

फा. सं. ऐरा/20010/एमवाईटीपी//बी.डब्ल्यू.एफ.एस(आई)/जीएच/डेलही/सीपी-III/2021-26

File No. AERA/20010/MYTP/BWFS(I)/GH/DEL/CP-III/2021-26

आदेश संख्या 34/2022-23

Order No. 34/2022-23



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

मैसर्स बर्ड वर्ल्डवाइड फ्लाइट सर्विसेज (इंडिया) प्राइवेट लिमिटेड, बी.डब्ल्यू.एफ.एस (आई)  
द्वारा इंदिरा गांधी अंतरराष्ट्रीय हवाईअड्डा (आईजीआईए), दिल्ली  
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 BIRD WORLDWIDE FLIGHT SERVICES (INDIA) PRIVATE LIMITED, BWFS(I) AT**  
**INDIRA GANDHI INTERNATIONAL AIRPORT (IGIA), DELHI**  
**FOR THE THIRD CONTROL PERIOD**  
**(FY 2021-22 TO FY 2025-26)**

जारी करने की तारीख: 29/दिसम्बर, 2022

Date of Issue: 29/ DECEMBER,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:**

ACU	Air Conditioning Unit
AERA / Authority	Airports Economic Regulatory Authority of India
AOC	Airline Operators Committee
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
BAOA	Business Aircraft Operators Association
BWFSIPL	M/s Bird Worldwide Flight Services (India) Private Limited
CAPEX	Capital Expenditure
CASIPL	Celebi Airport Services India Pvt. Ltd.
COD	Commercial Operation Date
CGF	Cargo, Ground Handling & Supply of Fuel
DIAL	Delhi International Airport Limited
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
GGIPL	Globe Ground India Pvt. Ltd.
HOTAC	Hotel Accommodation
IGIA	Indira Gandhi International Airport
INAD	Inadmissible Passenger
INR/ ₹	Indian Rupees
ISP	Independent Service Provider
LoI	Letter of Intent
MYTP	Multi-Year Tariff Proposal
OPEX	Operating Expenditure
O&M	Operation and Maintenance
PAT	Profit After Tax
P&L	Profit & Loss
SGHA	Standard Ground Handling Agreement
YoY	Year on Year





## CHAPTER 1: INTRODUCTION

- 1.1 M/s Bird Worldwide Flight Services (India) Private Limited, hereinafter referred as “BWFS(I)”, is one of the leading companies providing Ground Handling Services (GHS) to Airlines in India. BWFS(I) is a part of Bird Group, which along with its associate companies and group companies, currently providing Ground Handling Services at various airports across India.

The shareholding pattern of the BWFS(I) is given as below:

**Table 1: Summary of Shareholding Structure of BWFS(I) at IGIA, Delhi:**

Name of Shareholder	No. of Equity Shares	Equity Holding (%)
Mr. Gaurav Bhatia	37500	50%
Mrs. Radha Bhatia	37500	50%
<b>TOTAL</b>	<b>75000</b>	<b>100%</b>

- 1.2 M/s BWFS(I) is one of the three Ground Handling Agencies appointed by the Airport Operator namely Delhi International Airport Private Limited (DIAL) through a ten-year concession agreement for rendering Ground Handling Services (GHS) at Indira Gandhi International Airport (IGIA), Delhi which was valid up to 31.12.2019. Subsequently, through a fresh bidding process, BWFS(I) had been awarded the concession for GHS for another 10 years effective from 01.02.2020 and valid up to 31.01.2030.
- 1.3 The Authority, vide Order No. 08/2017-18 dated 22.08.2017 determined the tariff for the Ground Handling Services provided by M/s BWFS(I) at IGIA, Delhi under “Light Touch Approach” for the first & second tariff years i.e. up to 31.03.2018 of the Second Control Period (01.04.2016 to 31.03.2021).
- 1.4 The Authority, vide interim Order No. 43/2017-18 dated 28.03.2018, extended the tariff prevailing as on 31.03.2018 for a period of six months i.e. up to 30.09.2018. Further, the Authority vide Order No. 25/2018-19 dated 12.10.2018 extended tariff prevailing (as on 30.09.2018) for another six months i.e. up to 31.03.2019. Considering that the concessional agreement of BWFS(I) with DIAL was valid up to 31.12.2019, the Authority, vide Order No. 48/2018-19 & further, Order No. 07/2019-20 extended the tariff prevailing as on 31.03.2019 up to 31.12.2019.
- 1.5 M/s DIAL informed that the fresh contract for Ground Handling Services at IGIA, Delhi has been awarded to BWFS(I) for another 10 years effective from 01.02.2020. Accordingly, the Authority issued the following interim orders in respect of BWFS(I) for providing Ground Handling Services at IGIA, Delhi:
- 1.5.1 Order No. 20/2019-20 dated 03.01.2020 valid up to 30.06.2020;
- 1.5.2 Order No. 09/2020-21 dated 01.06.2020 valid up to 31.03.2021;
- 1.5.3 Order No. 67/2020-21 dated 25.03.2021 valid up to 30.09.2021;
- 1.5.4 Order No. 31/2021-22 dated 15.09.2021 valid up to 31.03.2022;
- 1.5.5 Order No. 46/2021-22 dated 17.03.2022 valid up to 30.09.2022;
- 1.5.6 Order No. 24/2022-23 dated 23.09.2022 valid up to 31.03.2023;
- 1.6 Bureau of Civil Aviation Security has granted the security clearance to BWFS(I) on 05.08.2020, 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.
- 1.7 As per the provisions of the AERA (CGF) Guidelines 2011, BWFS(I) submitted the Multi-Year Tariff Proposal (‘MYTP’) on 24.02.2022 for determination of Tariff for providing Ground Handling Services





at Indira Gandhi International Airport (IGIA), New Delhi for the Third Control Period (FY 2021-22 to FY 2025-26).

- 1.8 The Authority, after initial scrutiny of the MYTP/ ATP submissions of BWFS(I) observed some shortcomings/information gaps, over which clarifications/details were sought from BWFS(I) from time to time. After regular follow-up and several meetings/ discussions, BWFS(I) submitted the revised MYTP for the Third Control Period on 10.06.2022.
- 1.9 The Authority, carefully examined the MYTP for the Third Control Period submitted by the BWFS(I) in respect of Ground Handling Services being provided at Indira Gandhi International Airport (IGIA), Delhi and issued its Consultation Paper (CP) No. 05/2022-23 dated 12.07.2022, inviting suggestions/comments from the Stakeholders on the various proposals of the Authority with the following timelines:
- *Date of Issue of the Consultation Paper: 12<sup>th</sup> July, 2022.*
  - *Date for submission of written comments by Stakeholders: 1<sup>st</sup> August, 2022.*
  - *Date for submission of counter comments: 8<sup>th</sup> August, 2022.*
- 1.10 The Authority received comments from M/s SpiceJet Ltd., M/s Airline Operators Committee (AOC) and M/s Business Aircraft Operators Association (BAOA) on the various proposals of the Authority in the Consultation Paper No. 05/2022-23 and the same were uploaded on the AERA's website vide Public Notice no. 08/2022-23 dated 02.08.2022.
- 1.11 BWFS(I) vide mail dated 8<sup>th</sup> August, 2022 requested to the Authority to allow them some more time for submission of their counter comments. On the request of BWFS(I), the Authority had allowed the ISP to submit the counter comments within next week i.e. up to 16.08.2022. Accordingly, the Authority received the counter comments from BWFS(I) on 16.08.2022.
- 1.12 The Authority, examined the comments of M/s SpiceJet Limited, M/s Airline Operators Committee (AOC), M/s Business Aircraft Operators Association (BAOA) & counter comments of BWFS(I) and after considering all the relevant aspects of the proposal has finalized this Tariff Order.

### **Stakeholders' Comments**

#### **M/s SpiceJet's Comment on Review of Tendering Process:**

- 1.13 In its comment on reviewing of tendering process, M/s SpiceJet has referred to para nos. 1.2, to 1.5 of the CP and requests the Authority *"to ensure that Airport Operator 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."*

#### **BWFS(I) response on M/s SpiceJet's comment on Review of Tendering Process:**

- 1.14 In response of SpiceJet's Comment on review of tendering process, BWFS(I) has submitted that *"This is a Global Practice. We need to follow the Guideline and instruction given by the regulatory bodies. Privatization of all AAI Airports has also done with the same process/procedures."*





**Authority's view on the Stakeholders' Comment regarding Review of Tendering Process:**

- 1.15 As regard to comment of M/s SpiceJet's on review of tendering process and response of BWFS(1) 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, the Authority is of the view that bidding process to award such contracts, based on which ISP pays Revenue Share to Airport Operator, is a non-regulatory issue and such matters may be dealt between the stakeholders at the appropriate forum.



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AERA





## **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:

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

$$\begin{aligned}\text{The Materiality Index for Delhi Airport} &= 109869/420772 \\ &= 26.11\%\end{aligned}$$

- 2.3. The percentage share of Ground Handling for Indira Gandhi International Airport (IGIA), Delhi for FY 2019-20 is 26.11%, which is more than 5% Materiality Index (MI<sub>G</sub>) for the subject service. Hence, the regulated service is deemed as '**Material**' for the Third Control Period.

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

- 2.4. As per the information furnished by BWFS(I) on competition Assessment Form F1 (b), M/s Air India SATS (AISATS) and M/s Celebi Airport Services India Pvt. Ltd. (CASIPL) are the other service providers rendering similar services at Indira Gandhi International Airport, Delhi. Since, there are three Ground Handling agencies including BWFS(I) the regulated service at IGIA, Delhi is deemed as '**Competitive**'.
- 2.5. BWFS(I) submitted the copies of the Standard Ground Handling Agreements with Air Arabia, Gulf Air, Societe Air France and Oman Aviation Services Company.
- 2.6. 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. Further, as per clause 11.2 of the CGF Guidelines, the ATP is required to be submitted in the manner and form provided in AI 8.2 of Appendix-I to the guidelines and should be supported by the following:
- a) Form B and Form 14 (b) (Proposed Tariff Card);
  - b) Details of Consultation with Stakeholders;
  - c) Evidence of User Agreement(s), if any, between the Service Provider(s) and the User(s) of Regulated Service(s) clearly indicating the Tariff(s) that are proposed by the Service Provider and agreed to by User(s).
- 2.7. The Authority, at CP stage noted that BWFS(I) had submitted the required documents as stated in Para 2.6 above, except minutes of stakeholders' meeting, as the Stakeholders' Consultation meeting was not conducted by the ISP.





- 2.8. The Authority notes that subsequent to issuance of Consultation Paper No. 05/2022-23 dated 12.07.2022, BWFS(I) vide email dated 26.12.2022 informed the Authority regarding stakeholders' consultation meeting conducted by the ISP (in virtual mode) in respect of IGI Airport, Delhi on 15.12.2022. The ISP vide aforesaid email submitted a copy of 'Minutes of Meeting' and as per the 'Minutes', the representatives from AOC Delhi airport, Emirates Airlines, Virgin Atlantic, Air France KLM attended the consultation meeting. The Authority notes that as per the 'Minutes', none of the stakeholders raised any issue relating to Tariff increase proposed by the ISP.

### **Stakeholders' Comments**

#### **M/s Airline Operators Committee (AOC) Comments on Stakeholder's Consultation Meeting**

- 2.9. In its comments on Stakeholder's Consultation Meeting, M/s AOC has referred Clause No. 2.7 of the CP and submitted that *"AOC and IATA has often highlighted this to be an area of concern where pre proposal stakeholder consultation should be a must whenever stakeholders intend to initiate tariff determination process with the Hon'ble Authority. Usually, it has been noticed that either there is absolutely no consultation with stakeholders or it is done at the last minute in a haste thus defeating the core essence of the process and safeguard guidelines itself. AOC thus, requests that AERA must put some onus on the entity to have an effective consultation as a pre-condition to submission of any proposal impacting Stakeholders"*.

#### **BWFS(I) response on M/s AOC comments regarding Stakeholder Consultation:**

- 2.10. In response of M/s AOC Comments on Stakeholder Consultation Meeting, BWFS(I) has submitted that *"the Company initiated the Stakeholders' consultation and accordingly, an invite was initiated to conduct the same on 19 May 2022. However, some of the participants who were willing to participate, indicated inability to attend on the designated date. Therefore, the same couldn't be conducted on scheduled time. Conducting a stakeholders' consultation has been in practice since this regulation came into existence. In the paucity of time, the Authority published the CP and sought comments from the parties concerned. In addition, we conduct regular meetings with all our customers, at-least once a month and any such matters, if any, are addressed to mutual satisfaction. Since our customers (the actual stakeholders) had no observations, the AOC took the responsibility."*

#### **Authority's Analysis on the Stakeholders' Comments regarding Stakeholder Consultation Meeting for the Third Control Period:**

- 2.11. In respect to comments of AOC on the stakeholders' consultation and response of BWFS (I) thereon, the Authority notes that subsequent to issuance of CP, ISP has conducted the Stakeholders' Consultation meeting on 15.12.2022 & submitted the Minutes of Meeting to the Authority (refer Para 2.8).

