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11 ಸುಸ್ಥಾನೀಯತೆ 2020

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لَا تُدْرِكُهُ الْبَصَرُ وَلَا هِيَ تُدْرِكُ الْبَصَرَ وَهُوَ يُدْرِكُ الْبَصَرَ وَهُوَ يُدْرِكُ الْبَصَرَ

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(فَوَيْلٌ لِلْمُصَلِّينَ إِذَا سَأَلَ عَنْ شَيْءٍ مِنْهُمْ قَالُوا حَتَّىٰ نَسْأَلَ اللَّهَ فَنَسْأَلَكَ) بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ .

This is the 4th public accounts committee session for 2020. And I would like to welcome TMA representatives to the committee. The participants are, Mr. Pavninder Singh, Managing Director, Bain Capital and A.U.N Fawzy, CEO TMA. Ahmed Fazil, Company secretary TMA. This meeting is held on request of TMA, on the issue of reallocation of TMA sea plan operations to new Sea plan terminal. And this request is based on the fact that TMA would like to share some factual information regarding the communication that have happened with MACL on sea plan terminal reallocation and to address the concerns of being capital as well. So, I would like to give you a brief on how the meeting will be conducted. So, first of all I would give the floor to representatives of TMA to address their concerns. And then afterwards I will give opportunity to the honorable members to ask questions based on presentation. And I would like to address the issue that TMA had requested to the committee to be conducted private, I mean a close door session. But after deliberation committee members have decided that, we will have an open session on this presentation and if required, if TMA would like to share some information that they feel is wanted to be private and confidential, we will have that session after this session. So those sensitive information's you can share once this session is over. So, I will open the floor to TMA representatives to present their case. Thank You.

2

Thank you. بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ. I will take you through the presentation, and the hardcopy is given to you. And, No, we go like this. It's ok because the projector is there the Power Point, but will go this way. Is it ok to go this way, are you are fine with it? Just we would like to discuss about Seaplane terminal and about Bain Capital and how and today why we are here. I would like to first give a brief about the page number two, about TMA. I think all of you all know we are founded in 1989. And we are the largest Seaplane operator in the world. We have 57 Aircraft today, and around 83 resorts that we are serving. In 1993 November 4th we only flew yes, 4 passengers. And today we are flying up and down close to a million passengers. And we have an exceptional good safety track record with our twin out operation zero fatality twin out operation. And also, you know from 2016 to 18 we have won the RANLAARI Award. And the Travel awards for the world leading Seaplane operation from 2016 to 18. And also, the Indian Ocean award for 2016 to 18. Now I would like to talk about what you called, he will talk about Bain Capital. And I will leave the next page for him to talk about Bain.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Firstly, thank you Honorable Chairperson and committee members for giving us this opportunity to come and speak with you. Bain Capital is one of the leading global investment management firms was founded in Boston Massachusetts its about 35 years ago. We have over a 100 billion dollars of assets under management that we, can you hear me ok?

Chairperson Speaking:

Can you pause for a moment? Because we would wait till the prayer...

Mr. Pavinder, Singh Managing Director, Bain Capital Speaking:

Ok. Sure.

Chairperson Speaking:

Thank you. Please proceed.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Thank you. So, thank you again for your time. I will make my comments brief and just highlight a few things that were called to why we made this investment in TMA. First and foremost, of course I have to start with the uniqueness of Maldives and the attractiveness Maldives as a tourist destination. And all the efforts over the years that the Maldivian tourism industry and the government had done to make it one of the most

special places for tourism. And we are firm believers in the continued growth in that story and what the Maldives will continue to see, especially with all the infrastructure investment the government is making. Within that as Fawzy outlined, you know TMA has really created a unique business model. A business model which is unique in a few dimensions. Firstly, it is a flexible business model, where unlike most Airline operators which have scheduled flights to which they bring passengers but really dynamically change a schedule based on the passenger's arrivals in need. And, we do that successfully because it is an operation that is fully integrated right from when passengers come out of international arrivals to check-in to taking them to the Lounge to handling their baggage to allocating passengers to planes and then executing on the flight to the resorts and back. And that integrated model has allowed us to serve customers within what are, you know best-in-class service standards that meet our customers, the resorts requirements and do it in a way that creates a positive customer experience for passengers like come. The continuity of that business model really depends on our ability to continue to operate in this integrated manner. One of the key areas where we spent a lot of time prior to our investment was the discussion around the new terminal. Because we did realize at that point MACL had already indicated to TMA that we would be moving. And so, the terms of that move our ability to continue controller operations the amount of space that we would get. So, that we could meet the needs of our business that we had high conviction would continue to grow and what rate we would be charge per all important elements of our discussion over several instances with Michal and the administration at that time. And as Fawzy and Fazeel walking through little bit later, the commitment that we got from the board of MACL, on ability to continue to sustain our model was a key thesis that predicated our investment of almost a half a billion dollars which I believe this is the largest foreign investment in to the Maldives. We have continue to invest in the TMA business, both in terms of growing the fleet, investing in our people in terms of pilots and training, investing in our systems in terms of upgrading IT systems etc... to continue the service are our customers in globe. And you know, we are really here to speak with you and make the case that I think to continue to service the tourism industry successfully. We would request that the commitments that were made through several rounds of discussions be honored, So that TMA and tourism in the Maldives can you know continue to flourish. Thank you

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Thank you. I will go through a bit fast, because you all have the presentation as well. And as all of you all know majority of you all would have been travelled, the most of you had travelled with TMA. We build the infrastructure, we did the M.R.O, the water plant. The

