

ANNEXURE-II  
G.R

INDIRA GANDHI  
INTERNATIONAL AIRPORT

Delhi International Airport (P) Limited

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

**P S Nair**  
Chief Executive Officer

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

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

Dear Sir,

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

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

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

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

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

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

*PS*

*for your info.*  
*copy to be sent to*  
*MoCA*  
*discuss with*  
*MoCA. No.*  
*action is up to*  
*MoCA*  
*in view of*  
*notification*  
*is up to*  
*MoCA*  
*21/7/09*

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

Thanking you,

Yours truly,  
for Delhi International Airport (P) Ltd.

Sd/-

(P.S.Nair)

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

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



(P.S.Nair)

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

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

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

To


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

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

Sir,

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

Yours faithfully,

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

Delhi International Airport (P) Limited

ANNEXURE-IV

G R

Udaan Bhawan, Terminal 1-B  
Indira Gandhi International Airport  
New Delhi 110 037, India  
+91 11 25661000  
+91 11 25672144  
www.newdelhiairport.in

279/509/08  
cy/12/08

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

Date: December 1, 2009

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

Dear Sir,

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

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

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

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

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

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

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

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

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

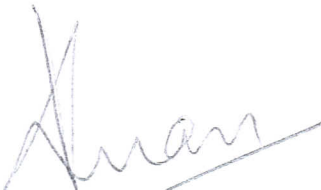
In view of aforesaid we had asked for increase of 10% vides our letter number DIAL/2009-10/COMM/0625 with immediate effect. Delay in effecting this increase means an irreparable financial loss to DIAL. We shall like to reiterate the fact that the project is in the last leg of completion and as such it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

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

Thanking you,

Yours faithfully,

For **Delhi International Airport Private Limited**



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

SCHEDULE 6

AERONAUTICAL CHARGES

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

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



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

Annexure II

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

(Rupees in Crores)

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

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

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

(Rupees in Crores)

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

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



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

**DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED**

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

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

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

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