statement Expenditure)	0.01	0.00	(0.00)
Reconciliation (ACS Depreciation Vs Audited Financial Statement Depreciation)	0.00	(0.00)	(0.00)
Reconciliation (ACS Finance Cost Vs Audited Financial Statement Finance Cost)	0.01	0.00	(0.00)

Bhadra International (India) Private Limited
Balance sheet as at 31 March 2016
(Amount in Indian rupees unless stated otherwise)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	598,588,100	598,588,100
Reserves and surplus	4	(2,591,206,859) (1,992,618,759)	(1,925,240,446) (1,326,652,346)
Non-current liabilities			
Long-term borrowings	5	2,762,909,530	3,145,109,240
Long-term provisions	6	36,130,127 2,799,039,657	32,764,178 3,177,873,418
Current liabilities			
Short-term borrowings	7	194,632,082	160,228,931
Trade payables			
a) Total outstanding dues to micro enterprises and small enterprises	8	680,296	-
b) Total outstanding dues to parties other than micro enterprises and small enterprises	8	1,004,921,169	558,870,215
Other current liabilities	9	893,888,915	633,708,054
Short-term provisions	10	9,581,843 2,103,704,305	3,113,296 1,355,920,496
TOTAL		2,910,125,203	3,207,141,568
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,619,994,484	1,881,690,547
Intangible assets	11	37,494	60,962,234
Long-term loans and advances	12	728,603,039	779,774,241
Other non-current assets	13	86,875,126 2,435,510,143	88,696,505 2,811,123,527
Current assets			
Inventories	14	1,743,077	1,930,208
Trade receivables	15	242,282,395	233,392,834
Cash and bank balances	16	63,940,850	41,930,276
Short-term loans and advances	17	159,908,756	111,976,374
Other current assets	18	6,739,982 474,615,060	6,788,349 396,018,041
TOTAL		2,910,125,203	3,207,141,568

Significant accounting policies

1-2

The notes referred above form an integral part of the financial statements


As per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
Firm registration number: 116231 W/V-100024


Rakesh Dewan
Partner
Membership no. 092212
Place: Gurgaon
Date: 29 September 2016

For and on behalf of the Board of Directors of
Bhadra International (India) Private Limited


Prem Bajaj
Chairman and Managing Director
DIN 00770351
Place: New Delhi
Date: 29 September 2016


Vijay Bajaj
Director
DIN 01113831
Place: New Delhi
Date: 29 September 2016


Vinod Mahajan
Chief Financial Officer
Place: New Delhi
Date: 29 September 2016


Vinodh Migra
Company Secretary
Place: New Delhi
Date: 29 September 2016

Trivandrum

Bhadra International (India) Private Limited
Statement of Profit and Loss for the year ended 31 March 2016
(Amount in Indian Rupees unless stated otherwise)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue			
Revenue from operations			
Sale of services	19	1,540,105,615	1,229,950,495
Other income	20	25,434,126	16,805,727
Total Revenue		1,565,539,741	1,246,756,222
Expenses			
Employee benefits	21	654,597,507	571,623,875
Finance costs	22	375,709,635	383,207,154
Depreciation and amortisation	11	328,780,807	285,992,395
Other expenses	23	872,418,205	755,963,759
Total expenses		2,231,506,154	1,996,787,183
Loss before tax		(665,966,413)	(750,030,961)
Tax expense			
Loss for the year		(665,966,413)	(750,030,961)
Basic earnings/(loss) per share of Rs. 10 each	31	(18.06)	(20.34)
Significant accounting policies	1 - 2		


The notes referred above form an integral part of the financial statements

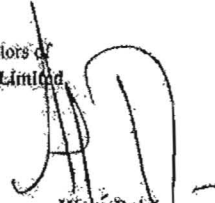
As per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 116231W/W-100024


Rakesh Deivan
Partner
Membership No. 092212
Place: Gurgaon
Date: 29 September 2016

For and on behalf of the Board of Directors of
Bhadra International (India) Private Limited


Prem Bajaj
Chairman and Managing Director
DIN 00770351
Place: New Delhi
Date: 29 September 2016


Himy Bajaj
Director
DIN 01113831
Place: New Delhi
Date: 29 September 2016


Vipul Mahajan
Chief Finance Officer
Place: New Delhi
Date: 29 September 2016


Vikash Misra
Company Secretary
Place: New Delhi
Date: 29 September 2016

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Bhadra International (India) Private Limited
Cash flow statement for the year ended 31 March 2016
(Amount in Indian Rupees unless stated otherwise)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Loss for the year before tax	(665,966,413)	(750,030,961)
Adjustments for:		
Depreciation and amortisation	328,780,807	285,992,396
Interest income	(14,342,526)	(15,336,405)
Unrealised foreign exchange (gain)/ loss	1,494,602	(302,511)
Interest paid	375,709,635	333,207,154
Provision for doubtful debts	175,608	-
Bad debt written off	18,670	77,169
Provision for wealth tax	-	332,023
Miscellaneous expenditure written off	-	8,770,000
Liability no longer required written back	(424,186)	(94,865)
Loss on sale of fixed assets	-	42,430
Operating cash flow before working capital changes	25,446,197	(87,343,570)
(Increase)/Decrease in trade receivables	(9,811,450)	(47,386,755)
(Increase)/Decrease in loans and advances	70,778,594	170,129,493
(Increase)/Decrease in other current assets	784,073	(784,073)
(Increase)/Decrease in inventory	187,131	(754,733)
Increase/(Decrease) in trade payables	147,192,084	269,388,009
Increase/(Decrease) in other current liabilities	98,179,470	134,848,969
Increase / (Decrease) in other long term liabilities	-	(17,135,674)
Increase/(Decrease) in provisions	10,166,519	13,764,366
Cash generated from operations	642,922,618	434,926,032
Income tax paid	(75,182,526)	(57,531,066)
Wealth tax paid	(332,023)	(156,266)
Net cash generated from operating activities	667,408,069	377,238,700
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(6,775,253)	(51,486,052)
Fixed deposits with banks	(1,506,363)	(4,985,604)
Interest received on fixed deposits	2,428,085	4,809,073
Interest received on loan to related party	8,733,743	570,629
Repayment of loan from related party	7,642,752	5,221,323
Net cash generated/(used) in investing activities	7,522,964	(45,864,634)
C. Cash flow from financing activities		
Proceeds/(Repayment) of short term borrowings (net)	34,403,151	55,903,746
Proceeds/(Repayment) of term loan from bank	(224,040,160)	(106,831,793)
Proceeds from issue of debentures	-	35,000,000
Interest paid	(172,052,532)	(314,981,264)
Net cash used in financing activities	(561,689,541)	(330,909,311)
Net increase in cash and cash equivalents (A+B+C)	13,241,492	404,755
Cash and cash equivalents at the beginning of the year	29,488,558	29,006,893
Less: Effect of exchange rate exchange in closing balances of Cash and cash equivalents	(3,652)	16,910
Cash and cash equivalents at the end of the year (refer notes below)	42,726,398	29,488,558
Notes to cash flow statements		
1. Components of cash and cash equivalents:		
Cash on hand	523,694	1,711,284
Balance with banks	-	-
on current accounts	42,202,704	27,777,274
Cash and cash equivalents at the end of the year	42,726,398	29,488,558

2. The notes referred above form an integral part of the financial statements


As per our report of even date attached

For DSR & Associates LLP
Chartered Accountants
ICAI Firm Registration number: T16231W/W-100024


Rakesh Dewan
Partner
Membership No. 092212
Place: Gurugram
Date: 29 September 2016

For and on behalf of the Board of Directors of
Bhadra International (India) Private Limited


Prem Bhas
Chairman and Managing Director
DIN 00770351
Place: New Delhi
Date: 29 September 2016


Hiyaw Bhas
Director
DIN 01113831
Place: New Delhi
Date: 29 September 2016


Vipul Malhotra
Chief Finance Officer
Place: New Delhi
Date: 29 September 2016


Vikash Mishra
Company Secretary
Place: New Delhi
Date: 29 September 2016

3	Share Capital	As at 31 March 2016	As at 31 March 2015
	Authorised		
	37,000,000 (Previous year 37,000,000) Equity shares of Rs. 10 each	370,000,000	370,000,000
	53,000,000 (Previous year 53,000,000) Zero Percent Compulsorily Convertible Preference Shares (CCPS) of Rs 10 each	530,000,000	530,000,000
		<u>900,000,000</u>	<u>900,000,000</u>
	Issued, subscribed and fully paid up		
	36,880,320 (Previous year 36,880,320) Equity shares of Rs 10 each fully paid up	368,803,200	368,803,200
	22,978,490 (Previous year 22,978,490) Zero Percent Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each fully paid up	229,784,900	229,784,900
		<u>598,588,100</u>	<u>598,588,100</u>

3 (A) Reconciliation of shares outstanding at the beginning of the year and at the end of the reporting period

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement and at the end of the year	<u>36,880,320</u>	<u>368,803,200</u>	<u>36,880,320</u>	<u>368,803,200</u>
Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each				
At the commencement and at the end of the year	<u>22,978,490</u>	<u>229,784,900</u>	<u>22,978,490</u>	<u>229,784,900</u>

Rights, preferences and restrictions attached to Equity shares

The company has equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of the equity shares held by the shareholders.