electricity everything, we have to do it in our own when we came. We, in 2014 Maldives Airport Company came and told us to move to abandon the facility. We didn't want to move, because of the Runway, they said we have to move. And then we did a independent valuation as well. And at that time the valuation was 18.5 million dollars, the value of our buildings and the whole infrastructure. And repeatedly they wanted us to move and they said there won't be compensation paid for what we have. So, moving on to the next page in 2015 right to now, until the construction, the design, the whole thing we were involved, report was made, we proactively gave our input, we told how, because we had the knowledge of running a very good Seaplane operation. And we were considered as the world's number one. So, we gave all the input to design one of the best Seaplane Terminal which Maldives will have. And there were numerous correspondence with MACL that we had about the Seaplane Terminal. And also I think in here it says on the 7 September 2016, MACL send us a report on the New Seaplane Terminal. We gave our input on that as well to MACL. In September 18, 2017 right they came us, what do you call, MACL proposed a 15-year Lease. And you can see what we have requested in July 2014 and what MACL has given us. There is a table, which is there. It is in this page you can see here. So, this is what that they came up to us in September 2017. Also, in October 2017, they very clearly stated in the letter, the board approved and how much they are going to charge us and how much 10.35 per square meter and 5 dollars per passenger. And this letter was addressed to me and sign by Hussain Fazeel, and we have kept there is a copy for you the letter. The next page, you can see that as well. Moving on to the next page, where he clearly, Pavan mention to you, where Bain capital made the investment. It's very clearly stating right how much of square meters that they are going to give us. And what is the rate. And the next page also again says 31,000 square meter and 15 years. It's very clearly stated by MACL. I'm not going to go through word by word. It is very clear. And I mention to you before, MACL has repeatedly said that they will not compensate, and this is the rate that they gave us. 18.5 million investment that we mad, they said that they will not consider. So, we did not have anything, we were unable to ask when they said they cannot give us. And in December 2017 when Bain made that investment, I was at TMA and they clearly, this letter was one of the reasons for them to make that investment. And there are pages going on after that we got a contract right, the contract came on which date, October 2018, September 2018 you can see the correspondence agreement. I have the agreement with me. We can furnish you a copy, what we did, we made our comments to the agreement and we send the agreement back. The agreement clearly given us 15 years lease MACL has given us that. Even today you can go to MACL and ask, the we have given our comments to the contract. And you move to the next page, her you can see again right, the space which is been given to us.

As you know, TMA enjoyed until today we enjoyed separate a terminal. And, we were pushed to a common terminal without compensation. We agreed. Because, we saw a runway is coming up which is better for us, for everyone. And finally, we agreed to that, and even the space allocation was less 19,000 and you can see there is a common area and for the other operators. Even when the initial proposal came, I would like to tell you the draft. Write in that draft, they did not have to the, what you call, to the other operators. So, we highlighted that. And they incorporated that in their design. So, we mention that very clearly right you have to have for the other operators, and it was incorporated. and finally, which is been agreed right space allocated was 19,000 on a 28,000 square meter. And this is what that we take. And it was also re-conformed in August 2019. It is the heading which clearly says. Space which is been given. All we have in writing by MACL. And if you move on to the Auditor General's record, what you call report. This report if you take, it did not consider the MACL, the TMA the design aspect that we discussed that never it considered. And also, it never considered the 18.3 million the compensation. So, we have furnished this information to him. And we have to how much we are getting from the lounge revenues. Nothing was considered and it has been stated differently. And also, one important thing that Auditor General missed was he never said that MACL have a commitment towards TMA. The commitment was made in 2017, and all the way long until I told you October 2019. MACL is reaffirming the space that is given to us. So, that is never been mentioned. In the Auditor General's report. So that is a big miss that we feel that Auditor General has done. And as you know, people were telling that 47.3 million can be taken from these lounges. Now we know how much we get from the lounges, this is the gross revenue excluding the rent. Excluding the rent. So, to make things very clear, we brought an independent auditor and we did this, and you can see how much are the figures that we are getting from each year. That is very clear. And also, just consider this, we carry 450 thousand passengers per year right. If you are going to get 47 million divide that, that is 100 dollars per person. Can it be efforted? I don't think. Right, it is, that is a very high figure for a lounge. Right it. It is I don't know how the number has come. Right. And also, he says a square meter, we cannot again compare this with the International Terminal. International Terminal carries much more higher passenger than us. We get only a small number of the passengers. And if you take that even from a terminal how much of passengers that they moving in a terminal, and if you divide that, I don't think it will come to hundred dollars. It will come less than twenty-five dollars, right, how much they charge. And also take a family which goes, we say family of four, which goes, and they are going to pay four hundred dollars as lounge charges, it is not going to work. The Seaplane operation will come to an end. And I believe, and we all know this is a infrastructure project done by the country, and the

project cost is 47.2 Million. I am not sure how much is the Seaplane cost, which I hear it is around 26 Million. Right. Even if you take 47 million, right, The I.R.R is one year. If it is 26 million within within half a year, you will get it. I am not sure whether it is right. So, we believe, firmly we believe that is wrong. That is, it cannot be which is not right. This figure has cost a lot of panic you know that they can make so much of money. It cannot be made. People, if you bid even people will not take the lounge at this price. Why this having TMA managing own lounges it matters to us. Right. As I mentioned to you, all of you have flown with us. And you know very well, when we state at time it is a rough time that we give. We will fly on that time or the time will move. The reason is our operation is very unique. We have a service commitment to the resorts. We are very different from other operators. We are not a charter operation. We are not a schedule operation. To simply to put it in, if you take an International Airline, the International Airline has Aircraft and they assign passengers. What we do, we do completely the opposite. We have passengers and we assign the limited resources, Aircraft and the Crew. So, we do completely opposite of what others do. We, our schedule is so flexible. So, we control the whole movement of the passengers. Why today the Seaplane industry in the Maldives has been successful? Why the resorts believed in us? At start there were most of the resorts around Male' Atoll. And today it has gone. And mostly people want when they bill, they like to bill around the sea plane. Because we were able to provide, a service where the customer is happy. And you know the weather they can go bad, the international flight can get delayed. Several things can go wrong. At the resort they don't pay. But we take all this to us. And we try to make it right. So that's why our schedule is change. And that is why we need the control of managing it. We manage our aircraft; you know is 19-seater. And normally we carry fifteen with luggage. And some, when we make the flight, we have to bump the passengers or the luggage's. So, we have to do. Because it lower weight. so, at the last minute we pull the luggage's out. So, these are very important for us to make It success. Otherwise this would have been failed. We never give a minimum or max to a resort. Even with zero passengers we will go to bring the departures. That is the commitment that we have given. So, why we were so focused, and we want that our operation, yes, we fly, at the same time majority has done at the vac office and controlling the whole thing. So, that is why that we have asking for this space. And I go to the last one. No, Sorry. That facts is, as I said before it is 28,000 square meters and we are getting 19000 space allocated. And there are 8,800 square meters left for the other operators. And also, where in the media it stated we want to clarify it to everyone, because we are here. They said there has been no agreement signed between MACL and TMA. There is no agreement signed. But the agreement is given, we didn't sign. The agreement was sent. And also, there are commitment, there are letters I have

