

फाइल संख्या ऐरा/20010/एमवाईटीपी/एआईएसएटीएस/जीएच/बायल/सीपी-III/2021-26

File No. AERA/20010/MYTP/AISATS/GH/BIAL/CP-III/2021-26

आदेश संख्या 23/ 2022-23

Order No. 23/2022-23



**भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण**  
**Airports Economic Regulatory Authority of India**

मैसर्स एयर इंडिया सेट्स एयरपोर्ट सर्विसेज प्राइवेट लिमिटेड (एआईएसएटीएस) द्वारा कैपेगोडा अंतरराष्ट्रीय हवाईअड्डा, बेंगलुरु में प्रदान की जाने वाली ग्राउंड हैंडलिंग सेवाओं के लिए तृतीय नियंत्रण अवधि (वित्त वर्ष 2021-22 से वित्त वर्ष 2025-26) के लिए टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF  
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES PROVIDED BY  
M/s AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED (AISATS) AT  
KEMPEGOWDA INTERNATIONAL AIRPORT, BENGALURU  
FOR THE THIRD CONTROL PERIOD  
(FY 2021-22 to FY 2025-26)

जारी करने की तारीख: 23/09/2022

Date of Issue: 23/09/2022

ऐरा भवन/AERA Building  
प्रशासनिक कॉम्प्लेक्स/Administrative Complex  
सफदरजंग हवाईअड्डा/Safdarjung Airport  
नई दिल्ली/New Delhi – 110003



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**List of Abbreviations:**

|                  |  |
|------------------|--|
| AERA / Authority | Airports Economic Regulatory Authority of India              |
| AISATS           | Air India SATS Airport Services Private Limited              |
| ATM              | Air Traffic Movement   |
| ATP              | Annual Tariff Proposal                                       |
| BIAL             | Bangalore International Airport Limited                      |
| CAPEX            | Capital Expenditure  |
| CASIPL           | Celebi Airport Services India Pvt. Ltd.                      |
| COD              | Commercial Operation Date                                    |
| CGF              | Cargo, Ground Handling & Supply of Fuel                      |
| EBITDA           | Earnings Before Interest, Tax, Depreciation and Amortisation |
| GGIPL            | GlobeGround India Pvt. Ltd.                                  |
| GHA              | Ground Handling Agencies                                     |
| GHS              | Ground Handling Services                                     |
| GPU              | Ground Power Unit  |
| INR/ ₹           | Indian Rupees  |
| ISP              | Independent Service Provider                                 |
| LoI              | Letter of Intent   |
| MYTP             | Multi-Year Tariff Proposal                                   |
| NCAP             | National Civil Aviation Policy                               |
| OPEX             | Operating Expenditure  |
| O&M              | Operation and Maintenance                                    |
| PAT              | Profit After Tax   |
| P&L              | Profit & Loss  |
| SATS             | Singapore Airport Terminal Services Limited                  |
| SGHA             | Standard Ground Handling Agreement                           |
| YoY              | Year on Year   |



## CHAPTER 1: INTRODUCTION

1.1. M/s. Air India SATS Airport Services Private Limited (AISATS) is one of Ground Handling agencies appointed by the Airport Operator, namely Bangalore International Airport Limited (BIAL), for carrying out Ground Handling Service (GHS) at Kempegowda International Airport (KIA), Bengaluru for the duration of 10 years, effective from 01.08.2018 valid till 31.07.2028.

1.2. The shareholding structure of the AISATS is tabulated below:

**Table-1: Summary of Shareholding Structure of AISATS:**

| Name of Shareholder                             | Equity Holding (%) |
|---|--------------------|
| M/s Air India Limited                           | 50.00              |
| M/s Singapore Airport Terminal Services Limited | 50.00              |
| <b>Total</b>                                    | <b>100.00</b>      |

1.3. Bureau of Civil Aviation Security has granted security clearance to AISATS on 15<sup>th</sup> January 2021, which is valid for a period of five years, from the date of issue of security clearance or the period of validity of contract with the Airport Operator, whichever is earlier.

1.4. The Authority, vide Order No. 18/2021-22 dated 15.09.2021 allowed AISATS to levy, on ad-hoc basis, the Tariff applicable as on 30.09.2021 at Kempegowda International Airport, Bengaluru for a period of six months up to 31.03.2022.

The Authority, vide Order No. 46/2021-22 dated 17.03.2022 allowed AISATS to levy, on ad-hoc basis, the existing Tariff applicable as on 31.03.2022 at Kempegowda International Airport, Bengaluru for a further period of six months i.e. w.e.f. 01.04.2022 to 30.09.2022 or till the determination of regular Tariff, whichever is earlier.

1.5. As per the provisions of the CGF Guidelines 2011, AISATS has submitted the Multi Year Tariff Proposal ('MYTP') vide letter dated 25.11.2021 for determination of Tariff for providing Ground Handling Services at Kempegowda International Airport, Bengaluru for the Third Control Period (FY 2021-22 to FY 2025-26).

1.6. The Authority, after initial scrutiny of the MYTP submissions of AISATS observed few shortcomings/information gaps. In light of the AERA's observations, AISATS submitted the updated MYTP to the Authority. However, the updated submission also had few deficiencies, accordingly the matter was discussed & clarifications were sought from the AISATS. After various rounds of discussions/ interactions, AISATS submitted the revised MYTP for the Third Control Period on 08.06.2022.

1.7. The Authority, carefully examined the MYTP for the Third Control Period submitted by the AISATS in respect of Ground Handling Services being provided at Bengaluru International Airport and issued its Consultation Paper (CP) No. 04/2022-23 dated 29.06.2022, inviting suggestions/comments from the Stakeholders on the various proposals of the Authority with the following timelines:

- Date for submission of written comments by Stakeholders: 20<sup>th</sup> July, 2022.
- Date for submission of counter comments: 28<sup>th</sup> July, 2022.



- 1.8. The Authority received comments from M/s SpiceJet Ltd. on the various proposals of the Authority contained in the Consultation Paper No. 04/2022-23 and the same were uploaded on the AERA's website vide Public Notice no. 07/2022-23 dated 21.07.2022.
- 1.9. The Authority, in response to Public Notice no. 07/2022-23 dated 21.07.2022, received counter comments from AISATS on 28.07.2022.
- 1.10. The Authority, after examining the comments of M/s SpiceJet Limited & counter comments of AISATS and after considering all the relevant aspects of the case has finalized this Tariff Order.



## **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 CGF Guidelines").

### **Stage I: - MATERIALITY ASSESSMENT:**

- 2.2. In accordance with the above Guidelines and Directions, the following procedure is adopted for the determination of the Materiality Index of Regulated Service:

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

$$\begin{aligned}\text{The Materiality Index for Bengaluru Airport} &= 30311/420772 \\ &= 7.20\%\end{aligned}$$

- 2.3. The percentage share of Bengaluru International Airport for FY 2019-20 in respect of the International Aircraft Movements is 7.20%, which is more than 5% Materiality Index (MI<sub>G</sub>) for the subject service. Hence, the Regulated Service is deemed to be '**Material**' for the Third Control Period.

### **Stage II: - COMPETITION ASSESSMENT:**

- 2.4. The Authority, with regard to the provisions of the National Civil Aviation Policy (NCAP 2016), vide its Order No. 15/2016-17 dated 12<sup>th</sup> January 2017 decided to adopt the criteria for competition assessment for Ground Handling Agencies (GHA) as "three (3) Ground Handling Agencies (GHAs) including Air India's subsidiary/JV".
- 2.5. As per the information furnished by AISATS on competition Assessment Form F1 (b), M/s GlobeGround India Private Limited (GGIPL) and M/s Celebi Airport Services India Pvt. Ltd. (CASIPL) are the other service provider rendering similar services at Kempegowda International Airport, Bengaluru. Since, there are three Ground Handling agencies including AISATS, the regulated service at Kempegowda International Airport, Bengaluru is deemed as '**Competitive**'.
- 2.6. AISATS had provided copies of Standard Ground Handling Agreements with Thai Airways International Public Company Limited and Saudi Arabian Airlines.
- 2.7. As per Clause 3.2 (ii) of the Guidelines, wherever the Regulated Service provided is 'Material but Competitive', the Authority shall determine Tariff(s) for Service Provider(s) based on a '**Light Touch Approach**' for the duration of the Control Period, as per the provisions of Chapter V of the Guidelines.
- 2.8. The Authority notes that AISATS has conducted Stakeholders' Consultation Meeting on 01.09.2022 and forwarded 'Minutes of the Meeting' vide email dated 06.09.2022. As per 'Minutes' of the meeting, the representatives from Vistara, Cathay Pacific, Emirates, Etihad Airways, Saudia, Qantas and Air India participated in the stakeholder's consultation meeting.

