

File No. AERA/20010/MYTP/GBAS/GH/Mangalore/2021-26

Order No. 48/ 2021-22



AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

**IN THE MATTER OF
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES FOR
M/S GSEC BIRD AIRPORT SERVICES PRIVATE LIMITED AT
MANGALURU INTERNATIONAL AIRPORT, MANGALURU FOR
THE FIRST CONTROL PERIOD
(FY 2021-22 TO FY 2025-26)**

Date of Issue: 17/03/ 2022

AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110003



TABLE OF CONTENTS

CHAPTER 1: BRIEF BACKGROUND	5
CHAPTER 2: PRINCIPLES FOR DETERMINATION OF "AERONAUTICAL TARIFF".....	7
CHAPTER 3: AIR TRAFFIC MOVEMENT (ATM).....	8
CHAPTER 4: CAPITAL EXPENDITURE.....	10
CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY	14
CHAPTER 6: ANNUAL TARIFF PROPOSAL.....	18
CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS.....	23
CHAPTER 8: ORDER.....	24
ANNEXURE 'I' APPROVED TARIFF RATE CARD FOR DOMESTIC & INTERNATIONAL SCHEDULE FLIGHTS	25
ANNEXURE 'II' APPROVED TARIFF RATE CARD FOR INTERNATIONAL NON SCHEDULE & GENERAL AVIATION OPERATIONS	26
ANNEXURE-'III' APPROVED TARIFF RATE CARD FOR ADDITIONAL SERVICES FOR DOMESTIC & INTERNATIONAL SCHEDULE FLIGHTS	27
ANNEXURE-'IV' APPROVED TARIFF RATE CARD FOR ADDITIONAL SERVICES FOR INTERNATIONAL NON SCHEDULE & GENERAL AVIATION OPERATIONS	30



LIST OF TABLES

S. No.	Particulars	Page No.
1	Summary of Shareholding Structure of GBAS.	5
2	Projected Traffic (Flights to be Handled) submitted by GBAS for the First Control Period	8
3	Projected Capital Expenditure submitted by GBAS for the First Control Period	10
4	Breakup of Projected Capital Expenditure as submitted by GBAS for the First Control Period	10
5	Projected Revenue and Operating Expenditure submitted by GBAS for First Control Period	14
6	Proposed Tariff Rates for Schedule Flights submitted by GBAS for the First Control Period	18
7	Statement of YoY Percentage (%) Change in different category of Schedule Flights for the First Control Period	19
8	Annual Tariff Proposal submitted by GBAS for Non-Scheduled and General Aviation Operations - Domestic and International Flights	19



List of Abbreviations:

AERA (AUTHORITY)	Airports Economic Regulatory Authority of India
ASATS	Air India SATS
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
GBAS	GSEC Bird Airport Services Private Limited
CAPEX	Capital Expenditure
CGF	Cargo, Ground Handling & Fuel Throughput
GHA	Ground Handling Agencies
GHS	Ground Handling Services
GSE	Ground Support Equipment
GPU	Ground Power Unit
ISP	Independent Service Provider
MYTP	Multi-Year Tariff Proposal
NCAP	National Civil Aviation Policy
OPEX	Operating Expenditure
O&M	Operation and Maintenance
PBIDT	Profit Before Interest, Depreciation and Tax
P&L	Profit & Loss
RFP	Request for Proposal
SPV	Special Purpose Vehicle
SPRH	Service Provider Right Holder
YoY	Year on Year

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CHAPTER 1: BRIEF BACKGROUND

- 1.1. M/s. Bird Worldwide Flight Services (India) Private Limited was issued a Letter of Intent to Award (LOIA) by Mangaluru International Airport Limited for carrying out Ground Handling Service (GHS) at Mangaluru International Airport on 08.03.2021 for a period of five (5) years, effective from 01.04.2021.
- 1.2. In accordance with the requirement of RFP, a SPV named M/s GSEC Bird Airport Services Private Limited (GBAS) was incorporated on 20.03.2021 vide Certificate of Incorporation issued by Ministry of Corporate Affairs.
- 1.3. Bureau of Civil Aviation Security has granted security clearance to GBAS on 09.08.2021.
- 1.4. GBAS has entered into a concession agreement on 10.08.2021 with Mangaluru International Airport Limited for providing of Ground Handling Services at Mangaluru International Airport.
- 1.5. The shareholding structure of the SPV is given as below:

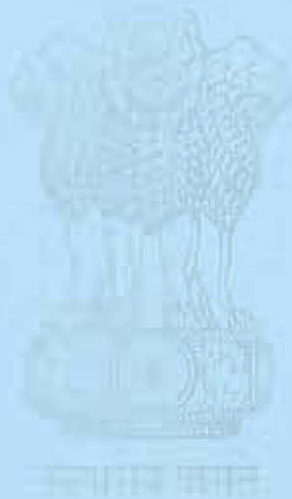
Table-1: Summary of shareholding structure of GBAS:

Shareholder	No. of Equity Shares	Percentage of Stake (%)
M/s Bird Worldwide Flight Services (India) Pvt. Ltd.	5,10,000	51.00
M/s GlobeGround India Pvt. Ltd.	2,30,000	23.00
M/s Gujarat State Export Corporation (GSEC) Ltd.	2,60,000	26.00
TOTAL	10,00,000	100.00

- 1.6. The Authority, vide its Order No. 28/2021-22 dated 18.11.2021 allowed M/s GSEC Bird Airport Services Pvt. Ltd. to levy and collect, on ad hoc basis, based on the Tariff for Ground Handling Services at Mangaluru International Airport, as approved for the other Ground Handling Service Provider at Mangaluru International Airport w.e.f 18.11.2021 to 31.03.2022, or, till the determination of regular Ground Handling Tariff for the 1st Control Period, whichever is earlier.
- 1.7. As per the provisions of the CGF Guidelines 2011, GBAS has submitted the Multi Year Tariff Proposal ('MYTP') on 26.10.2021 for determination of Tariff for providing Ground Handling Services at Mangaluru International Airport for the First Control Period (FY 2021-22 to FY 2025-26).
- 1.8. GBAS commenced its Commercial Operations at Mangaluru International Airport w.e.f. 15.02.2022.
- 1.9. GBAS has conducted the Stakeholder's Consultation Meeting on 25.02.2022 and submitted a copy of the 'Minutes of meeting' vide email dated 25.02.2022. As per 'Minutes of Meeting', the representative of SpiceJet participated in the consultation meeting.
- 1.10. The Authority, carefully examined the MYTP for the First Control Period submitted by the GBAS in respect of Ground Handling Services being provided at Mangaluru International Airport and issued its Consultation Paper No. 28/2021-22 dated 14.01.2022 inviting suggestions/comments from the Stakeholders on the various proposals of the Authority with the following timelines:
 - *Date of Issue of the Consultation Paper: 14th January, 2022.*
 - *Date for submission of written comments by Stakeholders: 04th February, 2022.*
 - *Date for submission of counter comments: 14th February, 2022.*



- 1.11. The Authority received comments from M/s SpiceJet Ltd. in respect of Consultation Paper No. 28/2021-22. The comments received from M/s SpiceJet Ltd. were uploaded on the AERA's website vide Public Notice no. 46/2021-22 dated 07.02.2022.
- 1.12. The Authority, in response to Public Notice no. 46/2021-22 dated 07.02.2022, received counter comments from GBAS on 07.02.2022.
- 1.13. The Authority, after examining the comments of M/s SpiceJet Ltd. & counter comments of GBAS and after considering all the relevant aspects has finalized this Tariff Order.



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CHAPTER 2: PRINCIPLES FOR DETERMINATION OF “AERONAUTICAL TARIFF”

2.1. The Authority vide its Order No. 12/2010-11 dated 10.01.2011 and Direction No. 04/2010-11 issued on 10.01.2011 finalized its approach in the matter of Regulatory Philosophy and Approach in Economic Regulation of the Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft at the major airports. Accordingly, the Authority issued the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and supply of Fuel to the Aircraft) Guidelines, 2011 (“the Guidelines”).

2.2. MATERIALITY ASSESSMENT:

In accordance with the above mentioned AERA Guidelines and Directions, the following procedure is adopted for determination of Materiality Index of regulated Service:

$$\text{Materiality Index (MI}_G\text{)} = \frac{\text{Int. Aircraft Movement at Mangaluru Airport}}{\text{Total Intl. Aircraft Movement at Major Airports}} \times 100$$

$$\begin{aligned} \text{The Materiality Index at Mangaluru Airport} &= 3782/431853 \\ &= 0.88\% \end{aligned}$$

The percentage share of Mangaluru International Airport for the FY 2019-20 in respect of International Aircraft Movements is 0.88%, which is less than 5% Materiality Index (MI_G) for the above subject service. Hence, the regulated service is deemed to be ‘**Not Material**’ for the First Control Period.