stated which is being giving. So, it is there with us. The commitment was given by MACL for us about the space, the duration and the rate. It is very clear to us. And also another thing is the media says about Mr. Afeef, a shareholder and a board member. He is no more a shareholder at TMA. He is a board member at the TMA. Right. And also, there were some announcement by the finance ministry regarding the space and the duration in that it clearly stated, the space what is been given to us now will be given at the rate that we have. Basing on the commitment which was given from 2017 to now. We have signed up with the resorts and stated that we will be giving lounges to them. That is already committed. You all will know how many resorts came up during the last one, one and half years. I think we have more than 12 to 15, twelve for sure I know we have signed. New ones which has came up. So, we have given them the commitment that we will. Because they need this luxury and they want a space and we have committed to that based on MACL's word. So, the space which we have no, you know from the time when the buildings started, we were unable to do anything much, even for, what do you call, staff and office operational space to, lounges to everything was stopped. we have to squeeze it in. So, always we tell ok, wait for some time there will be better. That's what that we were been doing. And we told when we move in to the other one it will be given. So, the space which is stated or stated I, or the letter that we understood. I can say that the way that I understood is less, and it will not be enough us to do an operation. And also imaging this resorts that the lounges that you go, we give the four walls to them. And they have to do the rest. When they have to do the rest, they spend hundreds of thousands of dollars to make it. And we cannot go and tell a two-year period you do this, and we do not know the certainty. As well as to us, we need certainty to operate, even the fleet, to the manpower, to everything I need certainty. Otherwise without certainty we cannot run a business. So, in a Airline that is very important for us. So, what we urge asking from you is to keep the commitment which was given, and give the space what has being agreed to us.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Thank you Fawzy. And I will just reiterate the last point which is. You know for us as I mention before, we really in a strongly believing in the bright future of tourism in the Maldives and TMA's ability to support that growth and continued making one of the best destination for customers in-terms of their experience. But for us to do that you know; we have to continued operate in the integrated way we have for the last several decades. And that model is predicated on our ability to operate a terminal and have the space that we need. The commitment from MACL is not just from an individual, but you know letter from the board of the MACL was critical part of what gave us the comfort to make such a

large investment in the Maldives. To say this is a country in a government that honors its commitments, the future for us, even though we have to move from around facilities to a new shared terminal, that we will have the space and a fifteen years commitment where we can continued invest in the business and grow. And so, I think, I will just reiterate our request that, please the commitments be honored that were made and you know, I will assure you we will do everything along with Fawzy and Fazeel and the whole team to continuing investing TMA to make that a very successful part of Tourism in the Maldives. Thank you for your time.

Chairman Speaking:

Thank you very much. Now I would open the floor to Honorable Members for questions regarding the presentation. So, first I will give the opportunity to Honorable Ibrahim Shareef.

Member of Maradhoo Constituency, Ibrahim Shareef Speaking:

Thank you Chair. From the Statement you made, Mr. Fawzy, I understand that we can conclude that you don't have a written contract with MACL regarding the space allocation or at what price you will pay. My first question is do you, Yes, I will repeat. From the statement you made just now, we can conclude that you don't have a firm contract signed with MACL regarding the space allocation, right?

Chairman Speaking:

I will give you the opportunity to answer the question. First let the Honorable Member finish the questioning.

Member of Maradhoo Constituency, Ibrahim Shareef Speaking:

My first question is, do you have a firm written commitment either from the Government of Maldives or the MACL about the space allocation. We also understand that MACL is willing to offer the equivalent of space you have had earlier. Do you agree with that? Thirdly, on what basis do you claim that A.Gs projected revenue is not realistic. Can you say, what is the cost of operation including the proposed rental payment. My third question is, why didn't you enter an agreement when it was offer to. Didn't you agree with terms or is there any dispute regarding the terms or the rental value. Can you answer this three questions?

Chairman Speaking:

Please answer the questions.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Yeah. We believe that we have a firm commitment. Because, in two thousand and seventeen MACL gave a written commitment, this is the space, this is the rate, and everything was very clearly stated at the letter. And I have attached the letter. And there after what happen, they have given a contract. In a contract there will be areas, the rate was clear. The space was clear. But the rest of wordings, right, we were telling this has to be change and we gave our input to that. So, it was very clear to us. There was written commitment. Otherwise Bain would have not made that investment today here. So, the thing is, you said about the contract. The contract, two things whenever disputed. One is the rate. One is the area. But you know as usually in a contract there will be wordings. Right. The wordings we said these are the wordings we can show our, what you called if it is needed at any time right. These are the things that we are telling to change or like any other contract negotiations. It was stated our comments. They clearly ask for our comments on that. So, we gave our comments as well. That's what we did. And the second, that you asked the questions about the revenue projection of, size or space what is given now can you...

Member of Maradhoo Constituency, Ibrahim Shareef Speaking:

The MACL is willing to given the equivalent... Maldives. Do you agree that?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

No, we don't agree with that very clearly. Because one is, MACL has given a clear commitment. Based on that I have gone and signed new contracts with the customers stating. And for us to do the operation we need that. And also, it is very important, I honor my commitments towards the customers. So, and your 3rd one is I answered the question why didn't you sign the contract, I told you that right? And the 3rd one was the A.G projection. You can see what we are getting right? And I know 450,000 passengers is any body can come and audit, right? If you divide that by the number of passengers 100 dollars. We cannot afford right, any person is going to pay that. No one is paying that even now. And it is very clear how much we get is an audited report I have stated. Which is 2.7 million that we get. So, it never can be 47 million at any given time. That is wrong, clearly wrong.

Member of Maradhoo Constituency Ibrahim Shareef Speaking:

If you agreed with the terms, and conditions offered by MACL, why didn't you agree with that? Why didn't you come, why did you come into commitments with customers or your customers before you sign the contract with the MACL. Why is that?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

We have been told from Two Thousand and Seventeen we are getting right? The rate is being agreed, the space is been agreed. So, I can easily go and sign any contract. So, there is no issue. So, I know what I the space I am going to get. And I know the rate what I am going to be charged. So, I have no issue to sign.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Mean, I will just reiterate our investment, the most important elements of this contract were the space, our ability to control our operation, the 10 year or 15 years and the rate. There was no disagreement with MACL on any of those things. There was a historical negotiation and as you can see from the letter, these were actually MACL's proposal. Not our proposal. And they reiterate both the space that will be given the 10 year, the rate and our ability to control our operations. And while there were some minor language back and forth on the contract, we based our investment on the thesis that MACL and the government will live up to it's obligation under this commitment that was made by the board of MACL. And on the basis of which we made commitments to our customer.

