



Airports Economic Regulatory Authority of India

**In the matter of Provision of Compensation in lieu of Fuel Throughput Charges at
Chhatrapati Shivaji Maharaj International Airport, Mumbai**

20th March, 2020

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

1. Introduction

The Airports Economic Regulatory Authority (AERA) is a statutory body constituted under the Airports Economic Regulatory Authority of India Act, 2008 vide Gazette Notification dated 5th December 2008. The AERA was established by the Government, to create a level playing field and foster healthy competition among major airports, to encourage investment in airport facilities, to regulate tariffs for aeronautical services etc.

2. Function of AERA

The main functions of AERA are:

- to determine the tariff for the aeronautical services
- to determine the amount of the development fees in respect of major airports
- to determine the amount of the passengers service fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934 (22 of 1934);
- to monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorised by it in this behalf;

Back Ground

3. Ministry of Civil Aviation vide letter No.AV.13030/216/2016-ER (Pt.2) dated 08.01.2020 has decided to discontinue the levy of airport operator charge or fuel throughput charge in any manifestation at all airports. Para 4 of the said letter reads as under:

“Keeping in view all aspects of the matter, in light of the need to uphold affordability and sustainability of air passenger and air cargo transportation as per the National Civil Aviation Policy 2016, it has been decided as follows:

- (i) Levy of airport operator charge or fuel throughput charge in any manifestation shall be discontinued at all airports, airstrips and heliports across India with immediate effect.*
- (ii) AERA/ Ministry of Civil Aviation, as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport*

Operator/ AAI by suitably recalibrating other tariffs during their determinations of airport tariffs.”

4. In accordance with the provisions contained in Section 13 of Airports Economic Regulatory Authority of India Act (AERA Act), 2008, the Authority determined aeronautical tariffs of Chhatrapati Shivaji Maharaj International Airport (CSMI Airport), Mumbai for the second Control Period ie. 01.04.2014 to 31.03.2019 vide Order No. 13/2016-17 dated 23.09.2016. Further, AERA vide various orders has extended the tariff prevailing as on 31.03.2019 till 30.09.2020 or determination of tariff for 3rd control period whichever is earlier.

4.1 As detailed in Table 62 under para 12.32 of the above said order, the Authority determined Rs.6190.56 crores as the total discounted Aggregate Revenue Requirement (ARR) for the entire control period. Fuel Throughput Charge (FTC) was one of the component to achieve this revenue requirement along with other aeronautical services such as Landing, Parking & Housing, UDF, etc.

4.2 The Fuel Throughput charges as per the above tariff order considered by the Authority is given in table -1 below:

Table - 1

| | | |
|--|---------|--|
| | 2018-19 | |
| Fuel Throughput projected (in '000 KL) | 1545.90 | |
| Charges per KL (in Rs) | 973.54 | |
| Revenue (Rs. in crores) | 150.50 | |

5. Considering the above policy decision of MoCA, the Authority vide letter No. AERA/ 20015/FT/2010-11/Vol.II dated 15.01.2020 advised all major airport operators to implement the above said MoCA letter with immediate effect. AERA, also advised major Airport Operators to submit their proposal for compensation, if any, due to discontinuation of Fuel Throughput Charges for consideration of the Authority.

6. Accordingly, MIAL vide letters No. (i) MIAL/CEO/98 dated 24.01.2020, (ii) MIAL/VPR/2019-20/14 dated 26.02.2020, (iii) MIAL/CEO/109 dated 04.03.2020 and (iv) MIAL/VPR/2019-20/16 dated 11.03.2020 have informed they discontinued levy of FTC at CSMI Airport w.e.f.15.01.2020 and the expected revenue loss of Rs.182.16 crores on account of discontinuation of FTC at CSMI Airport, Mumbai for the period from 15.01.2020 to 31.03.2021 is proposed to be recovered from the airlines in the form

of additional adhoc charges per landing. The shortfall in revenue from 15.01.2020 to 31.03.2021 calculated by MIAL is given in table-2 below:

Table - 2

| | 15.01.2020 to 31.03.2020 | 2020-21 | Total |
|---|-----------------------------|---------|--------|
| Revenue from Fuel Throughput (Rs. in crores) | 31.66 | 150.50 | 182.16 |