Rights, preferences and restrictions attached to Preference shares

The Company has Compulsorily Convertible Preference Shares (CCPS) having par value of Rs. 10 each.

(i) The CCPS shall carry a right to a preference dividend of 0% (zero) per annum in relation to the capital paid-up on them.

(ii) In the case of liquidation, the holders of the CCPS shall be entitled to a preferential right of return as agreed in the Shareholders' agreement of the amount paid-up or deemed to have been paid-up. The remaining assets and funds of the Company available for distribution to shareholders shall be distributed among the holders of equity shares and the balance among all holders of CCPS and equity shares based on the number of equity shares held by each of them.

The CCPS shall be compulsorily convertible. Each CCPS shall be converted into equity shares of the Company at the following price:

(a) 8,311,823 CCPS issued in the FY 2010-11 shall be converted in to equity shares at a price of Rs. 11.53 per share

(b) 14,666,667 CCPS issued in the FY 2012-13 shall be converted in to equity shares at a price range of Rs. 15 to Rs. 80 per share.

The CCPS shall be converted into equity shares on the occurrence of the following events and on the terms set out in the Shareholders' Agreement (SHA):

(a) Expiry of five years and six months from the first closing date;

(b) A liquidity event as per the terms of the SHA; or

(c) An event of default as per the terms of the SHA;

(iii) The Conversion of CCPS in to equity shares shall enable the investors to achieve the percentage of shareholding as agreed in the Shareholders' agreement.

(b) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(c) Details of shareholders holding more than 5% shares of the Company:

Equity shares:

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
Mr. Prem Bajaj*	23,049,600	62.49%	23,049,600	62.49%
GPC Mauritius IX LLC	13,830,720	37.50%	13,830,720	37.50%
	<u>36,879,720</u>	<u>100%</u>	<u>36,879,720</u>	<u>100%</u>

Zero Percent Compulsorily Convertible Preference Shares

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
GPC Mauritius IX LLC	22,978,490	100%	22,978,490	100%

* These shares are pledged in favour of the lenders for borrowings obtained by the Company.



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4	Reserves and surplus	As at 31 March 2016	As at 31 March 2015
	Securities premium		
	At the commencement and end of the year	601,913,900	601,913,900
		<u>601,913,900</u>	<u>601,913,900</u>
	Surplus/(Loss) - Profit and Loss Balance		
	At the commencement of the year	(2,527,154,346)	(1,777,079,385)
	Add: Loss for the year	(605,966,413)	(750,030,961)
	Add: TDS of earlier year written off	-	(44,000)
	At the end of the year	<u>(3,133,120,759)</u>	<u>(2,527,154,346)</u>
		<u>(2,591,206,859)</u>	<u>(1,925,240,446)</u>
5	Long-term borrowings	As at 31 March 2016	As at 31 March 2015
	Term loans from banks (secured)*	3,024,108,330	3,248,148,490
	18,780,000 (Previous year 7,780,000) 0% Fully Compulsory Convertible Debentures (FCCD) of Rs. 10 each (unsecured) **	187,800,000	177,800,000
	Application money for allotment of Nil (Previous year 1,000,000) 0% Fully Compulsory Convertible Debentures (FCCD) of Rs. 10 each	-	10,000,000
		<u>3,211,908,330</u>	<u>3,435,948,490</u>
	Less: Current maturities of long-term borrowings		
	- Term loans from banks	448,998,800	290,839,250
	(Amount disclosed under "other current liabilities")		
		<u>2,762,909,530</u>	<u>3,145,109,240</u>

* The Company had restructured its outstanding loans by implementation of a restructuring scheme effective from 1st September 2012 (cut off date). After restructuring, the Company has the following types of loans- Restructured term loan (RTL), Working capital term loan (WCTL), Funded Interest term loan (FITL) and a New term loan (New TL).

a) Term Loans (TL) and Working capital term loan (WCTL) are to be repaid in 32 quarterly graded installments after a moratorium of 22 months from cut off date, commencing from September 2014 with last installments due in June 2022. The outstanding loan amount of TL and WCTL as at 31 March 2016 is Rs. 2,565,201,330 (Previous year Rs. 2,711,184,300). The interest rate on restructured Term Loans and WCTL is charged at base rate + 75 basis points (PNB's base rate) with a minimum of 11% p.a. Interest rate to be reset after every 2 years. There were default/delays in repayment of principal of Rs. 41,709,420 (Previous year Rs. 34,757,850) and in interest payment of Rs. 73,749,102 (Previous year Rs. 72,855,585) as on reporting date. However, the same has been cleared/made good on or before 30 June 2016.

b) The future interest payable on all existing term loans including WCTL for 19 months from cut off date i.e. till March 2014 has also been converted into Funded Interest term loan (FITL) and is repayable in 17 graded quarterly installments commencing from June 2014 with last instalment due in June 2018. The outstanding loan amount of FITL as at 31 March 2016 is Rs. 357,504,000. (Previous year Rs. 429,864,000). Interest rate on FITL is to be charged at base rate of PNB with minimum of 10.25% p.a. with interest reset after 2 years. There were default/delays in repayment of principal of Rs. 18,816,000 (Previous year Rs. 14,112,000) and in interest payment of Rs. 9,854,099 (Previous year Rs. 8,085,515) as on reporting date. However, the same has been cleared/made good on or before 30 June 2016.

c) The new term loan (New TL) is repayable in 32 quarterly installments commencing from September 2014 with the last instalment due in June 2022. The outstanding loan amount of new TL as at 31 March 2016 is Rs. 101,875,000 (Previous year Rs. 107,250,000). Interest rate on new term loan is to be charged at base rate + 1.75% with a minimum of 12% p.a. with interest reset after 2 years. There were default/delays in repayment of principal of Rs. 1,650,000 (Previous year Rs. 1,375,000) and in interest payment of Rs. 2,912,063 (Previous year Rs. 423,150) as on reporting date. However, the same has been cleared/made good on or before 30 June 2016.

Securities

The above credit facilities have been financed by consortium of banks consisting of M/s Punjab national bank, M/s UCO bank and M/s Allahabad bank. The term loans are secured against:

a) First part passu charge by way of hypothecation of all moveable plant and machinery, machinery spares, electrical fittings, tools and accessories, furniture, fixtures and all other moveable assets, present and future on part passu basis with other term lenders.

b) Second charge on entire current assets of the company subject to first charge in favour of working capital lenders.

c) Assignment of contracts, agreements, debtors and other money payable to the company due from various airlines and airport authorities.

They are also secured by the first/second part passu charge upon collateral security of the properties in the name of its related party, promoters and relatives of the promoters. They are further secured by personal guarantees of 2 directors: 1 member and a corporate guarantee of its related party. The promoter's have also pledged their entire share holding in favour of the lenders.

** These FCCD's are compulsorily convertible and carry interest of 0% per annum. Each FCCD's shall be converted into equity shares of the Company as per the terms given in the transaction documents, upon the occurrence of the following events and on the terms set out in the shareholders agreement:

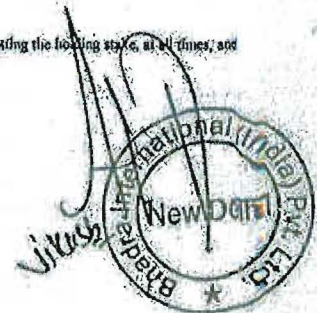
- 20 years from the date of subscription by the promoters of FCCD's, in accordance with terms of the shareholders' agreement (SHA).
- Liquidity event as per the terms of the shareholders' agreement.
- An event of default, as per the terms of the shareholders' agreement; or.
- Any other event, subject to the prior investor consent.

The FCCD's shall be converted into equity shares of the Company, in such manner that the conversion will result in the promoters getting the holding stake, at all times, and as per the agreed valuation.