Chairman Speaking:

Thank you. Now I will give the floor to Honorable Abdulla Jabir.

Member of Kaashidhoo Constituency, Abdulla Jabir Speaking:

Good Evening Mr. Fawzy. Very experienced, the most experienced CEO of the company. He is operating International law and standards. I understand in this report of course the Managing Director, Bain Capital and the Secretary, congratulations coming to this very important committee, Public Finance Committee. My understanding is, there is an agreement between you and MACL. That's what you have been telling. And also, on that you have committed space allocation for your clients. And also, there have been, and investment done for the infrastructure, on that understand. Now how we can get out from this problem between MACL and your company? That is my question. Both parties, excuse me, let me just finish Mr. Chair. Thank you very much. My understanding is everything is done. Now there must be a solution between your company and MACL. What would be a suggestion that you are proposing? I want to hear. Thank you.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Thank you, honorable member for your question. Our proposal would be that, hopefully MACL will live up to its commitments to us. And that this would be in the best interest of both Tourism in the Maldives and future for investment in the Maldives. The Seaplane Terminal was always in vision there is a multi-operator terminal. There is adequate space in that terminal for other operators to operate and grow, as well as for us to operate and grow. In-terms of the committed rate for MACL, as Fawzy had mentioned. Yeah, we looked investments all over the world, most infrastructure investments have a in a 10-15 year pay back. Even under our proposed rate for the current terms, the revenue would be paying...

Member of Kaashidhoo constituency, Abdulla Jabir Speaking:

I just, my question is very simply what the next step. Now these steps are not agreeable. Because MACL and...

Chairman Speaking:

Honorable member I will give you the opportunity to ask the second question once...

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I would say the next step should be that there is a contract that was proposed with these terms and that MACL and we sit in good faith, finalize the contract that reflects the terms that they proposed. We signed that contract and, you know we locate to the new Seaplane Terminal, the new runway opens, and you know we all move forward. That would be our hope as in-terms of the next steps.

Member of Kaashidhoo constituency, Abdulla Jabir Speaking:

If not agreeable, I understand there is a contract. Contract is you agree, somebody propose, that is a contract. That is under Maldivian contract law. Doesn't mean that you need to sign both party paper. Final paper is final paper. To arrive solutions, are you willing to start fresh negotiation with MACL, my question, very clear. Please respond.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I think anything that would be a material departure from the terms that they had originally proposed, and our understanding of that commitment would be a serious detriment to our investment in TMA, and to the future of the TMA. And so, we would not like to re-open that negotiation. I think that negotiation was had in good faith over many

years. And MACL board approved a final set of terms bases which made our investment and we would like to see those commitments honored

Member of Kaashidhoo constituency, Abdulla Jabir Speaking:

Thank you very much Mr.Fawzy and the team. And thank you chair, thank you committee members. Today is my first day I have to leave. I have no question. Thank you so much.

Chairman Speaking:

Thank you, Honorable Member. I would now give the floor to Honorable Abdul Ghafoor Moosa.

Member of Hanimaadhoo constituency, Abdul Ghafoor Moosa Speaking:

As you mention, I believe that you know you have spent about 1.8 million for your old terminal, 18.5 million. But for that contract I think it's over. And there is no government commitment to pay back this money to your company. Is it true? Wait, My next question is, do you think that the given rate from the MACL is reasonable compare to the market price right now. The given rate Five dollar per passenger, Ten dollar per square meter is reasonable compare to the market rates today? And also, is there any commitment other than MACL from the Government of Maldives regarding this issue? I mean not MACL, maybe from the previous government. Is there any commitment they have given you, whoever you know in the government? My next question is, are you willing to renegotiate with MACL, you know to come... ok finish.

Chairman Speaking:

Please Sir.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Your first question that you said, 18.5 million and we agreed for 10.35 and Five dollars. And we agreed for not to take any compensation. So, I believe they would have taken into consideration when the contract was done the 18.5 million compensation into it. So, we never pushed for it. We carry around 40% of the tourist arrivals to the Maldives. But we said okay, we will not push for any compensation, nothing. And we will move. Remember that I would like to mention one thing, we didn't want to move. We were forced to move right, from our comfort zone. We were forced to do. And not paid the compensation, and 18.5, what do you call, the rate that you ask whether it is reasonable. I say yes. If you take any infrastructure right, building it is normally 10 to 12 years. Put the

IRR or the return on investment, you will be getting if it is 26 million is this Seaplane terminal, you will be getting within 4 years, 4 to 5 years. That is a very good investment. I believe a Airport or a Terminal should assist, the infrastructure should assist to grow the tourism industry, than a money making place where it supports the industry in a whole. So, definitely a still it makes money, if I do not know where we, here it is 26 million because the 47 million included the MNDF, the fire, lot of things were included in that. Seaplane is around 26 million. so yes, of course the rate is, obviously I can tell it is a good rate. Extremely good rate. And any other comment from MACL, I don't think so that we have from anyone else. Except for this government of Maldives. Oh, we have a 25 year to operate from that is as a foreign investment. We have that, yes. Has been given for 25 years. That is there.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I would just like to add one thing as prior to our investment, we did meet with the other members of the Maldivian government, including the Ministry of Tourism of economic affairs and you know while the MACL contract our licensed to operate and the general in continued investment in the tourism within the Maldives for all part of those discussions. We did not get into you know the contract details with them, that you know those conversations did gives us comfort that the commitments will be honored.

Member of Hanimaadhoo constituency, Abdul Ghafoor Moosa Speaking:

That is for the present government or the previous government?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Prior to our investment was with the previous government. But we had continued our conversation with people in the administration in the existing government and as Fawzy said as early as middle of 2019 the documents they were shared with us from MACL reflected the original understanding.

Member of Hanimaadhoo constituency, Abdul Ghafoor Moosa Speaking:

This 18.5 million dollar investment, how many years you have been use this terminal? And it is built under contract or just agreement with an MACL or you build this terminal?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

We built the terminal, but we have to get the design approved because we are in a control zone. So, we as an when the requirement comes, when the passenger load increases and

when we need more infrastructure, we kept on building it with the permission of MACL. MACL gave us permission to build.

Chairman Speaking:

Thank you, Honorable Member. I would now give the floor honorable Hassan Afeef.

