

RE: Tariff Determination for GH services of AISATS at KIA, Bangalore for 2nd Control Period

From : Kalpesh Singh <Kalpesh.Singh@aisats.in> Mon, Feb 10, 2020 04:48 PM
Subject : RE: Tariff Determination for GH services of AISATS at KIA, Bangalore for 2nd Control Period 1 attachment
To : GEETHA SAHU <gita.sahu@aera.gov.in>
Cc : Sanjay Gupta <Sanjay.Gupta@aisats.in>

Dear Mam,

As promised, please find attached the 6 months actual data for BLR GH for FY 2019-20.

We would like to highlight the following points for considerations:

1. New concession fee has adversely impacted the company financials.
2. Cost related with inflation like salary, rentals, etc. which contributes 70% of the total cost has gone up significantly by 10%.
3. Company has invested around INR 10 Cr in last two years for enhancement of infrastructure and technology.
4. This is the first time when we have asked for rate increase as the current business model is not feasible at the existing rates.

Would really appreciate your assistance in revising the approved rates for BLR GH.

Thanks for your kind understanding.

Thanks & Regards,

Kalpesh Kumar Singh

Head – Commercial Business Development
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Air India SATS Airport Services Pvt. Ltd. CIN: U74900DL2010PTC201763
Address: B1101, Lotus Corporate Park, Off Western Express Highway,
Goregaon East, Mumbai 400 063, India

From: Kalpesh Singh

Sent: 06 February 2020 16:34

To: 'GEETHA SAHU' <gita.sahu@aera.gov.in>

Cc: Sanjay Gupta <Sanjay.Gupta@aisats.in>

Subject: RE: Tariff Determination for GH services of AISATS at KIA, Bangalore for 2nd Control Period

Dear Mam,

Annexure - I
Page 2/2

BANGALORE - GH

STATEMENT OF PROFIT FOR THE PERIOD 30TH SEPTEMBER, 2019

(Rs. In Mn.)

Sr. No.	Particulars	
1	Revenue	
	Revenue from Regulated Services	602.95
	Revenue from services other than Regulated Services	3.70
2	Operating expenditure	
	Payroll Costs	285.02
	Administrative and General Costs	43.58
	Utilities and Outsourcing Costs	82.01
	Concession Fees	106.40
	Repair and Maintenance Cost	7.60
3	Profit before Depreciation, Interest and Taxation (PBDIT)	82.04
	Depreciation and amortisation	24.53
4	Profit before Interest and Taxation (PBIT)	57.51
	Total Interest and Finance charges	-
5	Profit / (Loss) before Tax	57.51
	Provision for Taxation	-
6	Profit / (Loss) after Taxation	57.51
7	Balance carried to Balance Sheet	57.51

ANNEXURE –II

AERA

Air India SATS Pvt. Ltd.

Ground Handling Service Provider at Kempegowda International Airport, Bengaluru.

Annual Compliance Statement (ACS) for FY 2016-17, 2017-18 & 2018-19

(Station: Bangalore)

Particular	Actual (Audited) FY 2016-17	Actual (Audited) FY2017-18	Actual (Audited) FY2018-19 (Amount in Rs.)
Total Regulated from Regulated services (1)	73,61,36,684	83,93,41,086	95,52,51,708
Other Revenue from Services Other than Regulated Services (2)	42,89,918	61,06,229	2,14,85,326
Total Revenue (1+2)	74,04,26,602	84,54,47,315	97,67,37,034
Operating Expenditure (3)	68,01,28,052	70,87,97,095	85,39,09,197
Depreciation (4)	4,47,36,913	2,81,69,067	3,83,97,991
Total Expenditure(3+4) = (5)	72,48,64,965	73,69,66,162	89,23,07,188
Regulated Operating Profit (1)+(2) –(5) = (6)	1,55,61,637	10,84,81,153	8,44,29,846
Capital Expenditure (7)	5,34,69,396	1,27,64,105	7,73,38,505
Opening RAB (8)	20,47,10,971	21,34,43,454	19,80,38,492
Disposals/ Depreciation (9)	-	-	24,73,448
Closing RAB (8)+(7)-(9)= (10)	21,34,43,454	19,80,38,492	23,45,05,558
Average RAB (8)+(10)/2 = (11)	209077213	205740973	216272025
Return On Avg. RAB (6)/(11)	7.44%	52.73%	39.04%
Total Volume (Air Traffic Movements) (in Nos.) (12)	15097	20848	22151
Actual Yield per unit/flight (in Rs.) (1/12)	48,760	40,260	43,125

Tariff year period is financial year i.e. 1st April to 31st March

“Actual figures given in this Annual Compliance statement for tariff years 2016-17 2017-18 and 2017-18 have been taken from the audited statements furnished by AISATS.”