6.1 MIAL vide letter dated 24.01.2020 also stated that from the perusal of MoCA letter, it doesn't seem to be a direction under provisions of Section 42 of the AERA Act. MIAL further stated that

“without prejudice to the fact that MIAL considers FTC as non-aeronautical in nature and also without prejudice to the fact that the present advice of MoCA is not a direction, we would like to submit our suggestions as follows:

Since FTC is permitted along with base airport charges, hence its identity needs to be kept distinct. As a result, we request that in lieu of FTC, the Authority may permit invoice to be raised by the airport Operator (MIAL in the present case) directly on the airlines with effect from 16th January, 2020 for adhoc charges aligned with the landing charges calculation at present. Adhoc charges could be derived from historical percentage of FTC to total landing charges. This will serve the purpose of airlines being able to avail ITC and will retain separate identity of revenue in lieu of FTC”.

6.2 MIAL has requested AERA to allow adhoc landing charges w.e.f. 16.01.2020 as given in table-3 below. Further MIAL has proposed an escalation by WPI with a maximum cap of 7% and minimum of 5% for F Y 2020-21.

Table - 3

| | Adhoc charges per Landing for FY 20 (Rs) |
|--------------------------------------|---|
| Domestic | 5200 |
| General Aviation | 2600 |
| International (Category of Aircraft) | |
| Code C | 18800 |
| Code D | 20700 |
| Code E | 37600 |
| Code F | 60200 |

Authority's Examination

7. The Authority has carefully examined the proposal of MIAL in reference to the letter No. AV.13030/216/ 2016-ER (Pt.2) dated 08.01.2020 issued by MoCA.

7.1 The Authority as per Order No.13/2016-17 had expected that MIAL would generate revenue from Landing and FTC during F Y 2018-19 of the second control period as detailed below:

Table – 4 (Rs in crores)

| | 2018-19 |
|----------------------|---------|
| Revenue from Landing | 764.53 |
| Revenue from FTC | 150.50 |

7.2 The Authority observes that tariff determination of MIAL for the 3rd control period (01.04.2019 to 31.03.2024) is in progress and finalization may take some more time, accordingly orders are issued to extend the tariffs of 2nd control period up to 30.09.2020 or determination of tariff for 3rd control period, whichever is earlier. Since, the tariff of FY2018-19 still continues, the expected shortfall in revenue from FTC may not be more than the revenue projected for FY 2018-19 as per the tariff order No.13/2016-17. Accordingly, the Authority expects a shortfall of Rs. 31.35 for the period from 15.01.2020 to 31.03.2020 and Rs. 75.25 crores for the period April to September, 2020. The total shortfall in revenue from FTC is expected to be Rs. 106.60 crores for the period from 15.01.2020 to 30.09.2020 which is 27.88% of expected landing revenue for the same period.

7.3 The Authority is of the view that FTC is one of the operating expenditure of airlines charged by Oil suppliers as a pass through expenditure. Airport Operators are charging FTC as a royalty in addition to land rent from oil suppliers. Abolishing the FTC, cost of ATF is expected to get reduced to that extent and also avoid cascading effect of taxes and in turn would benefit airlines. In view of above, the Authority proposes to compensate this shortfall by increasing the landing charges by 27.88% as additional adhoc landing charges from 01.04.2020 to 30.09.2020 which shall be trued up while determining tariffs of CSMI, Airport for the 3rd control period.

7.4 Regarding the statement of MIAL at para 6.1, the Authority has noted that MoCA has conducted numerous rounds of stakeholders consultations and considered the deliberations of two industry working groups representing airline operators, airports, fuel infrastructure facility providers, oil marketing companies etc. without prejudice to the outcome of judicial proceedings on the matter of classification of FTC as aeronautical or non-aeronautical services. The Authority also considered the submission of MIAL to keep this charge as separate from other charges, and accordingly proposes to levy as adhoc charge per landing.

Proposal

8. The Authority has carefully considered the proposal of MIAL to compensate the revenue shortfall due to discontinuation of FTC w.e.f.15.01.2020 and decides to make the following proposal for stakeholder consultations:

- (i) The Authority proposes additional charge as “adhoc charge per Landing” at Chhatrapati Shivaji Maharaj International Airport, Mumbai, for the period from 01.04.2020 to 30.09.2020 or till determination of aeronautical charges for the 3rd control period whichever is earlier, to recover the shortfall of Rs. 106.60 crores. The Adhoc Charge per Landing is annexed as “**Annexure I**”.
- (ii) To true up revenue based on actuals while determining tariff for third control period.
- (iii) The revised charges as given in Annexure-I shall be applicable from 01.04.2020.