Member of Vilufushi Constituency, Hassan Afeef Speaking:

Thank you chair. My first question is, now you have said you have invested 500 million US dollars in this project. Now, before your investment you would have done a feasibility and also due diligence. And I just want know that this amount, what you made to TMA and Maldivian Air Taxi to buy their investment right? Is this amount is? That is to buy their investment from them right? Now the other question is now when you took over the investment from TMA and Air Taxi, they would have contact with the Maldivian government and also with MACL. So, that means you would have taken this investment understanding that you will honor that contract. And according to that contact, now you will be givens, ok curtain period for your operations and also the buildings you have, the buildings that they have put up. And that will give you how it will be compensated if it is has to be relocated. So, the other thing is now for example, when the airport is, when there a developments in the airport we all have to agree that sometimes we have to relocate the building. That's what we have done you know. So, my question is, in this contract with the Maldivian government, of course you have the contract to operate your Airplane for 25 years. But your facilities at the Airport the contract will be with MACL right? So, with MACL, your would have, when the past contact there will be the land given or the areas given and the prices agreed. So, when you have take this investment, boat from those two companies you have excepted to honor this agreements. So, my question is, under that agreement what are the areas and the prices given to you? Is it the same as what you are negotiating now? Or what you have agree with MACL right? Then the other question is, now when you have this area or the land, now your giving lounges to the resorts. What are the terms you give to them? Do you give on space basis or do you give on passenger basis?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

So, Maybe I'll take the first question and fawzy. So, if I understood your question correctly Honorable Member, it was at the time our investment, there were certain terms and commitments they would made from MACL board with be the existing facilities as well as the new facilities. And is what were asking for in line with what those commitment for. And I would say the answer is yes. We are not asking more space. We

are not asking for a different rated, different tenure. We only asking that the commitments they were made after a long period of good faith negotiation with MACL, that secures the future for TMA, that those beyond and were the basis on which our investment was made at the time in terms of the new facilities. And I think while just also to be clear, the part of that agreement was understanding with them, we would not get the compensation for our existing facilities. So, that is not something that we are going back on to say we would like compensation. We would only like what was agreed them to be honored.

Chairman Speaking:

Thankyou...

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

So, there was a second part in terms of the...

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Yeah. There was a second part that you ask about the resort. It is the rates that what ever we have the space we allocated, agreed with them this is the space that you are going to get. That's the way that we decide. because One thing is, some resorts have very small space which came recently. But we promise them in the feature you're going to get more right? What we have only we can give. So, we make lounges sometimes in a area and then give. So, the rates to the resort that you asked are confidential in nature which I cannot share each resort... Yeah. If for an example, if the number of beds are more and if they have more passengers definitely I have to allocate more space. So, we know the number of beds of the resorts, right? Then I will allocate the bigger space. So, that's what we did. Yes. Yeah correct.

Chairman speaking:

I think the question is, do you charge them based of rental of the facilities or do you charge them on the usage per customer.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

I got it. I, 99.9%, 90 percent of the contract we can say. Roughly I can, these are rough ideas I am giving right? Don't hold on to meet this right? I don't have exact number in front on me. Its per passenger we charge. That's is what we do. And there are very few with renting. It is there. Yeah, I don't know the exact numbers, right? Yeah, principle is per passenger.

Chairman speaking:

Thank you, Honorable Member. I would open the floor to Honorable Ilyas Labeeb.

Member of Hulhudhoo Constituency, Ilyas Labeeb Speaking:

Thank you. I just want to know whether if you have, is there any existing agreement between MACL and TMA for the current land or the terminal you are using now. And if you have agreement, how many years left you have been your lease period for the current space allocated for TMA.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Ok. Presently also we have a contract which will be expiring soon. But, in that it states clearly, we will be move to a new facility. That very very clearly it states that. So initially the contract was, when we started 10 years the contract was given 10 or 15, I cannot remember those numbers. And then the contract period became shorten because the Seaplane building was coming. So, now there, it is very very clear the contract. It says the present contract it is this period, but the Seaplane building is ready, and it is agreed by both parties then you have to move. Agreed by both parties is also very important state.

Member of Hulhudhoo Constituency, Ilyas Labeeb Speaking:

Auditor General's report, page 9, it says MACL lease proposal for new Seaplane Terminal and responses in September 2017, it says in its proposal MACL said it was open for discussion for the rental rate, rent adjustments cycle and upfront payment from TMA's rent advance. MACL propose a 15 years lease and rent adjustment every 3 years where TMA would take overall passengers' and aircraft friendly functions in its allocated space TMA. Basically, they are saying it was open for discussion, not agreed. But in the presentation the letter it says they have accepted the offer that you have given. But the same date this comes from both documents in different way. That's why I just want to clarify. I think you have already got this Auditor General's report which was in page 9.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Yes, I think as you remember that was in September of 2017. And in December later that year, those terms were agreed, and we received the letter which is on the page, which is in the presentation that was just given to you. Which said our board has made the decision to reiterate our position. And to proceed with the fix rental rate of 10.35 for 31 thousand square meters on a variable rental of 5 pax. So, at the point of September it was ongoing negotiation which was as I mentioned before getting clarity on that land it was a

key part which is why our investment was only made after we received this letter in December of 2017.

Member of Hulhudhoo Constituency, Ilyas Labeeb Speaking:

I think when you were negotiating with that MACL, there are lot of E-mails and communication letters. Have you met with the MACL board? Roughly how many meetings and how do you make the decision? It just you meet them, agree something and get the corresponding documents later, or how do you usually agree? You have been dealing with MACL for more than I think 15 right? 15 years.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

I meet the MACL, the Managing Director. That is the key person that we meet. And we discuss with the Managing Director, at that time it was Adil Moosa. And then there after now the Acting Managing Director Moosa Solih. So, all negotiations will happen with them. And then they will communicate to us. We go and talk to, he will have his team. I don't know who they are right. When I go he will have his team.