The Authority notes that one of the stakeholders enquired about the factors which are being considered while proposing increase in Tariff for the 3<sup>rd</sup> control period. AISATS in its response stated that the



last time their Tariff was determined in FY 2016-17 and since then no Tariff increase has been proposed. Further, they have considered proposed CAPEX to be incurred towards replenishment of Ground Support Equipment fleet and investment in electrical vehicles at the airports, impact of inflation & current fuel prices while proposing the Tariff plan to AERA.

### **Stakeholders' Comments**

#### **2.9. M/s SpiceJet's Comments on review of Tendering Process:**

M/s SpiceJet submitted the following comments pertaining to review of tendering process:

*"AERA is requested to ensure that BIAL does not take the decision to award concession agreements solely on the revenue share being offered. Basing decisions solely on highest revenue share being offered breeds inefficiencies and tends to disproportionately increase the cost."*

#### **2.10. AISATS response on SpiceJet's Comments regarding review of Tendering Process:**

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

*"Kindly note that this is a policy related matter which needs discussion at the Ministry level and with the Airport Operator."*

#### **2.11. Authority's Analysis on the Stakeholders' Comments on Tendering Process:**

As regard to comments of M/s SpiceJet on tendering process and response of AISATS thereon, the Authority notes that Concession Fee/ Revenue Share paid by the ISP is in accordance with the concession agreement executed between the Service Provider and the Airport Operator. Further, as per AERA's regulatory approach, the royalty paid by the ISPs are treated as aeronautical revenues in the hands of Airport Operators; hence, such revenues directly help in subsidizing the aeronautical Tariff levied by Airport Operators to the Airlines. As regard to review of Tendering Process, the Authority is of the view that bidding process to award such contracts is a non-regulatory issue and such matters may be dealt appropriately between the stakeholders at the appropriate forum.

#### **2.12. Authority's Decision regarding Methodology of Tariff Determination for AISATS:**

Based on the material before it and its analysis, the Authority decides to determine the Tariff for AISATS in respect of its Ground Handling Services provided at Kempegowda International Airport, Bengaluru under the **"Light Touch Approach"** for the Third Control Period, as the regulated service is deemed **'Material but Competitive'**.



### CHAPTER 3: AIRCRAFT TRAFFIC (FLIGHTS TO BE HANDLED)

#### AISATS' submission on Projected Aircraft Traffic (Flights to be Handled) for the Third Control Period as a part of MYTP

3.1. Actual Aircraft Traffic (nos. of landings) handled by Bengaluru Airport and percentage of flights handled by AISATS (out of total number of landings at the airport) in FY 2019-20 (pre-Covid year) and FY 2020-21 are given below:

**Table 2: Aircraft Traffic handled at Bengaluru Airport and number of flights handled by AISATS during FY 2019-20 & FY 2020-21**

| Year    | Total number of landings |                |          | Actual number of landings (flights) handled by AISATS |                |        | Percentage (%) of flights handled by AISATS |                |       |
|---------|--------------------------|----------------|----------|---|----------------|--------|---|----------------|-------|
|         | Domestic                 | Inter-national | Total    | Domestic  | Inter-national | Total  | Domestic                                    | Inter-national | Total |
| 2019-20 | 1,00,024                 | 15,156         | 1,15,180 | 20,203  | 7,237          | 27,440 | 20%   | 48%            | 24%   |
| 2020-21 | 51,230                   | 5,596          | 56,826   | 7,298   | 2,340          | 9,638  | 14%   | 42%            | 17%   |

3.2. Projected Aircraft Traffic (flights to be handled) for the Third Control Period (FY 2021-22 to FY 2025-26) submitted by AISATS is given below in Table 3.

**Table 3: Projected Aircraft Traffic (Flights to be handled) submitted by AISATS for the Third Control Period**

| Year                              | Flights to be handled for the Third Control Period |                                 | Total (no. of Landings) | As a % of actual Flights handled by AISATS during FY 2019-20 |               |        |
|-----------------------------------|--|---------------------------------|-------------------------|--|---------------|--------|
|                                   | Domestic (no. of Landings)                         | International (no. of Landings) |                         | Domestic   | International | Total  |
| 2019-20                           | 20,203   | 7,237                           | 27,440                  | -  | -             | -      |
| 2020-21                           | 7,298  | 2,340                           | 9,638                   | 36.12%   | 32.33%        | 35.12% |
| 2021-22                           | 8,342  | 3,360                           | 11,702                  | 41.29%   | 46.43%        | 42.65% |
| 2022-23                           | 12,513   | 5,040                           | 17,553                  | 61.94%   | 69.64%        | 63.97% |
| 2023-24                           | 15,016   | 6,048                           | 21,064                  | 74.33%   | 83.57%        | 76.76% |
| 2024-25                           | 16,518   | 6,653                           | 23,171                  | 81.76%   | 91.93%        | 84.44% |
| 2025-26                           | 18,169   | 7,318                           | 25,487                  | 89.93%   | 101.12%       | 92.88% |
| <b>TOTAL (2021-22 to 2025-26)</b> | <b>70,558</b>                                      | <b>28,419</b>                   | <b>98,977</b>           |  |               |        |

#### Authority's Examination on Aircraft Traffic (Flights to be handled) for the Third Control Period at Consultation Stage:

3.3. The Authority observed that COVID-19 had severely impacted the business in Civil Aviation Sector, including Ground Handling Service Providers during FY 2020-21 & FY 2021-22. However, the Authority noted that after the second wave of Covid-19, the Aircraft Traffic had improved gradually during FY 2021-22 and air-traffic is expected to improve further in coming months.



- 3.4. As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Bengaluru Airport for FY 2021-22 had reached to 64% of the pre-Covid level (FY 2019-20).
- 3.5. The Authority noted that as per AISATS projection, ISP is expected to achieve 93% of Aircraft Traffic actually handled during pre-Covid year (FY 2019-20) in FY 2025-26.
- 3.6. The Authority, mindful of the adverse impact caused by Covid-19 pandemic on Civil Aviation Sector and considering the market competition among the three Ground Handling Service Providers (including AISATS) at Bengaluru Airport, feels that AISATS is likely to handle only the Aircraft Traffic (flights to be handled) as projected in Table 3 above.

#### **Stakeholders' Comments**

- 3.7. During the stakeholder consultation process, the Authority received no comments/ views from stakeholders in respect of Traffic Volume (flights to be handled) for the Third Control Period.

#### **Authority's Analysis regarding Aircraft Traffic for the Third Control Period:**

- 3.8. The Authority notes that Covid Pandemic has adversely affected the Civil Aviation Sector, including Ground Handling Agencies. As regard to projected aircraft traffic volume for the Third Control Period, ISP informed that Indigo, SpiceJet are self-handling their flights, whereas, Go Air, Air Asia India and Star Air are only taking Passenger related services only at Bengaluru Airport, which is a major factor leading to lower projection of Aircraft Traffic during the Third Control Period. Considering the above and taking into account the market competition, due to presence of three players at (including AISATS), the Authority feels that Aircraft Traffic projected by AISATS for the Third Control Period seems reasonable. Accordingly, the Authority decides to maintain the same view on Aircraft Traffic as taken at Consultation Stage.

#### **Authority's Decision regarding Aircraft Traffic for the Third Control Period:**

- 3.9. Based on the material before it and its analysis, the Authority decides to consider the Aircraft Traffic (Flights to be handled) in respect of AISATS for the Third Control Period as per Table 3.



## CHAPTER 4: CAPITAL EXPENDITURE

### AISATS's Submission on Capital Expenditure for the Third Control Period as a part of MYTP

4.1. AISATS had projected a total Capital Expenditure (CAPEX) of ₹ 1950.00 lakhs for the procurement of various assets for the Third Control Period (FY 2021-22 to FY 2025-26). The asset wise Capital Expenditure projected by ISP for Third Control Period is given as below:

**Table 4: Projected Capital Expenditure submitted by AISATS for the Third Control Period**

| (₹ in Lakhs) |                                 |               |               |               |               |               |                |
|--------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| S.N.         | Project Type                    | FY 2021-22    | FY 2022-23    | FY 2023-24    | FY 2024-25    | FY 2025-26    | TOTAL          |
| 1            | Ambulift                        | 150.00        | -             | -             | -             | -             | 150.00         |
| 2            | Computer Peripherals & Software | 10.00         | 10.00         | 10.00         | 10.00         | 30.00         | 70.00          |
| 3            | Furniture                       | 40.00         | 60.00         | 60.00         | 80.00         | 80.00         | 320.00         |
| 4            | Air Conditioning Unit (65 Ton)  | -             | 130.00        | -             | 130.00        | 130.00        | 390.00         |
| 5            | Push back Small                 | -             | -             | 130.00        | 130.00        | 130.00        | 390.00         |
| 6            | Air Starter Unit                | -             | -             | -             | 210.00        | 210.00        | 420.00         |
| 7            | Air Conditioning Unit (110 Ton) | -             | -             | -             | -             | 210.00        | 210.00         |
|              | <b>TOTAL</b>                    | <b>200.00</b> | <b>200.00</b> | <b>200.00</b> | <b>560.00</b> | <b>790.00</b> | <b>1950.00</b> |

4.2. AISATS vide email dated 05.05.2022 submitted the quantitative details of Equipment proposed to be acquired as part of CAPEX for the Third Control Period.

