

फा.सं. ऐरा/20010/एमवाईटीपी /इंडो थाई/जी.एच./जयपुर/सी.पी-दो/2016-17

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण

ऐरा भवन, प्रशासनिक कॉम्प्लेक्स,

सफदरजंग एयरपोर्ट,

नई दिल्ली -110003

दिनांक : 20 फरवरी, 2018

विषय- मैसर्स इंडो थाई एयरपोर्ट मैनेजमेंट सर्विस प्राइवेट लिमिटेड (आई.टी.ए.एम.एस.) द्वारा जयपुर अंतर्राष्ट्रीय हवाईअड्डा, जयपुर पर ग्राउंड हैंडलिंग सर्विसेज प्रदान करने हेतु दूसरी नियंत्रण अवधि (01.04.2016 से 31.03.2021) एवम् वार्षिक टैरिफ प्रस्ताव (टी 1 से टी 3) के संबंध में।

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उपर्युक्त विषय पर दिनांक 20.02.2018 टैरिफ आदेश संख्या 39/2017-18 सूचना और आवश्यक अनुपालन के लिए संलग्न है।

भवदीय,

वित्त कुम श्याम

(वी.के.सचदेवा)

उप महा प्रबंधक (वित्त)

सेवा में,

- 1 मैसर्स इंडो थाई हवाई अड्डे प्रबंधन सेवाएं प्राइवेट लिमिटेड (आई.टी.ए.एम.एस.)
904-907, टाइम्स टॉवर, एमजी रोड,
सेक्टर 28, गुडगांव 122002 (हरियाणा)
(मार्फत: श्री श्याम मालानी, निदेशक)

प्रतिलिपि: सचिव, नागर विमानन मंत्रालय, राजीवगांधी, भवन, सफदरजंग एयरपोर्ट, नई दिल्ली-110003

Airports Economic Regulatory Authority of India

Order No.39/2017-18

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

Date of Issue: 20th February,2018

**Service : Ground Handling Services
Service Provider: M/s Indo-Thai Airport Management Services Pvt. Ltd.
(ITAMS).
Airport : Jaipur International Airport, Jaipur.**

In the matter of Multi Year Tariff Proposal (MYTP) for the second control period (01.04.2016 to 31.03.2021) and Annual Tariff Proposal (ATP) (T1 to T3) for the second control period (01.04.2016 to 31.03.2021) in respect of M/s Indo-Thai Airport Management Services Pvt. Ltd. (M/s ITAMS) for providing ground handling services at Jaipur International Airport, Jaipur.

1. The Authority vide its Multi-Year Tariff Order (MYTO) No. 33/2011-12 dated 25.01.2012, decided to adopt '**Light Touch Approach**' for determination of the tariffs for the first control period in respect of M/s ITAMS as the ground handling service was assessed as "not Material" and determination of tariff for the 1st tariff year (TY 2011-12 (T1)) of the 1st control period at Jaipur International Airport, Jaipur. Subsequently, the Authority also determined the annual tariffs for M/s ITAMS vide its Order No.21/2012-13 dated 26.10.2012 for the period 01-04-2012 to 31-03-2016 i.e. T2 to T5.
2. Since the Multiyear tariff order for the 1st control period expired on 31-03-2016, the Authority vide it's Order no. 5/2016-17 issued on 12th may,2016, authorised M/s ITAMS to continue to charge the tariffs prevalent on 31-03-2016 for a period of 6 months w.e.f 01-04-2016 or till determination of tariffs for the 2nd control period whichever is earlier. The Authority vide Order no. 11/2016-17 dated 29-09-2016 further extended the continuation of the levy of tariffs prevalent on 31-03-2016 for a period of 6 months w.e.f. 01-10-2016 or till determination of the tariffs for the 2nd control period, whichever is earlier. Again on 31st March 2017 the Authority vide order no. 19/2016-17, authorised M/s ITAMS (among other service providers and Airport Operators) to continue to charge the tariffs prevalent on 31-03-2016 for a period of 6 months w.e.f from 01.04.2017 or till determination of tariff for the 2nd control period whichever is earlier. The Authority has issued a further order on 29th Sept 2017 (Order no. 12/2017-18), authorizing M/s ITAMS (among other service providers and Airport Operators) to continue levy of the tariffs for a further



period of 1 month w.e.f. 01-10-2017 or till determination of tariffs for the 2nd control period whichever is earlier. The Authority has issued a further Order on. 31st Oct. 2017 (Order no.17/2017-18), authorizing M/s ITAMS to continue levy of tariffs as existing on 31-03-2016 for a period of two months w.e.f 01.11.2017 to 31.12.2017 or till determination of tariff whichever is earlier. The Authority has issued a further Order on. 21st December 2017 (Order no. 33/2017-18) authorizing M/s ITAMS to continue levy of tariff as existing on 31-03-2016 for a further period of three months w.e.f 01.01.2018 to 31.03.2018 or till determination of tariff whichever is earlier.

