



3745/साम्बिक (एरा)
13/9/18

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भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

No. AAI/CHQ/AERA/MYTP- Indore /2018 /505

12th ^{Sept} August, 2018

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

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
सफ़दरजंग एयरपोर्ट, नई दिल्ली-110003
प्राप्त
डायरी नं०: 12899
तारीख: 13/09/2018

Sub:- Submission of revised Multi Year Tariff proposal (MYTP) in respect of Indore Airport

Madam,

Reference is invited to this office letter dated 09/09/2017, letter dated 25/06/2017 received from AERA and letter of this office dated 29/06/2018 on the subject noted above.

Based on the meeting held in the office of Chairman AERA regarding shifting of control period from 2016-2021 to 2018 – 2023, the revised proposal of MYTP of Indore considering the shortfall of FY 2016-17 and FY 2017-18 in control period 2018-2019 to 2022-2023 is enclosed herewith .

- A. As per Hybrid till, Regulatory Asset Base as on 01.04.2016 has been bifurcated into a) Aeronautical Assets b) Non-Aeronautical Assets and c) Common Assets.
- B. The expenses appearing in the Trial Balance for the F.Y 2016-17 & 2017-18 have been bifurcated into a) Aeronautical Expenses b) Non-Aeronautical expenses and c) Common Expenses.
- C. The effective date of new Tariff has been considered as 01.11.2018.
- D. The Traffic data has been updated up to the F.Y. 2017-18 and projected for FY 2018-23 as per data received from Dte of CP&MS.
- E. The space of earmarked for non-aero activities is 5.62%.
- F. The data for expenses, income and assets have been trued up for the FY 2016-17 and 2017-18.
- G. The calculation of Depreciation has been done as per AAI's depreciation rate upto FY 2015-16 and depreciation on Regulatory Assets base and addition to fixed assets FY 2016-17 and FY 2017-18 have been calculated

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as per Companies Act 2013 . From FY 2018-19 onwards depreciation has been worked out as per rates prescribed by AERA. Half yearly rate of depreciation has been calculated for additions in Assets in form 10 (a) for 1st year of capitalization.

H. The Income tax calculation has been worked out on the basis of rates of depreciation as per Income Tax Act.

I. An increase of 37.16% has been proposed for wage revision for non-executive staff (40% of total strength) in FY 2018-19 and 5 % increase on Year on year basis from FY 2019-20 in respect of staff cost (Executive/non-Executive) as considered by AERA in Tariff Order of Ahmedabad.

J. Provisions for retirement benefit made at CHQ has been allocated for FY 2016-17 & FY 2017-18 on the basis of actuals allocations done in FY 2015-16 with 5% increase on year on year basis.

K. Apportionment of CHQ/RHQ overheads has been allocated for FY 2016-17 & FY 2017-18 on the basis of actuals allocations done in FY 2015-16 with 5% increase on year on year basis. Further 95% of CHQ/RHQ overhead expenses have been considered as Aeronautical activities. (5% considered for Non-Aeronautical activities).

L. The capex amounting to Rs 114.43 crs have been taken in MYTP, the details of major capex are as under

- a) Development of 15 no parking bays –Rs 63 crs.
- b) Development of Pucca drain-Rs 5 crs
- c) Provision of Fixed Finger for PBB-Rs 1.63 crs
- d) Construction of Quarters 16 Nos- Rs 5.58 crs
- e) Provision of Aluminium Composite Panel- Rs 1.5 crs
- f) Construction of Boundary Wall near runway 25-Rs2.5 crs
- g) SITC of 01 PBB-Rs 4.13 crs
- h) Rubber Removal Machine-Rs 2.28 crs
- i) Bio metric control system- Rs 2.63 crs
- j) Supply of 77 No CCTV camera- Rs 1.13 crs
- k) Establishment of Ground mounted Solar Plant-Rs 4.34 crs
- l) ACFT (01)- Rs 4.03 crs
- m) Inline Baggage Screening-Rs.12.5 crs.

M. As per MYTP, the present value of Aggregate Revenue Requirement (ARR) for the control period on Hybrid Till basis (FY 2018-2023) has been worked out to Rs.401.48 crores and total target revenue is Rs.366.84 crores which includes shortfall of Rs.59.67 crs (compounded @ 14%)for

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the FY 2016-17 & FY 2017-18 leaving balance of Rs 38.92 crs as on 31.03.2023 which shall be recovered in next control period.