9. STAKEHOLDERS' CONSULTATION TIMELINE

9.1. In accordance with the provisions contained in Section 13(4) of the AERA Act, 2008, the proposal mentioned in **Para 8 above** read with the relevant discussion in the other sections of the paper is hereby put forth for Stakeholders' Consultation. 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 Stakeholder's in response hereto and by making such decisions fully documented and explained in terms of the provisions of the Act.

9.2. The Authority welcomes written evidence- based feedback, comments and suggestions from Stakeholder's on the proposal made in (**Para 8 above**), latest by **31.03.2020** at the following address.

Director (P&S)
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi -110003
Email: director-ps@era.gov.in

Tel: 011-24695040, Fax: 011-24695039

(Chairperson)

Chhatrapati Shivaji Maharaj International Airport, Mumbai

Additional Landing Charges for the period from 01.04.2020 to 30.09.2020

| | Unit | As per Order No. 13/2016-17 | Proposed Adhoc Charges per Landing |
|---------------------------------|-------------|--|---|
| Landing Charges - International | | | |
| Code C | Per Landing | Rs. 110250 | Rs 30738 |
| Code D | Per Landing | Rs 121275 | Rs 33811 |
| Code E | Per Landing | Rs 220500 | Rs 61475 |
| Code F | Per Landing | Rs 352800 | Rs 98361 |
| Landing Charges – Domestic | | | |
| Up to 100 MT | INR per MT | 760.73 | 212.09 |
| Above 100 MT | INR per MT | 76073 +Rs.1019.81 per MT in excess of 100 MT | 21209 + 284.32 per MT in excess of 100 MT |

Fuel Throughput Charges for the period from 01.04.2020 to 30.09.2020

| | Unit | As per Order No. 13/2016-17 | Proposed Rate |
|-------------------------|------------|-----------------------------|---------------|
| Fuel Throughput Charges | INR per KL | 973.54 | NIL |

The proposed adhoc charges per landing are in addition to landing charges prevailing as per order No.13/2016-17 dated 23.09.2016.

All other charges as determined and terms & conditions vide order No.13/2016-17 dated 23.09.2016 shall remain applicable.

Noted by chief.

F.No. AV-13030/216/2016-ER (Pt.2)
Government of India
Ministry of Civil Aviation
[ER Division]

.....
B-Block, Rajiv Gandhi Bhavan
Safdarjung Airport, New Delhi – 110 003

Dated, the 8th January 2020

To,

- 1. Shri Balwinder Singh Bhullar**
Chairperson
Airports Economic Regulatory Authority of India
AERA Building, Safdarjung Airport, New Delhi – 110 003.
- 2. Smt. Rubina Ali**
Joint Secretary (AAI and AD)
Ministry of Civil Aviation
Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi – 110 003.

Copy to:

- 1. Shri Arvind Singh**
Chairman
Airports Authority of India
Safdarjung Airport, New Delhi – 110 003.
- 2. Dr. M.M. Kutty**
Secretary
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi – 110 001.

Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India – reg.

Dear Sir,

Fuel-related charges are charged variously either in three parts as (a) Airport Operator Charges, (b) Fuel Infrastructure Charges (FIC), and (c) Into Plane (ITP) Charges or as a composite of the three, generally called Fuel Throughput Charge (FTC), at the airports, airstrips and helipads across the country. At some airports, fuel supply is provided on open access basis.

2. Fuel throughput charges for supplying fuel to airline operators at an airport are covered under section 2(a)(vi) of the Airports Economic Regulatory Authority (AERA) Act, 2008, while section 13 sets out the basis on which surcharges are to be levied. At airports being operated by Airports Authority of India (AAI), the power of the authority to charge fees, rents, etc. in respect of aircraft or for any other service or facility offered in connection with aircraft operations at an airport, airstrip or

Page 1 of 2

भारतीय विमानन एवं नाविक विभाग
सफदरजंग एअरपोर्ट, नई दिल्ली-110003

प्राप्त

डाकरी नं० ...15107
तारीख ... 10/01/2020

heliport arises from the provisions of section 22(i) of the AAI Act, 1994. Airport charges are also variously specified in the existing concession agreements and contracts of airports leased out by AAI.

