

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

Form F14 (b) - Annual Tariff Proposal For Tariff Year 1 at TRV

S/N	Aircraft Types (ICAO Code)	Maximum Ground Handling Rate in INR			
		Scheduled Passenger Aircraft		Scheduled Freighter Aircraft	
		Domestic Flight	International Flight	Domestic Flight	International Flight
1	CODE B	12,960	66,960	NA	NA
2	CODE C	20,240	111,925	88,900	118,600
3	CODE D	39,800	153,100	121,440	162,000
4	CODE E	68,400	211,750	143,040	284,350

Notes:

- 1) To achieve the projected ARR only maximum ground handling rates have been suggested for Airlines as user agreements will be entered into with each Airline based on the IATA AHM 810 STANDARD GROUND HANDLING AGREEMENT 1998 or 2004 or 2008 (SGHA).
- 2) 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.
- 3) 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.
- 4) All charges mentioned above exclude concession fees and taxes which will be charged at the prevailing rates.
- 5) Exchange rate used for contracts signed in USD: 1 USD = 55 INR



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Annexure-II



Kindly refer to the discussion we had regarding Multi Year Tariff Plan (MYTP) submission for Trivandrum (TRV).

Please note, point No 1 in the Executive Summary of the MYTP for TRV, April 2012 was inadvertently mentioned in the Executive Summary as October 2011. The correct sentence should be:

1. Ground Handling at Trivandrum International Airport Started in April 2012.

For avoidance of the doubt, we have officially taken over Ground Handling activity at TRV from 1 April 2012. This fact is also reflected in the 2 sample documents (Deed of Novation) submitted by SilkAir (Singapore) Pte Ltd.

I hope to have your kind understanding on this. Please accept my apologies for any inconvenience caused.

Thank you.

Best Regards,

Nilang Shah
Manager Marketing

Air India SATS Airport Services Private Limited

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BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

SUBMISSION OF MULTI YEAR TARIFF PROPOSAL 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 Guru 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) Business Plan; (ii) Information relating to the Regulatory Building Blocks; (iii) Competition Assessment; (iv) Historical and Forecasted Volumes; and (v) Historical Revenues, are correct and true to my knowledge and belief and nothing material has been concealed there from.



for Sanjay Gupta
Chief Financial Officer



Place: Mumbai

Date: 29 October 2012

Historic ARR and ARR for each Tariff Year

Form F1 (a): Historical and Proposed Aggregate Revenue Requirement:

S.N.		FY 2010-11	FY 2011-12	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2015-16 Tariff Year 5
1	Aggregate Revenue Requirement	15,168,849	107,351,449	403,630,169	456,019,602	489,804,181	514,377,170	540,409,536

Regulatory Building Blocks

Aggregate Revenue Requirement:

		FY 2010-11	FY 2011-12	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
RAB for calculating ARR	RAB	1,408,745	10,024,257	96,568,677	176,918,693	177,893,763	178,844,194	179,291,378
Fair rate of return applied to the RAB	FRoR	26.16%	26.16%	26.16%	26.16%	26.16%	26.16%	26.16%
Depreciation	D	32,800	2,508,317	44,174,984	55,124,984	65,924,877	61,324,260	73,388,872
Operational and maintenance expenditure	O	14,767,549	102,741,686	324,910,246	340,520,319	366,780,190	396,122,606	408,006,284
Tax	T	-	-	9,807,808	14,621,828	11,094,213	10,679,432	12,649,190
Revenues from services other than regulated	NAR	-	520,700	523,304	525,920	528,550	531,192	533,848
Aggregate Revenue Requirement	ARR=RAB*FRoR+O+D+T-NAR	15,168,849	107,351,449	403,630,169	456,019,602	489,804,181	514,377,170	540,409,536



Form F7: Initial Fixed Assets Register FY 2011-12:

Fixed assets data from fixed assets register

Asset	Useful Economic Life	Original Cost of Fixed Assets	Capital Receipt	Depreciation Rate	Year in Operations	Accumulated Depreciation
Building	15.0		0	7%	0	-
Office equipments	5.0		0	20%	0	-
Electrical equipments	4.0	118,080	0	25%	0	-
Computers	3.0	1,165,815	0	33%	0	-
Furniture and fitting	5.0	141,250	0	20%	0	-
Plant and machinery	6.0		0	17%	0	-
Ground Support Equipment	6.0		0	17%	0	-
Vehicle	7.0			14%		
Total		1,425,145	-			-



Initial RAB Valuation:

Original cost of fixed assets	1,425,145
Accumulated depreciation	-
Capital receipt	-
Initial RAB	1,425,145

Note:

- 1) Please note, AISATS TRV is using GSEs from AI worth approximately INR 20 crore, which will be converted to equity in the year 2012-13 hence the RAB base is low.

