

फा.सं. ऐरा/20010/एमवाईटीपी/ सैलेबी/जीएच/ चैन्नई /सीपी- III/2023-28
F.N. AERA/20010/ MYTP/Celebi/GH/Chennai/CP-III/2023-28

आदेश संख्या 26/2023-24

Order No. 26/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

मैसर्स सैलेबी ग्राउंड सर्विसेज चैन्नई प्राइवेट लिमिटेड (सी.जी.एस.सी.पी.एल.)
के संबंध में चैन्नई अंतर्राष्ट्रीय हवाईअड्डा पर प्रथम नियंत्रण अवधि (वित्त वर्ष 2023-24
से वित्त वर्ष 2027-28) के लिए ग्राउंड हैंडलिंग सेवाओं के लिए टैरिफ निर्धारित
करने के मामले में

IN THE MATTER OF
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES FOR
CELEBI GROUND SERVICES CHENNAI PRIVATE LIMITED (CGSCPL)
AT CHENNAI INTERNATIONAL AIRPORT, CHENNAI
FOR THE FIRST CONTROL PERIOD
(FY 2023-24 TO FY 2027-28)

जारी करने की तारीख : 05.12.2023

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List of Abbreviations:

AERA / Authority	Airports Economic Regulatory Authority of India
AIASL	AI Airport Services Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
BASCPL	Bird Airport Services (Chennai) Private Limited
CAPEX	Capital Expenditure
CGSCPL	Celebi Ground Services Chennai Private Limited
COD	Commercial Operations Date
CGF	Cargo Facility, Ground Handling & Supply of Fuel to the Aircraft
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
GHA	Ground Handling Agencies
GHS	Ground Handling Services
INR/₹	Indian Rupees
ISP	Independent Service Provider
LOIA	Letter of Intent to Award
MTOW	Maximum Take Off Weight
MYTP	Multi-Year Tariff Proposal
OPEX	Operating Expenditure
O&M	Operation and Maintenance
PAT	Profit After Tax
P&L	Profit & Loss
SPV	Special Purpose Vehicle
Y-o-Y	Year on Year



CHAPTER 1: INTRODUCTION

- 1.1 M/s Celebi Airport Services India Private Limited (CASIPL) was awarded the Concession to provide Ground Handling Services at Chennai International Airport, Chennai by the Airports Authority of India (AAI), vide Letter of Intent to Award (LOIA) dated 18.11.2022.
- 1.2 As per the LOIA, a Special Purpose Vehicle (SPV) was required to be formed by the M/s CASIPL within 30 days from the date of LOIA, for implementation of Concession to provide Ground Handling Services at Chennai airport. In this regard, M/s Celebi Ground Services Chennai Private Limited (CGSCPL) was incorporated under the Companies Act, 2013 on 02.12.2022 and has been considered as "Special Purpose Vehicle (SPV)" in terms of LOIA dated 18.11.2022.
- 1.3 The Airport Operator (AAI) and the Special Purpose Vehicle, i.e., M/s CGSCPL entered into a License Agreement dated 03.04.2023 for a provision of Ground Handling Services at Chennai Airport for a period of 10 years, from the Commercial Operations Date. As per the License Agreement, the concession term may be further extended by a year, at the sole discretion of AAI.
- 1.4 The shareholding structure of the M/s CGSCPL is tabulated as below:

Table-1: Shareholding Structure of M/s CGSCPL:

Name of Shareholder	No. of Equity Shares
M/s Celebi Airport Services India Private Limited	62116
Mr. Murali Ramachandran	1
Total	62117

- 1.5 Bureau of Civil Aviation Security granted security clearance to CGSCPL on 21.03.2023, which is valid for a period of five years from the date of issue of security clearance.
- 1.6 Upon receipt of request from M/s CGSCPL as per its letter dated 04.04.2023, the Authority vide its Order No. 02/2023-24 dated 20.04.2023 approved Ad-hoc Tariff for the M/s CGSCPL in respect of the Ground Handling Services, w.e.f. Commercial Operations Date (COD) up to 30.09.2023.
- 1.7 Subsequently, the Authority vide order no. 20/2023-24 dated 27.09.2023, allowed extension of Ad-hoc Tariff (as on 30.09.2023) for M/s CGSCPL for the further period from 01.10.2023 up to 31.03.2024, or, till the determination of regular tariff for the Ground Handling Services in respect of the ISP, whichever is earlier.
- 1.8 M/s CGSCPL as per the provisions of 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 (CGF Guidelines), submitted its Multi Year Tariff Proposal ('MYTP') for the First Control Period on 15.05.2023. The Authority during the initial review of the MYTP observed some shortcomings/ information gaps; accordingly, various clarifications / additional details were sought from the ISP. In view of the above & considering the AERA observations, the ISP submitted the revised MYTP for the First Control Period (FY 2023-24 to FY 2027-28) on 04.10.2023.