Chairman speaking:

Thank you Honorable. Now I will pass the floor to Honorable Yaugoob Abdulla.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

Thank you. I have seen your internal audit report some for 2017, 2018 and 2019. As per the internal audit report lounge revenue is not material. It is very minimal amount about 2 million. But I have seen your investment has increase from 250 million to 500 million within very short period of time. So, it indicates the lounge revenue, what I can read from these lines are it is telling me that the lounge revenue is not very insignificant part of your investment. So, my question is, if it is the case why are you so much concerned about the lounge space since MACL is ready to provide common areas for the passengers. As well as they are also ready to make a direct contract the resort so than can provide the lounge space for the passengers. So, I don't think there will be any issue for the passengers for getting lounge space. So, my question is why are you so much concern about this, since this is very very minimal amount? You have stated the revenue figure. Not even the profit.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Yeah. It is as I mentioned to you. You are right. Our most important is to run the operation, right? Lounge revenue is very minimal. It is not I am talking about on the

revenue. I am talking about the concept. The whole concept, today, why you would have seen Seaplane operations have started in other where in the world. How did we grow from 4 passengers from 1993 November 4, to 1 million passengers up and down? The model, for the model to work we need to have control on it. And as he mentions as well right, Bain also made this investment based on this. If he do not have control, I can tell you the Seaplane industry will die very soon. That is, I think we all brought this industry to this level. What I am asking from you is take it to the next level, right? For that we did a good job, and that should be continued. That's all that I am asking for.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Yeah, I would just reiterate. I think as I mentioned earlier, having that integrate model where we can provide a full solution to our customers is critical. To take away an element of that full solution, will hamper our business model. I don't think you can go to our resort today and say, you know your reception area doesn't generate any revenue will run your reception area for you, you run the rest of the resort. They will not agree. It is an integral part of the customer experience of the offering they give to their customers, and just as its important for them to control all aspects of their resorts. Its important that we control all aspects of our business, and that was the basis on which we negotiated with the MACL in good faith, that they had agreed to the proposal and that is the proposal that we have just asking for them to honor.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

You have highlighted the compensation issue repeatedly. As per the Auditor General report and some other information's I got, I don't think there is any commitment from the MACL for you to compensate the 18 million that you are talking about. So, I have a concern, because you have repeatedly highlighted the 18 million issue. So why are you so highlighting this compensation, do you believe that you will have to compensate this 18 million?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

I agree with you, right. We agreed, we didn't pursue that. In a fair world, I think if you have invested so much you should be compensated right? But we did not pursue, we went for the agreement. And in return you see we were also having a common terminal and a separate terminal on a selling point makes a difference, right? I agreed to a common terminal, I took a step back, right? I was ok with it. And also, we didn't, because looking at the bigger picture, there will be more tourist coming, the runway will be there. The International Terminal will be there. We will get benefitted, just forget the uniqueness,

right? So, why mention this is, we did not pursue at that time, right this. And the rate and everything we agreed to it. I believe, if you would have pursued, I do not know what is the outcome going to be, but the board, everybody agreed we are not going for that. We will get the terminal, and we are happy with it, country is doing something good, we will agreed to that. That's what our policy was. We supported the industry; we supported the government, and that's what our principle was as that time. And we believe in return they honor the same.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

Ok. So, I think yes, I believe, I agree that you invested, you built the existing Seaplane Terminal, and what I believe is you got a very cheap rate in return. Ok. Next question is, you denied the Auditor General's audit report. And you said that the profit is too much, four times overstated. Did you share any lounge rate or any rate with them? But I know Auditor General, they did an audit for MACL not TMA. But did you share any rates, any lounge rate or any rate with them, with the Auditor General.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

I need to check whether the rates are been shared. We never shared, definitely individual rates, I would have never shared that is for us. But I can tell you one thing we, not myself there was a representation made to the Auditor General and more than two hours it was the person spent with Auditor General and explained the whole thing. It was done, but I'm not sure about the rate I have to...

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I think the if I recollect, our representative met and indicated a ballpark range of our aggregate revenue similar to what is represented here. Obviously that time we had not had a third-party audit done of our lounge revenue. So, we didn't have the annual audit, but the representative prior to the release of the AG report as Fawzy said, did spent considerable time with AG and did indicated a ballpark range of where our lounge revenues are.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

There is one more thing also I just want to clear. Some of my friends, I have been told by some of my friends in resorts, some resorts, they were approached by Auditor General to get some lounge rate, but you threatened, TMA threatened them not to share any rates with the by Auditor General. Is it true?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

It is not true.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

Last question is, here is a audit report done by, EY, right? Who is the engagement partner of this report.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Mr. Krishna Rengaraj

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

Is there any person, anyone in EY, who is, there is a direct relation with you, Fawzy?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Absolutely you know that. That is my brother is a E&Y partner right? But, when they do this was given to Krishna Rengaraj

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

So, the audit, I mean one of the partners, E&Y partner is your own brother right?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

That correct.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

So, do you think this case, do you believe this report that we can rely on this the independency and all those things since you are denying the Auditor General's report, and do you think in the same situation we should except this report?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I will just make one more general comment. E&Y is one of the most globally reputed accounting firms in the world, that has significant internal controls to make sure there is no conflict of interest. And that anything that goes out within E&Y assured of audit meet the certain minimum standard. E&Y, when we invested, we realize that one of Fawzy's close relatives was there at the firm. We had extensive conversations with E&Y at the time, not related to the lounge revenue, but the overall financials of the company, and got comfort that E&Y was following all their global practices in the Maldives that they do globally to make sure that the audited financials for the company they were putting out

were fair and accurate. And I would represent that yes, you should rely on E&Y's reflection on what our lounge revenues are. Because they are fair and accurate.

Member of Dhaandhoo Constituency, Yaugoob Abdulla speaking:

And the last question is who is your external auditor?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

It is E and Y.

Chairman speaking:

Thank your Honorable Member. Now...

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Chair, one thing that I would like to state, even if you do this with the KPMG it is the same results and it is in the books of accounts. It is that number is there.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

And we are happy they have KPMG, PWC provide your fresh audit of our lounge revenue if there was to provide comfort Honorable Member.

Chairman speaking:

It is not a decision made by the committee's. Just a personal question from the Honorable Members. So, we will have our deliberation and once we reach a decision that would be on the report as well. So, it's not a concern...

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I didn't, I was just saying since the Honorable Member raised a concern of conflict which I understand, we are happy to have a different party we do the work because we stand behind what this report represents.

Chairman speaking:

Right. Thank you, Honorable Member. Now I will give the floor to Honorable Ibrahim Fazul Rasheed.

Member of Felidhoo Constituency, Ibrahim Fazul Rasheed speaking:

Thank you. I will put forward some direct questions to you and if you could reflect me back could be a little bit faster. When is the your current agreement expiring? The date. So, it's four months or something like that you are expiring?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

That contract clearly says, right? You can, yeah...

Member of Felidhoo Constituency, Ibrahim Fazul Rasheed speaking:

And does the contract says that you should be compensated?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

No.