- 2.3. The Authority also noted that M/s Air India SATS (AISATS) is also providing Ground Handling Services at Mangaluru International Airport apart from GBAS.
- 2.4. GBAS has not provided any valid agreements with the Airlines and has only provided Letter of Intent (LoI) from M/s SpiceJet Limited regarding Ground Handling Services to be availed by the Airline.
- 2.5. As per clause 11.2 of the CGF Guidelines, the ATP is required to be submitted in the manner and form provided in AI 8.2 of Appendix-I to the guidelines and should be supported by the following:
- Form B and Form 14 (b) (Proposed Tariff Card);
 - Details of Consultation with Stakeholders;
 - Evidence of User Agreement(s) clearly indicating the tariff proposal by the Service Provider and agreed to by the Users.
- 2.6. GBAS submitted the requisite documents as stated in Para 2.6 above.

Stakeholders’ Comments

2.7. During the stakeholder consultation process, the Authority received no comments/views from any stakeholders in respect of Principles for determination of “Aeronautical Tariff” for the First Control Period.

2.8. Authority’s Decision regarding Tariff determination of GBAS:

Based on the material before it and its analysis, the Authority decides to consider Tariff determination exercise of GBAS for providing Ground Handling Services at Mangaluru International Airport under “**Light Touch Approach**” for the First Control Period, as the regulated service is deemed ‘**Not Material**’.



CHAPTER 3: AIR TRAFFIC MOVEMENT (ATM)

GBAS submission on Traffic (Flights to be Handled) for the First Control Period as part of MYTP.

- 3.1. As per MYTP submission, the projected Traffic (Flights to be Handled) for the First Control Period (FY 2021-22 to FY 2025-26) is given as below:

Table 2: Projected Traffic (Flights to be Handled) submitted by GBAS for the First Control Period

Year	Domestic (No. of Landings)	International (No. of Landings)	Total	YoY % Change		
				Domestic	International	Total
2021-22 (1.5 months)	290	48	338	-	-	-
2022-23	3,660	730	4,390	1162.07%	1420.83%	1198.82%
2023-24	3,843	767	4,610	5.00%	5.07%	5.01%
2024-25	4,035	805	4,840	5.00%	4.95%	4.99%
2025-26	4,237	845	5,082	5.00%	4.97%	4.99%
Total	16,065	3,195	19,260			

Authority's Examination regarding Traffic (Flights to be handled) for the First Control Period at Consultation Stage:

- 3.2. The Authority observed that COVID-19 had severely impacted the business in Civil Aviation Sector, including Ground Handling Service Providers. With the end of second wave of Covid-19, Aircraft Traffic was gradually picking up in the current FY 2021-22. However, the emergence of new variant of Covid-19 has prolonged the uncertainty in the resumption of normal International Air Traffic. The pandemic situation may impact the Air Traffic Volumes, particularly International Air Traffic, during the first quarter of FY 2022-23 also.
- 3.3. For the Mangaluru Airport, the total Aircraft Traffic (Domestic and International) during April-November 2021 has almost reached to 56% of corresponding pre-Covid period of FY 2019-20.
- 3.4. The Authority noted that GBAS, for FY 2021-22, has projected Traffic in respect of Domestic & International Flights for 1.5 months only considering their operations commencement date i.e. 15.02.2022.
- 3.5. The steep increase in traffic growth rate for FY 2022-23 as compared to previous year is mainly due to partial operations in FY 2021-22 for 1.5 months only. The ISP has projected a growth rate of 5% approx. for Domestic & International Flights from FY 2023-24 onwards.
- 3.6. The Authority, mindful of the adverse impact of pandemic situation on Civil Aviation Sector, uncertainty in International Operations due to emergence of fresh variant of COVID-19 and considering other relevant aspects, proposed to adopt Traffic projections submitted by GBAS as per Table 2 above.

Stakeholders' Comments

- 3.7. During the Stakeholder Consultation process, the Authority received no comments/views from any stakeholders with respect to Traffic Projections (Flights to be handled) for the First Control Period.

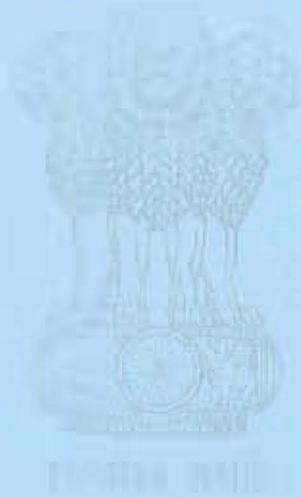


3.8. **Authority's Analysis regarding Traffic Volume for the First Control Period:**

The Authority, considering the adverse impact of pandemic situation on Civil Aviation, including Ground Handling Service Agencies, the Traffic Volume projected by the GBAS for the First Control Period seems reasonable. The Authority decides to maintain the same view on Traffic projections as taken at Consultation Stage.

3.9. **Authority's Decision regarding Traffic Volume for the First Control Period:**

Based on the material before it and its analysis, the Authority decides to consider the Traffic Volume (Flights to be handled) for the First Control Period as per Table 2.



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CHAPTER 4: CAPITAL EXPENDITURE

GBAS submission on Capital Expenditure for the First Control Period as part of MYTP

- 4.1. GBAS has projected a total Capital Expenditure (CAPEX) of ₹ 879.53 lakhs for the procurement of various assets for the First Control Period (FY 2021-22 to FY 2025-26). The asset wise Capital Expenditure projected by GBAS for the First Control Period is given as below:

Table 3: Projected Capital Expenditure submitted by GBAS for the First Control Period

Particulars	(₹ in Lakhs)					
	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
Ground Handling Equipment	524.94	187.82	-	151.34	-	864.10
Vehicles	7.55	-	-	-	-	7.55
Furniture & Fixtures	3.30	-	-	0.63	-	3.93
Office Equipment	3.65	-	-	0.30	-	3.95
TOTAL	539.44	187.82	-	152.27	-	879.53

- 4.2. GBAS also submitted breakup of the Capital Expenditure of ₹ 879.53 lakhs proposed for the First Control Period as given below:

Table 4: Breakup of Projected Capital Expenditure submitted by GBAS for the First Control Period

Year	Particulars	Qty.	Rate per Unit	Amount	(₹ in lakhs)
					Asset Class
Tariff Year 1 FY 2021-22	Passenger Step Ladder Towable	2	10.05	20.10	Ground Handling Equipment's
	BFL Towable	2	8.05	16.10	Ground Handling Equipment's
	Pushback Narrow body Tug craft	1	48.05	48.05	Ground Handling Equipment's
	Tow bar Universal for Q400	1	7.63	7.63	Ground Handling Equipment's
	Tow bar Universal for A320 and B737	1	7.63	7.63	Ground Handling Equipment's
	GPU-60 KVA Single cable	1	48.80	48.80	Ground Handling Equipment's
	JET START UNIT-400 PPM Single hose	1	151.73	151.73	Ground Handling Equipment's
	Air Conditioning Unit-Cooling capacity 60T Air flow 200 ppm	1	108.39	108.39	Ground Handling Equipment's
	Baggage Tugs	2	35.15	70.30	Ground Handling Equipment's
	Toilet Cart towable	1	8.05	8.05	Ground Handling Equipment's



	Water Cart towable	1	8.05	8.05	Ground Handling Equipment's
	Baggage trolleys	10	1.80	18.00	Ground Handling Equipment's
	Fuel Bowser 900 L - towable	1	10.05	10.05	Ground Handling Equipment's
	Wheel chairs	10	0.13	1.25	Furniture & Fixtures
	Vehicle ramp	1	7.55	7.55	Vehicles
	Chocks (12), Marshalling torches (10 pairs*5), Head set (2), By Pass pin for A320/B737 (2), Safety cones (12), Vacuum cleaners (3), Firex (2)	1	2.05	2.05	Ground Handling Equipment's
	LaserJet Black & White Printer	1	0.20	0.20	Office Equipment
	Paper Shredder	1	0.15	0.15	Office Equipment
	Laptop	1	0.55	0.55	Office Equipment
	Desktop	5	0.40	2.00	Office Equipment
	Mobile Phone	5	0.15	0.75	Office Equipment
	Office New Cabins Set Up / Modification	1	2.05	2.05	Furniture & Fixtures
			TOTAL	539.44	
Tariff Year 2 FY 2022-23	Passenger Step Ladder Towable	2	10.05	20.10	Ground Handling Equipment's
	BFL Towable	2	8.05	16.10	Ground Handling Equipment's
	Pushback Narrow body Tug craft	1	48.05	48.05	Ground Handling Equipment's
	tow bar Universal for Q400	1	7.63	7.63	Ground Handling Equipment's
	Tow bar Universal for A320 and B737	1	7.63	7.63	Ground Handling Equipment's
	Baggage Tugs	2	35.15	70.30	Ground Handling Equipment's
	Baggage trolleys	10	1.80	18.00	Ground Handling Equipment's
			TOTAL	187.82	
Tariff Year 3 FY 2023-24				NIL	



