

ऐरा/20010/एम.वाई.टी.पी./बी.आई.ए.एल./सी.पी.-दो/2016-17/खण्ड-छह  
भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण  
ऐरा भवन, प्रशासनिक कॉम्प्लेक्स,  
सफदरजंग एयरपोर्ट,  
नई दिल्ली-110003  
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दिनांक: 04 अप्रैल, 2019

विषय: केम्पेगौड़ा अंतर्राष्ट्रीय हवाई अड्डे, बेंगलुरु में द्वितीय नियंत्रण अवधि (01.04.2016 से 31.03.2021) में वैमानिकी सेवाओं के लिए टैरिफ के निर्धारण के मामले में- आदेश में संशोधन

उपर्युक्त विषय पर टैरिफ आदेश संख्या 18/2018-19 का संशोधित-पत्र सूचना और अनुपालन के लिए संलग्न है।

भवदीया,  
गीता साहू  
(गीता साहू)  
सहायक महाप्रबंधक (वित्त)

सेवा में,

बेंगलुरु अंतरराष्ट्रीय एयरपोर्ट लिमिटेड,  
अल्फा-दो बिल्डिंग,  
केम्पेगौड़ा अंतर्राष्ट्रीय हवाई अड्डा,  
(मार्फत: श्री हरि मारार, प्रबंध निदेशक)



सत्यमेव जयते

**Airports Economic Regulatory Authority of India**

**Amendment to Order no. 18/2018-19**

In the matter of Determination of tariffs for Aeronautical Services in respect of  
Kempegowda International Airport, Bengaluru,  
for the Second Control Period (01.04.2016 to 31.03.2021)

Date of Order: 04<sup>th</sup> April, 2019

भा.वि.आ.वि.प्रा.

AERA Building

Administrative Complex

Safdarjung Airport

New Delhi – 110 003



## 1. Background

- 1.1 Airports Economic Regulatory Authority of India ("AERA" or "Authority") had issued Order No. 18/ 2018-19 ("Order") in the matter of determination of Aeronautical Tariff for Aeronautical Services in respect of Kempegowda International Airport, Bengaluru for the second control period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2021.
- 1.2 The said Order was challenged by Bangalore International Airport Limited ("BIAL") before the Hon'ble Telecom Disputes Settlement & Appellate Tribunal ("TDSAT") vide Appeal No. 8 of 2018. BIAL had also filed an Application, M. A. No. 449/ 2018 praying for interim relief by way of staying of the impugned Order and the rate card and permitting the Appellant to collect charges as per the rate card for the First Control Period.

## 2. TDSAT Order

- 2.1 Hon'ble TDSAT had, issued a judgement on 14<sup>th</sup> March 2019 ("TDSAT Order"), disposing off the aforementioned M. A. No. 449/ 2018.

- 2.2 TDSAT Order reads as below:

*"8. We have been informed by learned senior counsel for the appellant that UDF rate difference between the first control period and second control period results in a revenue difference of Rs. 50 crore per month approximately. In facts of the case, we are of the opinion that if first control rates in respect of UDF (domestic and International) are provided for a period of 4 months, additional revenue generated will cover the admitted capital expenditure gap and also provide reasonable cushion to override cash flow problems.*

*9. In view of the discussion above, we direct AERA to issue suitable orders preferably within three weeks, to effect UDF rates (domestic and International) as per the first control period for a limited period of 4 (four) months. It is clarified that the definition of transit passengers will remain as per the latest modified Orders. It is further clarified that the funds generated on account of enhanced UDF rates must be used only for Capital Expenditure of the expansion project and in accordance with the procedure prescribed in the concession agreement. The*

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*interim arrangement is made without any prejudice to the rights and contentions of both the parties and will be subject to the final outcome of the petition...”*

- 2.3 BIAL has submitted letter dated 15<sup>th</sup> March 2019 to the Authority with reference to the TDSAT Order and requested for issuance of appropriate orders.

### 3. Authority's review

- 3.1 Authority has carefully perused the TDSAT Order. Authority notes that TDSAT in its interim order has directed AERA to issue order for collection of UDF at rates applicable to the first control period for a period of 4 months, in order to make available additional cash to cover the gap in funding the expansion projects. The Authority also notes that this Interim Order is without prejudice to the rights and contentions of both the parties with respect to the appeal on the Order made by BIAL and its proceedings thereof.
- 3.2 Authority notes that the additional UDF to be collected based on implementation of the said Order will leave additional revenues in the hands of BIAL beyond the eligible Aggregate Revenue Requirement (“ARR”). The Authority notes that this will have to be suitably considered at the time of determination of tariff for Aeronautical services in future.
- 3.3 The Authority notes that these additional collections and any further earnings from them (e.g. In the form of Interest etc.) till the utilisation would need to be tracked and reviewed separately. The Authority notes that BIAL has to maintain the additional collections (UDF collected as per new rate over the UDF to be collected as per the rates detailed in the Order) together with any interest thereon, in a separate bank account to be opened for the said purpose.
- 3.4 The Authority also, while noting Hon'ble TDSAT Order that the stated additional collection should be used only for Capital Expenditure of the Expansion Project, orders BIAL to use the funds generated from such incremental UDF, only for funding of expansion projects, as a means of last resort.
- 3.5 The Authority will review the collections and the usage in detail, at the time of determination of tariff in next control period.
- 3.6 The above Order is proposed to be implemented with effect from 16<sup>th</sup> April 2019 for a period of 4 months.




## 4. ORDER

4.1 Based on the above, the Authority Orders that:

- 4.1.1. The UDF rates for Domestic and International embarking passengers shall be Rs.306 and Rs.1226 respectively instead of Rs. 139/- and Rs. 558/- for domestic and International embarking passengers respectively, for the ticket procured during limited period from 16<sup>th</sup> April 2019 to 15<sup>th</sup> August 2019.
- 4.1.2. BIAL shall maintain a separate bank account wherein the excess UDF collections, together with any income viz Interest thereon shall be deposited and maintained.
- 4.1.3. BIAL shall use the funds from the said bank account only for the purpose of Capital Expenditure for the expansion project and after all the other sources of funding are exhausted.
- 4.1.4. The Authority will review the additional collections made by BIAL pursuant to this Order and the actual expenditure incurred for the expansion project and consider the same appropriately at the time of determination of tariff for the next control period and subject to outcome of final Order of TDSAT in this matter.
- 4.1.5. All other terms of Order 18/ 2018-19 shall remain unchanged.

भा.वि.आ.वि.प्रा.  
AERA

By the Order of and in the  
Name of the Authority

  
(Geetha Sahu)  
AGM (F)

To

Bangalore International Airport Limited  
Alpha-2 Building  
Kempegowda International Airport  
(Through: Shri Hari Marar, Managing Director)

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