- N. The cost of resurfacing Rs 11.42 crs (Rs 7.38 crs in FY 2016-17, Rs 3.26 crs in FY 2017-18 and Rs 0.77 crs in FY 2018-19) has been charged off in 05 years as per AERA policy on useful life of assets.

The following revenue streams are available to recover the ARR:

1. Landing charges
2. Parking & Housing Charges
3. Fuel Throughput Charges
4. UDF

The following charges have been proposed:

1. **Landing Charges**- It is proposed to increase average domestic landing charges by 31% and international landing by 26% from the existing charges w.e.f. 01.11.2018 till 31.03.2019. An increase of 4% thereafter on year on year basis from 2019-20 onwards is proposed.
2. **Parking & Housing** - Parking & Housing is proposed to increase by 114% from the existing charges w.e.f. 01.11.2018 till 31.03.2019. An increase of 4% thereafter on year on year basis from 2019-20 onwards is proposed.
3. **Fuel Throughput Charges** – 15% increase is proposed for FY 2018-19 year w.e.f. 01.11.2018 and 5% on year on year basis in the subsequent years.
4. PSF(Facilitation) charges of Rs 77/- charged presently for both Domestic and International passenger is withdrawn.
5. **UDF** –

It is proposed to levy UDF of Rs 460 per pax for domestic passenger and Rs 500 per pax for international passenger from 01/11/2018 to 31/03/2023.

(No increase in UDF is proposed for the subsequent Years.)

The up-dated MYTP along with the Annual Tariff Proposals is enclosed for your consideration and approval.

Thanking you,

Yours faithfully,

(G.Ravichandran)

Executive Director(IA,JVC& Tariff)

Encl:- a.a.

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AIRPORTS AUTHORITY OF INDIA

INDORE AIRPORT - PROPOSED RATE CARD FOR AERONAUTICAL SERVICES

FOR F.Y. 2018-19

EFFECTIVE FROM 1st November 2018 TO 31 MARCH 2019

(I) Landing Charges - International flights	
Weight of the Aircraft	Proposed Rate Per Landing (In INR)
Upto 25 MT	240 Per MT
Above 25 MT up to 50 MT	6000+450 per MT in excess of 25 MT
Above 50 MT up to 100	17250+520 per MT in excess of 50 MT
Above 100 MT to 200 MT	43250+600 per MT in excess of 100 MT
Above 200 MT	103250+720 per MT in excess of 200 MT

(I) –a Landing Charges – Domestic Flights	
Weight of the Aircraft	Proposed Rate Per Landing (In INR)
Upto 25 MT	160 Per MT
Above 25 MT up to 50 MT	4000+280 per MT in excess of 25 MT
Above 50 MT up to 100	11000+320 per MT in excess of 50 MT
Above 100 MT to 200 MT	27000+390 per MT in excess of 100 MT
Above 200 MT	66000+440 per MT in excess of 200 MT

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1. No Landing charges shall be payable in respect of a) aircraft with a maximum certified Capacity of less than 80 seats, being operated by domestic schedule operators at airport and b) helicopters of all types C) DGCA approved Flying school/flying training institute aircrafts.
 2. All domestic legs of International routes flown by Indian Operators will be treated as Domestic flights as far as landing charges is concerned, irrespective of flight number Assigned to such flights.
 3. Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg).
 4. Flight operating under Regional connectivity scheme will be completely exempted from Landing charges from the date of the scheme is operationalized by GOI.

II) PARKING AND HOUSING CHARGES

Proposed Rates (In INR)		
Weight of the Aircraft	Parking Charges Rates per Hour	Housing Charges Rates per Hour
Upto 25 MT	3.00 Per Hour Per MT	6.00 Per Hour Per MT
Above 25 MT up to 50 MT	75.00+4.00 per Hour per MT in excess of 25 MT	150.00+8.00 per MT per Hour in excess of 25 MT
Above 50 MT up to 100	175.00+8.00 per MT per Hour in excess of 50 MT	350.00+16.00 per MT per Hour in excess of 50 MT
Above 100 MT to 200 MT	575.00+10.00 per MT per Hours in excess of 100 MT	1150.00+20.00 per MT per Hours in excess of 100 MT
Above 200 MT	1575.00+11.00 per MT per Hours in excess of 200 MT	3150.00+22.00 per MT per Hours in excess of 200 MT

Notes-

1. No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. These periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before take-off.
2. For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.
3. Charges shall be calculated on the basis of nearest MT.
4. Charges for each period parking shall be rounded off to nearest rupee.
5. At the in-contact stands and open stands, after free parking, for the next two hours normal parking charges shall be levied. After this period, the charges shall be double the normal parking charges.

