

Director (P&S),  
Airports Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi -110003

Sir,

Re: comments on Consultation Paper No. 21/2019-20 dated 05.03.2020 in the matter of Provision of Compensation in lieu of Fuel Throughput Charges at Kempegowda International Airport, Bengaluru

At the outset, we highly appreciate the action being taken by the Authority to compensate the Bengaluru airport for the shortfall in revenue due to discontinuation of FTC in deference to the Authority letter in compliance with the MoCA letter no. AV 13030/216/2016-ER (Pt.2) dated 8<sup>th</sup> January, 2020.

This compensation to the Bengaluru airport is just making good the shortfall to the target revenue fixed by the Authority itself, being allowed under a different name of charge, different party to be billed and is not a new charge.

We also appreciate that the compensation against shortfall of FTC by way of additional charge shall be billed to the airlines, who shall be able to avail input tax credit for the GST levied thereon, which otherwise would have added to the cost of the air ticket.

Attention of the Authority is drawn to the agreements the individual airport operators have with the oil marketing companies for annual escalation of FTC, impact of which should also be considered by the Authority in working out the shortfall, if not already considered.

Authority should also consider the time value of the shortfall already suffered by the airport operator, so that the airport is duly compensated for the actual shortfall due to such discontinuation, without waiting for the final true up at the end of the control period.



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We request the Authority to consider above while finally determining the charge in lieu of FTC.

Thanking you,

Yours Sincerely,

For Mumbai International Airport Ltd.

  
(Sanjiv Bhargava)  
Vice President (Regulatory)



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