**Table 5: Details of Equipment (Quantity in nos.) proposed to be procured by AISATS for the Third Control Period**

| (in nos.) |                                 |            |            |            |            |            |       |
|-----------|---------------------------------|------------|------------|------------|------------|------------|-------|
| S.N.      | Project Type                    | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 | Total |
| 1         | Ambulift                        | 2          | -          | -          | -          | -          | 2     |
| 2         | Computer Peripherals & Software | 10         | 10         | 10         | 10         | 30         | 70    |
| 3         | Furniture                       | 2          | 3          | 3          | 4          | 4          | 16    |
| 4         | Air Conditioning Unit (65 Ton)  | -          | 1          | -          | 1          | 1          | 3     |
| 5         | Push back Small                 | -          | -          | 1          | 1          | 1          | 3     |
| 6         | Air Starter Unit                | -          | -          | -          | 2          | 2          | 4     |
| 7         | Air Conditioning Unit (110 Ton) | -          | -          | -          | -          | 1          | 1     |



#### **Authority's Examination regarding CAPEX for the Third Control Period at Consultation Stage:**

- 4.3. The Authority noted that AISATS in its MYTP submission had proposed a total CAPEX of ₹ 1950 lakhs for the Third Control Period. The Authority observed that out of total CAPEX planned for the Third Control Period, AISATS had projected CAPEX of ₹ 200 lakhs for the first Tariff year of the Control Period. The Authority sought details of actual CAPEX incurred for FY 2021-22, in response thereto, AISATS vide email dated 28.04.2022 confirmed that they had incurred CAPEX around ₹200 lakhs during FY 2021-22.
- 4.4. The Authority observed from the statistics showing actual Traffic handled at Bengaluru Airport (refer Table 2) that AISATS had a market share around 24% (out of total landings) in respect of Ground Handling Business at Bengaluru Airport in FY 2019-20. As per AISATS' submission, major portion of proposed CAPEX (Ground Handling Equipment) is towards replacement of old assets taken on lease and the remaining CAPEX is required for their new office. Since, the proposed CAPEX is mainly relating to replacement of Ground Handling Equipment, which is considered essential for smooth business operations & better passenger facilitation, the Authority feels that the projected CAPEX for the Third Control Period seems reasonable.
- 4.5. In view of the above, the Authority proposed to consider the CAPEX for the Third Control Period as projected by AISATS as per Table 4 above.

#### **Stakeholders' Comments**

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

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

- 4.6.1. *"As projected by IATA and CAPA it will take around two (2) - three (3) years for the flight operations to reach to its pre COVID-19 peak levels. In this situation, in order to support the airlines to continue and sustain its operations, all non-essential CAPEX proposed by AISATS should be put on hold/ deferred to the Fourth Control Period, unless deemed critical from a safety or security compliance perspective.*
- 4.6.2. *Without prejudice to the above, in case AISATS wants to make capital expenditure, then it should be at no additional expense to the airlines until the project is completed and put to use. Similarly, if any proposed Capex projects can be deferred from the Third Control Period to the Fourth Control Period, same should be considered by AERA.*
- 4.6.3. *In addition, we recommend that an adjustment of 1% or higher, as deemed fit, is made by AERA for capital expenditure projects of the Third Control Period that are not completed/ capitalized as per the approved capitalization schedule other than those affected solely by the adverse impact of COVID-19. Such adjustments can be made by AERA during the tariff determination for the Fourth Control Period."*
- 4.7. **AISATS Counter Comments on deferment of Capital Expenditure for the Third Control Period:**

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

*"M/s SpiceJet Ltd. has raised its concern towards procurement of CAPEX by AISATS and its subsequent impact on the tariff approval by AERA" In this connection, we would humbly submit that*



*the procurement of CAPEX is towards replacement of leased assets. The company is badly affected by the pandemic and the management is sensitive about the cost control measures. The CAPEX procurement is towards serving normal business operations and thus does not lead towards increase in the costs. The CAPEX expenditure will not lead to reducing the profit, but the portion of depreciation will lead to reduction in profit which will be offset by saving in costs of leasing assets."*

**4.8. Authority's Analysis on the Stakeholders' Comments regarding Capital Expenditure for the Third Control Period:**

The Authority notes the comments of M/s SpiceJet on CAPEX and AISATS's response thereon. The Authority notes that AISATS has projected a total Capital Expenditure of ₹ 1950 lakhs for the Third Control Period. Out of which, as per AISATS' submission, ISP had already incurred ₹ 200 lakhs of CAPEX during the first Tariff year of the Control Period.

The Authority further notes that the major portion of proposed CAPEX is towards replacement of leased assets such as Ground Handling Equipment etc., which are essential for smooth operations and better passenger facilitation. The Authority feels that the procurement of new Equipment is likely to result in cost savings on account of Interest and finance charges (which otherwise is payable under lease financing of assets). Moreover, new equipment will be under warranty during the initial years and will require lower Repairs as compared to old equipment, consequently it will result in lower R&M expenses. Considering the above, the Authority feels that CAPEX proposed by AISATS for the Third Control Period seems reasonable.

**Authority's Decisions regarding CAPEX for the Third Control Period:**

- 4.9. Based on the material before it and its analysis, the Authority decides to consider the CAPEX for the Third Control Period as per Table 4.



## CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY

### AISATS's submission on Operating Expenditure for the Third Control Period as a part of MYTP

5.1. As provided in Clause 9.4 of the Guidelines mentioned in Direction No. 04/ 2010-11, the Operation and Maintenance (O&M) Expenditure shall include all expenditures incurred by the Service Provider(s) including expenditure incurred on security operating costs, other mandated operating costs and statutory operating costs.

5.2. Operation and Maintenance Expenditure submitted by AISATS has been segregated into the following categories:

- Payroll Costs;
- Admin and General Expenses;
- Concession Fees;
- Repair and Maintenance.

5.3. As per the MYTP submission, Revenue, Operating Expenditures (OPEX) and Profitability projected by AISATS for the Third Control Period (FY 2021-22 to FY 2025-26) is as under:

**Table 6: Projected Revenue and Operating Expenditure submitted by AISATS for Third Control Period**

(₹ in lakhs)

| Particulars  | ₹ in Lakhs |           |           |           |           |           | CAGR (%) | YoY% Change |         |         |         |
|--|------------|-----------|-----------|-----------|-----------|-----------|----------|-------------|---------|---------|---------|
|  | 2021-22    | 2022-23   | 2023-24   | 2024-25   | 2025-26   | Total     |          | 2022-23     | 2023-24 | 2024-25 | 2025-26 |
| Revenue (A)  | 6,805.31   | 10,243.16 | 12,392.10 | 13,760.92 | 15,289.39 | 58,490.89 | 22%      | 51%         | 21%     | 11%     | 11%     |
| Expenditure  |            |           |           |           |           |           |          |             |         |         |         |
| Payroll Costs (a)                                      | 2,994.75   | 4,941.34  | 5,979.02  | 6,905.77  | 7,976.16  | 28,797.03 | 31%      | 65%         | 21%     | 16%     | 16%     |
| Admin & General Expenses (b)                           | 1,353.40   | 1,384.47  | 1,417.24  | 1,451.70  | 1,517.54  | 7,124.35  | 3%       | 2%          | 2%      | 2%      | 5%      |
| Concession Fees (c)                                    | 1,155.00   | 1,749.83  | 2,120.83  | 2,356.30  | 2,617.74  | 9,999.69  | 22%      | 51%         | 21%     | 11%     | 11%     |
| Repairs & Maintenance Expenditure (d)                  | 180.86     | 186.28    | 191.87    | 197.63    | 203.56    | 960.19    | 3%       | 3%          | 3%      | 3%      | 3%      |
| <b>Total Operating Exp. (B)</b><br>= Sum of (a) to (d) | 5,684.00   | 8,563.39  | 10,360.44 | 11,275.79 | 13,141.60 | 49,025.23 | 21%      | 45%         | 18%     | 12%     | 13%     |
| <b>PBIDT (A-B)</b>                                     | 1,121.30   | 1,981.24  | 2,683.14  | 2,849.52  | 2,974.39  | 11,609.63 | 28%      | 77%         | 35%     | 6%      | 4%      |
| Depreciation   | 839.95     | 857.95    | 876.68    | 918.64    | 981.99    | 4,475.21  | -        | -           | -       | -       | -       |
| Interest and Finance Cost                              | 173.24     | 159.38    | 146.63    | 134.9     | 109.11    | 723.26    | -        | -           | -       | -       | -       |
| <b>PBT</b>   | 108.11     | 963.91    | 1,659.83  | 1,795.98  | 1,883.29  | 6,411.16  | -        | -           | -       | -       | -       |
| Provision for taxation*                                | -          | -         | -         | 619.99    | 658.1     | 238.67    | -        | -           | -       | -       | -       |
| <b>PAT</b>   | 108.11     | 963.91    | 1,659.83  | 1,175.99  | 1,225.19  | 6,172.49  | -        | -           | -       | -       | -       |
| <b>Profit Margin (PAT / Revenue)</b>                   | 2%         | 9%        | 13%       | 9%        | 8%        | 11%       | -        | -           | -       | -       | -       |

\* Nil Tax Liability from FY 2021-22 till FY 2023-24 due to accumulated loss in FY 2020-21 (₹ 2753.64 lakhs).

