

Dr. Karvi. N.
30/10/19
AZM (F) - 1



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Bhadra International (India) Pvt. Ltd.

Dated: 28th October 2019

To
The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarung Airport,
New Delhi-110003

श्री. कर्वी. एन.
30/10/19
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सं. 14385
दि. 30/10/19

Kind attention: Ms. Geeta Sahu, AGM (Finance)-Tariff

Sub: Comments on Consultation paper No. 09/2019-20

Madam,

We have gone through the proposal of AERA on the submissions of Messrs. AIATSL for approval of 2% hike over their existing tariff for providing ground handling services at various airports as indicated in your consultation paper No.09/2019-20 dated 17.10.2019.

In this regard, your kind attention is drawn to para 5.2 and 5.3 of your proposal considering to approve 2% hike in comprehensive tariff for the financial years 2019-20 and 20-21. Before the same is agreed to, the following needs to be taken into consideration:-

- a) In Annexure II (page Nos.32 to 37 of your proposal), in the details of Actual expenditure- from balance sheet of AIATSL for the years 2016-17,2017-18, and 2018-19, no where the details of "concession fees /royalty paid & Percentage to be paid to the Airport Operators has been indicated, whereas all other details under " heads of expenditure " have been provided. This information is important, to determine as to what

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percentage of the expenditure is taken by AIATSL as "pass through" in recovering from the airlines while entering into the Standard Ground Handling Agreement(SGHA). We are sure AERA must have gone through the details of SGHAS entered by them with various airlines by AIATSL, while considering the proposed 2% hike.

- b) Such a break up of royalty paid to the Airport Operator will also help to analyse whether AIATSL is in compliance in meeting the stipulations made in the latest AAI Ground Handling Regulations 2018 wherein they are required to match with the rates of royalty paid by the lowest bidder /concessionaire operating at AAI Airports.

We will be grateful if the above points are considered and the stakeholders are informed, before the proposed 2% hike in tariff is considered for approval by AERA.

Best regards,

Thanking you,

Yours faithfully,

Prem Bajaj

Chairman and Managing Director