Member of Felidhoo Constituency, Ibrahim Fazul Rasheed speaking:

It doesn't state that so, meaning 8.5 million MACL don't have to pay you back. And then my next question is, is there any amendment to the agreement? Because you stated that, it stated that the new terminal from the, you will be allocated the space from the terminal, is it because of an amendment of the current agreement that you have currently now?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

If I understand the question, in terms of the new terminal we have the letters they were shared here in terms of the commitment form the board and we have a draft contract that reflects these terms.

Member of Felidhoo Constituency, Ibrahim Fazul Rasheed speaking:

No. here, Mr. Fawzy stated that, in the agreement it says that the new space will be allocated, am I right?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Yes. Correct. It is there. The contract is a letter which is been there, right? Which comes, and I sign it. And the CEO of the company signs it. Extension for another one year that is until 30th June. Yes, correct. It constitutes a contract.

Member of Felidhoo Constituency, Ibrahim Fazul Rasheed speaking:

So, basically you have an extension amendment or letter sort of a written document stating that you will be provided space in the new terminal. So, you have been negotiating with, I understand that you have brought the industry up to this level from

four passengers to maybe five hundred passengers per year. But I also believe that your period of your lease period is over by because you already are serving an extension period. And then why do you believe, basically why do you believe that its only you should be provided with the separate terminal operation? Separately only you will be, let's say given the chance to operate the terminal separately.

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Yeah, I did mention that, and if you can recollect at start that I told, when they designed in 2017, right? when the design came, I saw there was no space for the other operators. I highlighted that. I highlighted that and I said right, you have to include this. And they may changes to the design. Everywhere along the terminal design, yes, we had then experience in the Seaplane, right? And we gave our input in good faith and also, we make sure there is space for the other operators. We did not go back and ask or fight for a separate area, though we were so large 40% we are doing. We never did that.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

If I could just add, sorry, apologize, Honorable Member. Just be clear, we are only asking that we will be able to control and operate the area allocated to us. Other operators will get their space allocation can operate their own area independently just as we do ours. We are not asking that we operate the entire Seaplane Terminal for all the other third-party operators. We are only asking to control our own operation, not those of others. And I will also just add your previous question of compensation. I think the part of why it's important to highlight is because, in that commercial negotiation, we agreed to no compensation for our existing facilities and on the flip side MACL agreed to give us certain amount of space and commitment for 10 year and rate. I always saying is, you can't lose sight of both facts. So, you know, we are not asking for compensation today, but we are asking that for when compensation and look for a certain set of terms which included our ability to have certainty of space and rate for 15 years. That part of the equation also be honored.

Member of Felidhoo Constituency, Ibrahim Fazul Rasheed speaking:

I understand that you don't have the bargaining power at this moment, saying MACL should award the negotiations that you have taken so far with MACL. And then I also believe that equal opportunity should be provided to other operators as well. And they are, internationally all, for example, internationally all operators share airports and terminals equally. So, it's just for your, due to your business model, you are proposing similarly to control all the facilities. And then I'm just noting it down for the records, and I also

understand that your contract is already expired. Am I right? And they have provided an extension up to 30th June 2020. So, basically saying I would be better for MACL just to re-tender this. If you were not, we want you to be there. We want to you to be there. But if you're not willing to re-negotiate, you mentioned that you do not want to re-negotiate the terms and conditions. Why don't you compromise on yourself and give the opportunity to all operators equally? And re-negotiate the term and condition with MACL just go ahead with the operations.

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

So, I don't remember you know, Fazeel and fawzy, we did negotiate in good faith for almost three years. We did reach as said of terms on after that negotiation which provided for other operators to be in the building, and we obviously not ready to what negotiation MACL have had with other operators. I was saying is, that you know we made the largest investment in the Maldives, on the basis of the result of those good faith negotiations. That those you know that good faith result be honored. And other operators can absolutely be in the terminal on whatever basis that MACL and them agree to. We are not planning on that at all. We are only saying that we will move to the new facility. And we need to secure our own future.

Chairman speaking:

Thank you, Honorable Member. now I will give floor to Yasir Abdul latheef. Honorable Yasir.

Member of Kulhudhufushi North Constituency, Yasir abdul latheef speaking:

Thank you chair. You might have to repeat some of things, but I love to ask. I like to know the area of the, in square meters of your current terminal. Is that 11,000?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

10,500, yes.

Member of Kulhudhufushi North Constituency, Yasir abdul latheef speaking:

Yeah. So, you are saying you are accompanying there 450 thousand? am I true?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

Passengers, right? Correct, yes, it is correct. 450 thousand passengers. It's one-way passengers. Return passengers, so, it double, 900 thousand. you got it? Yeah, ok.

Member of Kulhudhufushi North Constituency, Yasir Abdul Latheef speaking:

So, you have said you have signed 10 new contracts. How much more passengers do you expect from that?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

It all depends, how the Maldivian tourism works, right? Definitely we are expecting a very high growth. We are expecting over the periods 7 to 8 percent. Until, if you take January, right. It was 20% growth before the virus hit for us. So, we are finding it difficult now with a 20% growth compare to last year. And last year we grew by, I think 15%. So, that is what we are growing. Passengers, I am talking about passengers. Passengers last year 15%. This January was 20%. This January we thought, this year we thought it will be a good year, the coronavirus came up. So, this is what we are expecting. We are expecting a high growth. In the Maldivian tourism.

Member of Kulhudhufushi North Constituency, Yasir Abdul Latheef speaking:

Yeah, I can see a copy of the letter that was in 13th July, mentioning about the 31 thousand square feet isn't it. And later, on the August you have said that, they agreed for 19 thousand. But is there any letter mentioning about the 19 thousand?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

I believe that 31 thousand includes the MRL facility. And 19 thousand is just the terminal. So, that the overall allocation was both. And the draft contract that was said demarcates that more clearly.

Member of Kulhudhufushi North Constituency, Yasir Abdul Latheef speaking:

So, can you actually say the value of the investment after this August? Do you have a value, I mean you have invested depending on the letter from the MACL isn't it?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

Sorry, I didn't understand the question, Honorable Member.

Member of Kulhudhufushi North Constituency, Yasir Abdul Latheef speaking:

I mean, you only have some letters from the MACL, isn't it? You don't have a contract with them isn't it?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

We have existing contract as Fawzy mentioned. And we have a draft contract and a letter from the board, which is a commitment to like I said, space 10-year contract length. And in the more detail documents that were exchanged, there are schemata's that will be provided with the appropriate space demarcated for TMA. We are happy to share that with you.