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

5.4. The Authority's analysis of growth rates considered by the ISP in respect of various components of projected OPEX from FY 2022-23 onwards is given in the following sections: -

5.5. **Payroll Costs:** The Authority noted that payroll cost of AISATS is projected to increase on YoY basis ranging between 16% to 65% for the Third Control Period. The Authority sought justifications/assumptions pertaining to YoY increase considered in the projected Payroll Cost. The ISP in its response vide email dated 25.05.2022 stated as under: -

*"The basis of Payroll cost projection*

|                              | 2021-2022    | 2022-2023      | 2023-2024      | 2024-2025      | 2025-2026      |
|------------------------------|--------------|----------------|----------------|----------------|----------------|
| No. of Flights               | 11,702       | 17,553         | 21,064         | 23,171         | 25,487         |
|                              |              | (50% increase) | (20% increase) | (10% increase) | (10% increase) |
| No. of manpower              | 1,300        | 1,950          | 2,145          | 2,252          | 2,365          |
|                              |              | (50% increase) | (10% increase) | (5% increase)  | (5% increase)  |
| Yearly cost per manpower (₹) | 2,30,365.38  | 2,53,401.92    | 2,78,742.12    | 3,06,616.33    | 3,37,277.96    |
|                              |              | (10% increase) | (10% increase) | (10% increase) | (10% increase) |
| Total Payroll Costs (₹)      | 29,94,75,000 | 49,41,33,750   | 59,79,01,838   | 69,05,76,622   | 79,76,15,999   |

*It can be seen from the above table that there is 50% increase in no. of flights in FY 2022-23 over FY 2021-22; 20% increase in FY 2023-24 and 10% in FY 2024-25 & FY 2025-26. To cater to the requirement of the services to the increase in the flights, the management estimates 50% increase in labor force in FY 2022-23; 10% increase in FY 2023-24 and 5% in FY 2024-25 & FY 2025-26.*

*The average cost per employee paid at Bangalore is ₹2.30 lakhs per annum and the management expects 10% salary escalation on this average cost."*

The Authority noted from the above that for FY 2022-23, the payroll cost is projected to increase by 65% as compared to FY 2021-22, considering the cumulative impact of increase in manpower by 50% due to projected increase in number of flights by 50%, which is in line with projected increase in Revenues for the respective Tariff years of the Control Period and additional 10% increase in payroll cost on account of annual escalation in salaries & wages. Similarly, for subsequent years of the Control Period, projected payroll costs have been estimated considering cumulative impact of increase in manpower due to increase in nos. of flights and annual increase in salaries & wages by 10%.

In light of the above, the YoY increase in payroll costs projected by AISATS for the Third Control Period seems reasonable.

5.6. **Administrative and General Costs:** The Authority noted that AISATS had projected a nominal YoY increase ranging between 2% to 5% under Administrative and General Costs during the Third Control Period.



- 5.7. **Repair and Maintenance Costs:** The Authority noted that the projected YoY increase of 3% in Repair and Maintenance from FY 2022-23 onwards. Considering that the ISP is required to undertake day-to-day maintenance of the assets and keep the equipment in the operational state so as to provide better services to the Users, the expenditure projected under the Repairs and Maintenance seems reasonable.
- 5.8. **Concession Fee:** The Authority had examined the Concession Agreement executed between ISP and Airport Operator and notes that as per the concession agreement, AISATS is required to share a percentage (%) of its Gross Revenue with the Airport Operator. The Authority observed that YoY increase in Concession Fee projected for the Third Control Period is in line with the projected increase in Revenues.
- 5.9. The Authority further observed from the Projected P&L Statement that AISATS is likely to earn profits throughout the Third Control Period. As per the MYTP submission, ISP is likely to earn ₹108.12 lakhs profit in FY 2021-22 and profits are expected to increase to ₹ 1225.19 lakhs by the last Tariff year of the Third Control Period.

#### **Stakeholders' Comments**

##### **5.10. M/s SpiceJet's Comments on Operating Expenditure for the Third Control Period:**

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

###### **5.10.1. "Operating Expenditure (Refer 5.2 & 5.3, and Table 6 of the CP):**

*It may be noted that across various industries, instead of cost escalations, all the costs have been renegotiated downwards substantially. We are unaware as to whether AISATS has taken cost cutting measures including re-negotiations of all the cost items on its profit and loss account. It may be noted that cost incurred by AISATS impacts the airlines, as such cost is passed through or borne mostly by the airlines.*

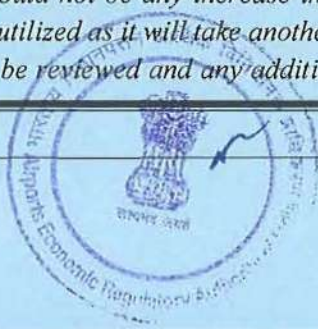
*In order to ensure that there is no adverse impact/increase in the tariff, we request AERA should:*

- a) Put on hold any increase in operational expenditure by AISATS (Refer 5.3 and Table 6 of CP).*
- b) Advise AISATS to review its spending on operational expenditure and re-negotiate all the operational expenditure costs in a significant manner and address any increase in fees sought by AISATS. AISATS may be advised to reduce its cost and no escalation should be permitted; and*
- c) In view of the above, AISATS should be directed to pass on cost benefits to the airlines.*
- d) Further, we submit that:*
  - i. Payroll Costs (Refer Table 6 and 5.5 of CP):*

*Although the activity level has gone down drastically, rather than significant reduction in the cost, the employee expenses are proposed to increase to 16% to 65 % for the Third Control Period.*

*It appears that AISATS wants to recover most of its full employee cost from the airlines, which are facing significant challenges to meet its operating expenses.*

*We submit that there should not be any increase in manpower expenses till the existing manpower is effectively utilized as it will take another two (2) - three (3) years to recover. Existing manpower can be reviewed and any additional costs due to contract manpower*



or otherwise should be reduced.

Without prejudice to the above, AISATS needs to considerably restructure its employee benefit expenses and other expenses and hold any revisions at least for the next two (2) years.

ii. Administrative & General Expenditure, Concession Fees and Repair & Maintenance Cost (Refer 5.6 and table 6)

AERA may advise AISATS to rationalize/re-negotiate all the cost/expenditure items or heads as deemed fit. Further, no escalations should be permitted under these items or heads.

It is unclear as to whether AISATS has taken cost cutting measures including re-negotiations of all the cost items on its profit and loss account. We submit that AERA may kindly freeze any increase in operational expenditure after the Tariff Year 1, and there should not be any increase in any expense or manpower.

5.10.2. Abolishment of Royalty Charges: (Refer 5.7 of the CP):

Any attempt to award the contracts by the airport operator on highest revenue share basis should be discouraged as it breeds inefficiencies and tends to disproportionately increase the cost.

It is general perception service providers has no incentive to reduce its expenses as any such increase will be passed on to the airlines through tariff determination mechanism process and indirectly airlines will be forced to bear these additional costs. There needs to be a mechanism for incentivizing the parties for increasing efficiencies and cost savings and not for increasing the royalty for the Airport Operator.

As you are aware, royalty 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. These charges are mostly passed on to the airlines by the airport operator or other services providers.

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. Sometimes it is argued by the airport operators that 'Royalty' on 'Aero Revenues' helps in subsidizing the aero charges for the airlines, however royalty in 'Non-Aero Revenues' hits the airlines directly without any benefit.

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

Notwithstanding the above, it is unclear what is the percentage of the Gross Revenue that AISATS has to share with the Airport Operator, as per their Concession Agreement. AERA is requested to please clarify on the same, especially with the background that the revenue share of AAI at major airports of Group A & B is 3% on turnover on domestic scheduled airlines and that at minor airports Group C is 5% on turnover."