1.9 The Authority carefully examined the MYTP for the First Control Period submitted by M/s CGSCPL in respect of Ground Handling Services at Chennai International Airport and issued Consultation Paper No. 13/2023-24 dated 06.10.2023, invited suggestions/comments from the stakeholders on various proposals of the Authority with the following timelines:

- Date for submission of written comments by Stakeholders: 27.10.2023
- Date for submission of counter comments by ISP: 06.11.2023

1.10 The Authority received comments from the stakeholder namely, M/s SpiceJet Ltd. on the various proposals of the Authority contained in the Consultation Paper No. 13/2023-24 dated 06.10.2023 and the same were uploaded on the AERA's website vide Public Notice No. 18/2023-24 dated 30.10.2023.

1.11 The Authority, in response to Public Notice No. 18/2023-24 dated 30.10.2023, received counter comments from M/s CGSCPL on 03.11.2023.

1.12 The Authority, after examining the comments of stakeholder i.e., M/s SpiceJet Ltd, counter comments of the ISP on the above referred CP and after considering other relevant aspects of the case, has finalized this Tariff Order.

Stakeholders' Comments:

1.13 **M/s Spice Jet's Comments on the review of Tendering Process (Refer 1.2 of the CP):**

"The International Civil Aviation Organization's (ICAO) guiding principles on charges for Airports and Air Navigation Services (ICAO DoC 9082) emphasize balancing the interests of airports and aircraft operators, especially during periods of economic difficulty. Airlines are currently facing economic hardship, and the Authority is requested to ensure that Airport Operators do not base concession agreements solely on the revenue share offered, as this breeds inefficiencies and could disproportionately increase costs for airlines.

In addition, the Authority is requested to review and ensure that due process for all Related Party Transactions in connection with award of concession to M/s Celebi Airport Services India Private Limited (CASIPL) / M/s Celebi Ground Services Chennai Private Limited (CGSCPL) for ground handling services has been followed and approved as per appropriate governance practices."

1.14 **M/s CGSCPL's response to comments of Spice Jet:**

"The concession has been awarded by Airport Authority of India through competitive & transparent bidding process"

Authority's analysis on the Stakeholders' comments regarding review of tendering process:

1.15 The Authority notes the comments of M/s SpiceJet regarding economic oversight of Airports and ANS services as per ICAO's Guiding Principles (ICAO doc 9082) and award of concession by airport operator on revenue sharing basis.

In this regard, the Authority observes that ICAO Guiding Principles for charges for Airport Services, encourage States to incorporate four key principles of non-discrimination, cost relatedness, transparency and consultation with users. It is stated that the Authority's Regulatory Approach for Economic Oversight of Airports, relating to Tariff determination of Aeronautical Services at Major Airports, is in compliance with ICAO's above said Guiding Principles for charges for Airport Services and is in accordance with the mandate given to the Authority under the AERA Act, 2008.



1.16 As regard to the aspect of awarding Concessions by the Airport Operator on Revenue Share basis, the Authority observes that Concession Fee/ Revenue Share paid by the ISP to Airport Operator is in accordance with the Concession Agreement executed between the Service Provider and the Airport Operator. Further, as per the regulatory approach of the AERA, the royalty paid by the ISPs to the Airport Operators is treated as aeronautical revenues in the hands of Airport Operators; hence, such revenues directly help in subsidizing the aeronautical Tariffs, levied by the Airport Operators to the Airlines.

1.17 So far as the comments of M/s SpiceJet regarding compliance of the provisions pertaining to related party transaction in connection with award of concession by the Airport Operator is concerned, as per the Authority, it is the responsibility of the Airport Operator to ensure compliances of statutory provisions, including those pertaining to the aspects of the related party transactions under the Companies Act, 2013, or any other statutory obligation mandated in this regard.