3. Numerous rounds of stakeholder consultations have been held by the Ministry in order to rationalize the present mechanism of invoicing of ATF fuel throughput charges. These duly incorporated the deliberations of the two industry Working Groups on the subject comprising of representatives of airline operators, airports, fuel infrastructure facility providers, into plane fuel service providers, and oil marketing companies without prejudice to the outcoming of judicial proceedings on the matter of classification of fuel throughput charges as aeronautical or non-aeronautical services initiated by some PPP/JV airport operators.

3. It was seen *inter alia* that the global best practices at airports avoid levying a double charge by way of land rental on fuel suppliers for the use of the land at the airport and a market access or concession fee for providing commercial opportunity when there is no underlying tangible service being rendered by the airport operator.

4. Keeping in view all aspects of the matter, in light of the need to uphold affordability and sustainability of air passenger and air cargo transportation as per the National Civil Aviation Policy 2016, it has been decided as follows:

- (i) Levy of airport operator charge or fuel throughput charge in any manifestation shall be discontinued at all airports, airstrips and heliports across India with immediate effect.
- (ii) AERA / Ministry of Civil Aviation, as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport Operator / AAI by suitably recalibrating other tariffs during their determinations of airport tariffs.

5. This issues with the approval of the competent authority.



(Dinesh Kumar)

Deputy Director (ER)

Phone: 2464 1912

Email: dinesh.kumar14@nic.in

AERA/20015/FT/2010-11/Vol. II
Airport Economic Regulatory Authority of India

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

Dated: 15th January, 2020

To,
The Airport Operators (as per Annexure I)

Sub.: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India - reg.

Sir,

I am directed to forward herewith the MoCA's letter no. AV-13030/216/2016-ER (Pt.2) dated 08.01.2020 on the above mentioned subject.

All the Airport Operators are advised to implement the directions given by the Ministry of Civil Aviation in the said letter with immediate effect.

Further with regard to the compensation in lieu of the implementation of the said direction, Airport Operators may submit their proposals, if any, on priority for consideration of the Authority.

This issues with the approval of the Competent Authority.



(Ram Krishan)
Director (Policy & Statistics)

Encl.: as above

Copy to:

- (i) PPS to Secretary - for information of Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi.
- (ii) Shri Dinesh Kumar, Deputy Director, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi.
- (iii) Oil Companies (as per Annexure – II)

AIRPORT OPERATORS

1. **Shri Arvind Singh, IAS,**
Chairman,
Airports Authority of India,
Rajiv Gandhi Bhawan, New Delhi.
2. **Shri V.J. Kurian, IAS,**
Managing Director,
Cochin International Airport Pvt. Ltd,
Ndedumbassery, Kochi Airport P.O.,
Ernakulam – 683 111, Kerala.
3. **Shri K Narayana Rao,**
Director,
Delhi International Airport Pvt. Ltd,
Uran Bhawan, IGI Airport, New Delhi – 110 037.
4. **Shri S.G.K Kishore,**
Chief Executive Officer,
GMR Hyderabad International Airport Pvt. Ltd.,
GMR Aero Towers, 4th Floor,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad – 500 409.
5. **Shri Rajeev Jain,**
Chief Executive Officer,
Mumbai International Airport Ltd (MIAL),
CSI Airport, 1st floor Terminal 1B,
Santacruz (E), Mumbai- 400 059
6. **Shri Hari Marar,**
Managing Director,
Bangalore International Airport Pvt. Ltd.,
Alpha-2, Administration Block,
Bengaluru International Airport,
Devanahalli, Bangalore – 560 300.
7. **Shri Suneel Dutt,**
Chief Executive Officer,
Chandigarh International Airport Ltd.
New Civil Air Terminal Village,
Jureri, Mohali – 140306 Punjab
8. **Shri Jayakrishnan Sivadasa Kurup,**
Chief Financial Officer,
Kannur International Airport Ltd.,
“Parvathy”, T.C. 36/1, N.H. Bypass, Chacka,
Thiruvananthapuram, Kerala – 695024.
9. **Shri M.A. Abid Ruhi,**
Senior Airport Director & COO,
MIHAN India Ltd.,
Dr. Babasaheb Ambedkar International Airport,
Nagpur Maharashtra 440005.