Tariff Year 4 FY 2024-25	Passenger Step Ladder Towable	2	10.05	20.10	Ground Handling Equipment's
	BFL Towable	2	8.05	16.10	Ground Handling Equipment's
	Tow bar Universal for A320 and B737	1	7.63	7.63	Ground Handling Equipment's
	Baggage Tugs	3	35.15	105.46	Ground Handling Equipment's
	Wheel chairs	5	0.13	0.63	Furniture & Fixtures
	Chocks (12), Marshalling torches (10 pairs*5), Head set (2), By Pass pin for A320/B737 (2), Safety cones (12), Vacuum cleaners (3), Firex (2)	1	2.05	2.05	Ground Handling Equipment's
	Mobile Phone	2	0.15	0.30	Office Equipment
			TOTAL	152.27	
Tariff Year 5 FY 2025-26				NIL	
TOTAL PROJECTED CAPEX FOR THE 1ST CONTROL PERIOD				879.53	

Authority's Examination regarding CAPEX for the First Control Period at Consultation Stage:

- 4.3. The Authority noted that GBAS is a new entity providing Ground Handling Services at Mangaluru International Airport and has projected a total CAPEX of ₹ 879.53 lakhs for the First Control Period. Further, out of total CAPEX of ₹ 879.53 lakhs for 1st Control Period, GBAS has proposed to incur ₹ 864.10 lakhs for Ground Handling Equipment, ₹ 7.75 lakhs for vehicle, ₹ 3.93 lakhs for furniture and fixtures and ₹ 3.95 lakhs for office equipment.
- 4.4. The Authority noted that GBAS has proposed to incur approximately 61% of total CAPEX in first Tariff year itself. The Authority further sought clarification regarding the significant CAPEX proposed to be incurred in first Tariff year; GBAS submitted that they had procured all the necessary Ground Handling Equipment and same has been installed for smooth commencement of operations at Mangaluru International Airport.
- 4.5. GBAS in its submission also stated that the proposed CAPEX would be required to meet current operations and projected growth in business at Mangaluru International Airport. The Authority felt that GBAS being a new entrant at the Mangaluru International Airport is required to make provision for necessary equipment / infrastructure in first year itself, therefore, the proposed CAPEX during first year of Control Period seems reasonable.



Stakeholders' Comments

4.6. M/s SpiceJet's Comments on Deferment of Capital Expenditure for the First Control Period:

M/s SpiceJet submitted the following comments on the Capital Expenditure proposed for the First Control Period:

4.6.1. *"As projected by CAPA and IATA it will take around 2-3 years for Flight Operations to reach its pre-Covid 19 peak level operations. Although it is noted that GBAS is a new entity providing Ground Handling Services, in the current situation in order to support/ sustain airlines operations, all non-essential CAPEX proposed by GBAS should be deferred to Fourth Control Period or put on hold, unless such CAPEX deemed critical/essential from safety compliance perspective.*

4.6.2. *Without prejudice to the above, in case GBAS wanted to make capital expenditure, then it should be at no additional expense to the Airlines until the project is completed or put to use. Further, in the event the Authority allows the proposed CAPEX, the capital expenditure proposed to be incurred in FY 2021-22 and FY 2022-23 may be considered to be spread over a period of five years."*

4.7. GBAS counter Comments/ response on the issue of Deferment of Capital Expenditure for the First Control Period:

GBAS submitted the following counter comments in response to comments of M/s SpiceJet:

"Here we submit the followings:

- i. GBAS is required to induct ground handling equipment that are acceptable to its customer airlines which they audit in detail before signing SGHA.*
- ii. GBAS is committed to provide ground handling services, at least meeting the service levels expected by the airlines and the airport operator for better passenger service experience.*

Hence need to incur capital expenditure."

4.8. Authority's Analysis regarding Capital Expenditure for the First Control Period:

4.8.1. The Authority notes the comments of M/s SpiceJet and GBAS's response thereon. The Authority observes that GBAS has projected total Capital Expenditure of ₹ 879.53 lakhs for the First Control Period. GBAS, being a new entrant at the Mangaluru Airport, is required to invest in equipment and allied infrastructure for provision of Ground Handling Services during the initial years of commercial operations itself, so as to provide Services as per the expectations of User Airlines & Airport Operator alike. It would be unreasonable to expect quality Services from the Service Provider, if the required CAPEX on Equipment & allied facilities is not allowed. Considering the above, the Authority feels that CAPEX proposed by GBAS during the First Control Period is necessary and reasonable.

4.8.2. GBAS vide email dated 17/03/2022 informed that they have already procured and put in place the equipment worth ₹ 4.34 crores i.e. 80% of total CAPEX projected for the First Tariff year. The short delay for the procurement of the balance equipment is due to 3rd wave of Covid-19, however, they are committed for projected CAPEX for the Mangaluru Airport.

4.9. Authority's Decision regarding CAPEX for the First Control Period:

Based on the material before it and its analysis, the Authority decides to consider the CAPEX for the First Control Period as per Table-3.



CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY

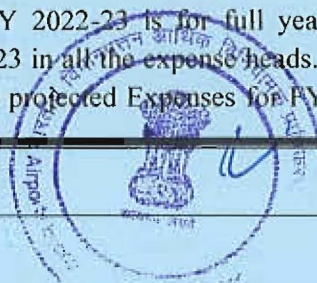
- 5.1. As provided in Clause 9.4 of the CGF Guidelines mentioned in Direction No. 04/2010-11, the Operational and Maintenance Expenditure incurred by the Service Provider(s) include expenditure incurred on security operating costs, other mandated operating costs and statutory operating costs.
- 5.2. Operation and Maintenance (O&M) Expenditure submitted by GBAS, Mangaluru has been segregated into the following categories:
- a) Payroll Costs;
 - b) Concession Fees;
 - c) Utility and Outsourcing Costs;
 - d) Repair and Maintenance Expenditure and
 - e) Admin and General Expenses
- 5.3. As per the MYTP submitted by GBAS, Revenue and Operating Expenditure (OPEX) projected by GBAS for the First Control Period (FY 2021-22 to FY 2025-26) is as under:

Table 5: Projected Revenue and Operating Expenditure submitted by GBAS for First Control Period

Particulars	₹ in Lakhs					CAGR	YoY% Change			
	2021-22	2022-23	2023-24	2024-25	2025-26		2022-23	2023-24	2024-25	2025 -26
Revenue (A)	101.30	1,359.65	1,414.87	1,472.10	1,531.42	97.18	1242.14%	4.06%	4.05%	4.03%
Operating Expenditure (B)	161.40	1,269.44	1,338.05	1,410.80	1,488.03	55.93	694.41%	6.30%	5.57%	5.55%
Payroll Costs	68.54	410.33	439.05	469.78	502.67	64.57	498.70%	7.00%	7.00%	7.00%
Administrative and General Costs	34.62	182.74	193.55	205.05	217.29	58.28	427.84%	5.92%	5.94%	5.97%
Utilities and Outsourcing costs	4.67	25.86	27.30	28.83	30.45	59.84	454.41%	5.56%	5.59%	5.63%
Repair and Maintenance Costs	5.15	17.09	15.77	17.09	18.68	29.39	231.69%	-7.72%	8.39%	9.31%
Concession Fees	46.09	618.64	643.76	669.81	696.80	97.18	1242.14%	4.06%	4.05%	4.03%
PBIDT (A-B)	-57.76	106.77	115.99	122.61	129.31	-	-284.84%	8.64%	5.71%	5.46%
Interest & Finance Charges	34.66	72.75	67.49	64.16	56.00	10.07	109.91%	-7.23%	-4.93%	-12.72%
Depreciation	8.75	41.35	47.38	52.13	56.05		-	-	-	-
PAT/ Loss (-)	-101.17	-108.50	-107.37	-101.05	-83.79	-	-7.25%	1.04%	5.89%	17.08%

Authority's Examination regarding Operating Expenditure for the First Control Period at Consultation stage:

- 5.4. The Authority analyzed the Operating Expenditure provided in Form F3 (P&L) for the 1st Control Period and noted that there is a significant increase in the projected Operating Expenditures of F.Y. 2022-23. Accordingly, a clarification was sought from GBAS. In response, ISP vide email dated 05.01.2022 clarified that for FY 2021-22, Revenue have been projected for 1.5 months and all expenses (except Concession Fees which is projected for 1.5 months) have been projected for 2 months only.
- 5.5. The Authority noted that as the projections for FY 2021-22 are only for 1.5 / 2 months only; whereas, Revenue & Expenses projected in FY 2022-23 is for full year, therefore there is a steep increase in growth rates in %age terms in FY 22-23 in all the expense heads. However, when the annualized expenses of FY 2021-22 are compared with the projected Expenses for FY 22-23, there is no increase in expenses,



except for Concession Fee.

