

## Mumbai International Airport Pvt Ltd

MIAL/PR/96

28<sup>th</sup> July, 2009

The Secretary  
Ministry of Civil Aviation  
Rajiv Gandhi Bhawan  
Safdarjang Airport  
New Delhi – 110 003

14078 - 11/08/09  
29/7/09

Sir,

**Sub: Increase in Aeronautical Charges at Chhatrapati Shivaji International Airport (CSIA), Mumbai**

As you are kindly aware of that CSIA, Mumbai has been taken over by Joint Venture Company (JVC) viz. Mumbai International Airport Pvt. Ltd. (MIAL) w.e.f. 3<sup>rd</sup> May, 2006.

Operation support period of 3 years is already over and entire operations are being run by MIAL from 3<sup>rd</sup> May, 2009 without any operational support from Airports Authority of India (AAI).

Project is being implemented as per schedule. New Integrated Passenger Terminal is scheduled to be completed by end of 2012. CSIA is a severely land constrained airport. While retrieving land from various agencies, MIAL has to incur heavy expenditure to provide new facilities. It was never envisaged that MIAL will be spending to this extent on this account. However, it is gratifying to report that all agencies are extending full support for development of airport but fact remains that there is huge financial burden on MIAL for relocating these agencies.

**Increase as per SSA Provisions:**

In terms of provisions of Schedule 6 of State Support Agreement (SSA), MIAL was entitled for a nominal increase of 10% of the Base Airport Charges. Increase was to be effective from 3<sup>rd</sup> May, 2009, however, looking into the severe recessionary conditions and very high oil prices, MIAL did not approach for increase. Now oil prices have stabilised and fall in passenger traffic is also stemmed to some extent.

It is not only the airlines who have suffered even airports have also suffered because of fall in passenger throughput and severe reduction in cargo tonnage. Over and above this, airlines are not paying in time resulting in huge overdues and increased borrowings; and consequent huge financial cost.

At the time of borrowings from institutions and banks such increase in charges was considered in projections. Hence, any delay in the increase will dent credibility of MIAL before banks and financial institutions.

In view of the facts mentioned above and under the contractual provisions, we request for 10% increase to be approved at the earliest.

This is to inform you that increase of 10% in aeronautical charges will have minimal impact of about Rs. 22 per passenger. For ready reference we are enclosing revised schedule of Airport Charges (Annexure - I).




Introduction of Aerobridge Charges

MIAL is incurring huge cost on maintenance of aerobridges. Use of aerobridge reduces cost of airlines substantially. MIAL is committed to provide aerobridge facility as per OMDA requirements, but it is high time that airlines pay for the usage of aerobridges, as per prevalent worldwide practice.

We understand that Hyderabad and Bengaluru airports are already charging for aerobridge usage to airlines either on hourly basis or on per passenger basis. We propose to charge for usage of aerobridge as per enclosed schedule (Annexure – II).

Yours sincerely,  
For Mumbai International Airport Private Limited



(R. K. Jain)  
President

Encl: a/a

CC: Chairman, AAI

**Mumbai International Airport Pvt. Ltd.****Revised Schedule of Airport Charges at Chhatrapati Shivaji International Airport**

Charges	Structure Level		
* Landing Charges	MAUW	Domestic Flights	International Flights
	≤ 21 MT	INR 123.60 / MT	Not Applicable
	≤ 100 MT	INR 204.96 / MT	INR 273.24 / MT
	> 100 MT	INR 20,496 + INR 275.40 / MT in excess of 100 MT	INR 27,324 + INR 367.20 / MT in excess of 100 MT
<p>Minimum charges of INR 1,200 per landing, except in case of domestic aircraft with MAUW ≤ 21 MT.</p> <p>25% surcharge on landing charges for supersonic aircraft.</p> <p>5% surcharge on international landings between 2301 - 2400 hours IST (peak hour)</p> <p>5% discount on international landings between 1301 - 1600 hours IST (peak hour)</p> <p>15% reduction in landing charges in case of payments within the 15-day credit period for domestic flights.</p> <p>The domestic leg of international routes of Indian operators is treated as domestic flights as far as airport charges are concerned.</p> <p>No landing charges for helicopters and aircraft with seating capacity ≤ 80 and operated by domestic scheduled operators and for helicopters of all types.</p>			
* Housing Charges	AUW	All flights (rate per hour)	
	≤ 100 MT	INR 8.88 / MT	
	> 100 MT	INR 888 + INR 11.76 / MT in excess of 100 MT	

### \* Parking Charges

When an aircraft is parked in open, only half of the housing charges are levied. No parking charges are levied for the first two hours.

