

Ghial seeks hike in charges

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From making a projected loss of ₹98.08 crore in 2010-11, ₹76.45 crore in 2011-12 and ₹45.39 crore in 2012-13, it will swing to a profit of ₹31.04 crore, ₹164.08 crore and ₹218.25 crore, respectively.

Ghial had a loss in 2008-09 of ₹120 crore and in 2009-10 of ₹109.22 crore.

However, while agreeing to a hike, the regulator has called for a smaller increase in UDF.

"The authority proposes to revise the levy of UDF at the airport...from the existing rates to

₹420 per domestic embarking passenger and ₹1,656 per international embarking passenger (exclusive of service tax, if any) purely on an ad hoc basis, with effect from 1 November, based on the figures for the period 2008-09

to 2013-14," AERA said.

In a notice on its website, AERA has sought the views of all stakeholders, including consumer forums and airlines, by 7 October before it issues an order.

If the smaller increases suggested by AERA are enforced, domestic passengers will pay 23% more in levy for travelling from Hyderabad. International travellers will pay 82% more than the current levy until at least 2013-2014, unless the fee is reviewed again before then.

It's not clear how the differ-

ence between the fees proposed by Ghial and those suggested by AERA will affect the operator's profitability target.

AERA has, however, not taken a decision on the proposed landing and parking fee hikes, saying these commercial issues need to be decided by the operators.

Kaushik Khona, chief executive of Mumbai-based low-cost airline GoAir, said he was concerned other airports will demand a similar increase in levies. That would make flying out of airports in cities such as Bangalore, Mumbai and New Delhi more expensive as well.

"I don't think it's a welcome proposal," he said.

R. Desikan, trustee of Chennai-based Consumers Association of India, said he would strongly oppose the move which he called "exploitation by private airport

companies" that amounted to a "rip-off" of passengers.

Ghial is a joint venture between GMR Group (63%) and **Malaysia Airports Holdings Bhd** (11%) on the one side, and the state government (13%) and AAI (13%) on the other.

The airport handled 6.9 million passengers in 2009-10, down from 6.22 million in 2007-08.

According to a December 2004 agreement, Ghial has no obligation to share revenue with the state government until the 11th year of operation.

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