- 5.6. The Authority further observed from the Projected P&L Statement that GBAS is likely to incur losses throughout the First Control Period. As per the MYTP submission, ISP will incur ₹ 101.17 lakhs loss in FY 2021-22 and losses are expected to reduce to ₹ 83.79 lakhs by the last year of the First Control Period.

Stakeholders' Comments

5.7. M/s SpiceJet Comments on Operating Expenditure for the First Control Period:

M/s SpiceJet submitted the following comments on the Operating Expenditure proposed for the First Control Period:

- 5.7.1. *"It may be noted that cost incurred by the Service Provider impacts the Airlines, as almost all such cost is passed through or borne by the Airlines. M/s SpiceJet also stated that various industry reports from IATA and CAPA projected pre-Covid flight operations level to be achieved in next 2-3 years. We submit that Authority may kindly freeze any increase in Operational Expenditure after the first year, and there should not be any increase in manpower.*
- 5.7.2. *In addition, we submit that the R&M expenses should almost be zero in the first two to three years, during which the warranty period would be valid.*
- 5.7.3. *Further, Royalty Charges/ Concession Fee is in the nature of market access fee, charged (by any name or description) by the Airport operator under various headings without any underlying services. It may be pertinent to note that market access fee by any name or description is not practiced in most of the global economies, including European Union, Australia etc.*

In view of the above, we urge the Authority to abolish such royalty, which may be included in any of the cost items."

5.8. GBAS response on M/s SpiceJet comments regarding Operating Expenditures for the First Control Period:

GBAS submitted the following counter comments in response to comments of M/s SpiceJet:

- 5.8.1. *"We feel that the observations made by SpiceJet Ltd are very generic in nature, lacks any substance and indicates that observer is unsure and unaware of the facts/ground realities.*
- 5.8.2. *Please note that we are a ground handling company of proven track record. We are providing ground handling services at major airports in India since last 12 years and have sufficient control over our operational expenditure. The increase in headcount is corresponding to the increase in the aircraft movement. Please note that ground handling services are not a something with can be automated without incurring substantial investment which will adversely impact the charges. Ground handling services are provided by a team of trained and qualified staff under sufficient supervisions, which is followed globally as well as during self-handling process by Indian domestic carriers.*
- 5.8.3. *Regarding salary of the staff, please note that we pay our staff according to the "minimum wages" published by the regulator twice a year. There is no scope of material savings in the per head salary cost without compromising on quality and safety aspects of the total service package.*
- 5.8.4. *The observation made by SpiceJet Ltd. "that R&M expenditure should be almost zero in the first two to three years, during which the warranty period would be valid" contradicts their earlier observation*



that there should not be any capex for next 2-3 years. Here, please note that even if the equipment are new, we have to incur expenses on their regular servicing and day to day maintenance. Please note that our ground service equipment, vehicles undergo tough operations duties and these equipment needs to be periodically serviced, always maintained. Warranty covers the major break-down related costs only.

Another important factor needs your attention is that equipment are sold with / without warranty and in case, equipment are purchased with warranty, the relevant costs are added which are more than in house maintenance cost. In addition, service support in warranty comes with time delays as compared to in house maintenance, thereby reducing capex on standby equipment.

Hence, we have forecasted our repair & maintenance cost at very reasonable basis and based on our experience of 12 years at other airports in India.

- 5.8.5. The observation made by SpiceJet Ltd. "that Royalty / Concession Fees is in the nature of market access fees, charged by the service provider under various headings without any underlying services.

Here again the observations made by SpiceJet Ltd. is nowhere close to reality on ground. It is now almost 14 years that the ultimate owner of Indian airports i.e. Airports Authority of India (AAI) is on a continuous drive to privatize Indian airports. All these concessions for airport operations carry revenue share. Such private appointees (as Airport Operator for a defined concession period), further issue concessions on the basic parameter of the concessions issued by AAI. As a result, the ground handling concession also attract concession fees. This method is prevalent at all the airports in India, be it under AAI or a private concessionaire. The revenues earned by airport operators are reviewed by AERA to ascertain that the airport charges are meeting AERA guidelines.

- 5.8.6. Therefore, concession fees paid by airlines to a ground handling agency is revenue of the airport operator, contributing to lowering of other airport charges, paid by the airlines to the airport operator. In a hypothetical situation where the concession fees is nil, the airport charges will be higher than the airport charges paid by the airlines when concession fees is applied on ground handling charges.

- 5.8.7. In nutshell, the royalty on the Ground Handling Services is considered as Aero Revenue for the Airport Operator and hence directly helps the Airlines in subsidizing the Aero Charges which airport operator charges to the airlines."

5.9. Authority's Analysis regarding Operating expenses for the First Control Period:

- 5.9.1. The Authority notes the comment of M/s. SpiceJet on increase in Operating Expenditure and the response of GBAS thereto. The Authority feels that the increase in Operating Expenditure projected by the GBAS seems reasonable and the same is due to the following factors:

- Increase in Operating Volume.
- Periodic upward revision in minimum wages, as notified by the Govt. Authorities from time to time.
- Annual increments and consequential increase in statutory components of wages i.e. EPF and ESI.

- 5.9.2. As regard to projected R&M expenditure, the Authority also feels that in order to maintain Ground Handling Equipment (GHE) in good serviceable condition, the ISP requires to incur expenditure on preventive maintenance and periodic repairs to keep Equipment in operational state and overall better passenger facilitation.



As regard to SpiceJet's comments on R&M Expenses in initial years, Authority notes the comments of ISP that warranty covers major breakdown of Equipment only and service under warranty comes with a time delay. The Authority feels that in order to provide uninterrupted Services to the Airlines, ISP cannot solely rely on warranty and is required to undertake day to day maintenance and urgent repairs. Considering the above, the Authority feels that R&M expenses projected by GBAS during initial years are reasonable.

5.9.3. The Authority notes the comments of M/s SpiceJet on Royalty Charges/ Concession Fee and response of GBAS thereon. The Concession Fee paid by the ISP to the Airport Operator is in accordance with the Concession Agreement executed between the Service Provider and the Airport Operator. The Authority considers that bidding process, based on which the Royalty Charges/ Concession Fee is levied on to the ISPs, is a non-regulatory issue and such matters may be dealt appropriately between Stakeholders and the concerned Service Providers.

5.9.4 The Authority has further noted the M/s Spicejet's views regarding royalty and ISP's response thereon stating that because such revenues are considered aeronautical by the Authority in the tariff determination process, they lead to reduction in tariff charges thus benefitting the airport users.

5.10. **Authority's Decision regarding OPEX for the First Control Period:**

Based on the material before it and its analysis, the Authority decides to consider the Operating Expenditure for GBAS in respect of the First Control Period as per Table 5.