While calculating free parking time, standard time of 15 minutes is added on account of time taken between touchdown and actual parking time on the parking stand. Another standard time of 15 minutes is added on account of taxiing time of aircraft from parking stand to take-off point.

For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.

Charges shall be calculated on the basis of nearest MT.

Charges for each period parking shall be rounded off to nearest rupee.

At in contact stands, after free parking hours, normal parking charges are levied for the first two hours.

After this period, the charges are double the normal charges.

### \* X-ray Baggage Charges

No.	Domestic Carriers (Registered Baggage)		International Carriers (Registered Baggage)	
	Seating Capacity	Amount in INR	Seating Capacity	Amount in USD
1	≤ 25 seats	120	For turnaround flights for aircraft 747, DC-10 & Tristar	228.60
2	26 to 50 seats	240	For transit flight	162.91
3	51 to 100 seats	540		
4	101 to 200 seats	840		
5	≥ 201 seats	960		

### \* Passenger Service Fees

INR 227 per embarking passenger in respect of tickets issued against INR tariffs.

USD 5.68 per embarking passenger in respect of tickets issued against USD tariffs.

For conversion of USD to INR, the rate as on the 1st day of the month for the first fortnightly billing period and the rate as on the 16th day of the month for the second fortnightly billing period shall be adopted.

\* Excluding Service Tax or any other applicable tax which is payable extra at actuals.

Note: INR = Indian Rupees / USD = United States Dollars

## Mumbai International Airport Pvt. Ltd.

### Aerobridge Charges

Aerobridge Charge is payable by airlines on the basis of actual usage of the aerobridge, based on type of aircraft.

Aircraft Type	Initial Aerobridge Usage Charge	Subsequent Hourly Usage Charge
Narrow-bodied Aircraft	INR 2300/- for the first hour or part thereof	INR 2300/- per hour or part thereof
Wide-bodied Aircraft	INR 10500/- for the first two hours or part thereof	INR 4500/- per hour or part thereof

1. Excluding Service Tax or any other applicable tax which is payable extra at actuals.
2. Usage time will be calculated based on ON BLOCK and OFF BLOCK time as recorded at Airport Operations Control Centre (AOCC).
3. For calculating chargeable time, part of an hour shall be rounded off to the next hour.
4. Parking charges will be levied extra.

Note: INR = Indian Rupees



F. No.AERA/20010/MIAL-AC/2009/166  
Airports Economic Regulatory Authority of India  
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Room No.1,  
New Administrative Block,  
Safdarjung Airport,  
New Delhi -110003

Dated the 11<sup>th</sup> Nov, 2009

To

Shri. R. K. Jain  
President,  
Mumbai International Airport Pvt Ltd.,  
Chhatrapati Shivaji International Airport,  
1st Floor, Terminal 1B, Santacruz (E),  
Mumbai 400059.

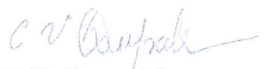
Subject: 10% increase in Aeronautical Charges and Introduction of  
aerobridge charges at CSI Airport Mumbai.

Sir,

I am directed to refer to your letter no. MIAL/PR/96 dated 28.07.2009 on the above subject and to say that AERA is required to determine tariff for aeronautical services in accordance with the provisions of Section 13 of the Airports Economic Regulatory Authority of India Act 2008. Therefore, in case MIAL proposes any increase in tariff for aeronautical services, a well justified proposal, on merits, including all requisite financial details may be submitted for the consideration of AERA.

2. As regards the introduction of levy of aerobridge charges at CSI Airport, you may submit a well justified proposal separately along with relevant details for consideration at this end.

Yours faithfully,

  
(C.V. Deepak)  
OSD-II

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issuance 11/11

# Mumbai International Airport Pvt Ltd

MIAL/PR/233

December 15, 2009

The Secretary

Airports Economic Regulatory Authority of India,

Room No: 58, B-Block, Rajiv Gandhi Bhawan,

New Delhi – 110003

Dear Sir,

**Subject: 10 % increase in Aeronautical charges and introduction of aero bridge charges at CSI Airport**

**Ref: 1) Our letter No. MIAL/PR/96 dated 28<sup>th</sup> July, 2009**

**2) AERA letter No. AERA/20010/MIAL-AC/2009/164 dated 11/11/2009**

This has reference to the above mentioned letter seeking a well justified proposal, on merits, including all requisite financial details for 10% increase over base aeronautical charges.