Details of Competitors Facility

Form F1 (b) - Competition Assessment:

S.N.	Details of Competitor Facility
1	Ground Handling at <u>Trivandrum</u> by: Bhadra International India Limited.



Form F8 (a) - Format for providing asset wise information of stakeholder contribution

S.N.	Contribution Name	Asset Name	Extent of User Contribution Approved for the Project	Year of Approval	Tenure fro User Contribution Collection	Actual Accumulated Collection till Beginning of Previous Year	Total Collection for Tariff Year 1	Total Collection for Tariff Year 2	Total Collection for Tariff Year 3	Total Collection for Tariff Year 4	Total Collection for Tariff Year 5
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Form F8 (b) - Format for providing proposed exclusions from RAB

Details of Proposed Excluded Assets from RAB						
S.N.	Asset Name	Book Value	Accumulated Depreciation	Justification for Exclusion	Any Land Associated with Asset	It yes, Details of Land
1	NIL	NIL	NIL	NIL	NIL	NIL
2	NIL	NIL	NIL	NIL	NIL	NIL
3	NIL	NIL	NIL	NIL	NIL	NIL
4	NIL	NIL	NIL	NIL	NIL	NIL



Form F10 (c) - Year Wise Capital Expenditure Financing Plans

S.N.	Project Type	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2015-16 Tariff Year 5
1	Project CAPEX (Internal Accruals)	200,000,000	60,000,000	63,000,000	66,150,000	69,457,500

Form F10 (d) - Summary Statement of Expenses

S.N.	Particulars	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
1	Interest & Finance Charges Capitalised					
2	Cost of raising Finance & Bank Charges	7,700,000	-	-	-	-
3	Other Expenses Capitalised					
4	Total Expenses Being	7,700,000	-	-	-	-

Form F10 (e) - Additional Capital Projects Summary

Forecast WIP Assets						
S.N.	Particulars	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
1	Opening WIP Assets					
2	Additions - New WIP					
3	WIP Capitalized					
4	Closing WIP Assets	NIL	NIL	NIL	NIL	NIL



Form F11 (a) - Employee Strength

S.N.	Particulars	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
1	Full Time Employees	2,091	2,091	2,132	2,173	2,200
2	Contractual Employees	70	50	50	50	50
	Total (1+2)	2,161	2,141	2,182	2,223	2,250

Form F11 (b) - Payroll Related Expenditure and Provisions

S.N.	Particulars	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
1	Payroll cost	293,138,282	307,795,196	332,418,812	359,012,317	369,782,686
2	Employee Expenses Capitalised	-	-	-	-	-
	Total (1-2)	293,138,282	307,795,196	332,418,812	359,012,317	369,782,686



Form F11 (e) - Utilities & Outsourcing Expenditure

S.N.	Particulars	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
1	Asset usage charges	-	-	-	-	-
2	Freight and transportation charges	1,158,793	1,193,557	1,253,235	1,353,494	1,394,098
3	Legal and professional fees	24,001	24,721	25,957	28,033	28,874
4	Auditor's remuneration	-	-	-	-	-
5	Power and fuel	70,224	72,330	75,947	82,023	84,483
6	Communication	1,011,881	1,042,237	1,094,349	1,181,897	1,217,354
7	Miscellaneous expenses	483,459	497,963	522,861	564,690	581,631
	Total	2,748,358	2,830,808	2,972,349	3,210,137	3,306,441

Form F11 (f) - Other Outflows

S.N.	Particulars	FY 2012-13 Tariff Year 1	FY 2013-14 Tariff Year 2	FY 2014-15 Tariff Year 3	FY 2015-16 Tariff Year 4	FY 2016-17 Tariff Year 5
A						
B						
C						
	Grand Total	NIL	NIL	NIL	NIL	NIL



Historical and Forecasted Volume

Form F12 (a)-Historical and Projected Aircraft Movements:

Year	Domestic (Landing)			International (Landing)		
	Optimistic	Most Likely	Conservative	Optimistic	Most Likely	Conservative
2011 - 2012	1,393	1,266	1,177	5,616	5,105	4,748
2012 - 2013	1,462	1,329	1,236	5,896	5,360	4,985
2013 - 2014	1,535	1,396	1,298	6,191	5,628	5,234
2014 - 2015	1,581	1,438	1,337	6,377	5,797	5,391
2015 - 2016	1,613	1,466	1,364	6,504	5,913	5,499
2016 - 2017	1,661	1,510	1,405	6,699	6,090	5,664
2017 - 2018	1,744	1,586	1,475	7,034	6,395	5,947
2018 - 2019	1,832	1,665	1,549	7,386	6,715	6,245
2019 - 2020	1,923	1,748	1,626	7,755	7,050	6,557
2020 - 2021	2,019	1,836	1,707	8,143	7,403	6,885
2020 - 2021	2,120	1,928	1,793	8,550	7,773	7,229

Note:

- 1) We predict an average growth rate of 5% over the next 5 years.