Oil Companies

1. **Shri Sanjay Sahay,**
ED (Aviation),
Indian Oil Corporation Ltd.,
Indian Oil Bhawan,
G-9 Ali Yavar Jung Marg,
Bandra(E), Mumbai-400 051.

2. **Shri H.C. Mehta,**
President (Petroleum Business),
Reliance Industries Limited,
Reliance Corporate Park, Block-6,
D-Wing, 2nd floor, 5-TTC Industrial Area,
Thane-Belapur Road, Ghansoli, Navy Mumbai.

3. **Shri Kannuru Srinivas,**
ED (Aviation),
Hindustan Petroleum Corporation Ltd.,
Hindustan Bhavan, Ground Floor, 8,
Shoorji Vallabhdas Marg, Ballard Estate,
Mumbai-400 001 .

4. **Shri V. Nagarajan,**
ED (Aviation) & Head,
Aviation Business Unit,
Bharat Petroleum Corporation Ltd.,
A-5&6, Sector-1, NOIDA – 201301.

5. **Shri Chockalingam Subbiah,**
CFO & CS,
Shell MRPL Aviation Fuels & Services Ltd,
#102, Prestige Sigma,
Vittal Mallya Road,
Bangalore – 560 001, Karnataka.

MIAL/CEO/98

24th January, 2020

The Chairperson
Airports Economic Regulatory Authority of India,
AERA Building,
Safdarjung Airport,
New Delhi 110 003

Sir,

Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India – reg.

Ref: 1) MoCA letter No. FAV-13030/216/2016-ER (Pt.2) dated 8th January, 2020
2) AERA Letter No. AERA/20015/FT/2010-11/Vol.II and dated 15th January, 2020

With reference to above, we have gone through the letter of MoCA dated 8th January, 2020 addressed inter-alia to the Chairperson AERA. First of all, letter of MoCA is not a direction under AERA Act, 2008 (the Act), while in Authority letter dated 15th January, 2020 it has been mentioned that Airport Operators are advised to implement the direction given by MoCA. As you are kindly aware that directions under the Act can be issued by Central Government to the Authority under the provisions of Section 42 of the Act. However, such directions can only be issued for the purposes mentioned in Section 42(1) or 42(2) of the Act. For the sake of convenience section 42 of the Act is reproduced below:

“42. Directions by Central Government –

(1) The Central Government may, from time to time, issue to the Authority such directions as it may think necessary in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality.



Cont..2

Mumbai International Airport Limited
Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1, Santacruz (E)
Mumbai 400 099, India

T +91 22 6685 0900 / 0901 F +91 22 6685 2059
www.csla.in

CIN : U45200MH2006PLC160164



ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES

..2..

(2) Without prejudice to the foregoing provisions, the Authority shall, in exercise of its powers or the performance of its functions, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Provided that the Authority shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(3) The decision of the Central Government whether a question is one of policy or not shall be final."

From the above it may be observed that the Central Government may issue directions in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states, public order, decency or morality or it can issue directions on questions of policy for which Authority has to be given an opportunity to express its views before any direction is issued by the Central Government. From perusal of the MoCA letter, it doesn't seem to be a direction under provisions of section 42 of the Act as it is not addressing any policy issue. As far as we understand, genesis of doing away with Fuel Throughput Charges (FTC) is due to question of double taxation raised by airlines, where oil companies are billing FTC as pass through charge along with invoice for ATF. Since ATF is not covered under GST regime, airlines are not in a position to take input tax credit (ITC). This is the reason due to which airlines were vehemently opposing FTC and wanted it to be renamed and charged directly by Airport operator to enable them to take ITC. We had been requesting MoCA to wait till judgment of Hon'ble Supreme Court is delivered on the issue of nature of FTC being aeronautical charge or non-aeronautical charge. However, MoCA vide above letter advised AERA to do away with FTC and to compensate the Airport operators by suitably recalibrating other tariffs.