For calculating regulated Operating Profit, Finance cost and other income (interest income, Excess Provision written Back, Miscellaneous Income, Exchange Fluctuation etc.) is not considered.

Dated: /March/2020

Annexure - II

AERA/20010/MYTP/AISATS/GH/BIAL/CP-II/2016-17 AISATS, Ground Handling Service, KIA, Bangalore Analysis of ACS and ATP projections for 2nd Control Period FY 2016-2021

Calculations considering 12% increase in existing tariff levels for T5 FY 2020-21 (Capex considered as per MYTP)					
	FY 2016-17 (Actual)	FY2017-18 (Actual)	FY2018-19 (Actual)	FY 2019-20 (based on actuals up to Sept 2019)	FY 2020-21 (extrapolated based on FY 2019-20 fig.)
Regulated revenue (1)	736,136,684	839,341,086	955,251,708	1,205,900,000	1,302,372,000
other than regulated (2)	4,289,918	6,106,229	21,485,326	7,400,000	8,140,000
Total Revenue (3)	740,426,602	845,447,315	976,737,034	1,213,300,000	1,310,512,000
operating Expenditure (4)	680,128,052	708,797,095	853,909,197	1,049,220,000	1,101,681,000
Depreciation (5)	44,736,913	28,169,067	38,397,991	49,060,000	51,513,000
Total Expenditure (6)	724,864,965	736,966,162	892,307,188	1,098,280,000	1,153,194,000
Total Operating Profit (7)	15,561,637	108,481,153	84,429,846	115,020,000	157,318,000
Capital Expenditure (8)	53,469,396	12,764,105	77,338,505	30,000,000	30,000,000
Opening Rab (9)	204,710,971	213,443,454	198,038,492	234,505,558	215,445,558
Disposals (10)	-	-	2,473,448	-	-
Closing Rab (11)	213,443,454	198,038,492	234,505,558	215,445,558	193,932,558
Average Rab (12)	209,077,213	205,740,973	216,272,025	224,975,558	204,689,058
Return On AVG Rab @ 14% (13)	104,538,606	28,803,736	30,278,084	31,496,578	28,656,468
Corporate Tax (14)	0	0	0	0	0
ARR Required (15) = (6+13+14)	829,403,571	765,769,898	922,585,272	1,129,776,578	1,181,850,468
Return on average RAB (Avg.RAB/Oprtg. Profit) (16)	7.44%	52.73%	39.04%	51.13%	76.86%
Surplus/ Shortfall (17) = (3-15)	(88,976,969)	79,677,417	54,151,763	83,523,422	128,661,532
Operating profit/turnover ratio (18)	2.10%	12.83%	8.64%	9.48%	12.00%

Annexure - III

Maximum rates proposed by AERA for AISATS for T5 FY 2020-21 of Second Control Period (01.04.2016-31.03.2021) for Scheduled Airlines for comprehensive Ground Handling at Kempegowda International Airport, Bangalore.

Maximum Ground Handling Rate in INR w.e.f. 01.04.2020 to 31.03.2021

S. No.	Aircraft types	Existing Rates for Tariff Years FY 2016-17 to FY 19-20,						Proposed Rates for Tariffs Year FY 2020-21					
		Schedule Aircraft						Schedule Aircraft					
		Passenger			Freighter			Passenger			Freighter		
		Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight
1	Code B	13,310	37,268	NA	NA	14,907	41,740	NA	NA	NA	NA	NA	NA
2	Code C	17,835	97,163	59,895	145,745	19,975	108,823	67,082	163,234	163,234	163,234	163,234	163,234
3	Code D	28,537	146,410	103,818	161,051	31,961	163,979	116,276	180,377	180,377	180,377	180,377	180,377
4	Code E	59,895	186,340	125,114	219,615	67,082	208,701	140,128	245,969	245,969	245,969	245,969	245,969
5	Code F	106,480	263,538	170,235	316,246	119,258	295,163	190,663	354,196	354,196	354,196	354,196	354,196

Note:

- 1) All charges mentioned above are maximum and **inclusive** of existing concession fee, royalty, airport levy charged by the Airport Operator;
- 2) All charges mentioned above exclude taxes which will be charged at the prevailing rates.