We would like to bring to your kind attention that the increase sought by MIAL for CSI Airport Mumbai is the minimum increase contractually assured vide Schedule 6 of State Support Agreement executed between Ministry of Civil Aviation, Government of India and Mumbai International Airport Pvt. Ltd.

We draw your kind attention to the specific provision of AERA Act, 2008 vide Section 13 (1)(a)(vi) assures that while determining tariff for aeronautical services, AERA will consider concessions offered by Central Government in any agreement or memorandum of understanding or otherwise.

As mentioned above this 10% increase is minimum increase as per the State Support Agreement. As on date there is no clear road map about what details need to be submitted and methodology which will be adopted for tariff determination. AERA is still in the process of bringing out white papers for discussions, which will lead to documents incorporating regulatory philosophy and methodology for determination of aeronautical charges.

Cont..2.



We draw your kind attention to the meeting called by Chairman, AERA on 3<sup>rd</sup> December, 2009, where a decision was taken for resolution of issues of immediate concern on a case to case basis.

Since proposal of MIAL is for minimum guaranteed increase, we request you to kindly process the case considering the contractual obligations. Any delay in finalisation of the 10 % increase in aeronautical charges will affect the financial health of airport in the long run. Airport development is under way; any delay in availability of fund will affect the schedule of completion.

### **Aero-bridge charges:**

Proposed aerobridge charges are in-line with charges already accepted by Government for Bangalore Airport. Operation cost at Mumbai Airport is certainly high as compared to Bangalore Airport because of higher electricity charges, wages and other expenses.

Pending final determination, based on set rules and guidelines, proposed aerobridge charges may please be allowed.

We reiterate our request for expeditious permission for 10% increase over the base aeronautical charges as per details attached to our letter no. MIAL/PR/96 dated 28<sup>th</sup> July 2009 and also the aerobridge charges as requested in the same letter. (Copy enclosed for your ready reference)

Thanking you,

Yours sincerely,

**For Mumbai International Airport Pvt. Ltd.**

  
**(R.K.Jain)**  
**President**





# Mumbai International Airport Pvt Ltd

ANNEXURE V

MIAL/PR/309

25<sup>th</sup> March, 2010

The Secretary  
Airports Economic Regulatory Authority of India,  
Rajiv Gandhi Bhawan,  
New Delhi – 110 003.

Dear Sir,

**Subject: Consultation paper containing AERA's proposed position/approach on regulatory philosophy and approach in economic regulation of airports and air navigation services published on 26<sup>th</sup> February, 2010.**

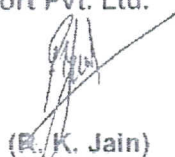
**Ref : Our submission vide Letter No.MIAL/PR/305 dated 19<sup>th</sup> March, 2010**

Further to our above referred submission, as an additional submission, we would like to mention that vide Schedule 6 of the State Support Agreement, it is provided, inter alia, "From the commencement of the fourth (4<sup>th</sup>) year after the Effective Date and for every year thereafter for the remainder of the Term, Economic Regulatory Authority / GOI (as the case may be) will set the Aeronautical Charges in accordance with Clause 3.1.1 read with Schedule 1 appended to this Agreement, subject always to the condition that, at the least, a permitted nominal increase of ten (10) percent of the Base Airport Charges will be available to the JVC for the purposes of calculating Aeronautical Charges in any year after the commencement of the fourth year and for the remainder of the term."

Mumbai International Airport Pvt. Ltd. (MIAL) had submitted its request for permitted increase to The Secretary, Ministry of Civil Aviation vide its letter No. MIAL/PR/96 dated 28<sup>th</sup> July, 2009 and further information was provided to AERA vide letter No. MIAL/PR/233 dated 15<sup>th</sup> December, 2009. We request the same may kindly be expedited.

Thanking you,

Yours sincerely,  
For Mumbai International Airport Pvt. Ltd.

  
(R. K. Jain)  
President