#### **Authority's Decision regarding Methodology of Tariff Determination of BWFS(I)**

- 2.12. Based on the material before it and its analysis, the Authority decides to consider the Tariff determination exercise of BWFS(I) for providing Ground Handling Services at Indira Gandhi International Airport (IGIA), Delhi under the **"Light Touch Approach"** for the Third Control Period, as the regulated service is deemed as **'Material but Competitive'**.



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

#### **BWFS (I) 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 Delhi Airport and percentage of flights handled by BWFS(I) (out of total number of landings) during FY 2019-20 (pre-Covid year) and FY 2020-21 are given below:

**Table 2: Aircraft Traffic handled at Delhi Airport and number of flights handled by BWFS(I) during FY 2019-20 & FY 2020-21.**

Year	Total number of Landings at IGIA, Delhi			Actual number of Landings (Flights) handled by BWFS(I) at IGIA, Delhi			Percentage (%) of Flights handled by BWFS(I)		
	Domestic	Inter-national	Total	Domestic	Inter-national	Total	Domestic	Inter-national	Total
2019-20	171072	54934	226006	5,800	15,306	21,106	3.39%	27.86%	9.34%
2020-21	87048	19945	106994	30	4,024	4,054	0.04%	20.18%	3.79%

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

**Table 3: Projected Aircraft Traffic (Flights to be handled) submitted by BWFS(I) 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 BWFS(I) during FY 2019-20		
	Domestic (no. of Landings)	International (no. of Landings)		Domestic	International	Total
2019-20	5800	15306	21106	-	-	-
2020-21	30	4024	4054	0.52%	26.29%	19.21%
2021-22	674	6461	7135	11.62%	42.21%	33.81%
2022-23	2900	11615	14515	50.00%	75.89%	68.77%
2023-24	3866	16206	20072	67.00%	105.88%	95.10%
2024-25	4059	17060	21119	70.00%	111.46%	100.06%
2025-26	4140	17406	21546	71.00%	113.72%	102.08%
<b>TOTAL (FY 2021-22 to FY 2025-26)</b>	<b>15639</b>	<b>68748</b>	<b>84387</b>			

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

3.3. The Authority noted that Covid-19 had adversely impacted the Civil Aviation Sector, including Ground Handling Service Providers, during FY 2020-21 & FY 2021-22. The Authority observed that during FY 2021-22, BWFS(I) had handled only 33.81% aircraft traffic of the actual aircraft traffic handled by the ISP in FY 2019-20 (Pre Covid).

After the improvement in pandemic situation and easing of travel restrictions, the ISP projected 103% increase in aircraft traffic for FY 2022-23 & 38% increase in FY 2023-24 as compared to preceding years. Thereafter, ISP estimated nominal growth of 2% to 5% on YoY basis for last two tariff years of the Control Period.





- 3.4. As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) during FY 2021-22 had almost reached to 71% of the pre-Covid level (FY 2019-20). Further, the total Aircraft Traffic, particularly in the month of May, 2022 exceeded the Traffic of corresponding month of pre-Covid period (FY 2019-20) at IGIA, Delhi.
- 3.5. The Authority also observed that BWFS(I) had handled 674 domestic Flight in FY 2021-22, which is just 11.62% of Domestic Flights Handled by BWFS(I) in FY 2019-20 (Pre-Covid year). The Authority sought clarification regarding huge reduction in Domestic Flights handled in FY 2021-22. BWFS(I) vide email dated 11.04.2022 submitted that one of its clients for Domestic Flights opted out for self-handling of Ground Handling Services.
- 3.6. The Authority noted that for Domestic Flight, ISP projected to achieve 50% of Pre Covid level (FY 2019-20) in FY 2022-23 & 67% in FY 2023-24, as BWFS(I) expected to add new clients in Domestic sector. Further, ISP expected that previous client, who earlier opted out for self-handling, may again start taking Ground Handling Services, owing to high cost of self-handling of flights.
- 3.7. The Authority noted that as per BWFS(I) projections, total Flights (Domestic & International) to be handled by ISP will achieve pre Covid level in FY 2024-25 only.
- 3.8. BWFS(I) submitted that Aircraft movements projected by them were as per their business plan made by their management and forecast of aircraft traffic numbers were arrived at after considering the developments in the aviation industry, market share & other ground realities etc.
- 3.9. The Authority, mindful of the impact caused by Covid-19 pandemic in Civil Aviation sector, taking notes of clarifications/ justifications in respect of Aircraft Traffic submitted by the ISP and considering the market competition among the three Ground Handling Service Providers, including BWFS(I) at Delhi Airport, felt that the Aircraft Traffic projected by BWFS(I) for the Third Control Period seems reasonable.

#### **Stakeholders' Comments**

#### **M/s AOC Comments on Aircraft Traffic for the Third Control Period**

- 3.10. In its comments on Aircraft Traffic for the Third Control Period, M/s AOC has referred para nos. 3.3 and 3.9 of the CP and submitted that *'The projections for FY24/25 and 25/26 have been under reported. We all are aware that DEL has become one of the busiest airports in the world lately and is a key driver of International and Domestic Aviation within the country. The Major Development of phase 3A of IGI Airport enabling it further with 4 runways, state of the art multi terminal operations would further enhance air traffic post FY 2024/25 and contracting YoY growth of ISP's business to just 2 and 5 percent for the last two years of 3rd control period seem to be misplaced and under assessed. AOC would like that YoY growth to be kept at a reasonable percentile of 7 & 9 percent respectively for the same two years.'*

#### **BWFS(I) response on M/s AOC comments regarding Aircraft Traffic for the Third Control Period:**

- 3.11. In response of AOC Comments on Aircraft Traffic, BWFS(I) has submitted that *"Our primary business is linked with foreign airlines, though a small "temporary/seasonal" portion of the total business is with domestic airlines. The future growth at IGIA is largely estimated to be in the domestic sector who either does self-handling or are served by other GHAs at the IGIA. We have consulted our present and anticipated customers and accordingly, the future growth is considered in our business plan. If Delhi AOC has airline-wise data, most importantly related to foreign airlines, showing growth rate different from our business plan, we request them to share the same and we will be happy to include the same*





in our business plan.”

- 3.12. The % age change in Aircraft Traffic [Flights to be handled] on YoY basis projected by the BWFS(I) for the Third Control Period (FY 2021-22 to FY 2025-26) is given below in Table 4.

**Table 4: YoY % change in Aircraft Traffic (Flights to be handled) projected by BWFS(I) for the Third Control Period.**

Year	Flights to be handled for the Third Control Period		Total (no. of Landings)	YoY % change in Flights to be handled		
	Domestic (no. of Landings)	International (no. of Landings)		Domestic	International	Total
2020-21	30	4024	4054	-	-	-
2021-22	674	6461	7135	2147%	61%	76%
2022-23	2900	11615	14515	330%	80%	103%
2023-24	3866	16206	20072	33%	40%	38%
2024-25	4059	17060	21119	5%	5%	5%
2025-26	4140	17406	21546	2%	2%	2%
<b>TOTAL (FY 2021-22 to FY 2025-26)</b>	<b>15639</b>	<b>68748</b>	<b>84387</b>			

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

- 3.13. In respect to comments of M/s AOC and response of BWFS(I) thereon, the Authority notes that major portion of Ground Handling business of BWFS(I) comes from International Flight handling (81%), as is evident from projected Aircraft Traffic Volume (Table 3).

In respect of International Flights, considering steep recovery in international aircraft traffic post Covid Pandemic, ISP has considered substantial YoY growth rates during FY 2022-23 & FY 2023-24 ranging between 40% to 80% (Refer Table no 4). Further, the Authority is cognizant of the fact that major Domestic Airlines prefers to doing self-handling of their flights at airports like Delhi, Mumbai, where there is significant volume of Domestic Operations, to leverage economies of scale.

- 3.14. Considering the above & the market competition faced by the BWFS(I) due to presence of two more ISP's providing Ground Handling Services at IGIA, Delhi, the Authority feels that Aircraft Traffic projected by BWFS(I) for the Third Control Period seems reasonable. Accordingly, the Authority decides to maintain the same view on Traffic Volume as proposed at Consultation Stage.

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

- 3.15. Based on the material before it and its analysis, the Authority decides to consider the Aircraft Traffic (Flights to be handled) submitted by BWFS(I) for the Third Control Period as per Table 3.



## CHAPTER 4: CAPITAL EXPENDITURE

### **BWFS(I)'s Submission on Capital Expenditure for the Third Control Period as a part of MYTP**

4.1. BWFS(I) Delhi had projected a total Capital Expenditure (CAPEX) of Rs. 9940.81 lakhs for the procurement of various assets for the Third Control Period (FY 2021-22 to FY 2025-26). The year wise and asset wise Capital Expenditure submitted by ISP for Third Control Period is given as below:

**Table 5: Capital Expenditure submitted by BWFS(I) for the Third Control Period.**

(₹ in Lakhs)						
Particulars	2021-22*	2022-23	2023-24	2024-25	2025-26	TOTAL
Plant & Machinery	5159.68	2128.12	639.67	861.29	256.96	9045.72
Furniture and Fittings	6.25	5.00	0.00	0.00	0.00	11.25
Office Equipment	1.70	0.00	0.00	0.00	0.00	1.70
Data Processing Equipment	3.10	0.00	0.00	0.00	0.00	3.10
Motor Vehicles	208.98	525.35	144.71	0.00	0.00	879.04
<b>TOTAL</b>	<b>5379.71</b>	<b>2658.47</b>	<b>784.38</b>	<b>861.29</b>	<b>256.96</b>	<b>9940.81</b>

\*Actual CAPEX incurred in FY 2021-22

4.2. BWFS(I) submitted a detailed breakup of the capital expenditure of ₹ 9940.81 lakhs for the Third Control Period as given below:

**Table 6: Breakup of Capital Expenditure as submitted by BWFS(I) for the Third Control Period.**

Year	Particulars	Qty	Rate (₹ per Qty)	Amount (₹)	Asset Class
Tariff Year (2021-22)	Diesel Baggage TUG - 25T Tow Capacity	4	35.15	140.61	Ground Handling Equipment
	Towbar Universal	13	4.94	64.28	
	Passenger Step - 2200- 5300mm height	15	9.74	146.05	
	Passenger Step Ladder	15	29.22	438.33	
	Baggage Conveyor Belt - 5 M Boom Length	15	4.15	62.24	
	Toilet servicing Cart - Lift pressure 0.25-0.35 Mpa,	3	10.04	30.12	
	Water Servicing Cart - Lift pressure 0.25-0.35 Mpa,	3	11.00	32.99	
	Ambulift - Lift 2000-4400	2	28.89	57.77	
	Air Conditioning Unit- Cooling capacity 60T Air	2	90.03	180.05	
	JET START UNIT-400 PPM Single hose	4	147.34	589.35	
	GPU-60 KVA Single cable	1	33.90	33.90	
	Push Back Tractor - Draw Pull Bar of 21000 DaN	6	119.22	715.34	
	Baggage Conveyor Belt - 9 M Boom Length	16	8.05	128.80	Ground Handling Equipment
	Lower Deck Loader-7T	13	48.80	634.44	
	Main Deck Loader-15T Capacity for wide body	4	118.26	473.05	
	Lower Deck Loader-7T Capacity for wide body	4	122.76	491.05	





	Air Conditioning Unit-Cooling capacity 110T Air	3	151.73	455.18	Ground Handling Equipment
	GPU-90 KVA Single cable	5	70.47	352.36	
	Baggage trolleys	50	1.80	90.00	
	Container Dollies	17	1.81	30.83	
	Fuel Bowser 900 L -	2	5.45	10.90	
	Wheel chairs	50	0.13	6.25	
	Vehicle ramp	3	69.66	208.98	
	Chocks (12), Marshalling torches (10 pairs*5), Head	1	2.05	2.05	
	Laserjet Black & White	1	0.20	0.20	
	Laptop	2	0.55	1.10	
	Desktop	5	0.40	2.00	
	Mobile Phone	10	0.15	1.50	
	<b>TOTAL FOR FY 2021-22</b>			<b>5379.71</b>	
Tariff Year (2022-23)	Diesel Baggage TUG - 25T Tow Capacity	2	35.15	70.30	Ground Handling Equipment
	Diesel Baggage Tractor - 25T Tow Capacity	2	32.45	64.90	
	Push Back Tractor - Draw Pull Bar of 12000 DaN	3	101.77	305.32	
	Water Servicing Cart - Lift pressure 0.25-0.35 Mpa,	1	11.00	11.00	
	JET START UNIT-400 PPM Single hose	3	134.17	402.51	
	Push Back Tractor - Draw Pull Bar of 21000 DaN	3	119.22	357.67	
	Lower Deck Loader-7T	1	48.80	48.80	
	Main Deck Loader-15T Capacity for wide body	3	118.26	354.79	
	Lower Deck Loader-7T Capacity for wide body	3	122.76	368.29	
	Baggage trolleys	40	1.80	72.00	
	Container Dollies	40	1.81	72.54	
	Wheel chairs	40	0.13	5.00	
	Coaches	7	75.05	525.35	
	<b>TOTAL FOR FY 2022-23</b>			<b>2658.47</b>	
Tariff Year (2023-24)	Diesel Baggage TUG - 25T Tow Capacity	4	35.15	140.61	Ground Handling Equipment
	Push Back Tractor - Draw Pull Bar of 12000 DaN	1	101.77	101.77	
	Towbar Universal	2	4.94	9.89	
	Passenger Step - 2200-5300mm height	2	9.74	19.47	Ground Handling Equipment
	Baggage Conveyor Belt - 5 M Boom Length	2	5.78	11.56	
	JET START UNIT-400 PPM Single hose	1	134.17	134.17	
	Air Conditioning Unit-Cooling capacity 110T Air	1	151.73	151.73	
	GPU-90 KVA Single cable	1	70.47	70.47	