3. M/s ITAMS submitted their Multi Year Tariff Proposal (MYTP) for the second control period commencing on 01.04.2016 and the Annual Tariff Proposal (ATP) for the first tariff year (FY.2016-17) and 2nd tariff year (FY.2017-18) of the second control period (01.04.2016 to 31.03.2021) for determination of tariffs for the ground handling services provided at Jaipur International Airport, Jaipur. M/s ITAMS proposed for an increase in the case of aircraft type A319, A320, B737 and B757 and decrease is proposed in the case of aircraft type single engine aircraft, Dornier and ATR-72, in tariff applicable on 31.03.2016, in the 1st and 2nd tariff year of the 2nd control period.
4. As per Clause 3.1 of the Guidelines, [Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) guidelines, 2011], the Authority shall follow a three stage process for determining its approach to the regulation of regulated service:-
 - a) Materiality Assessment;
 - b) Competition Assessment;
 - c) Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated service.
5. In respect of the regulated service(s) provided for ground handling services aircraft, passengers and cargo at an airport, the Authority considers that materiality of the service is linked to the international aircraft movement at the major airport. The materiality shall be assessed based on international aircraft movement at the major airport as a percentage of total international aircraft movements at all major airports, in terms of clause 4.4 of the guidelines [The Airports Economic Regulatory Authority of India (Terms and Condition for determination of Tariff for Services provided for Cargo facility, Ground Handling and supply of Fuel to aircraft) Guidelines,2011] the ground handling materiality index for Jaipur International Airport, Jaipur (as per the AAI ground handling statistics for FY.2014-15) is **0.83%** which is less than **5%** Materiality Index thresholds limit fixed for ground handling service. Hence the service is deemed '**not material**'.
6. As per AERA order no.15/2016-17 dated 10th February 2017, there must be 3 or more service providers, including Air India subsidiaries/Joint Ventures, in a major airport in order to consider the service as competitive. At Jaipur International Airport, Jaipur, only M/s AIATSL is providing ground handling services at Jaipur International Airport, Jaipur along with M/s ITAMS. Hence, in view of the lack of competition for ground handling services, the service provided by M/s ITAMS at Jaipur International Airport falls under the category of '**not competitive**'.

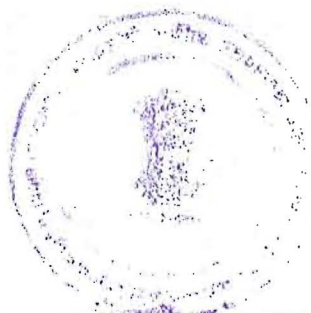


7. As per Clause 11.2 of the CGF Guidelines, 2011 the ATP is required to be submitted in the manner and form provided in AI.8.1 of Appendix I to the guidelines and should be supported by the following documents:
- Form B –Submission of ATP
 - Form 14(b)-Proposed Tariff Card
 - Details of consultation with stakeholders
 - Evidence of User Agreements clearly indicating the Tariff proposed by the Service Provider.

M/s ITAMS has submitted Form B, Form 14(b) and evidence/information regarding Consultation with stakeholders, User Agreements (without Tariff Rates) with their Annual Tariff Proposal for the 1st tariff year (FY 2016-17) and 2nd tariff year (FY 2017-18) of the 2nd control period.