**5.11. AISATS response on M/s SpiceJet comments regarding Operating Expenditure for the Third Control Period:**

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

- 5.11.1. *"M/s SpiceJet Ltd. has submitted that in spite of the activity level has gone down, there is significant increase in proposed employee costs from 16% to 65% as per Table 6 of point no. 5.5. We would like to draw the attention on the Table on page no. 14 which reflects the year on year increase in activity level i.e. no. of flights. The no. of manpower and the payroll costs is increasing in tandem with increase in no. of flights and revenue. Also, as per Table 6 on page no. 13 of the CP, the year on year increase in payroll costs is 65% in FY 2022-23 which is reducing to 16% in FY 2025-26.*
- 5.11.2. *M/s SpiceJet Ltd. has also raised its concern towards control of Operating Costs and re-negotiating the costs with the vendors and passing on the benefits to airlines. We humbly submit that AISATS has well established process of procurement of goods / services from those vendors who provide quality goods / services at the best available rates. We already have internal control mechanism in place to identify if there are any wastage or un-productive expenses. The expenses incurred by AISATS are after discussion, negotiation and removing un-productive items and wastages. The benefits of our efforts in cost control and cost reduction is already passed to the customers by way of reduction in tariff prices. Thus, we do not see any scope where the cost could significantly come down.*
- 5.11.3. *Kindly note that this is a policy related matter which needs discussion at the Ministry level. This is a contractual matter between Airport Operator and concessionaire which is prevalent at all airports and is beyond the ambit of regulatory authority. Reference to the current concession agreement, the concession fee percentages with the relevant documents have been shared with AERA.*

**5.12. Authority's Analysis regarding Stakeholders' comments on the Operating Expenditure for the Third Control Period:**

- 5.12.1. As regard to SpiceJet's comments with respect to increase in Payroll costs during the Control period. The Authority at CP stage had reviewed the YoY increase in payroll expenses considered by the ISP for the Third Control Period (Refer para 5.5 above). It may be seen from the above referred para that projected YoY increase ranging between 16% - 21% in payroll expenses (except for FY 2022-23) for the Third Control Period. YoY increase in Payroll expenses is mainly driven by two factors viz., increase in aircraft traffic volume, which is leading to commensurate increase in manpower for handling higher number of flights and impact of annual increase in salaries/ wages.

For the FY 2022-23, the ISP has considered one time increase of 65% in payroll costs over FY 2021-22, the Authority has observed that this one-time high increase is resultant of two factors i.e. increase in manpower (50% over preceding year) which is commensurate with the higher number of flights projected to be handled (50% increase over previous year) during FY 2022-23 and impact of annual escalations in payroll costs (around 10%) due to salary escalation/ increase in minimum wages etc. The cumulative impact of above factors is resulting in 65% increase in payroll expenses in FY 2022-23 as compared to FY 2021-22.

However, the Authority notes from FY 2023-24 onward, ISP has considered increase in number of manpower @ 50% of projected YoY percentage (%) increase in number of flights (refer basis for payroll projection in para 5.5 above).

In respect of SpiceJet's comments on cost cutting measures by AISATS, the Authority notes that AISATS in its counter comments has given the details of cost cutting measures (refer para 5.11.2) undertaken by the ISP to reduce operating costs and to improve operating efficiency during the Third Control Period.

5.12.2. With regard to comments of M/s. SpiceJet on abolishment of Royalty Charges/ Concession Fee payable by the ISP to the Airport Operator, the Authority notes that the Concession Fee is paid by the ISP to the Airport Operator in accordance with the Concession Agreement executed between the Service Provider and the Airport Operator. It is pertinent to mention that, as per the regulatory approach of the AERA, the royalty paid by the ISPs are treated as aeronautical revenues in the hands of Airport Operators; hence, such revenues directly help in subsidizing the aeronautical Tariff, levied by Airport Operators to Airlines. Further, the Authority considers bidding process, based on which the Royalty Charges/ Concession Fee is levied on to the ISPs by the Airport Operators, as a non-regulatory issue. Such matters may be dealt among the Stakeholders at appropriate forum.

5.12.3. AISATS, in response to comments of M/s SpiceJet seeking details of percentage of Revenue shared by ISP with the Airport Operators, vide email dated 11.08.2022 has informed that ISP is paying 21.912% of their actual Revenue or Revenue based on 90% of AERA approved Tariff, whichever is higher, as a Concession Fee to the Airport Operator (BIAL).

**Authority's decision regarding Operation and Maintenance Expenses for the Third Control Period:**

5.13. Based on the material before it and its analysis, the Authority decides to consider OPEX for the Third Control Period as per Table 6.

## CHAPTER 6: ANNUAL TARIFF PROPOSAL

### AISATS Submissions on Annual Tariff Proposal for the Third Control Period as a part of MYTP

6.1 AISATS has submitted a Tariff proposal for Ground Handling Services in respect of Scheduled Flights at for the Third Control Period (FY 2021-22 to FY 2025-26) as given in the table below:

**Table 7: Proposed Tariff Rates for Scheduled Flights submitted by AISATS for the Third Control Period**

(Rates in ₹)

| Sr. No. | Aircraft Types | Maximum Rates for Tariff Year FY 2021-22 |        |               |                      |          |               |                 |                      |
|---------|----------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|         |                | Passenger                                |        |               |                      |          |               | Freighter       |                      |
|         | (ICAO Code)    | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B         | 5,217                                    | 9,690  | 14,907        | 14,609               | 27,131   | 41,740        | NA              | NA                   |
| 2       | CODE C         | 6,991                                    | 12,984 | 19,975        | 38,088               | 70,735   | 1,08,823      | 67,082          | 1,63,234             |
| 3       | CODE D         | 11,186                                   | 20,775 | 31,961        | 57,393               | 1,06,586 | 1,63,979      | 1,16,276        | 1,80,377             |
| 4       | CODE E         | 23,479                                   | 43,603 | 67,082        | 73,045               | 1,35,656 | 2,08,701      | 1,40,218        | 2,45,969             |
| 5       | CODE F         | 41,740                                   | 77,518 | 1,19,258      | 1,03,307             | 1,91,856 | 2,95,163      | 1,90,663        | 3,54,196             |

| Sr. No. | Aircraft Types | Maximum Rates for Tariff Year FY 2022-23 |        |               |                      |          |               |                 |                      |
|---------|----------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|         |                | Passenger                                |        |               |                      |          |               | Freighter       |                      |
|         | (ICAO Code)    | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B         | 5,478                                    | 10,174 | 15,652        | 15,339               | 28,488   | 43,827        | NA              | NA                   |
| 2       | CODE C         | 10,487                                   | 19,476 | 29,963        | 39,992               | 74,272   | 1,14,264      | 70,436          | 1,71,396             |
| 3       | CODE D         | 11,746                                   | 21,813 | 33,559        | 60,262               | 1,11,916 | 1,72,178      | 1,22,090        | 1,89,396             |
| 4       | CODE E         | 35,218                                   | 65,405 | 1,00,623      | 76,698               | 1,42,438 | 2,19,136      | 1,47,229        | 2,58,267             |
| 5       | CODE F         | 43,827                                   | 81,394 | 1,25,221      | 1,08,472             | 2,01,449 | 3,09,921      | 2,00,196        | 3,71,906             |



| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2023-24 |        |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |        |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 5,752                                    | 10,683 | 16,435        | 16,106               | 29,912   | 46,018        | NA              | NA                   |
| 2       | CODE C                        | 11,011                                   | 20,450 | 31,461        | 41,992               | 77,985   | 1,19,977      | 73,958          | 1,79,965             |
| 3       | CODE D                        | 12,333                                   | 22,904 | 35,237        | 63,275               | 1,17,512 | 1,80,787      | 1,28,194        | 1,98,866             |
| 4       | CODE E                        | 36,979                                   | 68,675 | 1,05,654      | 80,533               | 1,49,560 | 2,30,093      | 1,54,590        | 2,71,181             |
| 5       | CODE F                        | 46,019                                   | 85,463 | 1,31,482      | 1,13,896             | 2,11,521 | 3,25,417      | 2,10,206        | 3,90,501             |

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2024-25 |        |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |        |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 6,040                                    | 11,217 | 17,257        | 16,912               | 31,407   | 48,319        | NA              | NA                   |
| 2       | CODE C                        | 11,562                                   | 21,472 | 33,034        | 44,092               | 81,884   | 1,25,976      | 77,656          | 1,88,964             |
| 3       | CODE D                        | 12,950                                   | 24,049 | 36,999        | 66,439               | 1,23,387 | 1,89,826      | 1,34,604        | 2,08,809             |
| 4       | CODE E                        | 38,828                                   | 72,109 | 1,10,937      | 84,559               | 1,57,038 | 2,41,597      | 1,62,320        | 2,84,740             |
| 5       | CODE F                        | 48,320                                   | 89,736 | 1,38,056      | 1,19,591             | 2,22,097 | 3,41,688      | 2,20,716        | 4,10,026             |

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2025-26 |        |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |        |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 6,342                                    | 11,778 | 18,120        | 17,757               | 32,978   | 50,735        | NA              | NA                   |
| 2       | CODE C                        | 12,140                                   | 22,545 | 34,685        | 46,296               | 85,979   | 132,275       | 81,539          | 1,98,412             |
| 3       | CODE D                        | 13,597                                   | 25,252 | 38,849        | 69,761               | 1,29,556 | 199,317       | 1,41,334        | 2,19,249             |
| 4       | CODE E                        | 40,769                                   | 75,715 | 1,16,484      | 88,787               | 1,64,890 | 253,677       | 1,70,436        | 2,98,977             |
| 5       | CODE F                        | 50,736                                   | 94,223 | 1,44,959      | 1,25,570             | 2,33,202 | 358,772       | 2,31,752        | 4,30,527             |



**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 taxes which will be charged at the prevailing rates.
- 5) Exchange rate used for contracts signed in USD: 1 USD = 75 INR.