	Vehicle ramp	1	69.66	69.66	Vehicles
	Coaches	1	75.05	75.05	
	TOTAL FOR FY 2023-24			784.38	
Tariff Year (2024-25)	Diesel Baggage TUG - 25T Tow Capacity	1	35.15	35.15	Ground Handling Equipment
	Diesel Baggage Tractor - 25T Tow Capacity	1	32.45	32.45	
	Push Back Tractor - Draw Pull Bar of 12000 DaN	1	101.77	101.77	
	Towbar Universal	2	4.94	9.89	
	Passenger Step - 2200- 5300mm height	2	9.74	19.47	
	Baggage Conveyor Belt - 5 M Boom Length	4	5.78	23.12	
	Toilet servicing Cart - Lift pressure 0.25-0.35 Mpa,	1	10.04	10.04	
	Water Servicing Cart - Lift pressure 0.25-0.35 Mpa,	1	11.00	11.00	
	Air Conditioning Unit- Cooling capacity 60T Air	1	90.08	90.08	
	JET START UNIT-400 PPM Single hose	1	134.17	134.17	
	GPU-60 KVA Single cable	1	33.90	33.90	
	Push Back Tractor - Draw Pull Bar of 21000 DaN	1	119.22	119.22	
	Main Deck Loader-15T Capacity for wide body	1	118.26	118.26	
	Lower Deck Loader-7T Capacity for wide body	1	122.76	122.76	
	TOTAL FOR FY 2024-25			861.29	
Tariff Year (2025-26)	Passenger Step - 2200- 5300mm height	2	9.74	19.47	Ground Handling Equipment
	Push Back Tractor - Draw Pull Bar of 21000 DaN	1	119.22	119.22	
	Main Deck Loader-15T Capacity for wide body	1	118.26	118.26	
	TOTAL FOR FY 2025-26			256.96	
TOTAL CAPEX FOR THE THIRD CONTROL PERIOD				9940.81	

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

- 4.3. The Authority noted that BWFS(I) had already incurred Capex of Rs 5379.71 lakhs (54.12 %) in the first Tariff Year itself, out of the total CAPEX (Rs 9940.81 lakhs) proposed for the Third Control Period. Further, out of total projected CAPEX of ₹ 9940.81 lakhs for the Third Control Period, ISP proposed to incur ₹ 9045.73 lakhs on Ground Handling Equipment, ₹879.03 lakhs on vehicles, ₹ 11.25 lakhs on furniture & fixtures, ₹ 3.10 lakhs on data processing unit and ₹ 1.70 lakhs on Office Equipment.
- 4.4. The Authority, while examining the CAPEX projected by the BWFS(I) for the Third Control Period observed various discrepancies/information gaps in the underlying justifications/ rationale for the proposed CAPEX, over which clarifications were sought from ISP. BWFS(I) in view of AERA's





observations submitted the revised CAPEX for the FY 2021-22 & FY 2022-23.

- 4.5. In the revised CAPEX, BWFS(I) had submitted that they incurred ₹ 5379.71 lakhs against the proposed CAPEX of ₹ 6954.95 lakhs for FY 2021-22 as submitted in the original MYTP. The remaining CAPEX of ₹ 1575.24 lakhs (₹ 6954.95 lakhs - ₹ 5379.71 lakhs) projected for FY 2021-22 had been shifted to FY 2022-23. Further, BWFS(I) vide mail dated 13.05.2022 submitted a letter wherein BWFS(I) declared that actual/projected CAPEX for the Third Control Period is towards the replacement of the assets taken on hire, replacement of the old assets and preparation for additional business anticipated.
- 4.6. The Authority, sought evidences relating to the actual capital expenditure incurred in FY 2021-22. ISP vide email dated 30.06.2022 provided copies of invoices in respect of most of the CAPEX incurred in FY 2021-22. BWFS(I) also submitted that the remaining CAPEX proposed for FY 2022-23 to FY 2025-26 will also be capitalized as per the proposed timeline.
- 4.7. Considering the submission/clarifications submitted by BWFS(I) as discussed in para 4.5 and 4.6 above, the Authority noted that most of the proposed CAPEX is towards replacement of equipment & machinery, which is essential for smooth and safe Ground Handling operations at the Airport. Therefore, the Authority proposed to consider the CAPEX as submitted by BWFS(I) (as per Table 4) for the Third Control Period.

#### **Stakeholders' Comments**

#### **M/s SpiceJet's Comments on Deferment of Capital Expenditure (Regulatory Asset Base) for the Third Control Period:**

- 4.8. In its comments on Capital Expenditure for the Third Control Period, M/s SpiceJet has referred para 4.1 to 4.5 & Table 4&5 of CP and submitted that *"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 BWFS(I) should be put on hold/deferred to the Fourth Control Period, unless deemed critical from safety or security compliance perspective.*
- 4.9. *Without prejudice to the above, in case BWFS(I) 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.*
- 4.10. *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/capitalised 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."*

#### **M/s AOC comments on CAPEX for the Third Control Period.**

- 4.11. In its comments on CAPEX for the Third Control Period, M/s AOC has referred para 4.6 & Table 4 of the CP and submitted that *"When the whole aviation sector was consolidating revenues in FY21/22, the ISP has given evidence of a spending (Approx. INR 53 crores) on equipment while the Aviation Business was upside down. AOC feels that this was not the most - appropriate business decision at that time and could have been deferred/reworked due to the uncertainty which ensued the most of the last two FYs due to COVID and its impact on resumption of normal aviation operations. A misplaced business decision should not become a reason for the ISP to ask for a raise in charges from*





stakeholders.

- 4.12. In tariff year 2020/2021, three ramp vehicles costing almost 70 lakh each were purchased which is very strange. AOC DEL can confirm that a ramp vehicle for use at Ramp should be cost effective and not high end and high-cost luxury car. The claimed expense is almost 10 times compared to an efficient and economical procurement for the same purpose. AOC DEL infers it to be an expense related to ISP operated General Aviation terminal at IGI Airport being passed as one brought for use on normal scheduled flight operations.”

**BWFS(I) response on M/s SpiceJet’s Comments regarding deferment of Capital Expenditure for the Third Control Period:**

- 4.13. In response of SpiceJet Comments on Capital Expenditure, BWFS(I) has submitted that “there is an advisory from Ministry of civil Aviation regarding Standardization of Ground Handling Equipment at Major Airports enclosed referred document. Further, BWFS(I) should ensure compliance of Standardization of Ground Handling Equipment at Major Airports, in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 01.11.2021. We already deferred capex deployment due to the Covid impact on Ground Handling Business and deferred it towards end of FY 2021-22”.
- 4.14. BWFS(I) has further submitted that “if SpiceJet has objection on this, then we request SpiceJet to raise this observation at correct forum which includes Ministry of Civil Aviation”.

**BWFS(I) response on M/s AOC Comments regarding Capital Expenditure for the Third Control Period:**

- 4.15. In response of AOC Comments on Capital Expenditure, BWFS(I) has submitted that “AOC doesn’t have complete facts and hence, has erred while making these observations. The GHAs are bound by the directives issued by the regulatory bodies including MoCA, Airport Operator among others. We are enclosing an order issued by MOCA (No. AV-24011/10/2021-AAI-MOCA dt. 01 November 2021) requiring standardization of GSE/GSV. This is applicable on self-handling done by domestic airlines as well. So, we expected that Delhi AOC should already be aware of the same. We have made representation to MoCA for deferment and the matter is under consideration.

*In addition, we are required to maintain age of the equipment as per terms applicable at IGIA. However, considering the impact of pandemic, we could defer the capex for two years. Apart from the above, there is a continuous process to replace old equipment. All customers inspect our equipment at regular intervals according to their respective SOPs and we try to meet their expectations.*

*Further, Delhi AOC can discuss the matter with regulatory body(ies) and Delhi airport operator about age of equipment and older equipment should be allowed if they are working fine”.*

- 4.16. In response to AOC Comments on three ramp vehicles (Luxury cars) costing, BWFS(I) has submitted that “it is FY 2021-22 and not 2020-21. We believe that Delhi AOC is aware that all passenger movement of scheduled operations is either done through Aero-Bridges or through passenger coaches. Luxury cars are introduced on specific demands of non-scheduled operations where VVIP/UHNI passengers ply on their own/ state-owned aircrafts”.

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

- 4.17. In respect to AOC & M/s SpiceJet comments, including deferment of Capex, the Authority notes that BWFS(I) projected a total Capital Expenditure of ₹ 9940.81 lakhs for the Control Period, out of which





ISP had already incurred ₹ 5379.71 lakhs of CAPEX during the first Tariff year of the Third Control Period. The Authority also notes that in its original MYTP, ISP had proposed CAPEX of ₹ 6954.95 lakhs for FY 2021-22, considering adverse impact of Covid-19 & consequent drop in aircraft traffic, ISP had deferred a portion of Capex i.e ₹ 1575.24 lakhs (₹ 6954.95 lakhs- ₹ 5379.71 lakhs) proposed for FY 2021-22 to FY 2022-23.

- 4.18. The Authority feels that ISP are required to maintain age of Ground Handling Equipment as per requirements of Agreement with Airport Operator and User Airlines. Further, ISP is also required to comply with the directives issued by MOCA vide its letter No. AV-24011/10/2021-AAI-MOCA dated 01 November, 2021 in respect of standardization of Ground Handling Equipment at Major Airports, which inter-alia, specified upper age limit for Ground Handling Equipment. The Authority further notes that as per the BWFS(I) submission, the major portion of their proposed CAPEX is towards replacement of old Ground Handling Equipment/ Assets taken on hire.
- 4.19. As regard to the observation of M/s AOC regarding requirements/usage of three ramp vehicles (Luxury Cars), the Authority notes that ISP has adequately responded / clarified on the issues raised by the stakeholders.

Considering the above and taking note of the fact that ISP has proposed Capex on Ground Handling Equipment & allied infrastructure during Third Control Period, which is essential for smooth business operations and better passenger facilitation, the Authority feels that CAPEX proposed by BWFS(I) for the Third Control Period seems reasonable.

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

- 4.20. Based on the material before it and its analysis, the Authority decides to consider the CAPEX for the Third Control Period as per Table 5.





## CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY

### BWFS(I) 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 BWFS(I) was segregated into the following categories:
- Payroll Costs;
  - Administration and General Expenses;
  - Utility and Outsourcing Cost;
  - Concession Fees;
  - Repair and Maintenance;
- 5.3. As per the MYTP submission, Revenue, Operating Expenditures (OPEX) and Profitability projected by BWFS(I) for the Third Control Period (FY 2021-22 to FY 2025-26) is as under:

**Table 7: Revenue and Operating Expenditure submitted by BWFS(I) for Third Control Period.**

(₹ in lakhs)

₹ in Lakhs								CAGR (%)	YoY% Change			
Particulars	2019-20	2021-22	2022-23	2023-24	2024-25	2025-26	Total		2022-23	2023-24	2024-25	2025 -26
Revenue (A)	20322.73	11618.00	15437.17	22501.54	23949.95	24924.54	98431.20	21%	33%	46%	6%	4%
Payroll Costs (i)	8725.39	5099.80	6522.40	9686.92	10303.89	11022.42	42635.43	21%	28%	49%	6%	7%
Administrative and General Costs (ii)	3380.24	2659.19	3128.17	3812.14	4140.67	4439.20	18179.37	14%	18%	22%	9%	7%
Utilities and Outsourcing costs (iii)	410.74	206.27	373.66	537.62	591.01	640.88	2349.44	33%	81%	44%	10%	8%
Repair and Maintenance Costs (iv)	480.00	496.69	526.53	542.32	558.59	574.96	2699.09	4%	6%	3%	3%	3%
Concession Fees (v)	2659.18	2043.41	3112.38	4494.59	4763.59	4911.74	19325.70	25%	52%	44%	6%	3%
Total OPEX (B) (i +ii +iii +iv +v)	15655.56	10505.36	13663.14	19073.59	20357.75	21589.20	85189.04	20%	30%	40%	7%	6%
PBIDT (A-B)	4667.17	1112.64	1774.03	3427.94	3592.20	3335.34	13242.15	-	-	-	-	-
Interest & Finance Cost	213.96	702.32	860.03	854.69	645.31	371.52	3433.87	-	-	-	-	-
Depreciation	407.53	538.85	788.98	906.43	946.33	916.12	4096.71	-	-	-	-	-
Profit Before Tax (PBT)	4045.69	-128.53	125.02	1666.82	2000.56	2047.70	5711.57	-	-	-	-	-
Taxation	1701.04	0.00	52.17	431.47	501.18	485.14	1469.96	-	-	-	-	-
Profit After Tax (PAT)	2344.65	-128.53	72.85	1235.35	1499.39	1562.56	4241.62	-	-	-	-	-
Profit Margin (PAT/Revenue)	11.53%	-1.10%	0.47%	5.49%	6.26%	6.26%	-	-	-	-	-	-





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

5.4. The Authority examined the Operating Expenditure for the Third Control Period as submitted in Form F3 (P&L) and noted that the total Operating Expenditure projected for FY 2021-22 (₹ 10505.36 lakhs) is lower by 33% & for FY 2022-23 (₹13663.14 lakhs) is lower by 13% over the actual Operating Expenditure incurred by BWFS(I) during pre-Covid Year i.e. FY 2019-20 (₹15655.56 lakhs). From FY 2023-24 onward, YoY increase in the Operating Expenditure projected in the range of 6% to 40%, which is commensurate to the YoY increase projected for the Revenues. The Authority had examined the category-wise operating expenditure as under:

5.5. **Payroll Costs:** The Authority noted that the payroll cost projected for FY 2021-22 (₹ 5099.80 lakhs) and FY 2022-23 (₹ 6522.40 lakhs) is lower by 42% & 25% respectively over the actual payroll cost for FY 2019-20 (₹ 8725.39 lakhs). From FY 2023-24 onward, YoY increase in the payroll cost projected by the ISP is in the range of 6% to 49% for the Third Control Period.