CHAPTER 6: ANNUAL TARIFF PROPOSAL

GBAS submissions on Annual Tariff Proposal for the First Control Period as part of MYTP

6.1. GBAS has submitted the Tariff proposal for Ground Handling Services at Mangaluru International Airport for the First Control Period (FY 2021-22 to FY 2025-26) as given in Table 6 below:

Table 6: Proposed Tariff Rates for Schedule Flights submitted by GBAS for the First Control Period

(Rates in ₹)

Particulars	FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full
Domestic Passenger Flights															
CODE B	10,000	15,000	25,000	10,700	16,100	26,800	11,500	17,300	28,700	12,400	18,600	30,800	13,300	20,000	33,000
CODE C	12,000	18,000	30,000	12,900	19,300	32,100	13,900	20,700	34,400	14,900	22,200	36,900	16,000	23,800	39,500
CODE D	14,000	28,000	42,000	15,000	30,000	45,000	16,100	32,100	48,200	17,300	34,400	51,600	18,600	36,900	55,300
CODE E	17,000	33,400	50,400	18,200	35,800	54,000	19,500	38,400	57,800	20,900	41,100	61,900	22,400	44,000	66,300
International Passenger Flights															
CODE C	21300	63700	85000	22800	68200	91000	24400	73000	97400	26200	78200	104300	28100	83700	111700
CODE D	38300	114700	153000	41000	122800	163800	43900	131400	175300	47000	140600	187600	50300	150500	200800
CODE E	45900	137700	183600	49200	147400	196500	52700	157800	210300	56400	168900	225100	60400	180800	240900
CODE F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Domestic Cargo Flights															
CODE C	N/A	95,000	N/A	N/A	101700	N/A	N/A	108900	N/A	N/A	116600	N/A	N/A	124800	N/A
CODE D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CODE E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Cargo Flights															
CODE C	N/A	135000	N/A	N/A	144500	N/A	N/A	154700	N/A	N/A	165600	N/A	N/A	177200	N/A
CODE D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CODE E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CODE F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note:

1. Any flight where either its arrival or departure is International, will also be considered as an International Flight for the purposes of applying above rates.
2. The above rates are for basic Handling Services. As per requirement, airlines/users ask for additional services. The rates for such Additional Services are given in Annexure - I below. Estimated Revenue from such Additional Services are considered while computing the total regulated revenue for each Tariff Year.
3. The above rates are exclusive of GST and any other applicable Government taxes.



6.2. GBAS has proposed the following % increase in the Tariff for Schedule Flights at Mangaluru Airport as stated in the table below:

Table 7: Statement of YoY Percentage (%) Change in Different Category of Schedule Flights for the First Control Period

Particulars	FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full
Domestic Passenger Flights												
CODE B	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
CODE C	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
CODE D	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
CODE E	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
International Passenger Flights												
CODE C	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
CODE D	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
CODE E	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
CODE F	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Domestic Cargo Flights												
CODE C	-	7%	-	-	7%	-	-	7%	-	-	7%	-
CODE D	-	-	-	-	-	-	-	-	-	-	-	-
CODE E	-	-	-	-	-	-	-	-	-	-	-	-
International Cargo Flights												
CODE C	-	7%	-	-	7%	-	-	7%	-	-	7%	-
CODE D	-	-	-	-	-	-	-	-	-	-	-	-
CODE E	-	-	-	-	-	-	-	-	-	-	-	-
CODE F	-	-	-	-	-	-	-	-	-	-	-	-

6.3. GBAS had also submitted separate Tariff Rate Card for Non-Schedule and General Aviation Operation(s) as per table given below:

Table 8 - Annual Tariff Proposal submitted by GBAS for Non-Scheduled and General Aviation Operations - Domestic and International Flights

(Rates in ₹)

A/C Category	2021-22		2022-23		2023-24		2024-25		2025-26	
	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.
Maximum Take-off Weight (MTOW)										
0-5000	23,500	45,000	25,145	48,150	26,905	51,521	28,789	55,127	30,804	58,986
5001-10000	30,000	82,500	32,100	88,275	34,347	94,454	36,751	1,01,066	39,324	1,08,141
10001- 20000	36,500	1,31,250	39,055	1,40,438	41,789	1,50,268	44,714	1,60,787	47,844	1,72,042
20001- 35000	61,500	1,50,000	65,805	1,60,500	70,411	1,71,735	75,340	1,83,756	80,614	1,96,619
35001- 40000	63,000	1,68,750	67,410	1,80,563	72,129	1,93,202	77,178	2,06,726	82,580	2,21,197
40001- 50000	63,000	1,87,500	67,410	2,00,625	72,129	2,14,669	77,178	2,29,696	82,580	2,45,774
50001- 100000	85,000	2,43,750	90,950	2,60,813	97,317	2,79,069	1,04,129	2,98,604	1,11,418	3,19,507
100001 - 200000	2,00,000	3,37,500	2,14,000	3,61,125	2,28,980	3,86,404	2,45,009	4,13,452	2,62,159	4,42,394
200001- 300000	2,50,000	4,05,000	2,67,500	4,33,350	2,86,225	4,63,685	3,06,261	4,96,142	3,27,699	5,30,872
300001 and above	3,00,000	4,87,500	3,21,000	5,21,625	3,43,470	5,58,139	3,67,513	5,97,208	3,93,239	6,39,013

Note: Above Tariff Rates are excluding of all applicable taxes.



- 6.4. GBAS also submitted a separate Tariff Rate Card for Additional Services as per Annexure- 'III' and Annexure- 'IV' in addition to Tariff proposed at Table No 6 and 8.

Authority's Examination regarding ATP for the First Control Period at Consultation Stage:

- 6.5. The Authority noted that GBAS proposed Tariff for International Schedule Passenger Flights in FY 2021-22 is lower than the ad hoc Tariff as approved by the Authority for the ISP for the period up to 31.03.2022, vide its Order No. 28/2021-22 dated 18.11.2021. In case of Domestic Schedule Passenger Flights, proposed Tariff for FY 2021-22 is lower than corresponding ad hoc Tariff, except for few categories of aircraft(s), where proposed rates are higher than the earlier approved ad hoc Tariff. Further, the Authority observes that the Tariff proposed by the ISP in respect of Schedule Freighter and GPU charges are higher than the corresponding ad hoc Tariff for the FY 2021-22.
- 6.6. The Authority observed that in case of Schedule Flights, the ISP has proposed 7% YoY increase in Tariff from FY 2022-23 onwards (Refer Table 7).
- 6.7. The Authority observed that in case of Non-Schedule Flights and General Aviation Operations, GBAS has proposed 7% YoY increase in Tariff for the First Control Period.
- 6.8. The Authority further noted that GBAS has proposed a separate Tariff for Non-Schedule and General Aviation Flights. The Authority is of the view that the Tariff for Domestic Non-Schedule and General Aviation Operations should not be more than the Tariff of relevant Domestic Schedule Flights for similar class of Aircraft(s). However, the Authority proposed to consider the separate Tariff only in case of International Non-Schedule & General Aviation Operations as per Table 8 given above.
- 6.9. The Authority also noted that GBAS proposed a separate Tariff for Additional Services over and above the standard pattern of Tariff Rate Card proposed for Pax., Ramp and Full Services. The Authority proposes to consider a separate Tariff for Additional Services as proposed by GBAS (Refer Annexure I & II). However, as regard to the Tariff for Additional Services in case of Domestic Non-Schedule & General Aviation Flights, the Authority is of the view that the Tariff for such services should not be more than the Tariff for Additional Services of relevant Domestic Schedule Flights for similar class of Aircraft(s).
- 6.10. As regard to separate rate card for Additional Services, a clarification was sought from GBAS and the ISP in its response vide email dated 06.01.2022 had clarified that the Additional Services are not part of the Tariff card for Scheduled & Non-Scheduled Flights. Additional Services are required by the airlines only in some of their Flights. The ISP further stated that since, Additional Services may be required for any Flight; they are required to keep Manpower and GSE ready all the time on 24/7 & 365-days basis. As per GBAS they earn revenue only in few of the Flights based on actual usage of these Additional Services.
- 6.11. Further, GBAS was directed to ensure compliance of Standardization of Ground Handling Equipment at Major Airports, in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 01.11.2021.

Stakeholders' Comments

6.12. **M/s SpiceJet comments on Tariff rates for the First Control Period:**

M/s SpiceJet submitted the following comments on the Tariff proposed for the First Control Period

- 6.12.1. *"The Tariff and rate of increase are very high especially in the backdrop of COVID-19. It is in the interest of all the Stakeholders not to increase the Tariff in order to encourage the middle-class people to travel by air, which will help in sharp post Covid-19 recovery of aviation sector. In our view, all*



hikes after Tariff year 1 (FY 2021-22) should not be granted to GBAS."

6.13. GBAS response to M/s SpiceJet Comments regarding Tariff Rates for the First Control Period:

GBAS submitted the following counter comments in response to comments of M/s SpiceJet:

6.13.1. *"As per point no. 6.5 of the CP, the Authority has mentioned that proposed tariff for International scheduled flights submitted by GBASPL is lower than the adhoc tariff approved till Mar '22. Also in case of Domestic Schedule Passenger Flights, proposed Tariff for FY 2021-22 is lower than corresponding ad hoc Tariff (except for few categories of aircraft). Adhoc tariff was approved based on the approved tariff of existing ground handling company. So, it is clear that proposed tariff for FY 2021-22 is lower than the approved tariff of earlier ground handling company.*

As per point no. 6.6 & 6.7 of the CP, the authority has mentioned that GBASPL has proposed an increase of 7% YoY from FY 2022-23 onwards.

a) Increase in the minimum wages rates;

b) General inflation linked increase in the operational cost.