**Table 8: Percentage (%) increase in Tariff for different categories of Scheduled Flights for the Third 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 |
| <b>Domestic Passenger Flights</b>      |            |      |      |            |      |      |            |      |      |            |      |      |
| CODE B                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE C                                 | 50%        | 50%  | 50%  | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE D                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE E                                 | 50%        | 50%  | 50%  | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE F                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| <b>International Passenger Flights</b> |            |      |      |            |      |      |            |      |      |            |      |      |
| CODE B                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE C                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE D                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE E                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| CODE F                                 | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   | 5%         | 5%   | 5%   |
| <b>Domestic Cargo Flights</b>          |            |      |      |            |      |      |            |      |      |            |      |      |
| CODE C                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| CODE D                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| CODE E                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| CODE F                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| <b>International Cargo Flights</b>     |            |      |      |            |      |      |            |      |      |            |      |      |
| CODE C                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| CODE D                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| CODE E                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |
| CODE F                                 | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   | NA         | 5%   | NA   |

6.2 AISATS also submitted a separate Tariff Rate Card for Non-Scheduled Operation(s) as per the table given below: -



**Table 9: Proposed Tariff Rates for Non-Scheduled Flights submitted by AISATS for the Third Control Period**

(Rates in ₹)

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2021-22 |          |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|----------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Non-Scheduled Aircraft                   |          |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |          |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |          |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp     | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 8,871                                    | 16,474   | 25,345        | 24,836               | 46,124   | 70,960        | NA              | NA                   |
| 2       | CODE C                        | 11,886                                   | 22,074   | 33,960        | 64,750               | 1,20,250 | 1,85,000      | 1,14,040        | 2,77,498             |
| 3       | CODE D                        | 19,017                                   | 35,318   | 54,335        | 97,568               | 1,81,197 | 2,78,765      | 1,97,670        | 3,06,645             |
| 4       | CODE E                        | 39,914                                   | 74,126   | 1,14,040      | 1,24,178             | 2,30,617 | 3,54,795      | 2,38,375        | 4,18,150             |
| 5       | CODE F                        | 70,959                                   | 1,31,780 | 2,02,739      | 1,75,622             | 3,26,155 | 5,01,777      | 3,24,130        | 6,02,135             |

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2022-23 |          |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|----------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Non-Scheduled Aircraft                   |          |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |          |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |          |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp     | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 9,313                                    | 17,295   | 26,608        | 26,077               | 48,429   | 74,506        | NA              | NA                   |
| 2       | CODE C                        | 17,828                                   | 33,109   | 50,937        | 67,987               | 1,26,262 | 1,94,249      | 1,19,741        | 2,91,373             |
| 3       | CODE D                        | 19,968                                   | 37,083   | 57,050        | 1,02,446             | 1,90,257 | 2,92,703      | 2,07,553        | 3,21,973             |
| 4       | CODE E                        | 59,871                                   | 1,11,188 | 1,71,059      | 1,30,386             | 2,42,145 | 3,72,531      | 2,50,289        | 4,39,054             |
| 5       | CODE F                        | 74,507                                   | 1,38,369 | 2,12,876      | 1,84,403             | 3,42,463 | 5,26,866      | 3,40,333        | 6,32,240             |

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2023-24 |          |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|----------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Non-Scheduled Aircraft                   |          |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |          |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |          |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp     | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 9,779                                    | 18,160   | 27,939        | 27,381               | 50,850   | 78,231        | NA              | NA                   |
| 2       | CODE C                        | 18,719                                   | 34,765   | 53,484        | 71,386               | 1,32,575 | 2,03,961      | 1,25,728        | 3,05,942             |
| 3       | CODE D                        | 20,966                                   | 38,937   | 59,903        | 1,07,568             | 1,99,770 | 3,07,338      | 2,17,931        | 3,38,072             |
| 4       | CODE E                        | 62,864                                   | 1,16,748 | 1,79,612      | 1,36,905             | 2,54,253 | 3,91,158      | 2,62,804        | 4,61,007             |
| 5       | CODE F                        | 78,232                                   | 1,45,287 | 2,23,519      | 1,93,623             | 3,59,586 | 5,53,209      | 3,57,350        | 6,63,852             |

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2024-25 |        |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Non-Scheduled Aircraft                   |        |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |        |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 10,268                                   | 19,068 | 29,336        | 28,750               | 53,393   | 82,143        | NA              | NA                   |
| 2       | CODE C                        | 19,655                                   | 36,503 | 56,158        | 74,956               | 1,39,203 | 2,14,159      | 132,015         | 3,21,239             |
| 3       | CODE D                        | 22,014                                   | 40,884 | 62,898        | 1,12,947             | 2,09,758 | 3,22,705      | 228,827         | 3,54,975             |



|   |        |        |          |          |          |          |          |         |          |
|---|--------|--------|----------|----------|----------|----------|----------|---------|----------|
| 4 | CODE E | 66,008 | 1,22,585 | 1,88,593 | 1,43,751 | 2,66,965 | 4,10,716 | 275,944 | 4,84,057 |
| 5 | CODE F | 82,143 | 1,52,552 | 2,34,695 | 2,03,304 | 3,77,565 | 5,80,869 | 375,217 | 6,97,045 |

| Sr. No. | Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2025-26 |          |               |                      |          |               |                 |                      |
|---------|-------------------------------|--|----------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|         |                               | Non-Scheduled Aircraft                   |          |               |                      |          |               |                 |                      |
|         |                               | Passenger                                |          |               |                      |          |               | Freighter       |                      |
|         |                               | Domestic Flight                          |          |               | International Flight |          |               | Domestic Flight | International Flight |
|         |                               | Passenger                                | Ramp     | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| 1       | CODE B                        | 10,781                                   | 20,022   | 30,803        | 30,188               | 56,063   | 86,250        | NA              | NA                   |
| 2       | CODE C                        | 20,638                                   | 38,328   | 58,966        | 78,703               | 1,46,164 | 2,24,867      | 1,38,615        | 3,37,301             |
| 3       | CODE D                        | 23,115                                   | 42,928   | 66,043        | 1,18,594             | 2,20,246 | 3,38,840      | 2,40,269        | 3,72,724             |
| 4       | CODE E                        | 69,308                                   | 1,28,714 | 1,98,022      | 1,50,938             | 2,80,313 | 4,31,251      | 2,89,741        | 5,08,260             |
| 5       | CODE F                        | 86,251                                   | 1,60,180 | 2,46,430      | 2,13,470             | 3,96,443 | 6,09,913      | 3,93,978        | 7,31,897             |

**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 taxes which will be charged at the prevailing rates.
- 5) Exchange rate used for contracts signed in USD: 1 USD = 75 INR

**Authority's Examination regarding Annual Tariff Proposal at Consultation Stage:**

- 6.3 The Authority observed that in case of Domestic (Scheduled & Non-Scheduled) Flights, the ISP, for FY 2022-23 proposed 50% increase in rates for Code C & E type aircrafts as compared to prevailing rates (FY 2021-22).
- 6.4 The Authority sought clarification in respect of increase proposed in Tariff rates under aforesaid categories. AISATS vide email 12.05.2022 informed that majority of the Traffic movements at Bengaluru Airport and major portion of their operating cost is incurred for these categories of aircrafts. The ISP further stated that due to Covid-19, the operations of these categories of aircrafts were impacted the most and in order to cover up for annual inflation, increase in operating costs, a one-time annual increase in rates for these categories are proposed.
- 6.5 The Authority further observed that in case of other categories of aircraft types under Domestic Flights (Scheduled & Non-Scheduled) and International Flights, AISATS proposed a uniform increase of 5% YoY from FY 2022-23 onwards.
- 6.6 The Authority noted that AISATS proposed a separate Tariff for Non-Scheduled Flights. In this regard, the Authority is of the view that the Tariff for Domestic Non-Schedule Flights should not be more than the Tariff of relevant Domestic Schedule Flights for similar class of Aircraft(s). However, the Authority proposes to consider the separate Tariff in case of International Non-Schedule Flights only, as per Table 9 given above.



