

118 Annexure - 1

**SUBMISSION OF ANNUAL TARIFF PLAN
TO
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
BY
M/S AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED**

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21/2/17

File 1/2
ESD/901

**FOR
GROUND HANDLING
AT
RAJIV GANDHI INTERNATIONAL AIRPORT, HYDERABAD
DATED: 08 FEBRUARY 2017**



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

Office Address: B-1101 & 1102, Lotus Corporate Park, Goregaon (E), Mumbai - 400063

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[Signature]

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BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AT NEW DELHI

SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF OF:

M/S AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

I, Sanjay Gupta, aged 42 years resident of Republic of India acting in my official capacity as Chief Financial Officer in M/S Air India SATS Airport Services Private Limited having its registered office at Airlines House, 113 Guru Rakabganj Road, New Delhi 110001 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/S Air India SATS Airport Services Private Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority')
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include inter alia
 - (i) Proposed detailed break-up of Tariff(s) based in clause 1.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2; and
 - (ii) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.



Sanjay Gupta

Chief Financial Officer

Place: Mumbai

Date: 08 February 2017



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F14 (b) - Annual Tariff Proposal for Tariff Year 1 (FY 16-17)

MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE GROUND HANDLING

S/N	Aircraft Types (ICAO Code)	Maximum Ground Handling Rate in INR			
		Scheduled Passenger Aircraft		Scheduled Freighter Aircraft	
		Domestic	International	Domestic	International
1	CODE B	13,177	40,585	NA	NA
2	CODE C	17,657	1,05,810	59,297	1,44,287
3	CODE D	28,251	1,59,440	1,02,780	1,59,440
4	CODE E	59,297	2,02,924	1,23,863	2,17,419
5	CODE F	1,05,415	2,86,993	1,68,532	3,13,083

Notes:

- 1) To achieve the projected ARR only maximum ground handling rates have been suggested for Airlines as user agreements will be entered into with each Airline based on the IATA AHM 810 STANDARD GROUND HANDLING AGREEMENT 1998 or 2004 or 2008 or 2013(SGHA).
- 2) The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 3) These rates may be revised, where external economic / financial factors warrant a review. However, any change, will be in consultation with the relevant authorities (AERA) and related stakeholders.
- 4) All charges mentioned above exclude prevailing third party charges such as concession fee, royalty, airport levy charged by the Airport Authority at the time of submission.
- 5) All charges mentioned above exclude taxes which will be charged at the prevailing rates.
- 6) Exchange rate used for contracts signed in USD: 1 USD = 68 INR



HYDERABAD GH

Increase in % over previous year's figures

Sr. No.	Particulars	FY 2016-17 Tariff Year 1	FY 2017-18 Tariff Year 2	FY 2018-19 Tariff Year 3	FY 2019-20 Tariff Year 4	FY 2020-21 Tariff Year 5
i	Revenues from regulated services	6%	6%	6%	6%	6%
ii	Revenues from other than regulated services	5%	5%	5%	5%	5%
iii	Payroll cost	5%	5%	5%	5%	5%
iv	Administrative and General	5%	5%	5%	5%	5%
v	Concession fees	5%	5%	5%	5%	5%
vi	Repair and Maintenance cost	5%	5%	5%	5%	5%

TRIVANDRUM GH

Increase in % over previous year's figures

Sr. No.	Particulars	FY 2016-17 Tariff Year 1	FY 2017-18 Tariff Year 2	FY 2018-19 Tariff Year 3	FY 2019-20 Tariff Year 4	FY 2020-21 Tariff Year 5
i	Revenues from regulated services	6.50%	6%	6.50%	6.50%	6.50%
ii	Revenues from other than regulated services	5%	5%	5%	5%	5%
iii	Payroll cost	5%	5%	5%	5%	5%
iv	Administrative and General	5%	5%	5%	5%	5%
v	Concession fees	5%	5%	5%	5%	5%
vi	Repair and Maintenance cost	5%	5%	5%	5%	5%

Air India SATS Airport Services Private Limited

Correspondence Address:

A-301, Business Square, Andheri – Kurta Road, Chakala, Andheri (East), Mumbai 400069, India

Registered Office: Airlines House 113 Gurudwara Rakabganj Road, New Delhi 110001 India
Corporate Identification Number (CIN): U74900DL2010PTC201763

Appendix 3

Depreciation policy of the company

We are following management approved depreciation rates and since they are higher than as per Company Act, 2013; the rates are allowed.