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Bhakra International (India) Private Limited
Notes to the financial statements for the year ended 31 March 2016
(Amount in Indian rupees unless stated otherwise)

6	Long-term provisions	As at 31 March 2016	As at 31 March 2015
	Provision for employee benefits		
	Gratuity (Refer to note 34)	24,658,975	21,822,166
	Compensated absences	11,471,152	10,942,012
		<u>36,130,127</u>	<u>32,764,178</u>

7	Short-term borrowings	As at 31 March 2016	As at 31 March 2015
	<u>Secured</u>		
	Loans repayable on demand		
	Cash credit from banks		
	UCO bank	19,112,345	19,391,133
	Punjab national bank	60,262,292	47,705,350
	Allahabad bank	115,255,445	93,132,448
		<u>194,632,082</u>	<u>160,228,931</u>

Cash credit has been financed by consortium of banks consisting of Punjab National Bank (PNB), UCO bank and Allahabad bank. After the implementation of restructuring scheme effective from 1 September 2012, the interest rate on restructured cash credit limits is to be charged at base rate + 75 bp with a minimum of 11% p.a. (linked to Base rate of PNB). The same are secured against first charge by way of hypothecation of entire book debts stock of the Company and all other current assets of the Company on pari passu basis and extension of hypothecation charge on all fixed assets of the Company. It is further secured by the other securities as specified in Note 5.

8	Trade payables	As at 31 March 2016	As at 31 March 2015
	- Total outstanding dues to micro and small enterprises (Refer to note 28)	680,296	-
	- Total outstanding dues to parties other than micro and small enterprises	1,004,921,169	558,870,215
	Total	<u>1,005,601,465</u>	<u>558,870,215</u>

9	Other current liabilities	As at 31 March 2016	As at 31 March 2015
	Current liabilities of long-term borrowings*	448,998,800	290,879,250
	Interest accrued but not due on borrowings	131,674	184,109
	Interest accrued and due on borrowings	86,565,263	82,895,725
	Capital creditors	5,432,074	6,047,323
	Security deposits payable	17,067,462	15,923,005
	Advance received for insurance claims	20,000,000	-
	Advance from customers	582,897	497,606
	Employee related payables	55,189,287	58,751,189
	Statutory dues payable:		
	Tax deducted at source	75,043,608	36,268,270
	Service tax	124,042,003	95,098,253
	Employee provident fund	49,103,403	48,188,954
	Employees state insurance	10,931,647	4,973,866
	Welfare fund	18,200	24,520
	Professional tax	342,657	48,896
	Custom duty	-	13,067,894
		<u>893,888,915</u>	<u>633,708,054</u>

*Includes principal over due amounting to Rs. 61,175,420 (Previous year Rs. 50,244,850)

10	Short-term provisions	As at 31 March 2016	As at 31 March 2015
	Provision for employee benefits		
	Gratuity (Refer to note 34)	2,494,191	590,671
	Compensated absences	6,087,652	2,190,600
	Other provisions		
	Provision for wealth tax	-	332,023
		<u>8,581,843</u>	<u>3,113,294</u>



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Bhadra International (India) Private Limited
Notes to the financial statements for the year ended 31 March 2016
(Amount in Indian Rupees unless stated otherwise)

11 Fixed assets

	Gross block				Depreciation and amortisation				Net block
	Balance as at 1 April 2015	Additions	Disposals/ Adjustments	Balance as at 31 March 2016	Balance as at 1 April 2015	For the year	On disposals/ adjustments	Balance as at 31 March 2016	Balance as at 31 March 2016
Tangible Assets									
Building (leasehold improvement)	271,803,099	393,750	-	272,196,849	69,058,792	25,816,350	-	94,874,942	177,321,907
Plant and equipments	2,358,619,725	4,547,451	-	2,363,167,176	765,591,424	224,487,464	-	990,078,888	1,373,088,288
Electrical installation	7,071,496	-	-	7,071,496	1,109,418	716,166	-	1,825,584	5,245,912
Furniture and fixtures	36,112,772	383,390	-	36,496,162	10,197,387	3,408,188	-	13,605,575	22,890,587
Vehicles	49,413,811	-	-	49,413,811	11,072,582	6,089,849	-	17,162,531	32,251,280
Office equipment	12,661,860	456,273	-	13,118,133	3,845,485	2,969,010	-	6,814,495	6,303,638
Computers	17,845,073	379,140	-	18,224,163	10,962,051	4,369,240	-	15,331,291	2,892,872
Total	2,753,527,786	6,160,004	-	2,759,687,790	871,837,239	267,256,067	-	1,139,093,306	1,619,994,484
Intangible Assets									
Computer software	104,467,983	-	-	104,467,983	43,549,965	60,918,018	-	104,467,983	-
Trade mark	52,500	-	-	52,500	8,284	6,722	-	15,006	37,494
Total	104,520,483	-	-	104,520,483	43,558,249	60,924,740	-	104,482,989	37,494
Grand Total	2,858,048,269	6,160,004	-	2,864,208,273	915,395,488	328,280,807	-	1,244,176,295	1,620,031,978

	Gross block				Depreciation and amortisation				Net block
	Balance as at 1 April 2014	Additions	Disposals/ Adjustments	Balance as at 31 March 2015	Balance as at 1 April 2014	For the year	On disposals/ adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015
Tangible Assets									
Building (leasehold improvement)	249,074,390	22,728,709	-	271,803,099	44,625,341	24,433,451	-	69,058,792	202,744,307
Plant and equipments	2,339,184,345	19,435,380	-	2,358,619,725	541,876,269	225,715,155	-	765,591,424	1,593,028,301
Electrical installation	7,071,496	-	-	7,071,496	393,252	716,166	-	1,109,418	5,962,078
Furniture and fixtures	33,905,142	2,207,630	-	36,112,772	6,629,942	3,567,445	-	10,197,387	25,915,385
Vehicles	26,481,030	23,866,177	933,306	49,413,811	5,122,211	6,067,364	106,893	11,072,682	38,341,129
Office equipment	10,967,874	1,693,986	-	12,661,860	961,554	2,833,931	-	3,845,485	8,816,375
Computers	17,116,573	728,450	-	17,845,023	3,760,247	7,201,804	-	10,962,051	6,882,972
Total	2,683,800,850	70,660,332	933,396	2,753,527,786	603,268,816	268,275,316	106,893	871,837,239	1,881,690,547
Intangible Assets									
Computer software	104,467,983	-	-	104,467,983	26,139,607	17,410,358	-	43,549,965	60,918,018
Trade mark	52,500	-	-	52,500	1,562	6,722	-	8,284	44,216
Total	104,520,483	-	-	104,520,483	26,141,169	37,417,080	-	43,558,249	60,962,234
Grand Total	2,788,321,333	70,660,332	933,396	2,858,048,269	629,309,985	285,992,396	106,893	915,395,488	1,942,652,781



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Indira International (India) Private Limited
Notes to the financial statements for the year ended 31 March 2016
(Amount in Indian rupees unless stated otherwise)

12 Long-term loans and advances
(Unsecured, considered good, unless otherwise stated)

To parties other than related parties

Capital advances
 Security deposits
 Prepaid expenses
 Advance tax (net of provision of Rs. Nil (Previous year Rs. Nil))

Less: Current portion of long-term loans and advances*
 Prepaid expenses

As at 31 March 2016	As at 31 March 2015
28,770,140	42,411,464
496,277,747	603,098,964
22,439,391	28,469,701
187,009,217	111,826,691
5,893,456	6,032,579
<u>728,603,039</u>	<u>779,774,241</u>

* Disclosed under short-term loans and advances (Refer to note 17)

13 Other non-current assets
(Unsecured, considered good, unless otherwise stated)

Bank deposits (due to mature after 12 months from the reporting date)*
 Interest accrued on fixed deposits

As at 31 March 2016	As at 31 March 2015
68,675,834	75,942,205
18,199,292	12,754,300
<u>86,875,126</u>	<u>88,696,505</u>

* Represents fixed deposits under lien amounting to Rs. 68,675,834 (Previous year Rs. 75,942,205).

14 Inventories
(Valued at the lower of cost and net realisable value)

Stores and spares

As at 31 March 2016	As at 31 March 2015
1,743,077	1,930,208
<u>1,743,077</u>	<u>1,930,208</u>

15 Trade Receivables
(Unsecured, considered good, unless otherwise stated)

Outstanding for a period more than six months from the date they are due for payment
 Considered good
 Considered doubtful
 Less: Provision for doubtful debts

As at 31 March 2016	As at 31 March 2015
5,702,650	2,567,887
1,190,260	1,014,652
(1,190,260)	(1,014,652)
<u>5,702,650</u>	<u>2,567,887</u>
236,579,745	230,824,947
<u>242,282,395</u>	<u>233,392,834</u>

Other receivables - Considered good

16 Cash and bank balances

Cash and cash equivalents
 Cash on hand
 Balances with banks
 - on current accounts

Other bank balances*

As at 31 March 2016	As at 31 March 2015
523,694	1,711,284
42,202,704	27,777,274
42,726,358	29,488,554
21,214,452	12,441,718
<u>63,940,850</u>	<u>41,950,276</u>

* Includes fixed deposits under lien amounting to Rs. 19,314,451 (Previous year Rs. 10,641,718).