All this can be corroborated through inflation data published by the Government.

6.13.2. *The situation under which the observer made his observation, is not true and/or relevant for the third control period for which the CP is released by the authority.*

6.13.3. *Also we feel that the observation made indicates that observer is unaware of the ground realities. Kindly note that in cases of non-scheduled operations, we as a ground handling service have to provision certain additional set of equipment and manpower as we have to be ready to provide ground handling services. But at the same time, in cases of non-scheduled operations, we do not have any surety of recovering our cost due to the nature of non-scheduled operations.*

6.13.4. *It is also important to mention here that the rates we have proposed for your approval are the maximum rates and airlines are welcome to discuss and negotiate commercials. This process is not new and is effectively working under guidance of AERA at all Indian airports.*

6.13.5. *We further submit for your kind consideration, some facts pertaining to our case i.e. in cases of Ground Handling Agencies:*

- a) We have to keep our workforce and equipment running to ensure 24/7 availability of our services;*
- b) Our major customers are international airlines which are currently operating at only 30% capacity of pre-covid level.*
- c) Our Ground Handling Service charges, from handling domestic flights, recovers mainly variable cost only.*
- d) Our fixed cost is mainly recovered from International operations. So, we worst affected because International operations are running at only 30% capacity.*
- e) Domestic airlines have a choice of doing self-handling of their flights which they do where they have large operations and can achieve economy of scale. Only at airports, where the airlines do not have large operations that they appoint a Ground Handling Agency to handle their flight.*
- f) While appointing a Ground Handling Agency, they have a choice of GHAs who compete with each other to get the business."*



6.14. Authority's Analysis regarding Annual Tariff Proposal for the First Control Period:

- 6.14.1. The Authority notes that GBAS, for Schedule Flights and Non-Scheduled & General Aviation Operations, has proposed an increase of 7% YoY from FY 2022-23 onwards.
- 6.14.2. The Authority notes the comments of M/s SpiceJet on the proposed increase in Tariff and GBAS response thereon. Considering the Capex proposed for the First Control Period and projected increase in operating costs due to factors like periodic increase in the minimum wages rates, impact of general inflation on other components of operational costs, the Authority feels that increase in Tariff rates considered by the ISP is reasonable and same is required to cover up the increase in operating costs.
- 6.14.3. On the issue of separate Tariff rates for Non-Schedule Flights, the Authority notes the submission of GBAS that they are required to keep certain additional set of equipment and manpower to provide Ground Handling Services on short notice while at the same time the ISP doesn't have any guarantee of recovering the associated cost due to the nature of service.
- 6.14.4. As regard to separate Tariff for Non-Schedule & General Aviation Operations proposed by GBAS, the Authority is of the view that the Tariff for Domestic Non-Schedule & General Aviation Operations should not be more than the Tariff of relevant Domestic Schedule Operations for similar class of aircraft(s). However, the Authority decides to adopt the separate Tariff Rates in case of International Non-Scheduled & General Aviation Operations.

6.15. Authority's Decisions regarding the Tariff Proposals for the First Control Period:

- 6.15.1. Based on the material before it, and its analysis, the Authority decides to adopt the Tariff Rates for Ground Handling Services provided by GBAS in respect of Schedule Flights, International Non-Schedule & General Aviation Operations and Additional Services for the First Control Period as per **Annexures (I to IV)**
- 6.15.2. The Authority decides that the Tariff Rates indicated in **Annexures (I to IV)** shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- 6.15.3. The Authority decides that Tariff for Domestic Non-Schedule & General Aviation Operations shall not exceed the approved Tariff for relevant Domestic Schedule Flights for similar class of aircraft(s).
- 6.15.4. The Authority decides that the Tariff for Additional Services pertaining to Domestic Non-Schedule & General Aviation Operations shall not exceed the approved Tariff for Additional Services in respect of Domestic Schedule Flights for similar class of aircraft(s).
- 6.15.5. The Authority decides that in case of payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.
- 6.15.6. The Authority also decides that GBAS should ensure compliance towards Standardization of Ground Handling Equipment at Major Airports, in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 01.11.2021.



CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The summary of the Authority's decisions (given under each chapter) regarding the Tariff determination of GBAS, for the First Control Period is as under:

Chapter	Para	Summary of Authority's Decisions	Page No.
Chapter No.2	2.8	The Authority decides to consider Tariff determination exercise of GBAS for providing Ground Handling Services at Mangaluru International Airport under " Light Touch Approach " for the First Control Period, as the regulated service is ' Not Material '.	7
Chapter No. 3	3.9	The Authority decides to consider the Traffic Volume (Flights to be handled) for the First Control Period as per Table 2.	9
Chapter No. 4	4.9	The Authority decides to consider the CAPEX for the First Control Period as per Table-3.	13
Chapter No. 5	5.10	The Authority decides to consider the Operating Expenditure for GBAS in respect of First Control Period as per Table 5.	17
Chapter No. 6	6.15.1	The Authority decides to adopt the Tariff Rates for Ground Handling Services provided by GBAS in respect of Schedule Flights, International Non-Schedule & General Aviation Operations and Additional Services for the First Control Period as per Annexures (I to IV) .	22
	6.15.2	The Authority decides that the Tariff Rates indicated in Annexures (I to IV) shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.	
	6.15.3	The Authority decides that Tariff for Domestic Non-Schedule & General Aviation Operations shall not exceed the approved Tariff for relevant Domestic Schedule Flights for similar class of aircraft(s).	
	6.15.4	The Authority decides that the Tariff for Additional Services pertaining to Domestic Non-Schedule & General Aviation Operations shall not exceed the approved Tariff for Additional Services in respect of Domestic Schedule Flights for similar class of aircraft(s).	
	6.15.5	The Authority decides that in case of payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.	
	6.15.6	The Authority also decides that GBAS should ensure compliance towards Standardization of Ground Handling Equipment at Major Airports, in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 01.11.2021.	



CHAPTER 8: ORDER

Upon careful consideration of the material available on record, as well as submission made by GBAS, the Authority, in exercise of powers conferred upon it by Section 13(1)(a) of the AERA Act, 2008 hereby orders that:

- (i) The service for Ground Handling being provided by M/s GSEC Bird Airport Services Pvt. Ltd. at Mangaluru International Airport is “**Not Material**”. Therefore, the Authority decides to adopt ‘**Light Touch Approach**’ for determination of Tariff for the First Control Period (FY 2021-22 to FY 2025-26).
- (ii) The Authority decides that the Tariff Rates indicated in **Annexure (I to IV)** shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- (iii) The Authority decides that Tariff for Domestic Non-Scheduled Flights shall not exceed the approved Tariff for relevant Domestic Scheduled Flights for similar class of aircraft(s).
- (iv) The Authority decides that the Tariff for Additional Services pertaining to Domestic Non-Scheduled & General Aviation Operations shall not exceed the approved Tariff for Additional Services in respect of Domestic Scheduled Flights for similar class of aircraft(s).
- (v) The Authority decides that in case of payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.
- (vi) The Tariff determined herein are the ceiling rates, exclusive of taxes, if any.
- (vii) The Tariff Order shall be made effective from **1st April, 2022**.
- (viii) The Authority also decides that GBAS, should ensure compliance of directives issued by Ministry of Civil Aviation vide its letter No. AV-24011/10/2021-AAI-MOCA dated 01.11.2021, on Standardization of Ground Handling Equipment at Major Airports.
- (ix) The Airport operator shall ensure the compliance of the Order.