Assets	No. of Years
Building	15
Computers	3
Furniture and Fittings	5 - 7
Plant & Machinery	3 - 6
Vehicle	7

Air India SATS Airport Services Private Limited

Correspondence Address:

A-301, Business Square, Andheri – Kurla Road, Chakala, Andheri (East), Mumbai 400069, India

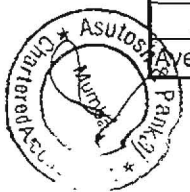
Registered Office: Airlines House 113 Gurudwara Rakabganj Road, New Delhi 110001, India
Corporate Identification Number (CIN) U74900DL2010PTC201734

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Annexure - IV

Form F16 - Performance Report for the Tariff Year 2011 - 12

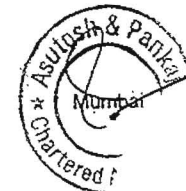
Particulars		Actual for the Tariff Year under consideration	Forecast as per the Multi Year Tariff Order
Total Revenue from Regulated Service	(1)	42,44,21,456	48,37,72,650
Total Revenue from services other than Regulated Service	(2)	87,00,707	1,02,35,080
Operating Expenditure	(3)	40,75,58,032	44,86,75,320
Depreciation	(4)	70,31,706	1,15,75,159
Total Expenditure	(3) + (4) = (5)	41,45,89,738	46,02,50,479
Regulatory Operating Profit	(1) - (5) = (6)	98,31,718	2,35,22,171
Capital Expenditure	(7)	2,07,135	1,00,00,000
Opening RAB	(8)	3,57,20,999	2,32,34,927
Disposals / Transfers	(9)	-	-
Closing RAB	(7)+(8)-(9)-(4)=(10)	2,88,96,428	2,16,59,768
Average RAB	[(8)+(10)]/2 = (11)	3,23,08,714	2,24,47,348
Return on Average RAB	(6) / (11)	0.30	1.05
Total Volume	(12)	9,275	9,688
Average Yeild per Unit	(1)/(12)	45,760	49,934



Form F16 - Performance Report for the Tariff Year 2012 - 13

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Particulars		Actual for the Tariff Year under consideration	Forecast as per the Multi Year Tariff Order
Total Revenue from Regulated Service	(1)	44,58,70,450	52,25,03,472
Total Revenue from services other than Regulated Service	(2)	4,43,786	1,02,86,256
Operating Expenditure	(3)	36,68,42,679	48,46,89,309
Depreciation	(4)	67,33,053	87,96,115
Total Expenditure	(3) + (4) = (5)	37,35,75,732	49,34,85,424
Regulatory Operating Profit	(1) - (5) = (6)	7,22,94,718	2,90,18,048
Capital Expenditure	(7)	23,00,807	50,00,000
Opening RAB	(8)	2,88,96,428	2,16,59,768
Disposals / Transfers	(9)		
Closing RAB	(7)+(8)-(9)-(4)=(10)	2,44,64,183	1,78,63,653
Average RAB	[(8)+(10)]/2 = (11)	2,66,80,305	1,97,61,711
Return on Average RAB	(6) / (11)	2.71	1.47
Total Volume	(12)	9,704	10,159
Average Yield per Unit	(1)/(12)	45,947	51,432



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Form F16 - Performance Report for the Tariff Year 2013 - 14

Particulars		Actual for the Tariff Year under consideration	Forecast as per the Multi Year Tariff Order
Total Revenue from Regulated Service	(1)	46,57,51,471	56,43,85,404
Total Revenue from services other than Regulated Service	(2)	11,46,173	1,03,37,687
Operating Expenditure	(3)	35,42,51,509	52,35,98,902
Depreciation	(4)	75,44,403	97,38,305
Total Expenditure	(3) + (4) = (5)	36,17,95,913	53,33,37,207
Regulatory Operating Profit	(1) - (5) = (6)	10,39,55,559	3,10,48,197
Capital Expenditure	(7)	1,38,22,177	1,00,00,000
Opening RAB	(8)	2,44,64,183	1,78,63,653
Disposals / Transfers	(9)	-	-
Closing RAB	(7)+(8)-(9)-(4)=(10)	3,07,41,956	1,81,25,348
Average RAB	[(8)+(10)]/2 = (11)	2,76,03,069	1,79,94,501
Return on Average RAB	(6) / (11)	3.77	1.73
Total Volume	(12)	7,236	10,654
Average Yeild per Unit	(1)/(12)	64,366	52,975