The Authority sought clarification/justifications for the Payroll Cost projected for the Third Control Period. In response thereof, BWFS(I) vide mail dated 07.04.2022 submitted that in FY 2021-22 and 2022-23, the projected pay roll costs were lower, as against FY 2019-20, due to Covid pandemic. BWFS(I) expected that payroll cost will reach normal level in FY 2023-24. As per BWFS(I), the % of payroll cost to gross revenue was around 43% (in FY 2019-20); therefore, from FY 2023-24 onward, the payroll cost was projected at 43% of the gross revenues as was the case in FY 2019-20.

The Authority had taken a note of BWFS(I) submission that YoY increase in payroll costs have been projected after factoring the impact of increase in minimum wages notified by the Central Govt. Authorities, from time to time and annual salary increments around 5%. The Authority observed that the % increase projected in pay roll cost on YoY basis by ISP is commensurate with the % increase projected in revenues for the Third Control Period.

In view of the above, the Authority proposed to consider payroll cost for the Third Control Period as projected by the BWFS(I).

5.6. **Administrative and General Costs:** The Authority noted that the Administrative & General Costs projected for FY 2021-22 (₹ 2659.19 lakhs) and FY 2022-23 (₹ 3128.18 lakhs) is lower by 21% & 7% respectively over the actual Administrative & General Costs incurred by the ISP for FY 2019-20 (₹ 3380.24 lakhs). Thereafter, from FY 2023-24 onward, YoY increase in the Administrative & General Costs projected by the ISP is in the range of 7% to 22% for the Third Control Period.

The Authority sought clarification/justifications on the Administrative & General Costs projected for the Third Control Period. In response thereof, BWFS(I) vide mail dated 07.04.2022 submitted that in FY 2021-22 and 2022-23, the projected Administrative & General Costs were lower, as against FY 2019-20, due to Covid. From FY 2023-24 onward, Administrative and General Costs projected to increase in line with projected Revenue and same also factors-in the impact of general inflation on administrative costs. The Authority observed that the % increase projected in Administrative & General costs on YoY basis by ISP is lower in FY 2022-23 & FY 2023-24 and slightly higher in FY 2024-25 & FY 2025-26 vis-à-vis % increase projected in revenues for the Third Control Period.

5.7. **Utility and Outsourcing Costs:** The Authority noted that the Utility and Outsourcing cost for FY 2022-23 & FY 2023-24 is projected to increase by 81% & 44% respectively on YoY basis; however, it was observed that Utility and Outsourcing cost projected for FY 2021-22 (₹ 206.27 lakhs) and FY 2022-23 (₹ 373.66 lakhs) is lower by 50% & 9% respectively over the actual expenses incurred in FY





2019-20 (₹ 410.74 lakhs). From FY 2023-24 onward, YoY increase in the Utility and Outsourcing cost projected in the range of 8% to 44% for the remaining period of the Third Control Period.

The Authority sought clarification/justifications for increase in Utility and Outsourcing cost projected for the Third Control Period. BWFS(I) vide mail dated 07.04.2022 submitted that per flight cost is expected to increase by 55% in FY 2022-23 over the per flight cost in FY 19-20, due to factors like 30% increase in fuel cost (diesel) and general inflation. Further there is an annual increase in the Electricity & Water Charges as per agreement with the Airport Operator. M/s BWFS(I) vide mail dated 10.06.2022 also submitted that electricity and fuel cost are directly linked to the number of flights handled. Therefore, the Utility and Outsourcing Costs will increase with the increase in number of flights to be handled during the Third Control Period.

- 5.8. **Repair and Maintenance Costs:** The Authority noted that Repair and Maintenance Costs projected for FY 2021-22 (₹ 496.69 lakhs) and FY 2022-23 (₹ 526.53 lakhs) is slightly higher by 3% & 10% respectively over the actual Repair and Maintenance Costs for FY 2019-20 (₹ 480.00 lakhs). From FY 2023-24 onward, 3% YoY increase in the Repair and Maintenance Costs projected by the ISP for the remaining period of the Third Control Period.

The Authority observed that major portion of the CAPEX proposed by BWFS(I) for the Third Control Period is towards replacement of the existing assets. Therefore, the Authority is of the view that since BWFS(I) projected procurement of new Ground Handling Equipment and all such equipment initially must be under warranty period, accordingly, there should be lower R&M expenses in initial stage of the Control Period. The Authority sought clarification/ justification for Repair and Maintenance cost projected for the Third Control Period. In response thereof, BWFS(I) vide mail dated 07.04.2022 submitted that Repair & Maintenance cost will be incurred, even if the equipment is new, because the service of the equipment is to be done on regular basis and R&M costs increases due to factors like increase in cost of labour component & cost of spares, transport cost, annual inflation etc.

In view of the above & taking note of clarifications submitted by the ISP, the Authority proposed to consider the Repair and Maintenance cost for the Third Control Period as projected by the BWFS(I).

- 5.9. **Concession Fees/Revenue sharing:** BWFS(I) submitted that they have to share a percentage of their gross revenues with the Airport Operator in accordance with the Concession Agreement executed with the Airport Operator. As per concession agreement, ISP, has to pay airport operator, a higher of following two amounts:

- Revenue Share Percentage of 18% of Actual Gross Revenue from International Flight Handling;
- Minimum Guarantee Amount (MGA) for each International Flight as indicated in Schedule 'H' of the Concession Agreement:

The Authority noted that as per the BWFS(I) submission, there is no concession fees for Domestic Flights, the Concession fees is payable on the handling of International Flights only. BWFS(I) projected around 18% of the Gross Revenue as Concession Fee payable in FY 2021-22. As per the ISP, from FY 2022-23 onward, the Revenue Share percentage (18%) expected to be lower than the MGA, hence MGA will be payable to the airport operator during the Third Control Period.

- 5.10. The Authority further observed from the Projected P&L Statement (Table 6) that BWFS(I) projected loss of ₹128.53 lakhs in FY 2021-22 and expecting to earn nominal profit after tax (PAT) in the range of 0.47% to 6.26% from FY 2022-23 onwards during the Third Control Period.





## **Stakeholders' Comments**

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

M/s SpiceJet has referred to para nos. 5.2, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9 & Table 6 of CP and submitted the following comments:

5.11. *"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 BWFS(I) 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 BWFS(I) 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 BWFS(I) (Refer 5.3 and Table 6 of CP).*

*(b) Advise BWFS(I) 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 BWFS(I). BWFS(I) may be advised to reduce its cost by at least 35% and no escalation should be permitted; and.*

*(c) In view of the above, BWFS(I) should be directed to pass on cost benefits to the airlines*

*(d) Further, we submit that:*

#### **(i) Payroll Costs (Refer Table 6 and para No 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 between 49% to 6% Year-on-Year for the Third Control Period. It appears that BWFS(I) 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 reduce. Without prejudice to the above, BWFS(I) 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, Utility and Outsourcing Costs Concession Fees and Repair & Maintenance Cost (Refer para nos. 5.6 to 5.9 and Table 6):**

*AERA may advise BWFS(I) to rationalize/re-negotiate all the cost/expenditure items or heads as deemed fit since, the proposal to increase in the cost range from 3% to 81% (which appears to be abnormally high). Further, no escalations should be permitted under these items or heads.*

*It is unclear as to whether BWFS(I) has taken cost cutting measures including renegotiations 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 I, and there should not be any increase in any expense or manpower".*

### **Abolishment of Royalty Charges/ Concession Fee:**

5.12. In its comments on Royalty Charges/Concession Fee for the Third Control Period, M/s SpiceJet has referred para nos. 5.2, 5.9 & Table 6 of CP and submitted that "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 that service providers have no incentive to reduce their expenses, as any such increase would be passed on to the airlines/stakeholders through the tariff determination mechanism process and indirectly airlines would 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.*

- 5.13. *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.*
- 5.14. *It is noted that while the Concession fees charged by the Airport Operator from BWFS(I) is 18% of gross revenue from handling of international flights, it is NIL on Domestic Flight. In view of the above, we urge AERA to abolish such royalty which may be included in any of the cost items."*

**M/s AOC Comment on Concession Fees for the Third Control Period.**

- 5.15. In its comment on Operating Expenditure for the Third Control Period, M/s AOC has referred Table No.6 of the CP and submitted that "AOC wishes to point to an observation that the Concession Fees paid to AO is being shown as ISP's expense and subsequently reduced from the Gross revenue. AOC feels that this is not a correct representation as the Concessionaire fees is primarily a pass through to the airline/customer and is not their expense. AOC strongly believes that if the ISP has been offering services at an all-inclusive charge, then this is not a correct practice as concession fees is not dependent or in control of the user and must be separately reflected while invoicing and paid as such by the client airline".

**M/s BAOA Comment on Royalty/Concession Fees for the Third Control Period.**

- 5.16. In its comment on Royalty/Concession Fees for the Third Control Period, M/s BAOA has submitted that "Since FROR for most public airports is being allowed at an average of about 15%, 'authority' is, therefore, requested not to permit any additional 'royalty' on GH charges, being an aeronautical service at public airports."

**BWFS(I) response on M/s SpiceJet comments regarding OPEX for the Third Control Period:**

BWFS(I) has submitted the following counter comments in response to SpiceJet comments:

- 5.17. "We feel that this observation of SpiceJet Ltd is generic and is made without considering real facts, which we believe, SpiceJet is already aware.
- a) For better clarity, we seek more details from SpiceJet about specific expense(s) is higher by what % and in their view, what should be the correct cost-level as per SpiceJet.
- b) We have highlighted this fact while replying on other MYTPs, SpiceJet has option of choosing any GHA out of 3 GHAs working at IGIA. In addition, SpiceJet has option of doing Self-Handling. However, since SpiceJet is aware of real cost levels, they have chosen to use one of the GHA to perform this function."

**BWFS(I) response on M/s SpiceJet comments regarding Abolishment of Royalty Charges/ Concession fee for the Third Control Period:**

- 5.18. In response of SpiceJet Comment on Concession Fee, BWFS(I) has submitted that "We have answered this observation of SpiceJet earlier also, when they provided their comments on Consultation Paper issued for other airports. Further, we would like to inform SpiceJet that concession fee is nil on Domestic operations at IGIA.



**BWFS(I) response on M/s AOC comments regarding Royalty/ Concession Fees for the Third Control Period:**

5.19. In response of M/s AOC's Comment on Royalty/Concession Fees BWFS(I) has submitted that "Our all customers are very well aware about the Concession fees paid to the Airport operator. At the time of commercial negotiations, all these factors are discussed thread by thread with our customer airlines. This practice is being followed since introduction of Ground Handling Policy in India in 2008. Substantial time has passed since then and we believe that all actual users are well aware about this concept. To us the observation sounded more of an accounting issue. But the practice used by us in the business model submitted along with MYTP, is in line with accounting principles, accepted world-wide. If Delhi AOC is aware of a better accounting solution, we request them to let us know."

**BWFS(I) response on BAOA comments regarding Royalty/Concession Fees for the Third Control period:**

5.20. In response of BAOA Comment on Royalty/Concession Fees, ISP has submitted that "BWFS is authorized to provide ground handling services at IGIA except to General Aviation Aircrafts. Therefore, the observations made by BAOA in relation to General Aviation, are answered as not applicable."