By the Order of and in the
Name of the Authority


(Col Manu Sooden)
Secretary

To

M/s GSEC Bird Airport Services Pvt. Ltd.
E-9, Connaught House, Connaught Place,
New Delhi-110001
(Through: Shri Sanjay Sawant, Chief Financial Officer)

Copy to:

1. Secretary, Ministry of Civil Aviation,
Rajiv Gandhi Bhawan,
Safdarjung Airport, New Delhi-110003.
2. Shri Ashutosh Chandra, Chief Airport Officer
Mangaluru International Airport Limited,
Mangaluru International Airport,
Bajpe Main Road, Kenjar HC, Karnataka - 574142



Annexure 'I'

APPROVED TARIFF CARD FOR M/S GSEC BIRD AIRPORT SERVICES PVT. LTD. PROVIDING GROUND HANDLING SERVICES AT MANGALURU INTERNATIONAL AIRPORT, MANGALURU

Maximum rates to be levied for Domestic* and International Schedule Flights in respect of Ground Handling Services for the First Control Period (FY 2021-22 to FY 2025-26)

TARIFF RATES ARE EFFECTIVE FROM 1st APRIL, 2022

(Rates in ₹)

Particulars	FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full
Domestic Passenger Flights												
CODE B	10,700	16,100	26,800	11,500	17,300	28,700	12,400	18,600	30,800	13,300	20,000	33,000
CODE C	12,900	19,300	32,100	13,900	20,700	34,400	14,900	22,200	36,900	16,000	23,800	39,500
CODE D	15,000	30,000	45,000	16,100	32,100	48,200	17,300	34,400	51,600	18,600	36,900	55,300
CODE E	18,200	35,800	54,000	19,500	38,400	57,800	20,900	41,100	61,900	22,400	44,000	66,300
International Passenger Flights												
CODE C	22800	68200	91000	24400	73000	97400	26200	78200	104300	28100	83700	111700
CODE D	41000	122800	163800	43900	131400	175300	47000	140600	187600	50300	150500	200800
CODE E	49200	147400	196500	52700	157800	210300	56400	168900	225100	60400	180800	240900
CODE F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Domestic Cargo Flights												
CODE C	N/A	101700	N/A	N/A	108900	N/A	N/A	116600	N/A	N/A	124800	N/A
CODE D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CODE E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Cargo Flights												
CODE C	N/A	144500	N/A	N/A	154700	N/A	N/A	165600	N/A	N/A	177200	N/A
CODE D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CODE E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CODE F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Tariff for Schedule Domestic Flights is also applicable to Domestic Non-Schedule Flights.

Notes:

- Above Tariff Rates are excluding of all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.
- Any flight where either its arrival or departure are international, will also be considered as an International Flight for the purposes of applying above rates.
- The above rates are for Basic Handling Services. As per requirement, airlines/users ask for additional Services. The rates for such additional services are given in Annexure III below. Estimated Revenue from such additional services are considered while computing the total regulated revenue for each Tariff Year.



**APPROVED TARIFF CARD FOR M/s GSEC BIRD AIRPORT SERVICES PVT. LTD. PROVIDING
GROUND HANDLING SERVICES AT MANGALURU INTERNATIONAL AIRPORT, MANGALURU**

Maximum rates to be levied for International Non-Schedule & General Aviation Operations in respect
of Ground Handling Services for the First Control Period (FY 2021-22 to FY 2025-26)

TARIFF RATES ARE EFFECTIVE FROM 1ST APRIL, 2022

(Rates in ₹)

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
A/C Category	International	International	International	International
Maximum Take-off Weight (MTOW)				
0-5000	48,150	51,521	55,127	58,986
5001-10000	88,275	94,454	1,01,066	1,08,141
10001- 20000	1,40,438	1,50,268	1,60,787	1,72,042
20001- 35000	1,60,500	1,71,735	1,83,756	1,96,619
35001- 40000	1,80,563	1,93,202	2,06,726	2,21,197
40001- 50000	2,00,625	2,14,669	2,29,696	2,45,774
50001- 100000	2,60,813	2,79,069	2,98,604	3,19,507
100001 - 200000	3,61,125	3,86,404	4,13,452	4,42,394
200001- 300000	4,33,350	4,63,685	4,96,142	5,30,872
300001 and above	5,21,625	5,58,139	5,97,208	6,39,013

Notes:

- Above Tariff Rates are excluding of all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.
- The above rates are for basic Handling Services. As per requirement, airlines/users ask for additional services. The rates for which are given in Annexure IV below. Estimated Revenue from such additional services are considered while computing the revenue for each Tariff Year.



Annexure 'III'

**APPROVED TARIFF CARD FOR M/s GSEC BIRD AIRPORT SERVICES PVT. LTD. PROVIDING
GROUND HANDLING SERVICES AT MANGALURU INTERNATIONAL AIRPORT, MANGALURU**

Maximum rates to be levied for Additional Service Charges for Domestic* and International Schedule
Flights in respect of Ground handling Services for the First Control Period (FY 2021-22 to FY 2025-26)

TARIFF RATES ARE EFFECTIVE FROM 1st APRIL, 2022

(Rates in ₹)

EQUIPMENTS		FY 2022-23		FY 2023-24		FY 2024-25		FY 2025-26	
		Domestic	International	Domestic	International	Domestic	International	Domestic	International
Ambulift	Per Usage	11,666	18,439	12,483	19,730	13,357	21,111	14,292	22,589
Ground Power Unit (GPU) 90 KV	Per Hour	9,053	14,309	9,687	15,311	10,365	16,383	11,091	17,530
Ground Power Unit (GPU) 140 KV	Per Hour	11,666	18,439	12,483	19,730	13,357	21,111	14,292	22,589
Hook on power	Per flight	933	1,476	998	1,579	1,068	1,690	1,143	1,808
Air Conditioner unit (ACU)	Per Hour	18,479	29,209	19,773	31,254	21,157	33,442	22,638	35,783
Ramp to Flight Deck Communication	Per Turnaround	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
Step Ladder (remote bay) - Narrow Body	Per Hour	6,067	9,588	6,492	10,259	6,946	10,977	7,432	11,745
Step Ladder (remote bay) - Wide Body	Per Hour	9,052	14,309	9,686	15,311	10,364	16,383	11,089	17,530
Passenger Bus	Per Trip	4,200	6,638	4,494	7,103	4,809	7,600	5,146	8,132
Crew Bus	Per Turnaround	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
Conveyor belt loader	Per hour	9,726	15,377	10,407	16,453	11,135	17,605	11,914	18,837
Lower Deck Loader (LDL)	Per Hour	25,669	40,568	27,466	43,408	29,389	46,447	31,446	49,698
Main Deck Loader (MDL)	Per Hour	29,398	46,468	31,456	49,721	33,658	53,201	36,014	56,925
Fork Lift 10 Ton	Per Hour	9,523	15,047	10,190	16,100	10,903	17,227	11,666	18,433
Fork Lift 5 Tons	Per Hour	6,720	10,621	7,190	11,364	7,693	12,159	8,232	13,010
Fork Lift 3 Tons	Per Hour	4,854	7,671	5,194	8,208	5,558	8,783	5,947	9,398
Air Start Unit (ASU)	Per start	13,536	21,390	14,484	22,887	15,498	24,489	16,583	26,203
Air Start Unit (ASU)	Per start	14,466	22,865	15,479	24,466	16,563	26,179	17,722	28,012
Towbar	Per push / tow	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
Push Back -Narrow Body	per service	11,203	17,702	11,987	18,941	12,826	20,267	13,724	21,686
Push Back - Wide Body	per service	20,533	32,454	21,970	34,726	23,508	37,157	25,154	39,758
Tow Inter Stand - Narrow Body	Per Tow	16,334	25,816	17,477	27,623	18,700	29,557	20,009	31,626
Tow Inter Stand - Wide Body	Per Tow	26,129	41,305	27,958	44,196	29,915	47,290	32,009	50,600
Wing Walkers	Per turnaround	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
Toilet service	per service	7,000	11,064	7,490	11,838	8,014	12,667	8,575	13,554
Water service	per service	6,067	9,588	6,492	10,259	6,946	10,977	7,432	11,745
Passenger/Terminal Side and Manpower related.									

