

**AERA/20015/FT/2010-11/Vol. II**  
**Airport Economic Regulatory Authority of India**

**AERA Building,  
Administrative Office,  
Safdarjung Airport,  
New Delhi-110003**

**Dated: 15<sup>th</sup> January, 2020**

**To,**  
**The Airport Operators (as per Annexure I)**

**Sub.: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India - reg.**

**Sir,**

I am directed to forward herewith the MoCA's letter no. AV-13030/216/2016-ER (Pt.2) dated 08.01.2020 on the above mentioned subject.

All the Airport Operators are advised to implement the directions given by the Ministry of Civil Aviation in the said letter with immediate effect.

Further with regard to the compensation in lieu of the implementation of the said direction, Airport Operators may submit their proposals, if any, on priority for consideration of the Authority.

This issues with the approval of the Competent Authority.



**(Ram Krishan)**  
**Director (Policy & Statistics)**

Encl.: as above

Copy to:

- (i) PPS to Secretary - for information of Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi.
- (ii) Shri Dinesh Kumar, Deputy Director, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi.
- (iii) Oil Companies (as per Annexure – II)

**AIRPORT OPERATORS**

1. **Shri Arvind Singh, IAS,**  
Chairman,  
Airports Authority of India,  
Rajiv Gandhi Bhawan, New Delhi.
2. **Shri V.J. Kurian, IAS,**  
Managing Director,  
Cochin International Airport Pvt. Ltd,  
Ndedumbassery, Kochi Airport P.O.,  
Ernakulam – 683 111, Kerala.
3. **Shri K Narayana Rao,**  
Director,  
Delhi International Airport Pvt. Ltd,  
Uran Bhawan, IGI Airport, New Delhi – 110 037.
4. **Shri S.G.K Kishore,**  
Chief Executive Officer,  
GMR Hyderabad International Airport Pvt. Ltd.,  
GMR Aero Towers, 4<sup>th</sup> Floor,  
Rajiv Gandhi International Airport,  
Shamshabad, Hyderabad – 500 409.
5. **Shri Rajeev Jain,**  
Chief Executive Officer,  
Mumbai International Airport Ltd (MIAL),  
CSI Airport, 1st floor Terminal 1B,  
Santacruz (E), Mumbai- 400 059
6. **Shri Hari Marar,**  
Managing Director,  
Bangalore International Airport Pvt. Ltd.,  
Alpha-2, Administration Block,  
Bengaluru International Airport,  
Devanahalli, Bangalore – 560 300.
7. **Shri Suneel Dutt,**  
Chief Executive Officer,  
Chandigarh International Airport Ltd.  
New Civil Air Terminal Village,  
Jureri, Mohali – 140306 Punjab
8. **Shri Jayakrishnan Sivadasa Kurup,**  
Chief Financial Officer,  
Kannur International Airport Ltd.,  
“Parvathy”, T.C. 36/1, N.H. Bypass, Chacka,  
Thiruvananthapuram, Kerala – 695024.
9. **Shri M.A. Abid Ruhi,**  
Senior Airport Director & COO,  
MIHAN India Ltd.,  
Dr. Babasaheb Ambedkar International Airport,  
Nagpur Maharashtra 440005.

**Oil Companies**

1. **Shri Sanjay Sahay,**  
ED (Aviation),  
Indian Oil Corporation Ltd.,  
Indian Oil Bhawan,  
G-9 Ali Yavar Jung Marg,  
Bandra(E), Mumbai-400 051.
  
2. **Shri H.C. Mehta,**  
President (Petroleum Business),  
Reliance Industries Limited,  
Reliance Corporate Park, Block-6,  
D-Wing, 2nd floor, 5-TTC Industrial Area,  
Thane-Belapur Road, Ghansoli, Navy Mumbai.
  
3. **Shri Kannuru Srinivas,**  
ED (Aviation),  
Hindustan Petroleum Corporation Ltd.,  
Hindustan Bhavan, Ground Floor, 8,  
Shoorji Vallabhdas Marg, Ballard Estate,  
Mumbai-400 001 .
  