Details of bank balances/deposits

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'

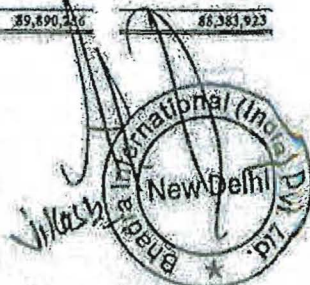
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer to note 13)

As at 31 March 2016	As at 31 March 2015
21,214,452	12,441,718
68,675,834	75,942,205
<u>89,890,286</u>	<u>88,383,923</u>



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Bhadra International (India) Private Limited
Notes to the financial statements for the year ended 31 March 2016
(Amount in Indian rupees unless stated otherwise)

17 Short-term loans and advances
(Unsecured, considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Current portion of long-term loans and advances (refer to note 12)	5,893,456	6,032,579
Prepaid expenses	3,094,335	2,916,789
Security deposits	2,054,000	1,076,000
Service tax credit receivable	81,651,309	47,482,318
Advance to suppliers	730,107	422,915
Advance to employees	17,822,160	1,956,048
Amount paid under protest	4,000,000	-
Other advances	316,867	10,451
To related parties		
Loan to related party*	44,436,522	52,079,274
	<u>159,008,756</u>	<u>111,976,374</u>

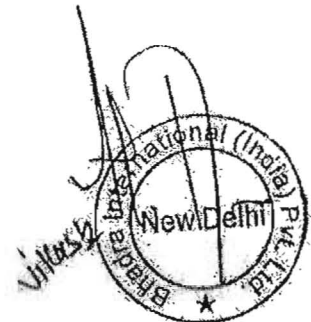
*The unsecured loan to related party carries interest at a rate of 11.25% per annum (previous year 11% per annum). The loan is repayable on demand.

18 Other current assets
(Unsecured, considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Interest accrued on fixed deposits	1,843,250	814,614
Interest recoverable on loan to related party	4,896,732	5,189,662
Insurance claim receivable	-	284,073
	<u>6,739,982</u>	<u>6,788,349</u>



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Blasht International (India) Private Limited
Notes to the financial statements for the year ended 31 March 2016
(Amount in Indian Rupees unless stated otherwise)

	Year ended 31 March 2016	Year ended 31 March 2015
19 Revenue from operations		
Sale of services	1,540,105,615	1,229,950,495
	<u>1,540,105,615</u>	<u>1,229,950,495</u>
Break up of revenue from services rendered		
Cargo handling services	401,992,564	328,782,531
Ramp handling services	1,060,737,899	836,881,162
Others	77,375,152	64,286,802
	<u>1,540,105,615</u>	<u>1,229,950,495</u>

	Year ended 31 March 2016	Year ended 31 March 2015
20 Other income		
Interest on fixed deposits	8,901,713	8,298,296
Interest on loan to related party (refer note 33)	5,440,813	5,766,291
Interest on income tax refund	-	1,271,818
Net gain on account of foreign exchange fluctuation	343,121	769,657
Liabilities no longer required written back	424,186	94,865
Miscellaneous income*	10,324,292	1,094,800
	<u>25,434,126</u>	<u>16,805,727</u>

* includes prior period income of Rs. 7,403,283 (Previous year Rs. Nil) on account of reversal of bonus expense recognised in the previous years.

	Year ended 31 March 2016	Year ended 31 March 2015
21 Employee benefits		
Salaries, wages and bonus	578,738,272	499,665,335
Gratuity (refer note 34)	5,780,327	9,813,070
Compensated absences (refer note 34)	4,426,191	3,951,296
Contributions to provident and other funds (refer note 34)	50,799,980	45,909,405
Staff welfare expenses	14,892,737	12,284,769
	<u>654,637,507</u>	<u>671,623,875</u>

	Year ended 31 March 2016	Year ended 31 March 2015
22 Finance costs		
Interest expense	375,709,635	383,207,154
	<u>375,709,635</u>	<u>383,207,154</u>

	Year ended 31 March 2016	Year ended 31 March 2015
23 Other expenses		
Licence fees	496,377,653	396,280,888
Technical fees	23,345,036	21,608,354
Equipment hire charges	11,225,870	8,400,672
Power and fuel	20,497,800	23,915,463
Uniform and liveries	18,516,995	23,601,364
Consumption of stores and spares	17,334,758	25,875,616
Bank charges	11,244,803	11,264,636
Rent (refer note 42)	13,469,624	83,921,613
Rates and taxes	33,821,182	46,838,165
Legal and professional	23,687,809	18,382,789
Travelling and conveyance	13,312,724	11,753,019
Training expenses	8,755,073	9,723,344
Insurance	7,714,490	8,218,379
Repair and maintenance		
- Building	1,036,961	674,694
- Plant and machinery	10,883,057	11,750,983
- Others	5,760,883	3,042,223
Payments to auditors	2,131,844	2,000,000
Bad debts written off	18,670	77,169
Provision for doubtful debts (net)	175,608	-
Miscellaneous expenses	32,207,336	48,474,985
	<u>872,418,105</u>	<u>765,963,759</u>

* Includes prior period expenses amounting to Rs. 166,169 (Previous year: Rs. 1,860,895)

* Includes payment to auditors (excluding service tax)

As auditor		
- Statutory Audit	1,300,000	1,100,000
- Tax audit	-	200,000
As other capacity		
- Taxation matters	-	700,000
- Other services	600,000	-
Reimbursement of expenses	211,844	-
	<u>2,111,844</u>	<u>2,000,000</u>



Uthayakumar



34 Contingent Liabilities

(Amount in Rs.)			
S. No.	Particulars	As at 31 March 2016	As at 31 March 2015
1	Claims against the Company not acknowledged as debt		
1	Reat on paved land claimed by Airport Authority of India (AAI) - Kolkata for which negotiations for waiver/ reduction are in process with AAI	53,851,203	50,194,967
2	Dispute in respect to payment of bonus	Refer Note 39	Refer Note 39

35 Capital and other commitments

(Amount in Rs.)			
S. No.	Particulars	As at 31 March 2016	As at 31 March 2015
1	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	266,563	4,750,000
2	Other commitments		733,572
	Total	266,563	5,483,572

36 Earnings in foreign currency (on cash basis)

(Amount in Rs.)			
S. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1	Sale of services	408,048,180	292,429,026

37 Expenditure in foreign currency

(Amount in Rs.)			
S. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1	Technical fees	33,145,036	21,668,351
2	Travelling expenses	2,318,877	1,008,783
3	Legal and professional fees	389,797	-
4	Miscellaneous expenses	1,356,893	1,065,016

38 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2016 and 31 March 2015 has been made in the financial statements based on information received and available with the Company.

(Amount in Rs.)			
Particulars	As at 31 March 2016	As at 31 March 2015	
The amounts remaining unpaid to micro and small suppliers as at the end of the year			
- Principal	680,296	-	
- Interest	3,900	-	
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	
The amount of interest accrued and remaining unpaid at the end of each accounting year	3,900	-	
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of discharge as a deductible expenditure under the MSMED Act, 2006	-	-	

39 CIF value of imports

(Amount in Rs.)			
S.No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1	Capital goods	-	842,732
2	Stores and spares	156,783	1,196,117
	Total	156,783	2,038,849

39 Deferred tax assets/Liabilities

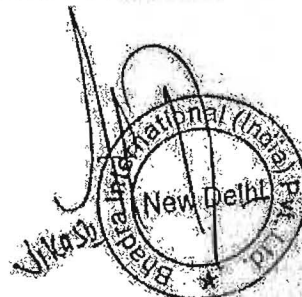
S.No.	Particulars	As at 31 March 2016	As at 31 March 2015
1	Deferred tax liability:		
a)	Difference between net book value and written down value of fixed assets as per Income Tax Act, 1961	40,701,123	73,797,810
	Total (A)	40,701,123	73,797,810
2	Deferred tax assets:		
a)	Provision for employee benefits	15,317,492	12,081,892
b)	Provision for doubtful debts	404,369	341,880
c)	Disallowances under section 43(b)	121,491,137	146,059,853
d)	Carry forward business loss and unabsorbed depreciation	849,896,930	724,585,598
	Total (B)	1,087,005,918	893,072,630
	Net deferred tax liability [(A) - (B)]		

As at year end, the Company has significant unabsorbed depreciation / carried forward business losses as per Income Tax Act, 1961. In the absence of sufficient certainty of sufficient future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liability.