5.21. On the basis of stakeholder's comments, BWFS(I) has rationalized the projected operating expenses and submitted the Revised Revenue & Operating Expenditures (OPEX) for the Third Control Period (FY 2021-22 to FY 2025-26) as given below:

**Table 8: Revised Revenue & Operating Expenditure submitted by BWFS(I) for Third Control Period.**

(₹ in lakhs)

₹ in Lakhs							CA GR	YoY% Change			
Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	Total	(%)	2022-23	2023-24	2024-25	2025-26
<b>Revenue (A)</b>	<b>11618.00</b>	<b>15437.17</b>	<b>22209.36</b>	<b>23648.83</b>	<b>24611.25</b>	<b>97524.61</b>	<b>21%</b>	<b>33%</b>	<b>44%</b>	<b>6%</b>	<b>4%</b>
Payroll Costs (i)	5099.80	6522.40	9392.25	10049.70	10753.17	41817.32	21%	28%	44%	7%	7%
Administrative and General Costs (ii)	2659.19	3128.18	3812.14	4140.67	4439.20	18179.38	14%	18%	22%	9%	7%
Utilities and Outsourcing costs (iii)	206.27	373.66	537.62	591.01	640.88	2349.44	33%	81%	44%	10%	8%
Repair and Maintenance Costs (iv)	496.69	526.53	542.32	558.59	574.96	2699.09	4%	6%	3%	3%	3%
Concession Fees (v)	2043.41	3112.38	4476.56	4745.19	4892.97	19270.51	24%	52%	44%	6%	3%
<b>Total OPEX (B) (i +ii +iii +iv +v)</b>	<b>10505.36</b>	<b>13663.14</b>	<b>18760.90</b>	<b>20085.16</b>	<b>21301.17</b>	<b>84315.73</b>	<b>19%</b>	<b>30%</b>	<b>37%</b>	<b>7%</b>	<b>6%</b>
<b>PBIDT (A-B)</b>	<b>1112.64</b>	<b>1774.03</b>	<b>3448.46</b>	<b>3563.66</b>	<b>3310.08</b>	<b>13208.87</b>					
Interest & Finance Cost	701.87	859.58	849.37	641.52	369.00	3421.34	-	-	-	-	-
Depreciation	538.85	788.98	906.43	946.33	916.12	4096.71	-	-	-	-	-
Profit Before Tax (PBT)	-128.08	125.48	1692.66	1975.81	2024.96	5690.83	-	-	-	-	-
Taxation	0	0	426.04	497.31	509.68	1433.03	-	-	-	-	-
<b>Profit After Tax (PAT)</b>	<b>-128.08</b>	<b>125.48</b>	<b>1266.62</b>	<b>1478.50</b>	<b>1515.28</b>	<b>4257.80</b>	-	-	-	-	-
<b>Profit Margin (PAT/Revenue)</b>	<b>-1.10%</b>	<b>0.81%</b>	<b>5.70%</b>	<b>6.25%</b>	<b>6.16%</b>		-	-	-	-	-





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

- 5.22. Pursuant to the comments of M/s SpiceJet's on projected increase in total Operating Expenditure, BWFS(I) has rationalized the OPEX and submitted the revised Revenue and Operating Expenditure for FY 2023-24 to FY 2025-26 in respect of the Third Control Period (Refer table 8). The Authority notes that subsequent to rationalization of OPEX, BWFS(I) has lowered the Revenue projected by 292.18 lakhs, Rs 301.12 Lakhs & Rs 313.29 lakhs for FY 2023-24, FY 2024-25 & FY 2025-26 respectively and reduced Tariff Rates under few aircraft codes for Scheduled Flights.
- 5.23. The Authority notes that total Operating Expenditure projected by the ISP for FY 2021-22 & FY 2022-23 are lower by 33% & 13% respectively over the actual Operating Expenditure incurred by BWFS(I) during pre-Covid Year i.e. FY 2019-20 (refer para 5.4). As regard to FY 2023-24, ISP has projected one-time increase of 37% in total OPEX. The Authority further notes that 37% increase in total OPEX for FY 2023-24 is commensurate with the 38% projected increase in aircraft traffic and same seems to be reasonable considering an increase of 44% in Revenues projected by the ISP. Thereafter, ISP has projected 6% to 7% YoY increase in the total OPEX from FY 2024-25 onward.
- 5.24. As regard to stakeholder comments on Payroll Costs, the Authority notes that payroll expenses projected by the ISP for FY 2021-22 & FY 2022-23 are lower by 42% & 25% respectively over the actual payroll cost incurred by BWFS(I) during pre-Covid Year i.e. FY 2019-20 (refer para 5.5). From FY 2023-24 onward, ISP has projected 7% YoY increase in the payroll expenses, except for FY 2023-24, wherein 44% increase is projected over preceding year.
- 5.25. The Authority observes that payroll costs for first two tariff years (FY 2021-22 & 2022-23) are lower as compared to FY 2019-20 on account of lower aircraft traffic volumes due to the Covid-19 impact and cost control measures undertaken by the ISP. Now, with the substantial recovery in aircraft traffic post pandemic; the payroll & other related expenses are expected to reach their normal levels. Considering the significant increase projected in the aircraft traffic around 37% and taking into account the annual escalation in salaries & increase in minimum wages, notified by the Govt. Authorities from time to time, the increase in payroll costs for FY 2023-24 projected by the ISP seems reasonable.
- 5.26. As regard to comments of M/s SpiceJet on Administrative & General Expenditure projected by the ISP for the Third Control Period, the Authority notes that Administrative & General Expenses projected by the ISP for FY 2021-22 & FY 2022-23 are lower by 21% & 7% respectively over the actual Administrative & General Expenses incurred by BWFS(I) during pre-Covid Year i.e. FY 2019-20 (refer para 5.6). From FY 2023-24 onward, ISP projected 7% to 9% YoY increase in Administrative & General expenses, except for FY 2023-24, wherein 22% increase is projected over preceding year. The Authority feels that 22% increase projected in Administrative & General Expenditure in FY 2023-24 is reasonable considering 38% increase in Aircraft Traffic projected to be handled & 44% increase in projected Revenue in FY 2023-24.
- 5.27. The Authority observes that Utility & Outsourcing costs projected by the ISP for FY 2021-22 & FY 2022-23 are lower by 50% & 9% respectively over the actual Utility & Outsourcing Costs incurred by BWFS(I) during pre-Covid Year i.e. FY 2019-20 (refer para 5.7). From FY 2023-24 onward, ISP has projected YoY increase ranging between 8% to 10% in the Utility & Outsourcing Costs, except for FY 2023-24, wherein 44% increase is projected over preceding year.
- 5.28. The Authority notes that Utility & Outsourcing costs during first two tariff years of Third Control Period are lower as compared to FY 2019-20 (pre-Covid year), due to lower aircraft traffic volumes and cost cutting measures undertaken by the ISP. Now, with the substantial improvement in pandemic situation, reflecting in increased aircraft traffic; the Utility & Outsourcing costs are also expected to





increase and reach its normal levels. Further, Electricity & Fuel charges are mainly linked to the number of Flights handlings, with the projected increase in number of flights to be handled, these expenses will also increase. Considering the significant increase in projected aircraft traffic and taking into account the impact of annual inflation on Utilities Costs (Electricity & Water Charges, Diesel cost etc.), the increase in Utility & Outsourcing Costs for FY 2023-24 considered by the ISP seems reasonable.

As far as projected YoY increase in R&M Expenses is concerned, the Authority notes that ISP has projected 3% to 6% YoY increase in Repair & Maintenance costs for the Third Control Period. Considering annual inflation, increase in the cost of labour components & cost of spares, transport cost etc., the projected increase in R&M Expenses seems reasonable.

5.29. In respect to M/s. SpiceJet, BAOA & AOC comments regarding Royalty Charges/ Concession Fee payable by the ISP to the Airport Operator, the Authority notes that Concession Fee paid by the ISP to the Airport Operator is as per 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 to the Airport Operator is treated as aeronautical revenue for Airport Operator; hence, such revenues directly help in subsidizing the aeronautical Tariff levied by Airport Operators to the Airlines. Further, the Authority is of the view that bidding process to award such contracts, based on which ISP pays Revenue Share to Airport Operator, is a non-regulatory issue and such matters may be dealt between the stakeholders at the appropriate forum.

5.30. As regard to M/s SpiceJet's request to the AERA that no increase in payroll & other operating expenses may be considered for next 2-3 years, the Authority feels that considering significant increase in aircraft traffic projected by the ISP for the Third Control period after Covid pandemic, it is not practically feasible to freeze operating expenses as suggested by the SpiceJet, as operating costs are linked to the level of aircraft traffic projected to be handled. Further, operating expenses, including payroll costs, increases on YoY basis due to factors like increase in minimum wages & salary increments, annual escalations in land rentals, increase in utility costs such as fuel, electricity etc. to annual inflation.

Considering the above, the Authority decides to consider revised Operating and Maintenance Expenditure (Refer table 8) for the Third Control Period as submitted by the BWFS(I).

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

5.31. Based on the material before it and its analysis, the Authority decides to consider OPEX for the Third Control Period as per Table 8.



## CHAPTER 6: ANNUAL TARIFF PROPOSAL

### BWFS(I) Submissions on Annual Tariff Proposal for the Third Control Period as a part of MYTP

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

**Table 9: Proposed Tariff Rates for Scheduled Flights submitted by BWFS(I) for the Third Control Period.**

(Rates in ₹)

A/C	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 Flight</b>												
Code B	2000	11500	13500	2200	12400	14500	2400	13300	15600	2600	14300	16700
Code C	4000	12200	16200	4600	14100	18700	5300	16300	21600	6100	18800	24900
Code D	6500	19150	25650	7200	21100	28300	8000	23300	31200	8800	25700	34400
Code E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>International Passenger Flight</b>												
Code B	21500	64500	86000	23100	69100	92100	24800	74000	98600	26600	79200	105600
Code C	31650	94950	126600	33900	101600	135500	36300	108800	145000	38900	116500	155200
Code D	41620	166480	208100	44600	178200	222700	47800	190700	238300	51200	204100	255000
Code E	48900	195600	244500	52400	209300	261700	56100	224000	280100	60100	239700	299800
Code F	68540	274160	342700	73400	293400	366700	78600	314000	392400	84200	336000	419900
<b>Domestic Cargo Flight</b>												
Code C	N/A	64800	N/A	N/A	69400	N/A	N/A	74300	N/A	N/A	79600	N/A
Code D	N/A	114300	N/A	N/A	122400	N/A	N/A	131000	N/A	N/A	140200	N/A
Code E	N/A	134600	N/A	N/A	144100	N/A	N/A	154200	N/A	N/A	165000	N/A
Code F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>International Cargo Flight</b>												
Code C	N/A	104300	N/A	N/A	111700	N/A	N/A	119600	N/A	N/A	128000	N/A
Code D	N/A	179000	N/A	N/A	191600	N/A	N/A	205100	N/A	N/A	219500	N/A
Code E	N/A	210700	N/A	N/A	225500	N/A	N/A	241300	N/A	N/A	258200	N/A
Code F	N/A	286500	N/A	N/A	306600	N/A	N/A	328100	N/A	N/A	351100	N/A

#### Notes:

- 1 Any flight where either its arrival or departure are international, will also be considered as an International Flight for the purposes of applying above rates.
- 2 The above rates are exclusive of GST and any other applicable Government taxes.

6.2 BWFS(I) proposed the following % increase in the tariff for Schedule Flights at IGIA, Delhi as stated in the table below:

**Table 10: Percentage (%) increase in Tariff for different categories of Scheduled Flights for the Third Control Period.**

A/C	2022-23			2023-24			2024-25			2025-26		
	Tariff Year 2			Tariff Year 3			Tariff Year 4			Tariff Year 5		
	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full
<b>Domestic Passenger Flight</b>												
Code B	-47%	29%	6%	10%	8%	7%	9%	7%	8%	8%	8%	7%
Code C	25%	61%	50%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Code D	48%	51%	50%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Code E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>International Passenger Flight</b>												
Code B	55%	54%	54%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code C	35%	36%	36%	7%	7%	7%	7%	7%	7%	7%	7%	7%





Code D	37%	36%	36%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code E	38%	35%	36%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code F	26%	40%	37%	7%	7%	7%	7%	7%	7%	7%	7%	7%
<b>Domestic Cargo Flight</b>												
Code C	N/A	13%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A
Code D	N/A	13%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A
Code E	N/A	13%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A
Code F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>International Cargo Flight</b>												
Code C	N/A	36%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A
Code D	N/A	33%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A
Code E	N/A	33%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A
Code F	N/A	33%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A

6.3 BWFS(I) also submitted a separate Tariff Rate Card for Non-Scheduled and General Aviation Operation(s) as per the table given below: -

**Table 11: Proposed Tariff Rates for Domestic and International Non-Scheduled & General Aviation Flights submitted by BWFS(I) for the Third Control Period.**

(Rates in ₹)

Financial Year	2022-23		2023-24		2024-25		2025-26	
A/C Category	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.
<b>MTOW</b>								
0-5000	25,145	48,150	26,905	51,521	28,788	55,127	30,803	58,986
5001-10000	32,100	88,275	34,347	94,454	36,751	101,066	39,324	108,141
10001- 20000	39,055	140,438	41,789	150,269	44,714	160,788	47,844	172,043
20001- 35000	65,805	160,500	70,411	171,735	75,340	183,756	80,614	196,619
35001- 40000	67,410	180,563	72,129	193,202	77,178	206,726	82,580	221,197
40001- 50000	67,410	200,625	72,129	214,669	77,178	229,696	82,580	245,775
50001- 100000	90,950	260,813	97,317	279,070	104,129	298,605	111,418	319,507
100001 –200000	241,108	493,538	257,986	528,086	276,045	565,052	295,368	604,606
200001- 300000	551,106	581,813	589,683	622,540	630,961	666,118	675,128	712,746
300001 and above	661,326	702,188	707,619	751,341	757,152	803,935	810,153	860,210

Note: The above rates are exclusive of GST and any other applicable Government taxes.

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

6.4 The Authority noted that BWFS(I) had proposed Tariff increase of 6% to 50% for different aircraft codes under Scheduled Domestic Flights in FY 2022-23. Thereafter, ISP proposed Tariff increase in the range of 7% to 15% on YoY basis from FY 2023-24 to FY 2025-26 of the Third Control Period.