Cont..3

Mumbai International Airport Limited
Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1, Santacruz (E)
Mumbai 400 099, India

T +91 22 6685 0900 / 0901 F +91 22 6685 2059
www.csia.in

CIN : U45200MH2006PLC160164

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES



..3..

Without prejudice to the fact that MIAL considers FTC as non-aeronautical in nature and also without prejudice to the fact that the present advice of MoCA is not a direction, we would like to submit our suggestions as follows:

Since FTC is permitted alongwith base airport charges, hence its identity needs to be kept distinct. As a result, we request that in lieu of FTC, the Authority may permit invoice to be raised by the Airport Operators (MIAL in the present case) directly on the airlines with effect from 16th January, 2020 for Adhoc Charges aligned with the landing charges calculation at present. Adhoc Charges could be derived from historical percentage of FTC to total landing charges. This will serve the purpose of airlines being able to avail ITC and will retain separate identity of revenue in lieu of FTC. Since it is extremely important to commence billing as soon as possible, we request the Authority to approve the above proposal for CSMI Airport, Mumbai.

Based on aforesaid, **Annexure 1** indicates applicable Adhoc Charges for remaining portion of FY20 with effect from 16th January, 2020 and for FY21.

The suggested procedure shall undergo change if Hon'ble Supreme Court passes an order in favour of MIAL, concerning the nature of FTC.

Thanking you,

Yours sincerely,
For Mumbai International Airport Ltd.


(R.K. Jain)

Chief Executive Officer



Mumbai International Airport Limited
Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1, Santacruz (E)
Mumbai 400 099, India

T +91 22 6685 0900 / 0901 F +91 22 6685 2059
www.csla.in

CIN : U45200MH2006PLC160164

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES

Proposed Adhoc Charges in lieu of discontinued FTC for FY 2020 (from 16.1.2020)

| S. No. | Particular | Adhoc Charges per landing for FY 20 (Rs) |
|--------|---|--|
| 1 | Domestic | 5,200 |
| 2 | General Aviation | 2,600 |
| 3 | International (Category of Aircraft) : | |
| | Code C | 18,800 |
| | Code D | 20,700 |
| | Code E | 37,600 |
| | Code F | 60,200 |

Notes :

- 1 For FY 2020-21 Adhoc charges shall be escalated by WPI increase with a maximum cap of 7% and minimum of 5%
- 2 Aircraft with maximum certified capacity of less than 80 seats operated by domestic scheduled operators and helicopters of all types shall be exempt from Adhoc Charges
- 3 GST shall be extra at actuals



Mumbai International Airport Limited
Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1, Santacruz (E)
Mumbai 400 099, India

T +91 22 6685 0900 / 0901 F +91 22 6685 2059
www.csia.in

CIN : U45200MH2006PLC160164

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES

MIAL/ VPR/2019-20/14

26th February, 2020

✓ To
The Chairperson,
Airports Economic Regulatory Authority of India (AERA),
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi -110 003

Sir,


Sub: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India- reg.

Ref: AERA Letter F. No. AERA/20010/MYTP/MIAL/CP-III/ 2018-19 dated 30th January, 2020

With reference to the Authority letter referred, we are giving below the desired information for your records:

- i. FTC has been discontinued at CSMI Airport, Mumbai with effect from 15.01.2020.
- ii. Month wise FTC billed in the current financial year with effect from 01.04.2019 till 14.01.2020 along with the volume of fuel in KL detailed in the certificate dated 20th February, 2020 issued by S N Katdare & Co., Chartered Accountants, is attached herewith.

For **Mumbai International Airport Ltd.,**


(Sanjiv Bhargava)
Vice President (Regulatory)

Encl : As above



Mumbai International Airport Limited
Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1, Santacruz (E),
Mumbai 400 099, India

T +91 22 6685 0900 / 6685 0901 F +91 22 6685 2059
www.csmia.aero

CIN - U45200MH2006PLC160164

ENERGY
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES



SHIVNANDAN N. KATDARE

B.Com., F.C.A.

M. No. 35327

Mobile No.: 98200 02936

Office Mobile : 98694 24400 / 98690 54627

Office Tel. : 2612 1789 / 2611 7392

E-Mail : snkatdare@yahoo.com

Web Site : snkatdareco.lcal.org.in

GST IN / UIN : 27AALPK9130C1ZT

S. N. KATDARE & CO.

CHARTERED ACCOUNTANTS

Firm Regl. No. 112142W

Office: G-9, Bhansali Society, Ground Floor,
Behind Siddhachal, Next to Cosmos Bank,
Opp. Parle Tilak English Medium School,
Hanuman Road, Vile Parle (East),
Mumbai 400 057.