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31 Earnings per share

S.No	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A	Loss attributed to equity shareholder (in Rs.)	(665,966,413)	(750,010,961)
B	Basic/Weighted average number of equity share outstanding during the year (no. of share)	36,880,320	36,880,320
C	Nominal value of equity share (in Rs.)	10	10
D	Basic earning/loss per share (A/B) (in Rs.)	(18.06)	(20.34)
E	Diluted earning/loss per share (A/E) (in Rs.)	(18.06)	(20.34)

Note:

The conversion of outstanding Compulsorily Convertible Preference Shares and Fully Compulsory Convertible Debentures into equity, if made, would have the effect of reducing the loss per share and would therefore be anti dilutive. Hence, such conversion has not been considered for the purpose of computing diluted earnings per share.

32 Segment reporting

Business Segment

The Company's business activity falls within a single business segment i.e. rendering Ground Handling Services at seven domestic airports in India. Therefore, segment reporting requirements as specified in Accounting Standard - 17 on Segment reporting is not applicable.

Geographical Segment

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

33 Disclosures as per Accounting Standard (AS)-18 "Related Party Disclosures"

A. Related party and nature of related party relationship where control exists:

Description of relationship	Name of the party
Individual exercising control/Key management personnel	Mr. Prem Bajaj (Chairman and Managing Director)

B. Other related parties with whom transactions have been taken place:

Description of relationship	Name of the party
Enterprise where key management personnel have significant influence	TDI International India (Private) Limited
Key management personnel	Mr. Hitesh Bajaj (Director)
Relative of key management personnel	Mrs. Nocton Bajaj (Relative of Director)

C. Transactions with related parties

S.No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1	Managerial Remuneration		
	Individual exercising control/Key management personnel		
	Mr. Prem Bajaj	16,984,000	18,984,000
2	Rent expense		
	Individual exercising control/Key management personnel		
	Mr. Prem Bajaj	9,102,000	9,102,000
3	Issue of 9% Fully Compulsory Convertible Debentures		
	Individual exercising control/Key management personnel		
	Mr. Prem Bajaj	10,000,000	25,000,000
4	Receipt of FCCD application money pending allotment		
	Individual exercising control/Key management personnel		
	Mr. Prem Bajaj		10,000,000
5	Loan repayment received		
	Enterprise where key management personnel have significant influence		
	TDI International India (Private) Limited	3,612,452	3,731,313
6	Interest income on loan to related party		
	Enterprise where key management personnel have significant influence		
	TDI International India (Private) Limited	5,440,813	5,366,291
7	Reimbursement of expenses received		
	Enterprise where key management personnel have significant influence		
	TDI International India (Private) Limited	1,338,710	1,591,570
8	Refund of security deposit for behalf of Airport Authority of India		
	Enterprise where key management personnel have significant influence		
	TDI International India (Private) Limited	40,000,000	



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C. Related party balances

		(Amount in Rs.)	
S No	Particulars	As at 31 March 2016	As at 31 March 2015
1	Other current liabilities (Employee related payable)		
	Individual exercising control: Key management personnel		
	Mr. Prem Bajaj	2,471,689	318,640
2	Trade payables (Rent payable)		
	Individual exercising control: Key management personnel		
	Mr. Prem Bajaj	9,460,167	
3	Long-term borrowings (9% Fully Compulsory Convertible Debentures)		
	Individual exercising control: Key management personnel		
	Mr. Prem Bajaj	187,800,000	187,800,000
4	Long-term loans and advances (Loan to related party)		
	Enterprise where key management personnel have significant influence		
	TDI International India (Private) Limited	44,436,522	32,079,274
5	Long-term loans and advances (Security deposits)		
	Individual exercising control: Key management personnel		
	Mr. Prem Bajaj	4,551,000	4,551,000
6	Other current assets (Interest receivable on loan to related party)		
	Enterprise where key management personnel have significant influence		
	TDI International India (Private) Limited	4,896,732	5,189,682
7	Pledge of shares		
	The equity shareholding of Mr. Prem Bajaj, Mr. Ujjay Bajaj and Mrs. Noelam Bajaj (KMPs along with relatives) is pledged in favour of the lenders for borrowings obtained by the Company.		
8	Personal/Corporate guarantee		
	Mr. Prem Bajaj, Mr. Ujjay Bajaj (Director) and Mrs. Noelam Bajaj (member) have given a personal guarantee and TDI International India (Private) Limited has given a corporate guarantee on behalf of the Company in favour of the lenders for borrowings obtained by the Company.		

24 Disclosure in respect of employee benefits under Accounting Standard (AS) - 15 "Employee Benefits" prescribed by the Companies (Accounts) Rules, 2014:

(a) Defined contribution plans

The Company makes contribution towards employees' provident fund, welfare fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company has recognized Rs. 50,799,980 (Previous year Rs. 45,909,405) during the year as expenses towards contribution to these plans.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Employer's contribution to:		
- Provident Fund	24,593,767	31,830,844
- ESI fund	18,036,133	15,889,358
- Welfare fund	110,080	98,403
Total	50,799,980	45,909,405

(b) Defined Benefit Plan/Other long term employee benefits

The disclosure for gratuity and compensated absence cost is given below:

(i) The changes in the present value of obligation representing reconciliation of opening and closing balances:

Particulars	Gratuity		Compensated Absence	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at the beginning of the year	27,412,839	12,999,769	13,132,612	8,181,316
Current service cost	7,378,862	3,160,501	7,028,273	6,560,048
Interest cost	1,745,860	1,439,899	1,813,151	713,225
Actuarial (gain)/loss	(3,778,750)	1,503,469	(3,286,896)	(3,325,977)
Present value of obligation as at the end of the year	27,758,911	27,412,839	15,689,440	13,132,612

(ii) Actuarial gain / loss recognized in the Statement of Profit and Loss

Particulars	Gratuity		Compensated Absence	
	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
Actuarial (gain) / (loss) for the year - obligation	(7,270,334)	1,503,469	(3,286,896)	(3,325,977)
Actuarial (gain) / loss due to change in assumption	8,497,608			
Actuarial (gain) / loss on plan assets				
Total gain / (loss) for the year	(1,778,750)	1,503,469		
Actuarial gain / (loss) recognized in the year	(1,778,750)	1,503,469	(3,286,896)	(3,325,977)
Unrecognized actuarial gain / (loss) at the end of year				



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(iii) Assets and liabilities recognised in the Balance Sheet

Particulars	Gratuity		Compensated Absences	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Present value of benefit obligation	23,758,911	22,412,839	15,889,440	13,132,612
Fair value of plan assets	-	-	-	-
Funded status (Surplus/Deficit)	(23,758,911)	22,412,839	(15,889,440)	(13,132,612)
Unrecognised past service cost	-	-	-	-
Net assets / (liability) recognised in Balance Sheet*	(23,758,911)	22,412,839	(15,889,440)	(13,132,612)

(iv) Expense recognised in the Statement of Profit and Loss

Particulars	Gratuity		Compensated Absences	
	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	7,378,862	7,160,302	7,028,373	6,562,918
Interest cost	1,745,960	1,149,099	1,015,151	715,325
Expected return on assets	-	-	-	-
Curialment costs	-	-	-	-
Settlement costs	-	-	-	-
Past service cost	-	-	-	-
Net actuarial (gain) / loss recognised in the year	(3,778,750)	1,503,469	(5,286,896)	(3,325,977)
Amount recognised in the Statement of Profit and Loss*	5,346,072	9,813,070	2,756,628	3,951,266

* excludes amount payable to employees who have resigned during the year amounting to Rs. 394,355 and Rs. 1,669,363 for gratuity and compensated absences respectively

(v) Principal actuarial assumptions at the balance sheet date are as follows

A. Economic assumptions			
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Discount rate	7.91%	7.79%	
Average remaining working life	24.23	23.79	
Expected rate of return on plan assets	-	-	
Salary escalation	5.00%	5.00%	

The discount rate is based on the prevailing market yield of Indian government securities as at the balance sheet date for the estimated term of the obligation. The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

B. Demographic assumptions			
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Retirement age	58	58	
Mortality table	IALM (2006-08) ultimate	IALM (2006-08) ultimate	
Withdrawal rates			
38-49	15%	2%	
50-59	2%	2%	

(vi) Experience adjustments

Particulars	For the year ended			
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Gratuity				
Defined benefit obligation	23,758,911	22,412,839	12,599,709	8,179,941
Plan assets	-	-	-	-
Net assets / (liability)	(23,758,911)	(22,412,839)	(12,599,709)	(8,179,941)
Experience adjustment in plan liabilities	(3,778,750)	1,503,469	-	-
Experience adjustments in plan assets	-	-	-	-
Compensated Absences				
Defined benefit obligation	15,889,440	13,132,612	9,381,316	-
Plan assets	-	-	-	-
Net assets / (liability)	(15,889,440)	(13,132,612)	(9,381,316)	-
Experience adjustment in plan liabilities	(5,286,896)	(3,325,977)	-	-
Experience adjustments in plan assets	-	-	-	-

As the Company does not have any fund, the disclosure with respect to plan assets are not applicable.