6.5 The Authority observed that in FY 2022-23, BWFS(I) had proposed 50% increase in Code C under Scheduled Domestic Flights, over the existing rates of FY 2021-22. In this regard, BWFS(I) vide mail dated 10.06.2022 submitted that since FY 2012-13, the Tariff rates of Domestic Scheduled Flights under "Code C" type aircrafts has remained lower than the Tariff rates of "Code B" type aircrafts due to oversight. As per ISP, the Code B type aircraft has 85 seating capacity whereas a Code C type aircraft has 180 seating capacity. Accordingly, more manpower and equipment are required to be deployed for handling Code C type of aircraft. Hence, the Tariff rate of Code C aircraft should be higher than the rates charged for a Code B aircraft. Therefore, BWFS(I) proposed 50% tariff increase in Code C





scheduled Domestic Flight for FY 2022-23 to correct this anomaly.

- 6.6 Similarly, for Code D type of aircrafts (which are having higher capacity than Code C type aircrafts), more manpower and higher configuration of ground handling equipment are required to be deployed for its ground handling, therefore, rates for these types of aircrafts are more than the rates of Code B & C types of aircrafts. Accordingly, BWFS(I) had proposed 50% increase in Code D under Scheduled Domestic Flights, over the existing rates of FY 2021-22.
- 6.7 The Authority further noted that BWFS(I) had proposed a separate Tariff for Non-Scheduled and General Aviation Flights. In this regard, the Authority is of the view that the Tariff for Domestic Non-Scheduled and General Aviation Operations should not be more than the Tariff of relevant Domestic Scheduled Flights for similar class of Aircraft(s). However, the Authority proposed to consider the separate Tariff in case of International Non-Scheduled & General Aviation Operations only (as per Table 9 given above).
- 6.8 The Authority noted that in case of Non-Scheduled Flights and General Aviation Operations, BWFS(I) had proposed 7% YoY increase in Tariff for the Third Control Period.
- 6.9 Further, BWFS(I) should ensure compliance of Standardization of Ground Handling Equipment at IGI Airport, Delhi 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**

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

- 6.10 In its comments on Annual Tariff Proposal (ATP) for the Third Control Period, M/s SpiceJet has referred para nos. 6.5, 6.6, 6.10, 6.11 & Table 7 to 9 of CP No. 05/2022-23 and submitted that *"the rates of increase in tariff are very high, especially for the scheduled passenger flights and especially in the backdrop of COVID-19. It is in the interest of all the stakeholders not to increase the tariff in order to encourage middle class people to travel by air, which will help in sharp post COVID-19 recovery of aviation sector. We humbly request you that no hike should be granted to BWFS(I), in the interest of all the stakeholders and no increase may be granted in the Third Control Period."*
- 6.11 *Without prejudice to the above, we submit that the tariff as well as the proposed rate of increase are very high, especially for the Domestic Passenger Scheduled Flights, highlighted with a Year-on-Year increase of between 7% to 61%, especially for Code C and Code D aircraft), and AERA is requested to kindly review the same".*

##### **M/s AOC Comments on Annual Tariff Proposal (ATP) for the Third Control.**

- 6.12 In its comments on Annual Tariff Proposal (ATP) for the Third Control Period, M/s AOC has referred Table 8 of CP no. 05/2022-23 and submitted that *"For Int'l Code C, D and E, the first Tariff Year's rates have been proposed to be hiked by 36% and subsequently by 7 % post that for the rest three Tariff Years. AOC sincerely requests AERA to reconsider such a hefty increase in YoY percentile which would not only further aggravate the careful attempts by the airlines willing to stand up post suffering enormous economic impact over the last two years of COVID induced impact in Aviation but may also become a deterrent for other carriers in their attempts to restart operations to/from the busiest airport in the country."*
- 6.13 *It is also pertinent to take note that most likely some of the OPEX and CAPEX expenses mentioned in the ISP's submission may be cross utilized by the ISP at the GA terminal operated by the same ISP which AOC believes should have a bearing on the final outcome of this CP."*





### **M/s BAOA Comments on Annual Tariff Proposal (ATP) for the Third Control.**

M/s BAOA has submitted the following comments on the Annual Tariff Proposal (ATP) proposed by the ISP for the Third Control Period:

M/s BAOA requests to the Authority to consider the following charges/modifications, with the required justifications-

- 6.14 *BAOA has referred para no 6.7 of CP and submitted that "the YoY increase has been proposed at 7%, which is on the higher side keeping in mind the average inflation rate and other related economic factors. Therefore, it is requested to consider YoY of 5% as has been done for other major airports, like Thiruvananthapuram.*
- 6.15 *As per CP 05/2022-23, the requirement of three Ground Handling service providers is being fulfilled through GH services being provided by AISATS, CASIPL & BWFS(I). However, all three GH agencies should be allowed to give further discounted rates to the operators on the finalized GH charges by AERA. This would lend credence to the actual availability of competitive pricing for GH services, especially for NSOP/GA aircraft. The aim should be to treat GH charges, approved by AERA at DIAL, as the 'MRP' and competitors (three of them) further give incentives to operators through individually offered discounts.*
- 6.16 *Annexure I of CP – The heading of comprehensive charges for GH services for NSOP/GA should also include, separately and additionally, the option of itemized charges as per the list approved by the Authority. The smaller aircraft, of the NSOP/GA category especially the ones below 5700 kgs (AUW), have limited ground handling or, in some cases, no requirement for GH services. It has been experienced that these small aircraft end up paying disproportionately high GH charges, as 'comprehensive charges' approved by AERA in their category (up to 5000 kgs), compared to even the actual operating cost of the flight, including fuel/landing/parking cost. This situation requires immediate correction and rationalization by way of AERA prescribing itemized GH charges, as an additional option along with comprehensive charges, for aircraft below 5700 kgs (AUW) and, up to 9-seater capacity, many aircraft in this category need only marshalling and standard vehicle for limited movement in and out of the apron area.*

*These itemized charges are already provided in AERA's orders for aeronautical services at Chandigarh/Goa/Mangalore. 'Authority' is requested to reconcile the actual requirements of 'ground handling' for these smaller aircraft (below 5700 kgs AUW) and, additionally, authorize aeronautical tariff at DIAL as per itemized 'GH services' requirements on an actual case-to-case basis, keeping affordability and practicality in view. Further, especially for domestic operations of small aircraft, the tariff should be decided in different weight categories (like up to 2999 kgs, 3000 to 7999 kgs etc), as already being done in some AERA's orders, rather than the category of codes B, C and so on.*

- 6.17 *Comments on Annexure II of CP: The proposed GH charges for 'International operations' need to match with similar charges at other international airports of the countries which are also members of ICAO. This is keeping in line with the general guidelines of ICAO to levy aeronautical charges at reasonable rates and comparable to domestic operations of aircraft in the similar category. Further, there are many Indian multinational corporate houses having foreign registered aircraft, in the name of these Indian companies, for efficiently carrying out their business operations in India and abroad. These foreign registered aircraft, of Indian multinational companies, should be given special discounted rates when operating from their own nation's public airports, as compared to the GH tariff applied at these airports on foreign registered aircraft of other nations' multinational companies."*





**BWFS(I) response on SpiceJet comments regarding Annual Tariff Proposal for the Third Control Period:**

- 6.18 In response of SpiceJet Comments on Annual Tariff Proposal, BWFS(I) has submitted that *"the rates approved in earlier MYTP for Code C was lower than Code B rates, i.e. Code C rate was 85% of Code B rate. This was an inadvertent error, corrected in current MYTP. As we all know that the Code B type aircraft has 85 seating capacity whereas a Code C type aircraft has 180 seating capacity. Accordingly, more manpower and equipment are required to be deployed for handling Code C type of aircraft. In addition, the earlier rates remained unchanged for almost 10 years. During this tenure, CPI has gone up by 84%. Considering all these facts, the increase is justified."*
- 6.19 *No domestic airlines fly Code D aircraft and therefore, these rates are practically not applicable in the current environment. They are included in the list to make it a complete list of rates. However, reasons for increase are already explained in previous paragraph."*

**BWFS(I) response on AOC comments regarding Annual Tariff Proposal for the Third Control Period:**

- 6.20 In response of AOC Comments on Annual Tariff Proposal, BWFS(I) has submitted that *"We would like to bring it to the notice of Delhi AOC that the tariffs haven't changed in last ten years. To align the tariffs with inflation over these years which is 84%, a meagre increase is done. Delhi AOC can verify the inflation data published by Delhi Government every month. However, increase in tariffs doesn't mean that actual rates applicable on our customers will increase unilaterally. All our contracts are long term and agreed rates will continue to be in force. At the expiry of the contract term, all airlines float RFPs and negotiate services and rates with all the GHAs as per their own expectations."*
- 6.21 *Delhi AOC has erred in making this observation. For information and clarity, they may note that ground handling at IGIA and GA Terminal Operations at IGIA are two separate concessions run by separate entities."*

**BWFS(I) response on BAOA comments regarding Annual Tariff Proposal for the Third Control Period:**

- 6.22 In response of BAOA Comments on Annual Tariff Proposal, ISP has submitted that *"BWFS(I) is authorized to provide ground handling services at IGIA except to General Aviation Aircrafts. Therefore, the observations made by BAOA in relation to General Aviation, are answered as not applicable."*
- 6.23 On the basis of the stakeholder's comments, BWFS(I) has revised the Revenue and Operating Expenditure from FY 2023-24 onward. Accordingly, ISP vide mail dated 21.09.2022, has submitted the revised Tariff Rate Card for Ground Handling Services in respect of Scheduled Flights at Delhi Airport for the Third Control Period (FY 2021-22 to FY 2025-26) as given below:

**Table 12: Revised Tariff Rates for Scheduled Flights submitted by BWFS(I) for the Third Control Period.**

(Rates in ₹)

A/C	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 Flight</b>												
Code B	2000	11500	13500	2200	12400	14500	2400	13300	15600	2600	14300	16700
Code C	4000	12200	16200	4600	14100	18700	5300	16300	21600	6100	18800	24900
Code D	6500	19150	25650	7200	21100	28300	8000	23300	31200	8800	25700	34400
<b>International Passenger Flight</b>												
Code C	31650	94950	126600	33900	101600	135500	36300	108800	145000	38900	116500	155200
Code D	41620	166480	208100	44600	178200	222700	47800	190700	238300	51200	204100	255000
Code E	48900	195600	244500	52400	209300	261700	56100	224000	280100	60100	239700	299800
Code F	67500	265000	332500	72225	283550	355775	77281	303399	380679	82690	324636	407327





Domestic Cargo Flight												
Code C	N/A	64800	N/A	N/A	69400	N/A	N/A	74300	N/A	N/A	79600	N/A
Code D	N/A	114300	N/A	N/A	122400	N/A	N/A	131000	N/A	N/A	140200	N/A
Code E	N/A	134600	N/A	N/A	144100	N/A	N/A	154200	N/A	N/A	165000	N/A
International Cargo Flight												
Code C	N/A	104300	N/A	N/A	111700	N/A	N/A	119600	N/A	N/A	128000	N/A
Code D	N/A	179000	N/A	N/A	191600	N/A	N/A	205100	N/A	N/A	219500	N/A
Code E	N/A	210700	N/A	N/A	225500	N/A	N/A	241300	N/A	N/A	258200	N/A
Code F	N/A	286500	N/A	N/A	306600	N/A	N/A	328100	N/A	N/A	351100	N/A

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

- 6.24 As regard to the comments of M/s SpiceJet, AOC and BAOA on the proposed increase in Tariff rates, the Authority has noted the submission of M/s BWFS(I) that actual Tariffs rates that would be charged to airlines will be different from the ceiling Tariff approved by the Authority, as the Tariff rates are negotiable and is decided bilaterally with the GHA, as a commercial obligation between authorized Airlines and ISP.
- 6.25 As regards to the SpiceJet comments on 50% Tariff increase proposed under "Code C & D" type aircrafts is concerned, the Authority noted the submission of BWFS(I) that since FY 2012-13, the Tariff rates of Domestic Scheduled Flights under "Code C" type aircrafts has remained lower than the Tariff rates of "Code B" type aircrafts due to oversight. As Code C Types Aircraft(s) are bigger than the Code B type Aircraft(s) therefore, to rectify the earlier error, BWFS(I) had proposed 50% increase in the Tariff rates for FY 2022-23 under Code C & D" types of aircrafts under Domestic Schedule Flights. The Authority also notes that the tariff rates for BWFS(I) have not been increased in last ten years at IGIA, Delhi whereas as per the BWFS(I) submission, the inflation over these years has been increased by 84%.
- 6.26 As regard to M/s BAOA & AOC comments that YoY increase in Tariff rates should not be more than 5%, the Authority feels that 7% YoY increase proposed by the ISP in Tariff Rates from FY 2023-24 onward is reasonable considering the annual increase in operating costs, due to factors like annual escalations in salaries & wages, annual escalation in rentals, increase in admin. & general expenses and Utilities costs on account of annual inflation etc.
- 6.27 BWFS(I), vide mail dated 30.08.2022 has informed that their international customers are not operating Code-B type aircrafts, therefore requests the Authority to remove Tariff rates for Code-B type aircraft(s) from the Tariff Rate Card pertaining to Scheduled International Aircrafts category (Annexure I). Accordingly, the Authority decides to amend the Tariff Rate Card in respect of Scheduled International Flights [after removal the tariff rates for CODE-B type aircraft(s)]. However, in future, if BWFS(I) intends to provide Ground Handling Services to Code-B type aircraft(s) [under Scheduled International aircrafts], then they would have to obtain prior approval of the Authority.
- 6.28 BWFS(I), further vide mail dated 21.09.2022 has submitted the revised Tariff Rate Card for Scheduled Flights (Annexure-I). The Authority notes that in the revised Tariff Rate Card, ISP has marginally decreased the Tariff Rates under Code-F type aircraft(s) for the International Scheduled Flights in FY 2022-23 up to FY 2025-26.
- 6.29 With respect of BAOA's comments suggesting similar rates of GHS for international flights comparable to rates at international airports in other countries, the Authority is of the view that it is not appropriate to compare Tariff rates of international airports in India with the airports in other countries, as Airports/ Service Providers operating at different airports across countries operate on different economic and regulatory context. Further, service providers in different airports may have different business models in terms of Traffic volume, Investment levels and Operating Costs etc.; accordingly, Tariff rates differ country to country and airport to airport.