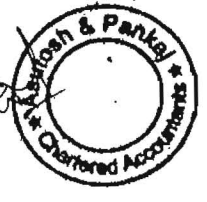
Form F16 - Performance Report for the Tariff Year 2014 - 15

Particulars		Actual for the Tariff Year under consideration
Total Revenue from Regulated Service	(1)	49,28,64,243
Total Revenue from services other than Regulated Service	(2)	14,75,353
Operating Expenditure	(3)	39,80,66,032
Depreciation	(4)	94,62,034
Total Expenditure	(3) + (4) = (5)	40,75,28,066
Regulatory Operating Profit	(1) - (5) = (6)	8,53,36,178
Capital Expenditure	(7)	87,63,273
Opening RAB	(8)	3,07,41,956
Disposals / Transfers	(9)	-
Closing RAB	(7)+(8)-(9)=(10)	3,00,43,195
Average RAB	[(8)+(10)]/2 = (11)	3,03,92,576
Return on Average RAB	(6) / (11)	2.81
Total Volume	(12)	12,874
Average Yeild per Unit	(1)/(12)	38,284

Form F16 - Performance Report for the Tariff Year 2015 - 16

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Particulars		Actual for the Tariff Year under consideration	Forecast as per the Multi Year Tariff Order
Total Revenue from Regulated Service	(1)	58,17,73,535	50,76,50,171
Total Revenue from services other than Regulated Service	(2)	70,71,363	17,42,264
Operating Expenditure	(3)	46,60,92,703	40,62,64,756
Depreciation	(4)	1,21,78,183	1,32,46,847
Total Expenditure	(3) + (4) = (5)	47,82,70,885	41,95,11,603
Regulatory Operating Profit	(1) - (5) = (6)	10,35,02,649	8,81,38,567
Capital Expenditure	(7)	3,14,17,187	67,70,705
Opening RAB	(8)	3,00,43,197	3,00,43,197
Disposals / Transfers	(9)		
Closing RAB	(7)+(8)-(9)=(10)	4,92,82,201	2,35,67,054
Average RAB	[(8)+(10)]/2 = (11)	3,96,62,699	2,68,05,125
Return on Average RAB	(6) / (11)	2.61	3.29
Total Volume	(12)	13,432	12,177
Average Yield per Unit	(1)/(12)	43,313	41,691

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AISATS, HIAL

Service : Ground Handling Services

[Rs. In lakhs.]

Sl No	Particulars Performance Report for the years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
		Actual	Actual	Actual	Actual	Actual	
1	Revenue:						
1.1	Regulated Services-Ground Handling	4244.21	4458.70	4657.51	4928.64	5817.73	24106.79
1.2	-Cargo Handling						
	Other Regulated Services						
1.3	Other than Regulated Services	87.00	4.43	11.46	14.75	70.71	188.35
	A Total Revenue	4331.21	4463.13	4668.97	4943.39	5888.44	24295.14
2	Expenditure:						
2.1	Operating Expenditure	4075.58	3668.42	3542.51	3980.66	4660.92	19928.09
2.2	Depreciation	70.31	67.33	75.44	94.62	121.78	429.48
	A Total Expenditure	4145.89	3735.75	3617.95	4075.28	4782.7	20357.57
3	Regulatory Operating Profit	185.32	727.38	1051.02	868.11	1105.74	3937.57
4	CAPEX						
4.1	Opening RAB	357.2	288.96	244.64	307.41	300.43	1498.64
4.2	Capital Expenditure	2.07	23.00	138.22	87.63	314.17	565.09
4.3	Disposals /Transfers	0.00	0.00	0.00			0.00
4.4	Depreciation	70.31	67.33	75.44	94.62	121.78	429.48
4.5	closing RAB	359.27	311.96	382.86	395.04	614.60	1570.91
4.6	Average RAB{(4.1+4.5)/2}	213.76	178.15	160.04	201.02	211.11	964.06
5	Return on Average RAB (3/4.6) As per operator	4.28%	16.30%	22.51%	17.56%	18.78%	
6	B Total Volume (MT)	9275	9704	7236	12874	13432	52521.00
7	Actual Yield Per Unit (A/B)	46698	45993	64524	38398	43839	