35. During the current year, the Company has filed a request letter dated 27 November 2015 for appointment of Arbitrator for resolution of dispute between the Company and Airport Authority of India (AAI). The claim petition was filed in respect of the dispute that has arisen between the parties concerning their respective rights and obligations under the license agreement for providing Ground Handling Services. Subsequent to the year end, on 3 May 2016, the Company has submitted claims of Rs. 2.143 crore for various damages and losses caused to the company by AAI in allowing the continuance of the non-qualified agencies. In view of the management, AAI has not fulfilled its obligations as per the Airport Authority of India (General Management, Entry of Ground Handling Services) Regulations, 2007 such as availability of adequate quantity of business opportunity, removal of non-qualified agencies and complete hand over of handling by AAI line operators.

AAI's letter dated 25 June 2016 has filed a counter claim against the Company stating that the Arbitration proceedings have been initiated by the company to avoid payment of license fees, royalty and penal charges thereon. Further, the Arbitrator's letter dated 25 August 2016 has directed AAI not to take any coercive steps against the Company. The Company based on its best estimate has recognised a provision of Rs. 21.51 crore as payable to AAI for settlement of all dues outstanding as at year end as per the license agreement. The case is currently pending at the arbitration level and is expected to be settled by May 2017.

Based on the above facts and legal opinion obtained, the Company is of the view that the counter claim filed by AAI against the Company is not feasible and is highly unlikely to succeed.

36. The Company has re-estimated useful life of assets as per Schedule II of the Companies Act, 2013 in the previous year. The revised useful lives along with useful lives as per earlier estimates.

Category of assets	Earlier life (Years)	Revised life (Years)
Vehicles	30	5
Computer hardware	6	3
Furniture and fixtures	10	5
Office equipment	21	5

In the previous year, as a result of management re-estimation of useful life of assets, aligning with Schedule II of the Companies Act, 2013, the Company has recorded an additional depreciation of Rs. 8,70,197 in the Statement of Profit and Loss. Further, based on a transitional provision provided in Note 7(b) of Schedule II of the Companies Act, 2013, an amount of Rs. 1,114,021 has also been recorded in the Statement of Profit and Loss.



Urooj Zay

37 The previous year figures have also been regrouped, where necessary, to conform to current year's classification

Particulars	Classification as per previous year financials	Classification as per current year financials	Amount (INR)
Balance Sheet			
Reclassification of Liability for expenses	Other current liabilities Liability for expenses	Trade payables Total outstanding dues to parties other than micro and small enterprises	86,256,808
Reclassification of Bank deposit with more than 12 months maturity	Other non-current assets Bank deposit with more than 12 months maturity	Cash and bank balances Other bank balances	12,441,718
Reclassification of Consumable stores and spares	Other current assets Consumable stores and spares	Inventories Inventories	1,910,208
Reclassification of Recoverable from Airport Authority of India	Trade payable Total outstanding dues to parties other than micro and small enterprises	Short-term loans and advances Recoverable from Airport Authority of India	28,907,156
Reclassification of advance to related party	Long-term loans and advances Loan to related party	Short-term loans and advances Loan to related party	52,079,274
Statement of Profit and Loss			
Re-classification of Festival expenses	Other expenses Festival expenses	Employee benefits Staff welfare expenses	7,831,061
Re-classification of Other Non operating expenses	Other expenses Other Non operating expenses	Employee benefits Staff welfare expenses	256,436
Reclassification of Other finance cost (Bank Charges)	Finance cost Other finance cost	Other expenses Bank charges	11,263,013

38 Debt Restructuring

The Corporate Debt Restructuring (CDR) empowered group at their meeting held on 26 April 2013 approved a restructuring package in terms of which the existing loans were restructured and certain additional financial assistance was proposed to be extended to the company as set out in the letter of approval no. CDR (SSA) NO. 127/2014-15 dated 15 May 2013. Issued by corporate debt restructuring cell to the lenders and the company (hereinafter referred to as the "CDR package"). Punjab national bank, lead banker has implemented the restructuring package on individual documentation basis on 28 March 2013. However, master restructuring agreement (MRA) for consortium arrangement had been signed on 28 June 2013 with each of lenders and the other two banks have implemented the CDR during the financial year 2013-14. The terms and conditions of the CDR are binding on the lenders and the company, effective from the 1 September 2012 (cut-off date). As per CDR master circular dated 25 June 2013, lenders shall have the right to recompute the interest/chargeability extended by each lender as per CDR guidelines which has been estimated at Rs. 104.36 crores.

39

The Company had received a notice dated 3 April 2014 from Ministry of Labour for non-payment of bonus under Payment of Bonus Act, 1965 for Financial year 2010-11, 2011-12 and 2012-13 whereby the dispute was referred to the Central Government Industrial Tribunal cum Labour Courts (CGIT). CGIT passed an order against the Company and directed the Company to pay the bonus to the workers on account of non-submission of complete documents. Further, the Company filed a petition with the Hon'ble High Court for granting a stay against the said order passed by the CGIT. The Hon'ble High Court Chennai has granted a stay order dated 12 October 2015 on a precondition of deposit of Rs. 4,00,000. The appeal is currently pending with the Hon'ble High Court. In respect of FY 2013-14 to FY 2015-16, the Company has paid advance bonus of Rs. 17,437,650 to its workers as per the agreement entered with labour unions. However, pending settlement of the above litigation, the same has been recognised as a recoverable in bonus under the head Short-term Loans and Advances. The Company is of the opinion that the claim against it is not tenable and accordingly believes that no amount will be payable in the above dispute.

40 Unhedged foreign exchange currency exposure

S No	Particulars	Currency	For the year ended 31 March 2016		For the year ended 31 March 2015	
			Foreign Currency	Amount in Rs.	Foreign Currency	Amount in Rs.
1	Cash and bank balance	USD	144,218	9,565,991	54,714	3,424,323
2	Security deposit payable	USD	152,178	10,093,079	177,178	11,089,587
3	Trade receivables	USD	809,328	53,682,233	942,490	58,990,490
4	Trade payables	USD	45,155	2,995,351	22,645	1,415,372
5	Capital creditors	USD	30,438	2,285,838	30,438	2,285,838

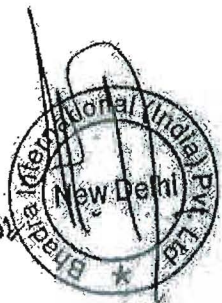
41 During earlier years, the Company has granted loan to TDI International India Private Limited (TDI) only having common directors with the Company. The loan was granted prior to 12 September 2013, effective date of section 185 of the Companies Act, 2013. As per the terms agreed between the parties, the loan granted is repayable on demand. Based on a legal opinion obtained by the Company, it is of the view that these loan transactions are in compliance with section 185 and section 186 of the Companies Act, 2013.



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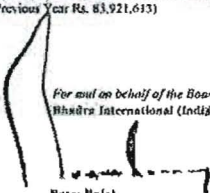
Bhadra International (India) Private Limited
Notes to the financial statements for the year ended 31 March 2016
(Amount in Indian rupees unless stated otherwise)

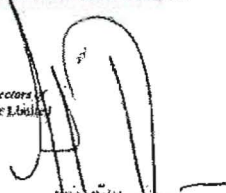
- 42 The Company has entered into various lease agreements for offices, employee residences and paved land at Airports on operating lease with an option of renewal at the end of the lease term. Lease expense charged during this year to the Statement of Profit and Loss amounts to Rs. 133,469,624 (Previous Year Rs. 83,921,613).
- 43 Previous year financial statements were audited by another firm of Chartered Accountants.