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CHAPTER 2: PRINCIPLES FOR DETERMINATION OF TARIFF FOR THE AERONAUTICAL SERVICES

- 2.1 The Authority, vide its Order No. 12/2010-11 dated 10.01.2011 and Direction No. 04/2010-11 issued on 10.01.2011, finalized its approach in the matter of Regulatory Philosophy and Approach in Economic Regulation of the Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft at the Major Airports. Accordingly, the Authority issued the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and supply of Fuel to the Aircraft) Guidelines, 2011 (“the Guidelines”).
- 2.2 In accordance with above mentioned AERA Guidelines and Directions, the following procedure is adopted for the determination of the Materiality Index of Regulated Service:

STAGE I: MATERIALITY ASSESSMENT:

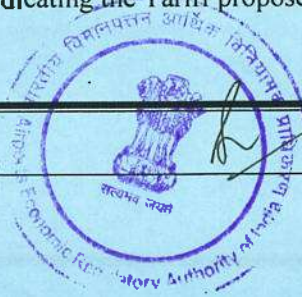
$$\text{Materiality Index (MI}_G\text{)} = \frac{\text{Intl. Aircraft Movements at Major Airport}}{\text{Total Intl. Aircraft Movements at Major Airports}} \times 100$$

$$\begin{aligned}\text{The Materiality Index for Chennai Airport} &= 37768/420772 \\ &= 8.97\%\end{aligned}$$

The percentage share of Chennai Airport in respect of the International Aircraft Movements for the FY 2019-20 (Pre-Covid normal Year) is 8.97%, which is more than 5% Materiality Index (MI_G) for the subject regulated service. Hence, the Regulated Service is deemed as ‘**Material**’ for the First Control Period of the ISP at Chennai Airport, as per clause 4.4 (ii) of the Guidelines.

STAGE II: COMPETITION ASSESSMENT:

- 2.3 In accordance with clause 5 of the AERA CGF Guidelines, where a regulated service is being provided at a major airport by two or more Service Providers, it shall be deemed ‘competitive’ at that airport. As per the information furnished by M/s CGSCPL in Form F1 (b) on competition Assessment, two other service providers namely, M/s AI Airport Services Ltd. (AIASL) and M/s Bird Airport Services (Chennai) Private Limited are also rendering similar services at Chennai Airport. Accordingly, the regulated service is deemed ‘**Competitive**’ for the First Control Period in respect of the ISP at the Chennai Airport.
- 2.4 As per Clause 3.2 (ii) of the Guidelines, wherever the Regulated Service provided is ‘**Material but competitive**’, the Authority shall determine Tariff(s) for Service Provider(s) based on a ‘**Light Touch Approach**’ for the duration of the Control Period, as per the provisions of Chapter V of the Guidelines.
- 2.5 As per clause 11.2 of the AERA (CGF) Guidelines 2011, the Annual Tariff Proposal (ATP) is required to be submitted in the manner and form provided in AI 8.2 of Appendix-I and the proposal shall be supported by the followings:
- Documented evidence that consultation with the stakeholders have been undertaken;
 - Evidence of User Agreement(s), if any, between the Service Provider and the User of Regulated Service(s) clearly indicating the Tariff proposed by the Service Provider.



2.6 The Authority noted that M/s CGSCPL had submitted the Annual Tariff Proposal (ATP) along with its MYTP. It is further noted that the ISP conducted stakeholders' consultation meeting on 1st March 2023 and has submitted the minutes of meeting to the Authority on 14.08.2023. The Authority from minutes of meeting noted that the representatives of Saudi Arabian Airlines, M/s SpiceJet Ltd., Fly Dubai, Oman Air, Blue Dart Aviation, Singapore Airlines, Etihad, Malaysia Airlines, Air Asia India, Air Asia Berhad, Vistara, Cathay Pacific, Air India, YTO Cargo Airlines, Lufthansa, Sri Lankan Airlines, Kuwait Airlines, British Airways, Air Arabia, Emirates, Air Austral, Gulf Air, Air France, CISF and Airport Operator (AAI) participated in the consultation meeting.

The Authority observes from the minutes of the meeting that ISP, during the consultation meeting, gave brief introduction of their company and, inter-alia, discussed the matters relating to their operational readiness for ground handling services at Chennai airport, Ground Handling Equipment etc. From the minutes of meeting, it is further observed that none of the participants raised any concern regarding the tariff proposed by the ISP for the First Control Period.

Stakeholders' Comments:

2.7 The Authority received no comments/ views from stakeholders in respect of methodology of Tariff determination of M/s CGSCPL for the First Control Period.