Member of Kulhudhufushi North Constituency, Yasir Abdul Latheef speaking:

What I am saying is that, okay, you have said about the new facility was mentioned in your contract. But later with another question you have said that it was a letter. What we call a contract is where both parties sign isn't it?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

The time when they made an investment, there cannot be a contract made at that time still it was going on. So, we have to rely on the letter. The firm commitment given by them. And also, a government gives a letter, and a foreign investment like Bain which they do. One of the biggest private equity in the world. They rely on government letters. And based on that, and letter was part of it. There is growth on the Maldivian tourism, there were several factors were taken in to consideration when the investment was made. And for that another most important is, the passengers can grow, everything can go. If we don't have space to do it, how can we run an operation? So, this letter was crucial for them to make their investment. And we believe, the letter constitutes a contract and also, a proposed contract was given.

Member of Kulhudhufushi North Constituency, Yasir Abdul Latheef speaking:

Okay thank you. So, you said that a contract was proposed isn't it? And I would like say what exactly you don't like in that, because that's the reason why you didn't sign isn't it?

Mr. A.U.M Fawzy, C.E.O, TMA Speaking:

The reason is, I can say the wordings of the contract. But there was no dispute on the rate. There was no dispute on space. There was no dispute on the length of the contract. So if you take this main three, right, there was no dispute. But always there will be language mistakes, right? So, it has to be corrected. So, it is a lengthy contract. So, the language mistakes were corrected.

Chairman Speaking:

Thank you, Honorable Member. Now I will pass the floor to honorable Hussain Waheed.

Member of Komandoo Constituency, Hussain Waheed speaking:

Thank you chair, thank you TMA team, yes. Definitely TMA has been a good part of tourism and it really helping our tourism to grow and develop. Thank you very much. Well I don't have a question to see how much business you do? How much profit you make or anything. What we are discussing here is that, TMA is saying that the MACL is not respecting the commitments they have made to you. And based on that you have invested so much. Sorry to say that, the attachments you have put on this paper I can't see a very clear commitment saying that you will get that much of space for the rate. One, they said they have sent to the board and they will discuss and come back to you. They have come back to you. And the other letter it says, the final area will be included within the lease agreement, which is not sign yet. So, I have a request to submit, and also to chair, please to request to MACL to send us the letters and the documents what they have negotiated, what they have committed to TMA, to this committee. Thereafter we will be able to go through it, and come to a decision I think. And at this point no other questions I have. And talking about the compensation for the existing terminal, which you have said very clearly that the existing agreement is ending soon within months. So, maybe a copy of that agreement also if you can get from MACL, then we can look into it and we will see what we can do. Thank you so much.

Chairman Speaking:

Any comments?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

We are happy to provide, I am sure MACL will give them to you. But we are happy to provide the copy of both the existing contract as well as the draft contract that were shared in the schematic showing all the space allocation. I think we may actually have a copy, we can leave with you.

Member of Komandoo Constituency, Hussain Waheed speaking:

Yes, if we can get from TMA as well, if we can get the documents from MACL, that will be very good. Thank you so much.

Chairman Speaking:

Thank You, honorable member. I think in general we have had a good discussion and we have got a lot more information on... Alright I will give second opportunity two more Honorable members and then I will close the meeting. So, I will first give the opportunity to Honorable Ilyas Labeeb.

Member of Hulhudhoo Constituency, Ilyas Labeeb speaking:

Thank you. I think based on the press release from Ministry of Finance; you are not happy with it. And it says they will give a 2-year commitment for lounge space is also a serious problem for you. So, in your proposal with that MACL before it was 15 years. So, what is the time period that, I think we need to find a way that how we can move forward. So, what is the agreeable time period for the lease agreement for the new terminal? Now it says, Finance Ministry says 2 years. The other thing is you have requested 11,000 square meters for lounge space, but Ministry says 5,400 square meters. So, Is there any new proposal from you? Now we know that MACL is not honoring the commitment, based from the information you have provided us, that they are not honoring the commitment they have made. And now we have new proposal from Ministry of Finance saying that, this is the space that they can provide. So, if you don't agree with this, and what is your new proposal? I think we have to come for middle ground to move forward. We can't keep on stuck in here. Because lot of, I think will damage to goes to you and to the government.

Chairma Speaking:

Thank you, Honorable Member. I think we are not the party to do the negotiations, and I think we very clearly know our role as oversight committee and what our responsibilities are. So, you need not to comment on the negotiations and the terms of what you seek with the committee. But your concerns yes, we would like to hear. So, I will also urge our Honorable MP's to keep the questions in that context and that regard. So, please continue Honorable Ilyas.

Member of Hulhudhoo Constituency, Ilyas Labeeb speaking:

When Finance Ministry came out with this press release, is there any meetings or any discussions held with TMA prior to this press release from Finance Ministry?

Mr. Pavinder Singh, Managing Director, Bain Capital Speaking:

We had representative from TMA and Bain had met with the Finance Ministry to express our concerns, the first we heard about the proposal after that was in the press. So, there were no other conversations that we had with the Finance Ministry prior to the release of this current proposal.

Chairman Speaking:

Thank you, Honorable Member. Now I will give the floor to Honorable Hassan Afeef.

Member of Vilifushi Constituency, Hassan Afeef speaking:

Fourteen, what you have requested terminal lounge space is 13,000 square meters. Now you want 19000. No no, I am just waiting for their response. Terminal lounge is 13,624 square meters you have asked in 2014, right? Now you are asking for 19,113. Okay. (off mike) Ok. So, are you happy with this number? 19113 for space allocated. That is what you are asking. And the other question is, okay one. Now there is going to be a, you have a draft agreement with you right? And there is a period a 10 year. So, you are happy with that one? The period?

Mr. Pavinder Singh, Managing Director, Bain Capital speaking:

Okay. Yes, I think the 15 years that was originally agreed with the MACL, we are happy with that terms. Yes.

Chairman speaking:

Thank you, Honorable Member. I think we have clearly understood what Bain capital and TMA would like to have and what your concerns are. I think we have had, we have been furnished by all the concerns and information that you feel that we should have before we deliberate on the matter. And also, I think all of our Honorable Members are quite aware of what constitutes a contract offer and acceptance and reward should be there to constitute a contract. So, all those are things we will consider in our deliberations and we will meet other Stake Holders as well before we make a conclusion on the matter. Then, thank you very much for your time and sharing the concerns that you have in one of the biggest investments of the Maldives so far so. Thank you very much.

Mr. Pavinder Singh, Managing Director, Bain Capital speaking:

Thank you, Chairperson and the committee for your time.
