

File No. AERA/20010/MYTP-AIS/GH/TVM/2012-13

Consultation Paper No. 10/2013-14



Airports Economic Regulatory Authority of India

**Annual Tariff Proposals submitted by Air India
SATS Airport Services Private Limited providing
Ground Handling Services at
Thiruvananthapuram International Airport,
Thiruvananthapuram**

New Delhi: 4th June, 2013

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

The Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Air India SATS Airport services Pvt Ltd. (AISATS) for the first control period commencing w.e.f. 01.04.2011, in respect of ground handling services provided at Thiruvananthapuram International Airport, Thiruvananthapuram and after due stakeholder Consultation issued Multi Year Tariff Order (MYTO) and ATO for second Tariff Year vide Order no. 46/2012-13 dated 5.03.2013 issued ordering that :

- (i) The Ground handling services provided by AISATS at Thiruvananthapuram International Airport, Thiruvananthapuram are “material but competitive”. Hence the Authority decided that the tariff for the first control period for this service will be determined under light touch approach.
- (ii) Tariff for second tariff year (w.e.f. 01.04.2012 to 31.03.2013) for ground handling service provided by M/s Air India SATS Airport services Private limited will be effective from 01.04.2012.

2.1 As per Clause 7.4 of the Authority's 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], after issuance of the MYTO, the service provider shall submit to the Authority its Annual Tariff Proposals (ATPs), provided that an ATP shall be submitted at least 75 days prior to the start of the Tariff Year. As per the clause 11.2 of the Guidelines, ATP is required to be submitted in the form and manner as provided in Appendix AI.8.2 wherein it is mentioned that the ATP should be supported by:

- Form B and Form F14(b),
- Details of consultation with stakeholders
- Evidence of User Agreements clearly indicating the Tariff (s) proposed by the service Provider.

2.2 AISATS, vide letter dated 16.04.2013, has submitted their Annual Tariff Proposal (ATP) for third tariff year (FY 2013-14), fourth tariff Year (FY 2014-15) and fifth tariff year (FY 2015-16) for the ground handling services provided at Thiruvananthapuram International Airport, Thiruvananthapuram. AISATS has submitted Form B and Form 14 (b) – ATP for third, fourth and fifth tariff years.

3. It is observed that AISATS has increased its tariff rate (inclusive of airports levy) by 10% over the tariff rate approved for tariff year 2 (i.e. 2012-13) and thereafter tariff has been increased by 10% every year up to tariff year 2015-16.

4. The Authority has carefully considered the ATP submitted by AISATS and decided to make the following proposal for stakeholder consultation:

- (i) The tariff for the third to fifth tariff year i.e. 01-04-2013 to 31.03.2016 for ground handling services provided by Air India SATS at Thiruvananthapuram International Airport, Thiruvananthapuram are proposed to be as at **Annexure-I**.

(ii) The Tariff(s) proposed for approval will be maximum ceiling rates.

5. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 4 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed as **Annexure - II**. For removal of doubts; it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

6. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, **latest by 18.06.2013** at the following address:

Capt. Kapil Chaudhary (Retd.)
Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: kapil.chaudhary@aera.gov.in
Tel: 011-24695042
Fax: 011-24695039

(Yashwant S. Bhave)
Chairperson

Annual Tariff Proposal for Tariff Year 3

Form F14 (b) - Annual Tariff Proposal for Tariff Year 3 - 2013-14

MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE GROUND HANDLING

S/N	Aircraft Types (ICAO Code)	Maximum Ground Handling Rate in INR (FY 2013-14)			
		Scheduled Passenger		Scheduled Freighter	
		Domestic Flight	International Flight	Domestic Flight	International Flight
1	CODE B	17,083	88,260	NA	NA
2	CODE C	26,678	147,528	117,179	156,327
3	CODE D	52,460	201,801	160,070	374,802
4	CODE E	90,158	329,525	188,541	374,802
5	CODE F				

Notes:

- 1) The rates with each Airline will be negotiated based on services required from SGHA service terms (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 2) These rates may be revised, where external economic / financial factors warrant a review. However, any change, will be in consultation with the relevant authorities (AERA) and related stakeholders.
- 3) All charges mentioned above include prevailing concession fee, royalty, airport levy charged by the Airport Authority.
- 4) All charges mentioned above exclude all taxes such as Service Tax, as may be applicable.
- 5) Exchange rate used for contracts signed in USD: 1 USD = 55 INR