Authority's decision regarding Methodology of Tariff Determination of M/s CGSCPL:

2.8 Based on the material before it and its analysis, the Authority decides to consider the Tariff determination exercise for M/s CGSCPL providing Ground Handling Services at Chennai International Airport under the '**Light Touch Approach**' for the First Control Period, as the regulated service is deemed '**Material but competitive**'.

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CHAPTER 3: AIRCRAFT TRAFFIC (FLIGHTS TO BE HANDLED)

M/s CGSCPL submission on Projected Aircraft Traffic (Flights to be Handled) for the First Control Period

3.1 Actual Aircraft Traffic (Nos. of landings) handled at Chennai Airport, from FY 2018-19 to FY 2022-23 is given below:

Table 2: Actual Aircraft Traffic handled by Chennai International Airport during FY 2018-19 to FY 2022-23.

Year	Total number of Landings at Chennai Airport			Y-o-Y % change		
	Domestic	International	Total	Domestic	International	Total
2018-19	69458	19582	89040	-	-	-
2019-20	65107	18884	83991	-6%	-4%	-6%
2020-21	26387	5909	32296	-59%	-69%	-62%
2021-22	36073	9728	45801	37%	65%	42%
2022-23	52857	15990	68847	47%	64%	50%

3.2 Projected Aircraft Traffic (flights to be handled by the ISP) for the First Control Period (FY 2023-24 to FY 2027-28) submitted by M/s CGSCPL is given below in Table 3.

Table 3: Projected Aircraft Traffic (Flights to be handled by the ISP) submitted by M/s CGSCPL for the First Control Period.

Year	Flights to be handled for the First Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic (No. of Landings)	International (No. of Landings)		Domestic	International	Total
2023-24 (Oct, 2023 – Mar, 2024)	968	815	1783	-	-	-
2023-24* (Annualized)	1936	1630	3566	-	-	-
2024-25	2920	4847	7767	51%	197%	118%
2025-26	3066	5089	8155	5%	5%	5%
2026-27	3219	5344	8563	5%	5%	5%
2027-28	3380	5611	8991	5%	5%	5%
TOTAL	12586	21706	34292			

*Annualized traffic projections for the FY 2023-24

Authority's Examination at the Consultation stage:

3.3 The Authority noted that M/s CGSCPL is a new entrant at the Chennai Airport and commenced its commercial operations at Chennai Airport on 1st October, 2023. Accordingly, ISP is expected to operate for six months during its initial year of operations (FY 2023-24) at Chennai airport.

3.4 The Authority observed that in respect of FY 2024-25 the ISP projected a growth of 118% in the



total aircraft traffic volume as compared to the annualized fig. of FY 2023-24. From the FY 2025-26 onward, M/s CGSCPL has projected Y-o-Y increase of 5% in the total aircraft traffic volumes (Domestic & International).

- 3.5 As per the statistics available at AAI website, the total Aircraft Traffic at Chennai International Airport in the FY 2022-23 had reached to 77% of the actual Aircraft Traffic handled during the pre-Covid Year i.e., FY 2019-20. Further, the total Aircraft Traffic at Chennai Airport in the current financial year, for the period from April 2023 to August 2023, has increased by 10.3% as compared to the corresponding period of FY 2022-23.
- 3.6 The Authority observed from the Table 2 & 3 that the based on the M/s CGSCPL's projected level of operations during the FY 2023-24 [projected nos. of flights to be handled (annualized)], as compared to actual number of total flights handled in FY 2022-23 at the Chennai airport, the ISP is expected to have market share of around 5% in FY 2023-24 at the Chennai Airport.
- 3.7 Considering that the ISP is a new entrant at the Chennai Airport and taking into account the competition between the three service providers, the aircraft traffic (Flights to be handled) projected by the ISP for the First Control Period is reasonable. As per the Authority, it will take some time for the ISP to expand its business at the Chennai Airport.

Accordingly, the Authority proposed to adopt the traffic projections (flights to be handled) as submitted by M/s CGSCPL for its First Control Period as per given in the Table 3 above.

Stakeholders' Comments:

- 3.8 **M/s Spice Jet's comments on the Aircraft Traffic (Refer 3.1 & 3.2 of the CP):**

"Taking into account the projected traffic to be handled by CGSCPL in FY 2024-25 (7767 flights) over FY 2023-24 (3566 annualized), the projected increase of 118% appears to be quite high. Authority may please also note that extrapolating recent traffic trends due to the recovery from COVID-19 and other factors may not accurately predict future traffic volumes.