Subject: RE: MYTP / ATP to determine the tariff
To: "pc.jain61@gov.in" <pc.jain61@gov.in>
Cc: "puja.jindal" <puja.jindal@nic.in>

Date: 02/10/17 05:42 PM
From: Kalpesh Singh <Kalpesh.Singh@aisats.in>

Annexure - VI

Dear Sir,

As discussed during at Hyderabad, we will shortly submit our revised tariff proposal. Kindly allow us some more time till next week to make the submissions as we are awaiting approvals from Senior Management.

With reference to the trailing mail, we acknowledge the requirement of 'Minutes of Stakeholder Consultation Meeting'.

We have noted down the requirement on documents which are to be submitted and will keep that in mind in our subsequent submissions. We do not want to further delay the process of finalising the proposal and hence request the authority to conclude the proposal. We would request you to kindly proceed with the formalities of finalising our proposal. We assure you that our subsequent submissions will include all the requirement which will aid the authority to finalise the proposals.

Once again thanks for your understanding and co-operation.
Thank you & best regards,

Kalpesh Kumar Singh
Assistant Vice President - Commercial

Air India SATS Airport Services Private Limited

Correspondence Address: B-1101 & 1102, Lotus Corporate Park, Goregaon (E), Mumbai - 400063
Tel: +91-22-4203 7016 (direct) | Cell: +91-9920986198 | www.aisats.in

From: pc.jain61@gov.in [mailto:pc.jain61@gov.in]
Sent: 10 February 2017 17:29
To: Kalpesh Singh <Kalpesh.Singh@aisats.in>
Cc: puja.jindal <puja.jindal@nic.in>
Subject: MYTP / ATP to determine the tariff

Dear Sir,

As discussed during the PPT presentation given by you to the Authority on 06.02.2017 at Hyderabad Airport, please submit the revised tariff proposal by reducing 10% of existing tariff rates as told us during the meeting along with proper justification, including tariff for non-scheduled flights operated at Hyderabad airport. Copy of Stakeholder Consultation Meeting as per the AERA Guidelines may also be furnished along with revised tariff proposal at the earliest.

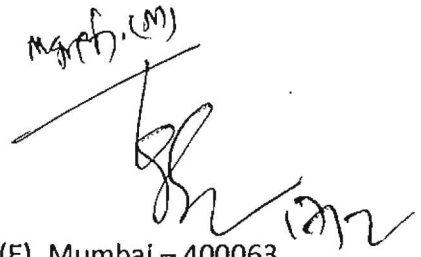
Thanks and regards.

P C JAIN
Assistant General Manager (F)
Airports Economic Regulatory Authority of India
Phone:011-24695043

AISATS is ISAGO & ISO 9001: 2008 certified

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MyTP (M)


File
AISATS - Hyderabad
G.H.

AISATS, GROUND HANDLING, HYDERABAD.

Maximum rate to be paid by Scheduled/Non-Scheduled Airlines(excluding General Aviation) for ground handling services for tariff year 2 (FY 2017-18 & FY2018-19) w.e.f. from the date of issue of this order.

Maximum Ground Handling Rate in INR					
S/N	Aircraft Types (ICAO Code)	Scheduled Passenger Aircraft		Schedule Freighter Aircraft	
		<u>Domestic</u>	<u>International</u>	<u>Domestic</u>	<u>International</u>
1	CODE B	13,177	40,585	NA	NA
2	CODE C	17,657	1,05,810	59,297	1,44,287
3	CODE D	28,251	1,59,440	1,02,780	1,59,440
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5	CODE F	1,05,415	2,86,993	1,68,532	3,13,083

Notes:

- 1) All charges mentioned above include prevailing third party charges such as concession fee, royalty, airport levy charged by the Airport Authority at the time of submission.
- 2) All charges mentioned above exclude taxes which taxes which will be charged at the prevailing rates.