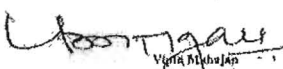
For H S R & Associates LLP
Chartered Accountants
Firm Registration Number: 116231W/W-100021



Rakesh Dewan
Partner
Membership No. 092212
Place: Gurgaon
Date: 29 September 2016

For and on behalf of the Board of Directors
Bhadra International (India) Private Limited


Preeti Bajaj
Chairman & Managing Director
DIN 00770351
Place: New Delhi
Date: 29 September 2016


Hyas Bajaj
Director
DIN 01113831
Place: New Delhi
Date: 29 September 2016


Vinod Mishra
Chief Finance Officer
Place: New Delhi
Date: 29 September 2016


Vikash Mitta
Company Secretary
Place: New Delhi
Date: 29 September 2016

BHADRA INTERNATIONAL (INDIA) PRIVATE LIMITED

BALANCE SHEET As at March 31st, 2015

Particulars	Note	As at 31 March, 2015 (In ₹)	As at 31 March, 2014 (In ₹)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	598,588,100	598,588,100
(b) Reserves and surplus	3	(1,925,240,446) (1,326,652,346)	(1,175,165,485) (576,577,385)
2 Non-current liabilities			
(a) Long-term borrowings	4	3,145,109,240	3,343,576,843
(b) Deferred tax liabilities (Net)	29	-	-
(c) Other long term liabilities	5	-	17,135,674
(d) Long-term provisions	6	32,764,178 3,177,873,418	19,465,529 3,380,178,046
3 Current liabilities			
(a) Short-term borrowings	7	160,228,932	104,325,185
(b) Trade payables	8	501,515,563	260,135,287
(c) Other current liabilities	9	719,964,862	333,962,096
(d) Short-term provisions	10	3,113,296 1,384,822,653	2,471,822 700,894,390
TOTAL		3,236,043,725	3,504,495,052
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	1,881,690,547	2,080,432,036
(ii) Intangible assets	11	60,962,234	78,379,314
(iii) Capital work-in-progress	11	-	19,096,540
(b) Long-term loans and advances	12	831,785,193	964,488,003
(c) Other non-current assets	13	101,138,223 2,875,576,197	101,433,396 3,243,829,289
2 Current assets			
(a) Trade receivables	14	233,392,834	185,814,237
(b) Cash and Bank Balance	15	29,488,559	29,006,893
(c) Short-term loans and advances	16	88,867,578	43,854,544
(d) Other Current Assets	17	8,718,557	1,990,089
TOTAL		3,236,043,725	3,504,495,052

Summary of significant accounting policies and
Notes to financial Statements 1 - 41
The accompanying notes are integral part of
these financial statements.

In terms of our report attached
For V. SACHDEVA & ASSOCIATES
Chartered Accountants
Firm Regd No. 004417N



(V. Sachdev)
Proprietor
Membership No. 083435

For and on behalf of the Board of Directors
Bhadra International (India) Pvt Limited

Prem Bajaj
Chairman & Managing Director
DIN No. 00770351

Hijayv Bajaj
Director
DIN No. 01113831

Vipin Malik
Chief Finance Officer

Vikash Misra
Company Secretary

Place: New Delhi
Date: 28/09/2015

Tubindram

BHADRA INTERNATIONAL (INDIA) PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS

For the year ended 31st March, 2015

Particulars	Note	Year ended 31st March, 2015 (In `)	Year ended 31st March, 2014 (In `)
Income:			
Revenue from Operations	18	1,229,950,495	1,065,055,740
Other income	19	16,805,727	21,541,387
Total Revenue		1,246,756,222	1,086,597,127
Expenses:			
Employee benefits expense	20	563,533,355	475,062,357
Finance costs	21	394,470,167	363,985,524
Depreciation and amortization expense	11	285,992,395	270,330,384
Other expenses	22	752,791,266	650,913,550
Total expenses		1,996,787,183	1,760,291,815
Profit/ (Loss) before tax		(750,030,961)	(673,694,688)
Tax expense:			
(1) Current Year Tax			
(2) Deferred Tax Liabilities/(Assets)			
Deferred Tax Liabilities			
Less : Deferred Tax Assets			
Profit/ (Loss) after tax for the period		(750,030,961)	(673,694,688)
Earnings per equity share	33		
(Nominal Value Rs. 10 per share)			
a) Basic		(20.34)	(18.27)
b) Diluted		(20.34)	(18.27)

Summary of significant accounting policies and
Notes to financial Statements

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The accompanying notes are integral part of these financial statements.

In terms of our report attached
For V. SACHDEVA & ASSOCIATES
Chartered Accountants
Firm Regd No. 004417N

For and on behalf of the Board of Directors
Bhadra International (India) Pvt Limited

(V. Sachdev)
Proprietor
Membership No. 083435

Prem Bajaj
Chairman & Managing Director
DIN No. 00770351

Hiyav Bajaj
Director
DIN No. 01113831



Place: New Delhi
Date: 28/09/2015

Vipin Mahajan
Chief Finance Officer

Vikash
Vikash Misra
Company Secretary

Particulars	Current Year 2014-15	Previous Year 2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(750,030,961)	(673,694,688)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on fixed Assets	285,992,395	270,330,384
Foreign Fluctuation Exchange Loss/ (Gain) from Capital Goods	-	-
Unrealised Foreign Fluctuation Exchange Loss/ (Gain)	302,511	(2,706,566)
Provision for Doubtful Doubts	-	893,404
Provision for Wealth Tax	332,023	156,266
Amortization/Write off of Misc Expenditure	8,770,000	8,770,002
Income Tax of Earlier Years	-	-
Other Prior Period Expenses	8,860,895	1,359,789
Capital Advances written off	-	-
Interest Income	(15,336,405)	(15,834,513)
Interest Expense	383,207,154	348,811,965
Operating Profit before Working Capital Changes	672,128,574	611,780,731
Movement in Working Capital:	(77,902,387)	(61,913,957)
(Increase) / Decrease in Trade Receivable	(47,578,597)	(41,803,198)
(Increase) / Decrease in Loan & Advances	87,689,776	(72,609,901)
(Increase) / Decrease in Other Current Assets	(6,772,468)	27,866,276
Increase / (Decrease) in Trade Payables	241,380,276	155,030,650
Increase / (Decrease) in Other Current liabilities	191,141,066	(36,418,754)
Increase / (Decrease) in other long term liabilities	(17,135,674)	1,851,795
Increase / (Decrease) in Provisions	13,764,366	6,089,153
Effect of Exchange Rate change in Movement in Working Capital	(296,093)	2,683,234
Cash Generated from operations	384,290,265	(19,224,703)
Adjustments for Direct Taxes & other Items		
Prior Period Expenses	(8,860,895)	(1,359,789)
Direct Taxes Paid	(156,266)	(187,741)
Net Cash Flow from Operating Activities (A)	375,273,104	(20,772,233)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(69,833,826)	(80,762,681)
Increase/ (Decrease) in Capital Work-In-Progress	19,096,540	(19,044,040)
Foreign Fluctuation Exchange Gain/ (Loss)	-	-
Capital Advances written off	-	-
Movements in fixed deposits with Banks	(8,474,827)	8,290,845
Interest Received	15,336,405	15,834,513
Net Cash flow from Investing activities (B)	(43,875,708)	(75,681,363)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Security Premium Reserve	-	-
Interest Paid	(314,981,264)	(336,591,506)
Proceeds/Repayments of Unsecured Loan	35,000,000	-
Increase / (Decrease) in Long-term Borrowing	(233,467,603)	228,937,779
Increase / (Decrease) in Current Maturities of Long - term Borrowings	126,635,810	164,046,505
Increase / (Decrease) in Short term Borrowing	55,903,747	40,260,650
Net Cash flow from financing activities (C)	(330,909,310)	96,653,427
Net Increase/ (Decrease) in Cash & Cash Equivalents D=A+B+C	488,086	199,832
Cash & Cash Equivalents at Beginning of Period	28,983,562	28,783,729
Cash & Cash Equivalents at End of Period	29,471,648	28,983,561
Components of cash and cash equivalents		
Cash on hand	930,045	1,308,216
Imprest with branches	781,239	1,632,639
Balances with Banks:		
On Current Accounts	27,777,274	26,066,038
Deposit with original maturity more than 3 months but less than 12 months	-	-
Cash & Cash Balances at End of Period (Refer Note-15)	29,488,559	29,946,893
Less: Effect of exchange Rate exchange in closing balances of Cash & Cash Balances	(16,911)	(23,332)
Less: Deposit with original maturity more than 3 months but less than 12 months	-	-
Cash & Cash Equivalents in the cash flow statement	29,471,648	28,983,561

Notes:

- The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standard -3
- Figures in brackets denotes outflows of cash and cash equivalents
- Previous year's figures have been regrouped wherever necessary.



In terms of our report attached
For V. SACHDEVA & ASSOCIATES
Chartered Accountants
Firm Regd No. 004417N
(V. Sachdev)
Proprietor
Membership No. 083435

Place: New Delhi
Date: 28/09/2015

[Signature]
Prem Bajaj
Chairman & Managing Director
DIN No. 00770351
[Signature]
Vipul Mahajan
Chief Finance Officer

For and on behalf of the Board of Directors
Bhadra International (India) Pvt Limited

[Signature]
Riyav Bajaj
Director
DIN No. 0111831

Vikash Mishra
Company Secretary

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BHADRA INTERNATIONAL (INDIA) PRIVATE LIMITED

Notes forming Part of Financial Statements :

Significant Accounting Policies & Notes to Accounts attached to and forming part of Balance Sheet as at 31st March' 2015:

NOTE 1

Significant Accounting Policies followed by the Company

Corporate Information

The Company carries on business of rendering Ground Handling Services at seven Airports awarded by Airports Authority of India. During the year the Company provided the Ramp Handling services at all 7 (Seven) Airports & Cargo Handling services at the Chennai & Kolkata Airports.