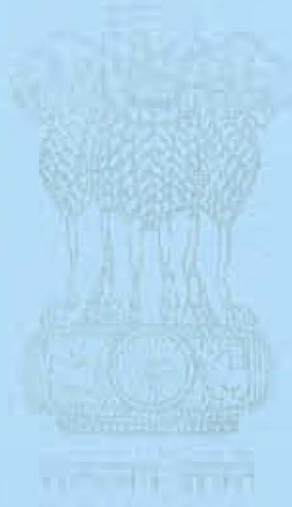


Unaccompanied minor handling	per child	2,531	3,999	2,708	4,279	2,898	4,579	3,101	4,900
Wheel Chair WCHR OR WCHS	per service	2,520	3,983	2,696	4,262	2,885	4,560	3,087	4,879
WCHC	per service	2,803	4,426	2,999	4,736	3,209	5,068	3,434	5,423
VIPs	per passenger	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
Transit w/o visa pax	per passenger	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
Deportees	per passenger	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
Floor Walkers/Welcom staff	per personnel/8hrs	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
Manpower (White collar)	per personnel/8 hr.	2,800	4,426	2,996	4,736	3,206	5,068	3,430	5,423
Manpower (Blue collar)	per personnel/8 hr.	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
Excess Baggage Collection	per flight	10% of collection	10% of collection	10% of collection	10% of collection	10% of collection	10% of collection	10% of collection	10% of collection
Val Handling	per std. sz. container	9,728	15,377	10,409	16,453	11,138	17,605	11,918	18,837
Ballast Bags Refill	Per refill - per Bag	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
Interior cleaning (Transit) - Narrow Body	per service	13,065	20,652	13,980	22,098	14,959	23,645	16,006	25,300
Interior cleaning (Transit) - Wide Body	per service	23,332	36,880	24,965	39,462	26,713	42,224	28,583	45,180
Interior cleaning (Transit) - ATR & like	per service	7,560	11,949	8,089	12,785	8,655	13,680	9,261	14,638
Deep Cleaning - Narrow Body	per service	18,666	29,504	19,973	31,569	21,371	33,779	22,867	36,144
Deep Cleaning - Wide Body	per service	33,320	52,664	35,652	56,350	38,148	60,295	40,818	64,516
Deep Cleaning - ATR & like	per service	10,732	16,965	11,483	18,153	12,287	19,424	13,147	20,784
Flight Deck cleaning	per service	4,665	7,376	4,992	7,892	5,341	8,444	5,715	9,035
Waste Disposal		1,305	2,065	1,396	2,210	1,494	2,365	1,599	2,531
Arrange non-scheduled Crew Hotel accommodation	per service	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
Arrange for non-scheduled Crew Transportation	per service	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
C.I.Q. assistance / Direct crew thru airport facilities	per arr. or dep. clearance	2,800	4,426	2,996	4,736	3,206	5,068	3,430	5,423
Cargo Supervision services	per flight	6,987	11,043	7,476	11,816	7,999	12,643	8,559	13,528
Cargo Supervision services	Per flight	10,713	16,934	11,463	18,119	12,265	19,387	13,124	20,744
Live Animal Handling	per AVI	1,362	2,153	1,457	2,304	1,559	2,465	1,668	2,638
LD3,	per day	560	885	599	947	641	1,013	686	1,084
LD11	per day	1,305	2,065	1,396	2,210	1,494	2,365	1,599	2,531
Stacking of Pallets	per stack per day	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
Miscellaneous services									
Valet Service		1,945	3,075	2,081	3,290	2,227	3,520	2,383	3,766
Baggage Trolley	per two hours	560	885	599	947	641	1,013	686	1,084
Container Dollies	per two hours	467	737	500	789	535	844	572	903
Pallet Dollies	per two hours	654	1,033	700	1,105	749	1,182	801	1,265
Diesel / Battery Tractor	per hour	4,107	6,491	4,394	6,945	4,702	7,431	5,031	7,951
Ramp Car	per hour	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614

* Tariff for Schedule Domestic Flights is also applicable to Domestic Non-Schedule Flights.

Notes:

- Above Tariff Rates are excluding of all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.



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Annexure 'IV'

**APPROVED TARIFF CARD FOR M/s GSEC BIRD AIRPORT SERVICES PVT. LTD. PROVIDING
GROUND HANDLING SERVICES AT MANGALURU INTERNATIONAL AIRPORT, MANGALURU**

Maximum rates to be levied for Additional Service Charges for International Non-Schedule & General
Aviation Operations in respect of Ground handling Services for the First Control Period
(FY 2021-22 to FY 2025-26)

TARIFF RATES ARE EFFECTIVE FROM 1st APRIL, 2022

(Rates in ₹)

EQUIPMENTS		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Ambulift	Per Usage	18,439	19,730	21,111	22,589
Ground Power Unit (GPU) 90 KV	Per Hour	14,309	15,311	16,383	17,530
Ground Power Unit (GPU) 140 KV	Per Hour	18,439	19,730	21,111	22,589
Hook on power	Per flight	1,476	1,579	1,690	1,808
Air Conditioner unit (ACU)	Per Hour	29,209	31,254	33,442	35,783
Ramp to Flight Deck Communication	Per Turnaround	5,901	6,314	6,756	7,229
Step Ladder (remote bay) - Narrow Body	Per Hour	9,588	10,259	10,977	11,745
Step Ladder (remote bay) - Wide Body	Per Hour	14,309	15,311	16,383	17,530
Passenger Bus	Per Trip	6,638	7,103	7,600	8,132
Crew Bus	Per Turnaround	5,901	6,314	6,756	7,229
Conveyor belt loader	Per hour	15,377	16,453	17,605	18,837
Lower Deck Loader (LDL)	Per Hour	40,568	43,408	46,447	49,698
Main Deck Loader (MDL)	Per Hour	46,468	49,721	53,201	56,925
Fork Lift 10 Ton	Per Hour	15,047	16,100	17,227	18,433
Fork Lift 5 Tons	Per Hour	10,621	11,364	12,159	13,010
Fork Lift 3 Tons	Per Hour	7,671	8,208	8,783	9,398
Air Start Unit (ASU)	Per start	21,390	22,887	24,489	26,203
Air Start Unit (ASU)	Per start	22,865	24,466	26,179	28,012
Towbar	Per push / tow	5,901	6,314	6,756	7,229
Push Back -Narrow Body	per service	17,702	18,941	20,267	21,686
Push Back - Wide Body	per service	32,454	34,726	37,157	39,758
Tow Inter Stand - Narrow Body	Per Tow	25,816	27,623	29,557	31,626
Tow Inter Stand - Wide Body	Per Tow	41,305	44,196	47,290	50,600
Wing Walkers	Per turnaround	2,950	3,157	3,378	3,614
Toilet service	per service	11,064	11,838	12,667	13,554
Water service	per service	9,588	10,259	10,977	11,745
Passenger/Terminal Side and Manpower related.					
Unaccompanied minor handling	per child	3,999	4,279	4,579	4,900
Wheel Chair WCHR OR WCHS	per service	3,983	4,262	4,560	4,879
WCHC	per service	4,426	4,736	5,068	5,423
VIPs	per passenger	6,150	6,581	7,042	7,535
Transit w/o visa pax	per passenger	6,150	6,581	7,042	7,535
Deportees	per passenger	6,150	6,581	7,042	7,535



Floor Walkers/Welcome staff	per personnel/8hrs	2,950	3,157	3,378	3,614
Manpower (White collar)	per personnel/8 hr.	4,426	4,736	5,068	5,423
Manpower (Blue collar)	per personnel/8 hr.	2,950	3,157	3,378	3,614
Excess Baggage Collection	per flight	10% of collection	10% of collection	10% of collection	10% of collection
Val Handling	per std. sz. container	15,377	16,453	17,605	18,837
Ballast Bags Refill	Per refill - per Bag	2,213	2,368	2,534	2,711
Interior cleaning (Transit) - Narrow Body	per service	20,652	22,098	23,645	25,300
Interior cleaning (Transit) - Wide Body	per service	36,880	39,462	42,224	45,180
Interior cleaning (Transit) - ATR & like	per service	11,949	12,785	13,680	14,638
Deep Cleaning - Narrow Body	per service	29,504	31,569	33,779	36,144
Deep Cleaning - Wide Body	per service	52,664	56,350	60,295	64,516
Deep Cleaning - ATR & like	per service	16,965	18,153	19,424	20,784
Flight Deck cleaning	per service	7,376	7,892	8,444	9,035
Waste Disposal		2,065	2,210	2,365	2,531
Arrange non-scheduled Crew Hotel accommodation	per service	2,213	2,368	2,534	2,711
Arrange for non-scheduled Crew Transportation	per service	2,213	2,368	2,534	2,711
C.I.Q. assistance / Direct crew thru airport facilities	per arr. or dep. clearance	4,426	4,736	5,068	5,423
Cargo Supervision services	per flight	11,043	11,816	12,643	13,528
Cargo Supervision services	Per flight	16,934	18,119	19,387	20,744
Live Animal Handling	per AVI	2,153	2,304	2,465	2,638
LD3,	per day	885	947	1,013	1,084
LD11	per day	2,065	2,210	2,365	2,531
Stacking of Pallets	per stack per day	2,950	3,157	3,378	3,614
Miscellaneous services					
Valet Service		3,075	3,290	3,520	3,766
Baggage Trolley	per two hours	885	947	1,013	1,084
Container Dollies	per two hours	737	789	844	903
Pallet Dollies	per two hours	1,033	1,105	1,182	1,265
Diesel / Battery Tractor	per hour	6,491	6,945	7,431	7,951
Ramp Car	per hour	2,950	3,157	3,378	3,614
Luxury Vehicle		3,745	4,007	4,288	4,588
Standard Vehicle for NSOP		1,177	1,259	1,348	1,442
Trip Charges above second vehicle		3,745	4,007	4,288	4,588
Drop from Airport (City Side)		3,210	3,435	3,675	3,932

Notes:

- Above Tariff Rates are excluding of all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15th of the month will be applicable for the second fortnight.