TO WHOMSOEVER IT MAY CONCERN

On the basis of information and explanations provided and other relevant accounting records produced before us by M/s. Mumbai International Airport Ltd. (MIAL) having its office at CSMIA 1ST Floor T1 B Santacruz (E) Mumbai - 400099, we here by certify that the month wise revenue from Fuel Throughput Charges for the period from April 2019 till 14th January 2020 is as per table provided below.

| Month | KL | Amount (inRs./ Cr.) |
|--|------------------|------------------------|
| April - 2019 | 1,16,175 | 11.31 |
| May - 2019 | 1,24,087 | 12.08 |
| June - 2019 | 1,16,286 | 11.32 |
| July - 2019 | 1,13,731 | 11.07 |
| August - 2019 | 1,19,532 | 11.64 |
| September - 2019 | 1,18,827 | 11.57 |
| October - 2019 | 1,28,314 | 12.49 |
| November - 2019 | 1,33,010 | 12.95 |
| December - 2019 | 1,42,848 | 13.91 |
| January - 2020 (01.01.2020 to 14.01.2020) | 67,685 | 6.59 |
| Total | 11,80,497 | 114.93 |

This Certificate is issued on request received from MIAL for submission to Airports Economic Regulatory Authority of India.



For S.N.Katdare & Co.
Chartered Accountants


S.N. Katdare

(Proprietor)

Reg.No. 035327

G-9, Bhansali Bldg., Hanuman Road,
Vile Parle (East), Mumbai - 400 057.

Name, Address and registration numbers

Place: Mumbai

Date: 20th Feb, 2020

UDIN- 20035327AAAFT3114

MIAL/ CEO/ 109

GVK
4th March, 2020

The Chairperson,
The Airport Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi 110 003

Sir,

Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all airports in India – reg.

- Ref : 1) MoCA Letter No. FAV-13-3-/216/2016-ER (Pt.2) dated 8th January, 2020
2) AERA Letter No. AERA/20015/FT/2010-11/Vol. II dated 15th January, 2020
3) MIAL Letter No. MIAL/CEO/98 dated 24th January, 2020
4) AERA Letter No. AERA/20010/MYTP/MIAL/CP-III/2018-19 dated 30th January, 2020

Please refer to our letter on the above subject, where we had requested for immediate replacement of Fuel Throughput Charges with Ad-hoc charges per landing.

Since tariff finalization of MIAL is likely to take time, sudden stoppage of FTC has adversely affected business plan of MIAL, especially the investment in Navi Mumbai International Airport project out of internal accruals. Planned investment in Navi Mumbai airport project is very critical for timely implementation of this project of national importance.

In view of above, we request the Authority for introduction of Ad-hoc charges per landing at the earliest.

Yours sincerely,
For Mumbai International Airport Ltd


(R.K. Jain)

Chief Executive Officer



Mumbai International Airport Limited
Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1, Santacruz (E)
Mumbai 400 099, India

T +91 22 6685 0900 / 0901 F +91 22 6685 2059
www.csia.in

CIN : U45200MH2006PLC160164

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES

732/212424
11.3.2020

181/DO(P&J)
12/3/2020

527

GVK

MIAL/ VPR/2019-20/16

11th March, 2020

To
The Chairperson,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi-110 003

भारतीय विमानचलापन आयोग विनिर्मायक प्राधिकरण
सफदरजंग एयरपोर्ट, नई दिल्ली- 110003

प्राप्त

डायरी नं० 15391
तारीख 11/03/20

SMC(A)

22/1493

Sir,

Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India- reg.