- 6.7 The Authority feels that competition among the three service providers at KIA, Bengaluru will result in moderation of Tariff rates for Users.
- 6.8 The Authority proposed 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 the rate as on the 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.9 Further, AISATS should ensure compliance of Standardization of Ground Handling Equipment at Bengaluru Airport, 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**

##### **6.10 M/s SpiceJet's Comments on Annual Tariff Proposal (ATP) for the Third Control Period:**

*"At the onset we submit that the rates of increase in tariff are very high, especially in the backdrop of COVID-19. It is in the interest of all the stakeholders not to increase the tariffs in order to encourage middle class people to travel by air, which will help in sharp postCovID-19 recovery of aviation sector. We humbly request you that no hike should be granted to AISATS, in the interest of all the stakeholders, and no increase may be granted in the Third Control Period.*

*Without prejudice to the above, the tariff as well as the proposed rate of increase in tariff are very high, especially for the Domestic Passenger Flights that too in the backdrop of COVID-19, highlighted with an increase of 50% for Code C and E aircraft. In addition, we see no merit in loading the Code C and Code E aircraft with exorbitant increase 50% in FY 2022-23, while the others (Code A, B, D, & F) are proposed for only 5% increase. This appears to be discriminatory, since the same services would be utilized by all stakeholders, and resultantly, all stakeholders should be equally burdened, if any.*

*We further submit that the projected profit after taxation as per Form F3 appears to be in the region of INR 50 Crs. over the Third Control Period. This projected profit is in stark contrast with the current and projected losses of airlines, which may run into thousands of crores over the third control period due to the disastrous effects of COVID-19. Hence this makes a strong case of no increase in tariff, for your kind consideration."*

##### **6.11 AISATS response on M/s SpiceJet comments regarding Annual Tariff Proposal for the Third Control Period:**

AISATS response to M/s SpiceJet's comments:

*"The approved AERA ceiling rate has no correlation with the Handling rates charged to the airlines. Every airline has a separate handling rate depending on the services requested and the negotiation with the ISP. However, we have noted your concerns for any future approvals.*

*The profits derived and accrued at Bangalore for the Third Control Period is after considering the ceiling tariff rates. The rates approved by AERA are ceiling tariff rates i.e. the maximum rates the Ground Handler can charged to the customers. However, our Customer Airlines are charged based upon the negotiation and discussion and considering multiple factors which are less than the ceiling rates approved by AERA. Thus, the projected revenue would decline and thus the profitability would decline."*

##### **6.12 Authority's Analysis regarding Stakeholders' comments on Annual Tariff Proposal for the Third Control Period:**

- 6.12.1. As regard to the comments of M/s SpiceJet on the proposed increase in Tariff rates, the Authority notes the submission of M/s AISATS that Tariff that would be charged to airlines are different, from the



ceiling Tariff approved by the Authority, as the rates are negotiable depending on the services requested.

- 6.12.2. The Authority feels that considering the investments made/ projected by the ISP on Ground Handling Equipment and associated facilities and factoring in the periodic increase in the minimum wages rates and impact of general inflation on operating expenditure, AISATS requires adequate revenue to cover up for YoY increase in operating expenses, which are projected to increase in line with increase projected in Aircraft Traffic/ Revenue during the Third Control Period.

Further, it is pertinent to mention that the Tariff for AISATS, Bengaluru has not increased since FY 2016-17; whereas, operating expenditure over the same period has increased significantly due to factors like annual increase in payroll expenses, impact of general inflation on other operating expenses etc.

In view of the above, increase in Tariff Rates proposed by the AISATS for the Third Control period seems reasonable.

- 6.12.3. The Authority also notes that at there are three players (including AISATS) providing Ground Handling Services and it is expected that market competition will help in moderating Service Charges for the end Users. As regard to tariff increase proposed for aircraft codes “C” & “E”, ISP clarified that majority of the traffic movements and major portion of their operating costs are related to these categories of aircrafts, hence higher tariff for these categories of aircrafts has been proposed to coverup for increase in associated operating costs.

#### **6.13 Authority’s Decisions regarding Tariff for the Third Control Period:**

Based on the material before it and its analysis, the Authority decides the following about Tariff structure and Annual Tariff Proposal for the Third Control Period:

- 6.13.1. The Authority decides to consider the Tariff Rate card submitted by the AISATS for Third Control Period **(as per Annexure I)** for Scheduled Flights and International Non-Scheduled & General Aviation Operations **(as per Annexure-II)**.
- 6.13.2. The Authority decides that the Tariff Rates indicated in **Annexures (I & II)** shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- 6.13.3. The Authority decides that Tariff for Domestic Non-Scheduled & General Aviation Operations shall not exceed the approved Tariffs for relevant Domestic Scheduled Flights for similar class of Aircraft(s).
- 6.13.4. 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.13.5. The Authority also decides that AISATS should ensure compliance towards Standardization of Ground Handling Equipment at Bengaluru Airport, 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 Authority's decisions (given under each chapter) regarding the Tariff determination of AISATS, Bengaluru, for the Third Control Period are as under:

| Chapter       | Para   | Summary of Authority's Decisions   | Page No. |
|---------------|--------|--|----------|
| Chapter No.2  | 2.12   | The Authority decides to consider the Tariff determination exercise of AISATS for providing Ground Handling Services at Kempegowda International Airport, Bengaluru under the <b>"Light Touch Approach"</b> for the Third Control Period, as the regulated service is deemed to be <b>'Material but Competitive'</b> . | 8        |
| Chapter No. 3 | 3.9    | The Authority decides to consider the Aircraft Traffic (Flights to be handled) in respect of AISATS for the Third Control Period as per Table 3.   | 10       |
| Chapter No. 4 | 4.9    | The Authority decides to consider the CAPEX for the Third Control Period as per Table 4.   | 13       |
| Chapter No. 5 | 5.13   | The Authority decides to consider OPEX for the Third Control Period as per Table 6.  | 19       |
| Chapter No. 6 | 6.13.1 | The Authority decides to consider the Tariff Rate card submitted by the AISATS for Third Control Period ( <b>as per Annexure I</b> ) for Scheduled Flights and International Non-Scheduled & General Aviation Operations ( <b>as per Annexure-II</b> ).  | 26       |
|               | 6.13.2 | The Authority decides that the Tariff Rates indicated in <b>Annexures (I &amp; II)</b> shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.  |          |
|               | 6.13.3 | The Authority decides that Tariff for Domestic Non-Scheduled & General Aviation Operations shall not exceed the approved Tariffs for relevant Domestic Scheduled Flights for similar class of Aircraft(s).   |          |
|               | 6.13.4 | 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 15 <sup>th</sup> of the month will be applicable for the second fortnight.   |          |
|               | 6.13.5 | The Authority also decides that AISATS should ensure compliance towards Standardization of Ground Handling Equipment at Bengaluru Airport, 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 AISATS, the Authority, in exercise of powers conferred upon it by Section 13(1)(a) of the AERA Act, 2008, hereby orders that:

- (i) The Ground Handling services being provided by M/s Air India SATS Airport Services Private Limited (AISATS) at Kempegowda International Airport, Bengaluru is "**Material but Competitive**". Therefore, the Authority decides to adopt '**Light Touch Approach**' for determination of Tariff for the Third Control Period (FY 2021-22 to FY 2025-26).
- (ii) The Authority decides that the Tariff Rates indicated in **Annexure (I & II)** 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 & General Aviation Operations shall not exceed the approved Tariff for relevant Domestic Scheduled Flights for similar class of aircraft(s).
- (iv) 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- (v) The Tariff determined herein above is excluding of applicable taxes, if any.
- (vi) The Tariff Order shall be made effective from **01.10.2022**.
- (vii) 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 Air India SATS Airport Services Private Limited (AISATS)**  
16<sup>th</sup> Floor, Commerz II, International Business Park,  
Oberoi Garden City, Off Western Express highway,  
Goregaon (East), Mumbai - 400063  
(Through: Shri Sanjay Gupta, Chief Executive Officer)

Copy to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
2. Shri Hari Marar, CEO, Bangalore International Airport Limited, Bravo 1, Administration Block Kempegowda International Airport, Bengaluru, Devanahalli - 560300, India.