4. **Shri V. Nagarajan,**  
ED (Aviation) & Head,  
Aviation Business Unit,  
Bharat Petroleum Corporation Ltd.,  
A-5&6, Sector-1, NOIDA – 201301.
  
5. **Shri Chockalingam Subbiah,**  
CFO & CS,  
Shell MRPL Aviation Fuels & Services Ltd,  
#102, Prestige Sigma,  
Vittal Mallya Road,  
Bangalore – 560 001, Karnataka.

*Noted by chief.*

**F.No. AV-13030/216/2016-ER (Pt.2)**  
Government of India  
Ministry of Civil Aviation  
[ER Division]

.....

B-Block, Rajiv Gandhi Bhavan  
Safdarjung Airport, New Delhi – 110 003

**Dated, the 8<sup>th</sup> January 2020**

**To,**

- 1. Shri Balwinder Singh Bhullar**  
Chairperson  
Airports Economic Regulatory Authority of India  
AERA Building, Safdarjung Airport, New Delhi – 110 003.
- 2. Smt. Rubina Ali**  
Joint Secretary (AAI and AD)  
Ministry of Civil Aviation  
Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi – 110 003.

**Copy to:**

- 1. Shri Arvind Singh**  
Chairman  
Airports Authority of India  
Safdarjung Airport, New Delhi – 110 003.
- 2. Dr. M.M. Kutty**  
Secretary  
Ministry of Petroleum & Natural Gas  
Shastri Bhavan, New Delhi – 110 001.

**Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India – reg.**

Dear Sir,

Fuel-related charges are charged variously either in three parts as (a) Airport Operator Charges, (b) Fuel Infrastructure Charges (FIC), and (c) Into Plane (ITP) Charges or as a composite of the three, generally called Fuel Throughput Charge (FTC), at the airports, airstrips and helipads across the country. At some airports, fuel supply is provided on open access basis.

2. Fuel throughput charges for supplying fuel to airline operators at an airport are covered under section 2(a)(vi) of the Airports Economic Regulatory Authority (AERA) Act, 2008, while section 13 sets out the basis on which surcharges are to be levied. At airports being operated by Airports Authority of India (AAI), the power of the authority to charge fees, rents, etc. in respect of aircraft or for any other service or facility offered in connection with aircraft operations at an airport, airstrip or

Page 1 of 2

भारतीय विमानन एवं नाविक विभाग, नई दिल्ली-110003  
सफदरजंग एअरपोर्ट, नई दिल्ली-110003

प्राप्त

डाकरी नं० 15107  
तारीख 10/01/2020

heliport arises from the provisions of section 22(i) of the AAI Act, 1994. Airport charges are also variously specified in the existing concession agreements and contracts of airports leased out by AAI.

3. Numerous rounds of stakeholder consultations have been held by the Ministry in order to rationalize the present mechanism of invoicing of ATF fuel throughput charges. These duly incorporated the deliberations of the two industry Working Groups on the subject comprising of representatives of airline operators, airports, fuel infrastructure facility providers, into plane fuel service providers, and oil marketing companies without prejudice to the outcoming of judicial proceedings on the matter of classification of fuel throughput charges as aeronautical or non-aeronautical services initiated by some PPP/JV airport operators.

3. It was seen *inter alia* that the global best practices at airports avoid levying a double charge by way of land rental on fuel suppliers for the use of the land at the airport and a market access or concession fee for providing commercial opportunity when there is no underlying tangible service being rendered by the airport operator.

4. Keeping in view all aspects of the matter, in light of the need to uphold affordability and sustainability of air passenger and air cargo transportation as per the National Civil Aviation Policy 2016, it has been decided as follows:

- (i) Levy of airport operator charge or fuel throughput charge in any manifestation shall be discontinued at all airports, airstrips and heliports across India with immediate effect.
- (ii) AERA / Ministry of Civil Aviation, as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport Operator / AAI by suitably recalibrating other tariffs during their determinations of airport tariffs.

5. This issues with the approval of the competent authority.



**(Dinesh Kumar)**

Deputy Director (ER)

Phone: 2464 1912

Email: [dinesh.kumar14@nic.in](mailto:dinesh.kumar14@nic.in)