



Lr. No. APADCL/Regulatory/2018, dt.05/12/2018

To  
The Secretary,  
Airports Economic Regulatory Authority of India  
AERA Building, Administrative Complex,  
Safdarjung Airport,  
New Delhi – 110003.

**Kind Attention: Puja Jindal, IAS**

Sir,

**Sub:** Consultation Paper No. 23/2018-19 – comments and feedback -  
regarding

**Ref:** Consultation Paper No. 23/2018-19: AERA/20010/MYTP/AAI-  
Visakhapatnam/CP-II/2016-17

Please refer to the Consultation Paper No. 23/ 2018-19. The following are the response, comments and feedback.

1. Please read Para No. 5.5 along with Para 6.17, where it is mentioned that the reduction in the growth in FY 2022-23 to 10% is considered, as the Bhogapuram International Airport is likely to be commissioned by FY 2022-23, is a wrong statement. As per in-principle approval of Ministry of Civil Aviation Letter vide No. AV.20015/111/2015-AD, Dt:02/09/2016 the Civil Enclave will be shut down on opening of Bhogapuram International Airport for which suitable compensation shall be paid by State Govt to AAI. Hence it is recommended that the proposed investment vide Para 6.17 and 6.18 be kept on hold and taken out of MYTP (Multi Year Tariff Proposal) being avoidable expenses of public money
2. Please refer Para No.7.2 regarding Fair rate of Return (FRoR). The FRoR appears to be unjustified as the comparison is either with a Metro or a State Capital airport with higher passenger density, wherein Vizag is not a full-fledged airport. It is only a Civil Enclave which is presently handling 2 MPPA and the main infrastructure, i.e. runway belongs to Indian Navy. (Page 28, Para-Repair and Maintenance). Hence FRoR may be reduced to a lower number.
3. Please refer Para 8.1, Table 28- Repair & Maintenance. The costs shown against the runway was never supposed to be reimbursed by the State Govt. as mentioned. Hence the amount may not be included in Operation and Maintenance expenditure for FY2017-18. The runway being the property of

Indian Navy, this matter may be resolved between AAI and Indian Navy, Vishakhapatnam being a civil enclave.

4. Information as mentioned in Para 16.1, Notes-1f, regarding rate of tax (VAT) on ATF <5% is incorrect as Govt. of Andhra Pradesh has already reduced VAT on ATF to 1% since 2014 vide G.O.MS.No.4, dated:22/06/2015. Accordingly, night parking charges may be amended.

Yours Sincerely,

  
(AJAY JAIN)