
Stakeholder comments on MIAL CP - FTC Compensation

From : bhaskar rao <bhaskar.rao@BIALAIRPORT.COM> Fri, Mar 27, 2020 12:25 PM
Subject : Stakeholder comments on MIAL CP - FTC Compensation
To : RAM KRISHAN <krishan.ram@aera.gov.in>, Jaimon Skaria <jaimon.skaria@gov.in>
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27th March 2020

BIAL / AERA/ Finance/ 2019-20/ 12

The Director (P&S),
Airports Economic Regulatory Authority of India, AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi -110003

Dear Sir,

Sub: Comments on Consultation Paper No. 24/2019-20 dated 20.03.2020 in the matter of Provision of Compensation in lieu of Fuel Throughput Charges at Chhatrapati Shivaji Maharaj International (CSMI) Airport, Mumbai.

At the outset, we highly appreciate the action being taken by the Authority to compensate CSMI Airport, for the shortfall in revenue due to discontinuation of FTC in deference to the Authority letter in compliance with the MoCA letter no. AV 13030/216/2016-ER (Pt.2) dated 8th January, 2020.

This compensation to CSMI airport is just making good the shortfall to the target revenue fixed by the Authority itself, being allowed under a different name of charge, different party to be billed and is not a new charge.

We also appreciate that the compensation against shortfall of FTC by way of additional charge shall be billed to the airlines, who shall be able to avail input tax credit for the GST levied thereon, which otherwise would have added to the cost of the air ticket.

Authority should also consider the time value of the shortfall already suffered by the airport operator, so that the airport is duly compensated for the actual shortfall due to such discontinuation, without waiting for the final true up at the end of the control period.

We request the Authority to consider the above, while finally determining the charge in lieu of FTC.

Thanking you,

Yours sincerely,

For Bangalore International Airport Limited,

Bhaskar Anand Rao