- Ref : 1) MoCA Letter No. FAV-13-3-/216/2016-ER (Pt.2) dated 8th January, 2020
2) AERA Letter No. AERA/20015/FT/2010-11/Vol. II dated 15th January, 2020
3) MIAL Letter No. MIAL/CEO/98 dated 24th January, 2020
4) AERA Letter No. AERA/20010/MYTP/MIAL/CP-III/2018-19 dated 30th January, 2020
5) MIAL letter No. MIAL/CEO/ 109 dated 4th March, 2020
6) MIAL letter No. MIAL/CEO/ 108A dated 4th March, 2020

This is in continuation of our earlier letter dated 24th January, 2020, wherein we had requested the Authority to allow collection of Ad-hoc landing charges from the airlines in lieu of shortfall due to discontinuation of FTC with effect from 15th January, 2020 till 31st March, 2020.

Also in continuation of our further letter no. MIAL/CEO/109 dated 4th March, 2020, we are computing below the shortfall to be recovered, as well its % to landing charges, based on which Ad-hoc Landing charges are proposed to be collected:

| | |
|--|----------------------|
| a. Shortfall for period 15.1.2020 till 31.3.2020 | Rs. 31.66 Cr. |
| b. FTC for FY 2020-21 based on Tariff order no.13 of 26.9.2016 | Rs.150.50 Cr. |
| Total amount to be collected as Ad-hoc landing charges | Rs.182.16 Cr. |

Landing Charges as per Tariff Order no. 13 of 2016-17 **Rs.764.53 Cr.**



Shortfall to be collected (% of Shortfall as % of landing Charges,

as Ad-hoc landing charges
Mumbai International Airport Limited
Chhatrapati Shivaji International Airport
1st Floor, Terminal 1B, Santacruz (E)
Mumbai 400 099, India

T+91 22 6685 0900 / 0901 F +91 22 6685 2059
www.csia.in

CIN : U45200MH2006PLC160164

23.83%
ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES

528




In this connection we would also like to draw kind attention of the Authority that above amount of shortfall has been computed without taking into account escalation of 5% per annum in Fuel throughput charges agreed on 4th September, 2008 between Oil Marketing Companies and MIAL (copy enclosed), which has also been recognised by the Authority while finalising the rate card for aeronautical tariff for the second control period. Accordingly, the actual shortfall based on the FTC as agreed shall be 26% which is higher than the shortfall of 23.83% mentioned above.

We request the Authority to allow Ad-hoc Landing charges with effect from 1st April, 2020 till the determination of aeronautical charges for the third control period by the Authority, based on shortfall computed above

In case any other information is required in this connection, kindly let us know.

Thanking you,
Yours sincerely

For Mumbai International Airport Ltd.


(Sanjiv Bhargava)
Vice President (Regulatory)



Mumbai International Airport Limited

Chhatrapati Shivaji International Airport
1st Floor, Terminal 1B, Santacruz (E)
Mumbai 400 099, India

T+91 22 6685 0900 / 0901 F+91 22 6685 2059
www.csia.in

CIN : U45200MH2006PLC160164

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
REALTY
HOSPITALITY
LIFE SCIENCES


Date: 04/09/08


Escalation formula for throughput charges

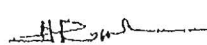
A meeting was held between PSU Oil companies and MIAL on 04th September 2008 to finalize the Escalation formula for Throughput Charges payable to MIAL for the next 15 years starting from 2009-10.

After deliberations, following escalation formula is finalized mutually for the year 2009-10 onwards: -

- a) The Throughput rate of Rs 500 per Kl. shall be taken as base figure (2008-09) and escalation as per the formula shall be applied on the base figure from the year 2009-10 onwards. The final throughput rate of 2009-10 shall become base rate for the year 2010-11 for applying the escalation factor and so on.
- b) Minimum escalation of 5% per annum over previous year and escalation in excess of 5% to be linked to Wholesale Price Index (WPI) with a cap of 7.0 %.
- c) The formula is proposed to be applicable for next 15 years w.e.f. 2009-10 and after a period of 15 years, it shall be reviewed and mutually agreed.
- d) MIAL has taken up the Issue of applicability of Service Tax on throughput charges with the Government authorities and if applicable, shall be reimbursed by the Oil companies on actual basis.
- e) To work out the Escalation factor, WPI for the Financial year shall be taken into account


 (R. Jain)
 President,
 MIAL


 (R Sareen)
 E. D. (Avn),
 IOC


 (P J Kavde)
 Station Manager,
 for EQ(Avn) BPC


 (S S Bramhe)
 Chief Manager (Avn),
 for DGM(Avn) & SBU
 Head, HPC