- 6. It is proposed to waive off the night parking charges in principle for all domestic scheduled operators at Indore Airport if the State Government has brought the rate of tax (VAT) on ATF \leq 5%. The above waiver of night parking charges (between 2200 hrs. to 0600 hrs) will be made applicable from the date of implementation of \leq 5% tax on ATF by the State Govt. In the event of upward revision in the tax rate of ATF by the State Govt., the relief of free night parking charges will also be deemed to be withdrawn for all the airports within the jurisdiction of the said State.
- 7. Flight operating under Regional Connectivity Scheme will be completely governed by AIC issued on this subject by DGCA.

III) THROUGHPUT CHARGES

Proposed Rate Per KL (IN INR)
Rs. 164.57

IV) USER DEVELOPMENT FEES (UDF)

Passenger	Proposed rate in INR (per embarking passenger)	Proposed rate in US \$ (per embarking passenger) 1\$=Rs.67
Domestic	Rs. 460/-	\$ 6.86
International Passenger	Rs. 500 /-	\$ 7.46

Notes:-

- a) Collection charges: if the payment is made within 15 days of receipt of bills, then collection charges at Rs.5 per departing pax is payable by AAI to Airline operators. No collection charges shall be payable if the operator fails to pay the UDF to AAI within the credit period and incase of part payment. Airlines to make full payment of UDF collection to AAI and raise a separate invoice for the collection charges on UDF to AAI. To be eligible to claim this collection charges, the airlines should have no overdue on any account with AAI.
- b) No collection charges are payable to casual operator/non-scheduled operators.
- c) For conversion of US\$ into INR the rate as on the 1st day of the month for 1st fortnightly billing period and rate as on 16th of the month for the 2nd fortnightly billing period shall be adopted.
- d) Revised UDF charges will be applicable on tickets issued on or after 01/11/2018.
- e) No UDF will be levied for Transit Passengers.

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V) PASSENGER SERVICE FEE (PSF) – SECURITY : Existing Rate will continue.

- a) **Rs. 130/-** per embarking International/ Domestic passenger.
- b) **US \$ 3.25 (US \$ Three and twenty five cents only)** per passenger in respect of the tickets issued against Dollar Tariff.
- c) **Collection charges:** if the payment is made within 15 days of receipt of invoice, then collection charges at INR 2.50% of PSF per passenger shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the PSF to AAI within the credit period of 15 days.
- d) No PSF (Security) will be levied for Transit Passengers.
- e) For conversion of US \$ into INR the rate as on 1st day of the month for 1st fortnightly billing period and rate as on 16th of the month for the 2nd fortnightly billing period shall be adopted. If the payment is made within 15 days of receipt of bills, then collection at 2.5% of PSF per passenger is payable.

VI Exemption from levy and collection from UDF/PSF at the Airports

The Ministry of Civil Aviation, Govt. of India vide order no. AV.16011/002/2008-AAI dated 30.11.2011 has directed AAI to exempt the following categories of persons from levy and collection of UDF/PSF.

- (a) Children (under age of 2 years),
- (b) Holders of Diplomatic Passport,
- (c) Airlines crew on duty including sky marshals & airline crew on board for the particular flight only (this would not include Dead Head Crew, or ground personnel),
- (d) Persons travelling on official duty on aircraft operated by Indian Armed Forces,
- (e) Persons traveling on official duty for United Nations Peace Keeping Missions.
- (f) Transit/transfer passengers (this exemption may be granted to all the passengers transiting up to 24 hrs. "A passenger is treated in transit only if onward travel journey is within 24 hrs. from arrival into airport and is part of the same ticket, in case 2 separate tickets are issued it would not be treated as transit passenger").
- (g) Passengers departing from the Indian airports due to involuntary re-routing i.e. technical problems or weather conditions.

VII) GENERAL CONDITION:

- a) All the above Charges are excluding GST. GST at the applicable rates are payable in addition to above charges.