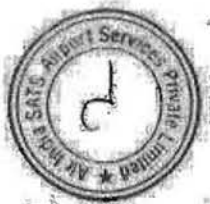


MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE GROUND HANDLING

S/N	Aircraft Types (ICAO Code)	Maximum Ground Handling Rate in INR (FY 2014-15)			
		Scheduled Passenger		Scheduled Freighter	
		Domestic Flight	International Flight	Domestic Flight	International Flight
1	CODE B	18,791	97,086	NA	NA
2	CODE C	29,346	162,281	128,897	171,959
3	CODE D	57,706	221,981	176,077	412,282
4	CODE E	99,174	362,478	207,395	412,282
5	CODE F				

Notes:

- 1) The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 2) These rates may be revised, where external economic / financial factors warrant a review. However, any change will be in consultation with the relevant authorities (AERA) and related stakeholders.
- 3) The proposed ATP for Tariff Year 4 is based on the rates of Tariff Year 3 increased by 10% on account of rate of inflation.
- 4) All charges mentioned above include prevailing concession fee, royalty, airport levy charged by the Airport Authority.
- 5) All charges mentioned above exclude all taxes such as Service Tax, as may be applicable.
- 6) Exchange rate used for contracts signed in USD: 1 USD = 55 INR



MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE GROUND HANDLING

S/N	Aircraft Types (ICAO Code)	Maximum Ground Handling Rate in INR (FY 2015-16)			
		Aircraft		Aircraft	
		Domestic Flight	International Flight	Domestic Flight	International Flight
1	CODE B	20,670	106,795	NA	NA
2	CODE C	32,281	178,509	141,787	189,155
3	CODE D	63,477	244,179	193,685	453,510
4	CODE E	109,091	398,725	228,135	453,510
5	CODE F	-	-	-	-

Notes:

- 1) The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 2) These rates may be revised, where external economic & financial factors warrant a review. However, any change, will be in consultation with the relevant authorities (AERA) and related stakeholders.
- 3) The proposed ATP for Tariff Year 5 is based on the rates of Tariff Year 4 increased by 10% on account of rate of inflation.
- 4) All charges mentioned above include prevailing concession fee, royalty, airport levy charged by the Airport Authority.
- 5) All charges mentioned above exclude all taxes such as Service Tax, as may be applicable.
- 6) Exchange rate used for contracts signed in USD: 1 USD = 55 INR



16 April 2013

C V Deepak
OSD - II
Airports Economic Regulatory Authority of India
AERA Building, Administrative Block
Safdarjung Airport, New Delhi – 110 003

Dear Sir,

Sub: Re-submission of Annual Tariff Plan for Tariff Year 3, 4 and 5 for Ground Handling at BLR, HYD & TRV

Ref: AERA/20010/MYTP-AIS/GH/TVM/2012-13/3619, dated 18 March 2013


As advised by the Authority, please find attached the Annual Tariff Plan for Tariff Year 3 (FY2013-14), Tariff Year 4 (FY2014-15) and Tariff Year 5 (FY2015-16) for Ground Handling at BLR, HYD & TRV for your kind perusal.

The revised Tariffs are inclusive of prevailing Concession fees, royalty and airport levy charged by the Airport Authority at the respective airports and excluding Govt. taxes.

We trust that you will find the details in line with the AERA guidelines and requirements.

Thanking you.

For Air India SATS Airport Services Private Limited


Nilang Shah
Manager Marketing

Air India SATS Airport Services Private Limited

Correspondence Address:

A-301, Business Square, Andheri – Kurla Road, Chakala, Andheri (East), Mumbai 400069, India

Registered Office Airlines House 113, Gurudwara Rakabganj Road, New Delhi 110001, India
Corporate Identification Number (CIN). U74900DL2010PTC201763

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AT NEW DELHI

SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF
OF:

M/S AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

I, Sanjay Gupta, aged 40 years resident of Republic of India acting in my official capacity as Chief Financial Officer in M/S Air India SATS Airport Services Private Limited having its registered office at Airlines House, 113 Guna Rakabganj Road, New Delhi 110001 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/S Air India SATS Airport Services Private Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi (the Authority)
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include inter alia:
 - (i) Proposed detailed break-up of Tariff(s) based in clause 1.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2; and
 - (ii) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.


Sanjay Gupta
Chief Financial Officer

Place: Mumbai

Date: 16 April 2013.