**ANNEXURE I****APPROVED TARIFF RATE CARD FOR AISATS PROVIDING GROUND HANDLING SERVICES  
AT KEMPEGOWDA INTERNATIONAL AIRPORT, BENGALURU**

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

**REVISED TARIFF RATES ARE EFFECTIVE FROM 01.10.2022**

(Rates in ₹)

| Aircraft<br>Types | Maximum Rates for Tariff Year FY 2022-23 |        |                    |                      |          |                    |                    |                         |
|-------------------|--|--------|--------------------|----------------------|----------|--------------------|--------------------|-------------------------|
|                   | Scheduled Aircraft                       |        |                    |                      |          |                    |                    |                         |
|                   | Passenger                                |        |                    |                      |          |                    | Freighter          |                         |
| (ICAO<br>Code)    | Domestic Flight                          |        |                    | International Flight |          |                    | Domestic<br>Flight | International<br>Flight |
|                   | Passenger                                | Ramp   | Compre-<br>hensive | Passenger            | Ramp     | Compre-<br>hensive |                    |                         |
| CODE B            | 5,478                                    | 10,174 | 15,652             | 15,339               | 28,488   | 43,827             | NA                 | NA                      |
| CODE C            | 10,487                                   | 19,476 | 29,963             | 39,992               | 74,272   | 1,14,264           | 70,436             | 1,71,396                |
| CODE D            | 11,746                                   | 21,813 | 33,559             | 60,262               | 1,11,916 | 1,72,178           | 1,22,090           | 1,89,396                |
| CODE E            | 35,218                                   | 65,405 | 1,00,623           | 76,698               | 1,42,438 | 2,19,136           | 1,47,229           | 2,58,267                |
| CODE F            | 43,827                                   | 81,394 | 1,25,221           | 1,08,472             | 2,01,449 | 3,09,921           | 2,00,196           | 3,71,906                |

| Aircraft<br>Types | Maximum Rates for Tariff Year FY 2023-24 |        |                    |                      |          |                    |                    |                         |
|-------------------|--|--------|--------------------|----------------------|----------|--------------------|--------------------|-------------------------|
|                   | Scheduled Aircraft                       |        |                    |                      |          |                    |                    |                         |
|                   | Passenger                                |        |                    |                      |          |                    | Freighter          |                         |
| (ICAO<br>Code)    | Domestic Flight                          |        |                    | International Flight |          |                    | Domestic<br>Flight | International<br>Flight |
|                   | Passenger                                | Ramp   | Compre-<br>hensive | Passenger            | Ramp     | Compre-<br>hensive |                    |                         |
| CODE B            | 5,752                                    | 10,683 | 16,435             | 16,106               | 29,912   | 46,018             | NA                 | NA                      |
| CODE C            | 11,011                                   | 20,450 | 31,461             | 41,992               | 77,985   | 1,19,977           | 73,958             | 1,79,965                |
| CODE D            | 12,333                                   | 22,904 | 35,237             | 63,275               | 1,17,512 | 1,80,787           | 1,28,194           | 1,98,866                |
| CODE E            | 36,979                                   | 68,675 | 1,05,654           | 80,533               | 1,49,560 | 2,30,093           | 1,54,590           | 2,71,181                |
| CODE F            | 46,019                                   | 85,463 | 1,31,482           | 1,13,896             | 2,11,521 | 3,25,417           | 2,10,206           | 3,90,501                |



| Aircraft Types | Maximum Rates for Tariff Year FY 2024-25 |        |               |                      |          |               |                 |                      |
|----------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|                | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|                | Passenger                                |        |               |                      |          |               | Freighter       |                      |
| (ICAO Code)    | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|                | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| CODE B         | 6,040                                    | 11,217 | 17,257        | 16,912               | 31,407   | 48,319        | NA              | NA                   |
| CODE C         | 11,562                                   | 21,472 | 33,034        | 44,092               | 81,884   | 1,25,976      | 77,656          | 1,88,964             |
| CODE D         | 12,950                                   | 24,049 | 36,999        | 66,439               | 1,23,387 | 1,89,826      | 1,34,604        | 2,08,809             |
| CODE E         | 38,828                                   | 72,109 | 1,10,937      | 84,559               | 1,57,038 | 2,41,597      | 1,62,320        | 2,84,740             |
| CODE F         | 48,320                                   | 89,736 | 1,38,056      | 1,19,591             | 2,22,097 | 3,41,688      | 2,20,716        | 4,10,026             |

| Aircraft Types | Maximum Rates for Tariff Year FY 2025-26 |        |               |                      |          |               |                 |                      |
|----------------|--|--------|---------------|----------------------|----------|---------------|-----------------|----------------------|
|                | Scheduled Aircraft                       |        |               |                      |          |               |                 |                      |
|                | Passenger                                |        |               |                      |          |               | Freighter       |                      |
| (ICAO Code)    | Domestic Flight                          |        |               | International Flight |          |               | Domestic Flight | International Flight |
|                | Passenger                                | Ramp   | Comprehensive | Passenger            | Ramp     | Comprehensive |                 |                      |
| CODE B         | 6,342                                    | 11,778 | 18,120        | 17,757               | 32,978   | 50,735        | NA              | NA                   |
| CODE C         | 12,140                                   | 22,545 | 34,685        | 46,296               | 85,979   | 1,32,275      | 81,539          | 1,98,412             |
| CODE D         | 13,597                                   | 25,252 | 38,849        | 69,761               | 1,29,556 | 1,99,317      | 1,41,334        | 2,19,249             |
| CODE E         | 40,769                                   | 75,715 | 1,16,484      | 88,787               | 1,64,890 | 2,53,677      | 1,70,436        | 2,98,977             |
| CODE F         | 50,736                                   | 94,223 | 1,44,959      | 1,25,570             | 2,33,202 | 3,58,772      | 2,31,752        | 4,30,527             |

\*Tariff for Domestic Scheduled Flights are also applicable to Domestic Non-Scheduled Flights & General Aviation Operations

**Notes:**

- Above Tariff Rates are excluding of all applicable taxes, if any.
- 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 the rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.



**ANNEXURE II****APPROVED TARIFF RATE CARD FOR AISATS PROVIDING GROUND HANDLING SERVICES  
AT KEMPEGOWDA INTERNATIONAL AIRPORT, BENGALURU**

Maximum rates to be levied for International Non-Scheduled Flights in respect of  
Ground Handling Services for the Third Control Period (FY 2021-22 to FY 2025-26)

**REVISED TARIFF RATES ARE EFFECTIVE FROM 01.10.2022**

(Rates in ₹)

| Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2022-23 |          |               |                      |
|-------------------------------|--|----------|---------------|----------------------|
|                               | Non- Scheduled Aircraft                  |          |               |                      |
|                               | Passenger                                |          |               | Freighter            |
|                               | International Flight                     |          |               | International Flight |
|                               | Passenger                                | Ramp     | Comprehensive |                      |
| CODE B                        | 26,077                                   | 48,429   | 74,506        | NA                   |
| CODE C                        | 67,987                                   | 1,26,262 | 1,94,249      | 2,91,373             |
| CODE D                        | 1,02,446                                 | 1,90,257 | 2,92,703      | 3,21,973             |
| CODE E                        | 1,30,386                                 | 2,42,145 | 3,72,531      | 4,39,054             |
| CODE F                        | 1,84,403                                 | 3,42,463 | 5,26,866      | 6,32,240             |

| Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2023-24 |          |               |                      |
|-------------------------------|--|----------|---------------|----------------------|
|                               | Non-Scheduled Aircraft                   |          |               |                      |
|                               | Passenger                                |          |               | Freighter            |
|                               | International Flight                     |          |               | International Flight |
|                               | Passenger                                | Ramp     | Comprehensive |                      |
| CODE B                        | 27,381                                   | 50,850   | 78,231        | NA                   |
| CODE C                        | 71,386                                   | 1,32,575 | 2,03,961      | 3,05,942             |
| CODE D                        | 1,07,568                                 | 1,99,770 | 3,07,338      | 3,38,072             |
| CODE E                        | 1,36,905                                 | 2,54,253 | 3,91,158      | 4,61,007             |
| CODE F                        | 1,93,623                                 | 3,59,586 | 5,53,209      | 6,63,852             |



| Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2024-25 |          |               |                      |
|-------------------------------|--|----------|---------------|----------------------|
|                               | Non-Scheduled Aircraft                   |          |               |                      |
|                               | Passenger                                |          |               | Freighter            |
|                               | International Flight                     |          |               | International Flight |
|                               | Passenger                                | Ramp     | Comprehensive |                      |
| CODE B                        | 28,750                                   | 53,393   | 82,143        | NA                   |
| CODE C                        | 74,956                                   | 1,39,203 | 2,14,159      | 3,21,239             |
| CODE D                        | 1,12,947                                 | 2,09,758 | 3,22,705      | 3,54,975             |
| CODE E                        | 1,43,751                                 | 2,66,965 | 4,10,716      | 4,84,057             |
| CODE F                        | 2,03,304                                 | 3,77,565 | 5,80,869      | 6,97,045             |

| Aircraft Types<br>(ICAO Code) | Maximum Rates for Tariff Year FY 2025-26 |          |               |                      |
|-------------------------------|--|----------|---------------|----------------------|
|                               | Non-Scheduled Aircraft                   |          |               |                      |
|                               | Passenger                                |          |               | Freighter            |
|                               | International Flight                     |          |               | International Flight |
|                               | Passenger                                | Ramp     | Comprehensive |                      |
| CODE B                        | 30,188                                   | 56,063   | 86,250        | NA                   |
| CODE C                        | 78,703                                   | 1,46,164 | 2,24,867      | 3,37,301             |
| CODE D                        | 1,18,594                                 | 2,20,246 | 3,38,840      | 3,72,724             |
| CODE E                        | 1,50,938                                 | 2,80,313 | 4,31,251      | 5,08,260             |
| CODE F                        | 2,13,470                                 | 3,96,443 | 6,09,913      | 7,31,897             |

**Notes:**

- Above Tariff Rates are excluding of all applicable taxes, if any.
- 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 the rate as on the 15<sup>th</sup> of the month will be applicable for the second fortnight.

