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**bhadra**

**Bhadra International India Limited**

Ref: Bhadra/AERA/2010-11

Dated 28<sup>th</sup> August, 2010

To,

The Chairman.  
Airports Economic Regulatory Authority of India,  
AERA Building,  
Safdarjang Airport,  
New Delhi-110 003

10/20/10  
OSD-II

SM (AES)  
Pls. share with PwC  
as discussed.

**Sub: Submission of Comments applicability of regulatory approach**

Ref: your office order no.05/2010-2010 Dated 30.07.2010

10/2/10

Dear Sir,

h.a.

At the outset we would like to thank AERA and its team of officers for giving us a valuable Understanding of the draft guidelines for operationalisation of regulatory approach in respect of ground handling services, cargo facilities and for supplying fuel to an aircraft.

Many suggestions emerged during the interactive session. We are sure, the suggestions, which merit will be taken into consideration while formulating the guidelines. It was also quite interesting to note when Secretary ,AERA asserted that the non-entitled entities ,providing ground handling services in piece meal would cease to operate effective from 31<sup>st</sup> December,2010.

Bhadra International India Limited, has been selected by Airports Authority of India through competitive bidding / tendering Process to provide the ground handling services at the airports In Chennai, Kolkata, Trivandrum, Calicut, coimbatore, Tiruchi and Mangalore respectively.

We are Submitting below few points for your kind consideration while formulating the guidelines:-

1. Keeping the provisions contained in clause 4 of the AAI Ground handling regulations,2007- for engagement of whole time bonafide employees by the agencies authorised in terms of clause 3 of the said regulations, level playing field can only be established with the discontinuance of non-entitled entities and thereby taking into account the applicable cost of manpower for such whole time bonafide employees.

2. More weightage be kindly given to a ground handler making huge investments in inducting State of the Art Equipments and creating world class infrastructure and deploying trained manpower while meeting the special needs of airlines in terms of the service level agreements in comparison to other ground handlers using outdated or make to do equipments which are more than five years old and carrying out operations with untrained manpower of non-entitled entities.
3. Considering the fact that the number of international aircraft movements at all international Airports except at Mumbai and Delhi are only in the range of 5.1% to 12.1% and are far below Mumbai and Delhi, which is 24.8% and 24.1% respectively, the competition Assessment to be deemed as "competitive" may be amended as "two or more service providers" since the airport operators have already made it very "competitive" by fixing a high minimum guaranteed % on turnover, although the number of flights is very much less.
4. As rightly brought out in the draft regulations, the payments to be made by independent service provider of the quoted percentage of royalty on minimum guaranteed turnover worked out for an airport by the airport operator, plus the additional royalty, that may become payable on the turnover achieved in excess of the turnover specified by the operator needs to be taken into account while working out the passenger yield cap for the respective airports.

Thanking you

Yours faithfully,

For Bhadra International India Limited



(Prem Bajaj)

Chairman and Managing Director.