As far as BAOA's comment relating to discount in tariff rates for foreign registered aircraft(s) operated by Indian multi-national companies, the Authority is of the view that Tariff rates approved by the AERA are ceiling rates, such matters may be mutually discussed and negotiated between Service Provider & User airlines/aircraft Operators.

- 6.30 The Authority notes that in response to various issues raised by the BAOA relating to proposed Tariff, ISP vide mail dated 26.08.2022 informed at as per the concession agreement with the Airport Operator, they are not authorized to provide Ground Handling Services to General Aviation (GA) Flights at IGIA, Delhi. However, in accordance with MoCA's directive vide letter no. AV-24032/184/2022-AAI-MOCA dated 23<sup>rd</sup> September, 2022 regarding provision of Item-wise Charges for Ground Handling Services at Major Airport for Non-Scheduled Operators Permit (NSOP) and General Aviation (GA), BWFS(I) vide mail dated 31.10.2022 has submitted a separate Tariff Rate Card for Item-wise Charges for Scheduled and Non-Scheduled Operators, including General Aviation (as per **Annexure-III**).
- 6.31 Considering the investments made/projected by the ISP on Ground Handling Equipment and allied facilities and factoring in periodic increase in the minimum wages rates, annual escalation in salaries, rentals, impact of general inflation on operating expenditure, the Authority feels that BWFS(I) has required adequate revenues to meet the projected increase in operating expenses. Further, as per the profitability statement (Table 6), the ISP with the proposed Tariff increase is expected to earn a nominal profit only, ranging between 0.81% to 6.25%.
- 6.32 The Authority also notes that at IGIA, Delhi, there are three players [including BWFS(I)] providing Ground Handling Services and it is expected that market competition will help in keeping Tariff of Ground Handling Services at reasonable levels for the end Users.

In view of the above, the Authority decides to adopt the Tariff Rate cards for Scheduled Flights (Domestic & International), International "Non-Scheduled & General Aviation" Flights and Item-wise Tariff Rates for the Third Control period as per **Annexures (I, II & III)**.

**Authority's Decisions regarding Tariff rates 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:

- 6.33 The Authority decides to adopt the Tariff Rates for Ground Handling Services provided by BWFS(I) in respect of Scheduled Flights (Domestic & International) and International Non-Scheduled & General Aviation Flights and Item-wise Tariff Rates card for the Third Control Period as per **Annexures (I, II & III)**.
- 6.34 The Authority decides that the Tariff Rates indicated in **Annexures (I, II & III)** shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- 6.35 The Authority decides that Tariff for Domestic Non-Scheduled & General Aviation Operations, including Item-wise Charges, shall not exceed the approved Tariffs for relevant Domestic Scheduled Flights for similar class of Aircraft(s).
- 6.36 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.
- 6.37 The Authority also decides that BWFS(I) shall ensure compliance towards Standardization of Ground Handling Equipment at IGI Airport, Delhi in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 27.10.2022.



## **CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS**

The Summary of Authority's decisions (given under each chapter) regarding the Tariff determination of BWFS(I) for the Third Control Period is as under:

<b>Chapter</b>	<b>Para</b>	<b>Summary of Authority's Decisions</b>	<b>Page No.</b>
<b>Chapter No.2</b>	<b>2.12</b>	The Authority decides to consider the Tariff determination exercise of BWFS(I) for providing Ground Handling Services at Indira Gandhi International Airport (IGIA), Delhi under the <b>"Light Touch Approach"</b> for the Third Control Period, as the regulated service is deemed as <b>'Material but Competitive'</b> .	<b>09</b>
<b>Chapter No. 3</b>	<b>3.15</b>	The Authority decides to consider the Aircraft Traffic (Flights to be handled) submitted by BWFS(I) for the Third Control Period as per Table 3.	<b>12</b>
<b>Chapter No. 4</b>	<b>4.20</b>	The Authority decides to consider the CAPEX for the Third Control Period as per Table 5.	<b>18</b>
<b>Chapter No. 5</b>	<b>5.31</b>	The Authority decides to consider OPEX for the Third Control Period as per Table 8.	<b>26</b>
<b>Chapter No. 6</b>	<b>6.33</b>	The Authority decides to adopt the Tariff Rates for Ground Handling Services provided by BWFS(I) in respect of Scheduled Flights (Domestic & International) and International Non-Scheduled & General Aviation Flights and Item-wise Tariff Rates card for the Third Control Period as per <b>Annexures (I, II &amp; III)</b> .	<b>33</b>
	<b>6.34</b>	The Authority decides that the Tariff Rates indicated in <b>Annexures (I, II &amp; III)</b> shall be maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.	
	<b>6.35</b>	The Authority decides that Tariff for Domestic Non-Scheduled & General Aviation Operations, including Item-wise Charges, shall not exceed the approved Tariffs for relevant Domestic Scheduled Flights for similar class of Aircraft(s).	
	<b>6.36</b>	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.	
	<b>6.37</b>	The Authority also decides that BWFS(I) shall ensure compliance towards Standardization of Ground Handling Equipment at IGI Airport, Delhi in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 27.10.2022.	





## CHAPTER 8: ORDER

Upon careful consideration of the material available on record, as well as submission made by BWFS(I), 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 Bird Worldwide Flight Services (India) Private Limited [BWFS(I)] at Indira Gandhi International Airport (IGIA), Delhi for the Third Control Period is deemed "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 **Annexures (I, II & III)** 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, including Item-wise Charges, 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 rates determined hereinunder is excluding of applicable taxes, if any.
- (vi) This Tariff Order shall be effective from **16.01.2023**.
- (vii) M/s BWFS(I) shall maintain the separate accounts for its Ground Handling Operations at Delhi Airport and at the end of each tariff year submit Annual Compliance Statement (ACS), including annual audited accounts, as per AERA CGF Guidelines, 2011 (clause 11.4).
- (viii) 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,

**Shri Sandeep Kumar Jain, Chief Commercial Officer,**  
Bird Worldwide Flight Services (India) Pvt Ltd,  
E-9 Connaught House, Connaught Place,  
New Delhi-110001.

### Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
2. Shri. K. Narayana Rao (Director), Delhi International Airport Limited, New Udaan Bhavan, Opp. Terminal 3, IGI Airport, New Delhi -110037.





**ANNEXURE-I****APPROVED TARIFF RATE CARD FOR BWFS(I) PROVIDING GROUND HANDLING SERVICES  
AT INDIRA GANDHI INTERNATIONAL AIRPORT, DELHI.**

Maximum rates to be levied for Domestic\* and International Scheduled Flights in respect of  
Ground Handling Services for FY 2022-23 to FY 2025-26 of the Third Control Period.

**REVISED TARIFF IS EFFECTIVE FROM 16.01. 2023**

(Rates in ₹)

A/C	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 Flight</b>												
Code B	2000	11500	13500	2200	12400	14500	2400	13300	15600	2600	14300	16700
Code C	4000	12200	16200	4600	14100	18700	5300	16300	21600	6100	18800	24900
Code D	6500	19150	25650	7200	21100	28300	8000	23300	31200	8800	25700	34400
<b>International Passenger Flight</b>												
Code C	31650	94950	126600	33900	101600	135500	36300	108800	145000	38900	116500	155200
Code D	41620	166480	208100	44600	178200	222700	47800	190700	238300	51200	204100	255000
Code E	48900	195600	244500	52400	209300	261700	56100	224000	280100	60100	239700	299800
Code F	67500	265000	332500	72225	283550	355775	77281	303399	380679	82690	324636	407327
<b>Domestic Cargo Flight</b>												
Code C	N/A	64800	N/A	N/A	69400	N/A	N/A	74300	N/A	N/A	79600	N/A
Code D	N/A	114300	N/A	N/A	122400	N/A	N/A	131000	N/A	N/A	140200	N/A
Code E	N/A	134600	N/A	N/A	144100	N/A	N/A	154200	N/A	N/A	165000	N/A
<b>International Cargo Flight</b>												
Code C	N/A	104300	N/A	N/A	111700	N/A	N/A	119600	N/A	N/A	128000	N/A
Code D	N/A	179000	N/A	N/A	191600	N/A	N/A	205100	N/A	N/A	219500	N/A
Code E	N/A	210700	N/A	N/A	225500	N/A	N/A	241300	N/A	N/A	258200	N/A
Code F	N/A	286500	N/A	N/A	306600	N/A	N/A	328100	N/A	N/A	351100	N/A

\* Tariff for Domestic Scheduled Flights is also applicable to Domestic "Non-Scheduled flights and General Aviation".

**Notes:**

- Above Tariff Rates are excluding of all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.
- Any flight where either its arrival or departure are international, will be considered as an International Flight for the purposes of applying above rates.
- Tariff for General Aviation Flights shall only be applicable, if ISP is authorized by the Airport Operator to handle General Aviation Flights at IGIA, Delhi.





**ANNEXURE-II****APPROVED TARIFF RATE CARD FOR BWFS(I) PROVIDING GROUND HANDLING SERVICES  
AT INDIRA GANDHI INTERNATIONAL AIRPORT, DELHI.**

Maximum rates to be levied for International "Non-Scheduled & General Aviation" in respect of  
Ground Handling Services for FY 2022-23 to FY 2025-26 of the Third Control Period.

**REVISED TARIFF IS EFFECTIVE FROM 16.01. 2023**

(Rates in ₹)

Financial Year	2022-23	2023-24	2024-25	2025-26
A/C Category	International	International	International	International
MTOW				
0-5000	48,150	51,521	55,127	58,986
5001-10000	88,275	94,454	101,066	108,141
10001- 20000	140,438	150,269	160,788	172,043
20001- 35000	160,500	171,735	183,756	196,619
35001- 40000	180,563	193,202	206,726	221,197
40001- 50000	200,625	214,669	229,696	245,775
50001- 100000	260,813	279,070	298,605	319,507
100001 -200000	493,538	528,086	565,052	604,606
200001- 300000	581,813	622,540	666,118	712,746
300001 and above	702,188	751,341	803,935	860,210

**Notes:**

- Above Tariff Rates are excluding of all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.
- Tariff for General Aviation Flights shall only be applicable, if ISP is authorized by the Airport Operator to handle General Aviation Flights at IGIA, Delhi.