- 7.1 The Authority considered the submissions made by M/s ITAMS and issued the Consultation Paper No. 33/2017-18 dated 26.12.2017 proposing the following for stakeholder consultation:
- 7.2 The service for Ground handling being provided by M/s Indo Thai Airport Management Services Pvt. Ltd. at Jaipur International Airport, Jaipur is deemed “**Not Material**”. Therefore the Authority proposes to adopt ‘**Light Touch Approach**’ for determination of tariffs for the 2nd control period (01.04.2016 to 31.03.2021) as per clause 3.2(i) of the CGF Guidelines, 2011.
- 7.3 As the financial year (T1) 2016-17 has already been completed, allow the continuation of the tariff as on 31.03.2016 for FY 2016-17.
- 7.4 As there are only about 4 months left for the FY (T2) 2017-18, allow the continuation of the tariff as on 31.03.2016 for the FY 2017-18 also.
- 7.5 Considering the good performance parameters of M/s ITAMS as evident from the ACS/projected/financial data submitted to the Authority for the determination of tariff, allow the continuation of the tariff as on 31.03.2016 for the financial year (T3) 2018-19 also and no increase is proposed.
8. In response to the aforesaid Consultation Paper, no comments have been received from any Stakeholder. However, a letter dated 16-01-2018 has been received on 29-01-2018 from M/s Indo-Thai Airport Management Services Pvt. Ltd. Indicating the following:

“ At the outset we would like to thank you for allowing us continue levy tariff as existing on 31-03-2016 for an extended period up to 31-03-2018 or till termination of tariff whichever is earlier for Jaipur Airport vide order number 33/2017-18 dated. 21-12-2017. We have read the Consultation Paper No. 33/2017 uploaded on the website of AERA and found contents of the same to be in line with our submission. Furthermore we would also like to thank for proposing to allow the continuation of the tariff as on 31-03-2018 for the financial year (T3) 2018-19 in the above mentioned CP”.



ORDER

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

- (i) The services provided ITAMS, at Jaipur International Airport, Jaipur is "not material and not competitive". Hence the Authority will adopt a "Light Touch Approach" for determination of tariff for the 2nd control period w.e.f 01-04-2016.
- (ii) As the financial year (T1) has already been completed, the Authority has decided to allow ITAMS to continue the levy of tariff existing as on 31-03-2016 for the 1st year (2016-17) of 2nd control period.
- (iii) The Tariff for the 2nd Tariff year (01.04.2017 to 31.03.2018) from the date of issue of this Order to 31.03.2018 and 3rd Tariff year (01.04.2018-31.03.2019) of the 2nd control period for Ground Handling services provided by M/s Indo-Thai Management Services Pvt. Ltd. Jaipur at Jaipur International Airport is determined which is enclosed as **Annexure-I**.
- (iv) M/s ITAMS to ensure that the charges for both scheduled and non-scheduled flight will be same for 'similar class of aircraft'.
- (v) Tariff determined as above will be maximum tariff to be charged from the users of the ground handling service. No other charges to be levied over and above the approved tariff.

By the order of & in the name of the Authority

भा.वि.आ.वि.प्रा.

AERA



(Puja Jindal)
Secretary

To,

M/s Indo-Thai Airport Management Services Pvt. Ltd.,
904-907, Times Tower, M.G Road, Sector -28, Gurgaon-122002
(Haryana)
(Through: Mr. Shri Shyam Malani, Director)

Copy to: Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan,
Safdarjung Airport New Delhi-110003.



M/S INDO THAI AIRPORT MANAGEMENT SERVICES PVT. LTD.
STATION NAME: JAIPUR INTERNATIONAL AIRPORT, JAIPUR

Tariff Card for FY 2017-18(residual period) and Financial Year 2018-19

S.NO	(ICAO Code)	Aircraft Type		Maximum Tariff per flight (in INR)
1	B	Aircraft MTOW upto & including 10,000	Single Engine Aircraft	16860
	B1	Aircraft MTOW above 10,000 and below 20,000 Kgs	Dornier	24086
2	C	Aircraft MTOW above 20,000 and below 50,000 kgs	A319	32,311
	C	Aircraft MTOW above 20,000 and below 50,000 kgs	A-320	32311
	C	Aircraft MTOW above 20,000 and below 50,000 kgs	B-737	32,311
	C	Aircraft MTOW above 10,000 and below 20,000 Kgs	ATR - 72	21,677
3	D	Aircraft MTOW above 50,000 handling of Scheduled A-320	B-757	89,134

Note:-

- 1 All the charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.
- 2 Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule Operators (NSOP) for the same type of Aircraft for the ground handling service, no other charges to be levied over and above the approved tariff.
- 3 All the charges mentioned above are excluding statutory taxes and other levied as and when applicable.

भा.वि.आ.वि.प्रा.

AERA