The Financial statement have been prepared on a going concern basis despite of erosion of net worth of the Company. The said basis is considered appropriate as the restructuring package was approved by the CDR empowered group at their meeting held on 26th April 2013. The company has successfully implemented the package effective from 1st September 2012. It was also able to infuse requisite funds from its shareholders in the FY 2012-13 enabling the continuity of normal business operation. The management is confident of its ability for meeting its obligation and continuity of business operations of the Company in future.

Significant Accounting Policies

The Accounting Policies have been consistently applied by the Company and are consistent with those applied in previous year. However the changes are required by a change or revision to an existing accounting standard are dealt in the appropriate paras in the notes forming part of the financial statement.

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the revised schedule VI, based on the nature of the services and time between completion/rendering of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of the current and non current classification of the assets and liabilities.

(i) Basis of preparation of Financial Statements

a) The financial statements have been prepared as a going concern on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India ("India GAAP") to comply with the Accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act 2013, as applicable and other pronouncements issued by the Institute of Chartered Accountants of India.

b) The Company follows Mercantile System of Accounting & recognises significant items of Income & Expenditure on Accrual Basis.

c) The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year. However the changes as required by the accounting standards or revision to an existing accounting standard or revised Schedule VI are dealt at the appropriate paras in the notes to accounts of the financial statements.

(ii) Use Of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as on the date of the financial statement and the reported amount of the income and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized. Example of such estimates includes provision for taxation, useful life of fixed assets etc. The estimates are based upon management knowledge of current event & economic circumstances.



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Uttarigau Vikash



दिल्ली DELHI

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LICENCE AGREEMENT

THIS AGREEMENT MADE at New Delhi this 29th day of Nov. 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, Goa, Thiruvananthapuram, Amritsar, Jaipur, Guwahati, Calcutta, 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 assigns) of the one part AND A Joint Venture Consortium comprising NOVIA International Consulting Aps with their Headquarters at Terminal 2, DK 2770, Kastrup, Denmark and M/s Bhadra International (India) Limited, a Company incorporated under the laws of India and having its Corporate Office at B-4/62, Safdarjung Enclave, New Delhi-110029 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;

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For Bhadra International (India) Ltd.

Director

Novia Denmark A/S
Kobenhavn Lufthavn
2770 Kastrup

भारतीय गैर न्यायिक
एक सौ रुपये
रु. 100
भारत INDIA
INDIA NON JUDICIAL

AND WHEREAS the licensee had submitted a tender to the Authority for providing such Ground Handling Services to the interested airlines at Trivandrum, Calicut, Coimbatore, Mangalore, Trichy Airport(s) located at Southern Region under the control, supervision and administration of the Authority;

AND WHEREAS the Licensee has been granted the licence for providing Ground Handling Services within the ambit of Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations, 2007 also forming a part of this licence agreement at Trivandrum, Calicut, Coimbatore, Mangalore, Trichy Airport(s) located at Southern Region under the control, supervision and administration of the Authority;

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED by and between the Parties hereto as follows :

- 1(a) This Licence shall commence on the 26th Oct day of 2010 and shall be valid for a period of ten years from 24th X 2010 to 23rd X 2020 unless terminated earlier under the provisions of this Agreement.
- 1(b) The licence for ground handling operation is subject to further extension upto 5 years on satisfactory performance & on revised financial terms at the sole discretion of AAI.
- 1(c) In case of privatisation/leasing out of the airport(s), the unexpired period of licence agreement for Ground Handling Services shall be honored by the prospective lessee/operator(s) of such airport(s).
2. The Licensee shall pay to the Authority, amount of gross turnover related royalty as per following details :

Particulars Airports Located in Southern Region	Prescribed amount of GTO in respect of national & International flights (in Rs. in crores p.a.)	Minimum amount of royalty payable to AAI at 13% of the gross turnover calculated on the amount indicated in Column (2) (Rs. in crores)	Additional 1 2% of 13 15% of quoted royalty payable to AAI on the annual turn-over, in addition to the 13% of GTO as indicated in Column(2)
(1)	(2)	(3)	(4)
Trivandrum, Calicut, Coimbatore, Mangalore, Trichy	126.00	16.40	23.6806

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

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for Bhadra International (India) Ltd.

BY THE GENERAL MANAGER
AIRPORTS AUTHORITY OF INDIA
Executive Director (Commercial)
AAI Tower, New Delhi
AIRPORTS AUTHORITY OF INDIA
GATE NO. 1, AIRPORTS GROUND STATION
INDIA ROAD, AIRPORTS GROUND STATION
NEW DELHI-110 065

Director

Novla Denmark A/S
København Luthavn
2770 Kastrup

officer, for the time being authorised by or entrusted with the functions, duties and powers of the said Airport Director(s)/Incharge in respect of the respective Airports, under his charge, or any other officer authorised by the Chairman of Airports Authority of India.

78. All disputes and differences, arising out of or, in any way, touching or concerning this Agreement, (except those the decision whereof is otherwise hereinafter expressly provided for or to which the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 and the rules framed hereunder which are now in force or which may hereafter come in to force, are applicable) shall be referred to the sole arbitration of a person, to be appointed by the Chairman of the Authority or, in case the designation of Chairman is changed or his office is abolished, by the person, for the time being entrusted, whether or not, in addition to other functions, with the functions of the Chairman, Airports Authority of India, by whatever designation such person may be called, and, if the Arbitrator, so appointed, is unable or unwilling to act, to the sole arbitrations of some other person to be similarly appointed. It will be no objection to such appointment that the Arbitrator so appointed is a servant of the Authority, that he had to deal with the matters to which this Agreement relates and that in the course of his duties, as such servant of the Authority, he had expressed views on all or any of the matters in dispute or differences. The award of the arbitrator, so appointed, shall be final and binding on the Parties. The Arbitrator may, with the consent of the parties, enlarge, from time to time, the time for making and publishing the award. The venue of the arbitration shall be at New Delhi.

79. This Agreement shall be governed by and interpreted according to the Laws of India.

80. All matters, claims or disputes arising out of or anyway relating to this Agreement shall be subject to the exclusive jurisdiction of the Courts of law in India only.

IN WITNESS WHEREOF the Parties hereto have executed these presents the day and year first above written.

SIGNED and DELIVERED by the within named AIRPORTS AUTHORITY OF INDIA by its Mr. in the presence of :

1. 
2. 

SIGNED and DELIVERED by the within named LICENSEE M/s Bhadra International (India) Ltd., B-4/62, Safdarjung Enclave, New Delhi-110029, duly authorised in this behalf in the presence of :

Signed by the within named Licensee M/s NOVIA International Consulting Aps. Terminal 2, DK 2770 Terminal 2, DK 2770, Kastrop, Denmark. Duly authorized in this behalf in the presence of:

Witnesses:

1. Mr. A.K. Sharma, A-1, Sector-31, NOIDA-201301
2. Mr. Ajay Rajpal, D-34, Sham Nagar, New Delhi-110029


AIRPORTS AUTHORITY OF INDIA
100, AIR CANTONMENT, NEW DELHI-110002

For Bhadra International (India) Ltd.

Director

(Authorized Signatory of M/s Bhadra)
(Prem Bala)

Novia Denmark A/S
Kobenhavns Lufthavn

(Authorized Signatory of M/s NOVIA)



Airports Economic Regulatory Authority of India

Form F12 (c) -Projected Aircraft Movement (Only for ISP)

Financial Year	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Domestic Landing Optimistic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4486.98	4765.44	5061.24	5375.40	5708.94	6062.88	6438.24
Domestic Landing Most likely	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4399.00	4672.00	4962.00	5270.00	5597.00	5944.00	6312.00
Domestic Landing Conservative	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4311.02	4578.56	4862.76	5164.60	5485.06	5825.12	6185.76
Domestic Landing Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4399.00	4672.00	4962.00	5270.00	5597.00	5944.00	6312.00
International Landing Optimistic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3840.30	4109.58	4397.22	4704.24	5033.70	5386.62	5763.00
International Landing Conservative	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3689.70	3948.42	4224.78	4519.76	4836.30	5175.38	5537.00
International Landing Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3765.00	4029.00	4311.00	4612.00	4935.00	5281.00	5650.00
Forecast Error Correction Band Optimistic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8327.28	8875.02	9458.46	10079.64	10742.64	11449.50	12201.24



Airports Economic Regulatory Authority of India

Financial Year	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Forecast Error Correction Band	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8164.00	8701.00	9273.00	9882.00	10532.00	11225.00	11962.00
Forecast Error Correction Band Conservative	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8000.72	8526.98	9087.54	9684.36	10321.36	11000.50	11722.76