**ANNEXURE-III****APPROVED TARIFF RATE CARD FOR BWFS(I) PROVIDING GROUND HANDLING SERVICES  
AT INDIRA GANDHI INTERNATIONAL AIRPORT, DELHI.****REVISED TARIFF IS EFFECTIVE FROM 16.01.2023**

(Rates in ₹)

**(A) - Maximum Tariff for Item-wise Charges in respect of Domestic\* & International Scheduled Flights  
for FY 2022-23 to FY 2025-26 of the Third Control Period.**

SL. NO	SERVICES	UNIT	2022-23		2023-24		2024-25		2025-26	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
1	Air Conditioning Unit (NB)	Per Hour	11,600	14,800	12,412	15,836	13,281	16,945	14,210	18,131
2	Air Conditioning Unit (WB)	Per Hour	14,783	23,367	15,818	25,003	16,925	26,753	18,110	28,626
3	Air Starter Unit (NB)	Per Start	14,400	20,640	15,408	22,085	16,487	23,631	17,641	25,285
4	Air Starter Unit (WB)	Per Start	17,520	23,200	18,746	24,824	20,059	26,562	21,463	28,421
5	Aircraft Disinfection - Freighter Aircrafts	Per service	9,600	11,000	10,272	11,770	10,991	12,594	11,760	13,475
6	Aircraft Disinfection - Pax Aircraft Code C	Per service	12,500	14,000	13,375	14,980	14,311	16,029	15,313	17,151
7	Aircraft Disinfection - Pax Aircraft Code D/E	Per service	16,000	19,200	17,120	20,544	18,318	21,982	19,601	23,521
8	Aircraft Disinfection - Pax Aircraft Code F	Per service	18,500	28,000	19,795	29,960	21,181	32,057	22,663	34,301
9	Aircraft marshalling	Per service	3,000	4,000	3,210	4,280	3,435	4,580	3,675	4,900
10	Ambulift	Per flight leg	11,000	14,800	11,770	15,836	12,594	16,945	13,475	18,131
11	Apron Transport (Passenger)	Per Trip	8,800	14,400	9,416	15,408	10,075	16,487	10,780	17,641
12	Arrange non-scheduled Crew Hotel Accommodation	Per flight	4,000	6,000	4,280	6,420	4,580	6,869	4,900	7,350
13	Air Traffic Control payment services	Per flight	3,500	5,000	3,745	5,350	4,007	5,725	4,288	6,125
14	Baggage ID	Per Service	2,400	3,600	2,568	3,852	2,748	4,122	2,940	4,410
15	Baggage/Cargo cart	Per Hour	1,500	2,000	1,605	2,140	1,717	2,290	1,838	2,450
16	Ballast Bags refill	Per refill-per bag	2,400	3,360	2,568	3,595	2,748	3,847	2,940	4,116
17	Blue collar staff	Per staff per hour	1,800	2,400	1,926	2,568	2,061	2,748	2,205	2,940
18	Brake Cooling Service	Per flight	10,000	13,200	10,700	14,124	11,449	15,113	12,250	16,171





19	Cabin loading/unloading NB	Per hour	10,200	13,400	10,914	14,338	11,678	15,342	12,495	16,416
20	Cabin loading/unloading WB	Per hour	11,800	15,600	12,626	16,692	13,510	17,860	14,456	19,111
21	Cargo Supervision services	Per flight	6,800	6,800	7,276	7,276	7,785	7,785	8,330	8,330
22	Container/Pallet Dolly	Per Hour	1,500	2,200	1,605	2,354	1,717	2,519	1,838	2,695
23	Container/Pallet Dolly 20 FT	Per Hour	2,760	3,600	2,953	3,852	3,160	4,122	3,381	4,410
24	Conveyor belt	Per Hour	6,500	9,500	6,955	10,165	7,442	10,877	7,963	11,638
25	Crew Transport	Per Trip	5,000	6,000	5,350	6,420	5,725	6,869	6,125	7,350
26	Deportee/ In-admissible PAX handling	Per Passenger	2,800	3,680	2,996	3,938	3,206	4,213	3,430	4,508
27	Direct crew through airport facilities	Per Service	2,000	3,000	2,140	3,210	2,290	3,435	2,450	3,675
28	Excess Baggage Fee (% of collection)	As per collection	10% of Collection	10% of Collection	10% of Collection	10% of Collection	10% of Collection	10% of Collection	10% of Collection	10% of Collection
29	Exterior Cleaning - NB	Per Service	16,000	22,400	17,120	23,968	18,318	25,646	19,601	27,441
30	Exterior Cleaning - WB	Per Service	20,800	32,000	22,256	34,240	23,814	36,637	25,481	39,201
31	Forklift (3 Tons)	Per Hour	5,200	6,600	5,564	7,062	5,953	7,556	6,370	8,085
32	Full body suit PPE	Per suit	1,500	2,000	1,605	2,140	1,717	2,290	1,838	2,450
33	Ground Power Unit	Per Hour	13,600	17,520	14,552	18,746	15,571	20,059	16,661	21,463
34	Headset service	Per Flight	1,440	2,400	1,541	2,568	1,649	2,748	1,764	2,940
35	Interior Deep Cleaning - NB	Per Service	6,400	7,600	6,848	8,132	7,327	8,701	7,840	9,310
36	Interior Deep Cleaning - WB	Per Service	7,800	11,800	8,346	12,626	8,930	13,510	9,555	14,456
37	Interior Turn Cleaning - NB	Per Service	6,000	7,600	6,420	8,132	6,869	8,701	7,350	9,310
38	Interior Turn Cleaning - WB	Per Service	7,600	10,800	8,132	11,556	8,701	12,365	9,310	13,230
39	Lower Deck Loader	Per hour	10,800	17,200	11,556	18,404	12,365	19,692	13,230	21,071
40	Manual Check-In	Per Passenger	6,000	8,800	6,420	9,416	6,869	10,075	7,350	10,780
41	Middle Deck Loader	Per hour	12,000	18,200	12,840	19,474	13,739	20,837	14,701	22,296
42	Operational Flight Plan Print Out	Per service	1,440	2,000	1,541	2,140	1,649	2,290	1,764	2,450
43	Passenger Step (mobile-NB)	Per Hour	2,800	4,000	2,996	4,280	3,206	4,580	3,430	4,900
44	Passenger Step (mobile-WB)	Per Hour	3,000	5,800	3,210	6,206	3,435	6,640	3,675	7,105
45	Pushback for narrow body aircraft	Per Push	11,080	14,680	11,856	15,708	12,685	16,807	13,573	17,984
46	Pushback for wide body aircraft	Per Push	18,600	24,000	19,902	25,680	21,295	27,478	22,786	29,401
47	Stationary (Boarding card & Tags)	Per Flight	3,600	6,800	3,852	7,276	4,122	7,785	4,410	8,330





48	Tail stand	Per Hour	5,400	7,000	5,778	7,490	6,182	8,014	6,615	8,575
49	Toilet truck	Per Service	7,800	9,500	8,346	10,165	8,930	10,877	9,555	11,638
50	Towbar	Per Use	3,500	5,800	3,745	6,206	4,007	6,640	4,288	7,105
51	Towing of narrow body aircraft	Per Tow	18,500	22,500	19,795	24,075	21,181	25,760	22,663	27,563
52	Towing of wide body aircraft	Per Tow	25,600	34,320	27,392	36,722	29,309	39,293	31,361	42,043
53	Transit w/o visa pax	Per Passenger	4,000	6,240	4,280	6,677	4,580	7,144	4,900	7,644
54	Trestle (standard size - 4ft)	Per Hour	4,000	5,280	4,280	5,650	4,580	6,045	4,900	6,468
55	Tugs	Per Hour	2,250	3,200	2,408	3,424	2,576	3,664	2,756	3,920
56	Unit Load Device Storage	Per ULD/per day	450	600	482	642	515	687	551	735
57	Unaccompanied Minor Handling	Per UM	2,850	4,000	3,050	4,280	3,263	4,580	3,491	4,900
58	Vacuum Cleaner	Per Hour	2,850	4,000	3,050	4,280	3,263	4,580	3,491	4,900
59	VIP Vehicle (Innova Range)	Per trip	8,400	12,600	8,988	13,482	9,617	14,426	10,290	15,436
60	VIP Vehicle (Luxury - Mercedes/ BMW / AUDI range)	Per trip	13,500	19,600	14,445	20,972	15,456	22,440	16,538	24,011
61	VIPs	Per Passenger	4,000	5,000	4,280	5,350	4,580	5,725	4,900	6,125
62	Water truck	Per Service	7,500	9,600	8,025	10,272	8,587	10,991	9,188	11,760
63	Water Uplift	Per Ltr.	5	7	5	7	6	8	6	9
64	Wheel Chair	Per Service	1,950	2,500	2,087	2,675	2,233	2,862	2,389	3,063
65	White collar staff	Per staff per hour	2,500	3,500	2,675	3,745	2,862	4,007	3,063	4,288

\*Item Wise charges for Domestic Scheduled Flights is also applicable to Domestic "Non-Scheduled flights and General Aviation".

WB= Widebody Aircraft; NB Narrow Body Aircraft

Dom. =Domestic; Int. = International

**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.
- Item wise charges for GHS for General Aviation Flights shall only be applicable, if ISP is authorized by the Airport Operator to handle General Aviation Flights at IGIA, Delhi.





**(B) Item-wise Charges for International "Non-Scheduled Operators & General Aviation".**

(Rates in ₹)

SL. No.	SERVICES	UNIT	2022-23	2023-24	2024-25	2025-26
1	Air Conditioning Unit (NB)	Per Hour	18,500	19,795	21,181	22,663
2	Air Conditioning Unit (WB)	Per Hour	29,209	31,254	33,441	35,782
3	Air Starter Unit (NB)	Per Start	25,800	27,606	29,538	31,606
4	Air Starter Unit (WB)	Per Start	29,000	31,030	33,202	35,526
5	Aircraft Disinfection - Freighter Aircrafts	Per service	13,000	13,910	14,884	15,926
6	Aircraft Disinfection - Pax Aircraft Code C	Per service	17,500	18,725	20,036	21,438
7	Aircraft Disinfection - Pax Aircraft Code D/E	Per service	24,000	25,680	27,478	29,401
8	Aircraft Disinfection - Pax Aircraft Code F	Per service	35,000	37,450	40,072	42,877
9	Aircraft marshalling	Per service	5,500	5,885	6,297	6,738
10	Ambulift	Per flight leg	18,500	19,795	21,181	22,663
11	Apron Transport (Passenger)	Per Trip	18,000	19,260	20,608	22,051
12	Arrange non-scheduled Crew Hotel Accommodation	Per flight	7,500	8,025	8,587	9,188
13	ATC payment services	Per flight	6,250	6,688	7,156	7,657
14	Baggage ID	Per Service	4,500	4,815	5,152	5,513
15	Baggage/Cargo cart	Per Hour	2,500	2,675	2,862	3,063
16	Ballast Bags refill	Per refill-per bag	4,200	4,494	4,809	5,145
17	Blue collar staff	Per staff per hour	3,000	3,210	3,435	3,675
18	Brake Cooling Service	Per flight	16,500	17,655	18,891	20,213
19	Cabin loading/unloading NB	Per hour	16,750	17,923	19,177	20,519
20	Cabin loading/unloading WB	Per hour	19,500	20,865	22,326	23,888
21	Cargo Supervision services	Per flight	8,500	9,095	9,732	10,413
22	Container/Pallet Dolly	Per Hour	2,750	2,943	3,148	3,369
23	Container/Pallet Dolly 20 FT	Per Hour	4,500	4,815	5,152	5,513
24	Conveyor belt	Per Hour	10,000	10,700	11,449	12,250
25	Crew Transport	Per Trip	9,500	10,165	10,877	11,638
26	Deportee/ In-admissible handling	Per Passenger	4,800	5,136	5,496	5,880
27	Direct crew through airport facilities	Per Service	3,750	4,013	4,293	4,594
28	Excess Baggage Fee (% of collection)	As per collection	10% of Collection	10% of Collection	10% of Collection	10% of Collection
29	Exterior Cleaning - NB	Per Service	28,000	29,960	32,057	34,301
30	Exterior Cleaning - WB	Per Service	40,000	42,800	45,796	49,002
31	Forklift (3 Tons)	Per Hour	8,250	8,828	9,445	10,107
32	Full body suit PPE	Per suit	2,500	2,675	2,862	3,063
33	Ground Power Unit	Per Hour	21,900	23,433	25,073	26,828
34	Headset service	Per Flight	3,000	3,210	3,435	3,675
35	Interior Deep Cleaning - NB	Per Service	9,500	10,165	10,877	11,638
36	Interior Deep Cleaning - WB	Per Service	14,750	15,783	16,887	18,069
37	Interior Turn Cleaning - NB	Per Service	9,500	10,165	10,877	11,638
38	Interior Turn Cleaning - WB	Per Service	13,500	14,445	15,456	16,538
39	Lower Deck Loader	Per hour	21,500	23,005	24,615	26,338
40	Manual Check-In	Per Passenger	11,000	11,770	12,594	13,475
41	Middle Deck Loader	Per hour	22,750	24,343	26,046	27,870
42	Operational Flight Plan Print Out	Per service	2,500	2,675	2,862	3,063
43	Passenger Step (mobile-NB)	Per Hour	5,000	5,350	5,725	6,125
44	Passenger Step (mobile-WB)	Per Hour	7,250	7,758	8,301	8,882
45	Pushback for narrow body aircraft	Per Push	18,350	19,635	21,009	22,480





46	Pushback for wide body aircraft	Per Push	30,000	32,100	34,347	36,751
47	Stationary (Boarding card & Tags)	Per Flight	8,500	9,095	9,732	10,413
48	Tail stand	Per Hour	8,750	9,363	10,018	10,719
49	Toilet truck	Per Service	12,500	13,375	14,311	15,313
50	Towbar	Per Use	7,250	7,758	8,301	8,882
51	Towing of narrow body aircraft	Per Tow	33,000	35,310	37,782	40,426
52	Towing of wide body aircraft	Per Tow	42,900	45,903	49,116	52,554
53	Transit w/o visa pax	Per Passenger	7,800	8,346	8,930	9,555
54	Trestle (standard size - 4ft)	Per Hour	6,600	7,062	7,556	8,085
55	Tugs	Per Hour	4,000	4,280	4,580	4,900
56	Unit Load Device Storage	Per ULD/per day	850	910	973	1,041
57	Unaccompanied Minor Handling	Per UM	5,000	5,350	5,725	6,125
58	Vacuum Cleaner	Per Hour	5,000	5,350	5,725	6,125
59	VIP Vehicle (Innova Range)	Per trip	15,750	16,853	18,032	19,294
60	VIP Vehicle (Luxury - Mercedes/ BMW / AUDI range)	Per trip	22,500	24,075	25,760	27,563
61	VIPs	Per Passenger	6,250	6,688	7,156	7,657
62	Water truck	Per Service	10,000	10,700	11,449	12,250
63	Water Uplift	Per Ltr	7	7	8	9
64	Wheel Chair	Per Service	3,150	3,371	3,606	3,859
65	White collar staff	Per staff per hour	3,750	4,013	4,293	4,594

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