Accordingly, due to the airport's potential for high traffic, an independent expert study for Aircraft Traffic Projections is requested, in accordance with the Airport Economic Regulatory Authority of India Act, 2008 (AERA Act) as it is likely that it would take some time for the airport and CGSCPL to reach higher traffic levels."

- 3.9 **M/s CGSCPL's response to comments of Spice Jet:**

"The aircraft traffic to be handled by CGSCPL in FY 2023-24 will increase gradually and the traffic for FY 2024-25 has been forecasted based on the market study and existing customer relations and we believe that this is achievable."

Authority's analysis on the Stakeholders' Comments regarding the Projected Aircraft Traffic (Flights to be handled) for the First Control Period:

- 3.10 As regard to the suggestion of M/s SpiceJet regarding the need for an independent study by AERA on the aircraft traffic projections made by the service provider, the Authority at the time of tariff determination for Airport Operator has done thorough examination/ analysis of air traffic projections for the Chennai Airport. Thus, conducting of separate study for this aspect may not be

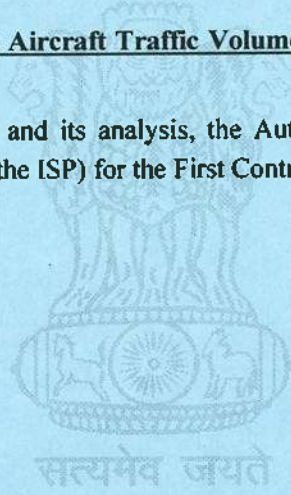
required at this stage. The Authority, may conduct independent study on the same in future at an appropriate time, if required.

3.11 The Authority notes that post Covid-19, there is an increasing trend in the Aircraft Traffic Movements at the Chennai Airport. The Aircraft Traffic at Chennai Airport for the period from April, 2023 to October, 2023 has increased by 10.4% as compared to corresponding period of the FY 2022-23. Further, the ISP in its counter comments has also indicated that the traffic projections for FY 2024-25 are based on their market study & client feedback etc.

3.12 Considering the above, the Authority decides to maintain the same view on the projected aircraft traffic (flights to be handled by the ISP) for the First Control Period, as was taken at CP stage.

Authority's decision regarding Aircraft Traffic Volume (Flights to be handled) for the First Control Period:

3.13 Based on the material before it and its analysis, the Authority decides to consider the Aircraft Traffic (Flights to be handled by the ISP) for the First Control Period as per Table 3.



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CHAPTER 4: CAPITAL EXPENDITURE

M/s CGSCPL Submission on Capital Expenditure for the First Control Period

4.1 M/s CGSCPL projected a total Capital Expenditure (CAPEX) of ₹ 8393.16 lakhs for the First Control Period (FY 2023-24 to FY 2027-28). The details of year-wise & asset-wise CAPEX projected by the ISP is given below:

Table 4: Projected Capital Expenditure submitted by M/s CGSCPL for the First Control Period

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
Infrastructure Improvement	197.06	1539.90	-	-	1,736.96
Ground Handling Equipment	5730.77	-	-	-	5730.77
Furniture & Fixtures	53.10	-	-	-	53.10
Vehicles	783.50	-	-	-	783.50
Office Equipment	2.48	-	-	-	2.48
Computers	27.32	-	-	-	27.32
Intangible Assets – Computer Software	59.02	-	-	-	59.02
Total	6853.26	1539.90	-	-	8,393.16

4.2 The ISP further submitted detailed bifurcation of the CAPEX proposed for the First Control Period, viz. Quantity, Rate per unit etc. as indicated in the Table below:

Table 5: Breakup of the Capital Expenditure submitted by M/s CGSCPL for the First Control Period

(₹ in Lakhs)

Year	Particulars	Qty.	Rate/ Unit	Amount	Asset Class
FY 2023-24	Air Conditioning Unit	1	190.25	190.25	Ground Handling Equipment
	Air Starter Unit	1	265.68	265.68	
	Ground Power Unit (90 kW)	1	143.20	143.20	
	Ground Power Unit (140 kW)	1	160.98	160.98	
	Ambulift	1	64.50	64.50	
	Baggage Cart	80	1.32	105.54	
	Pallet Dolly (10 Feet)	200	2.38	475.87	
	Container Dolly	46	1.39	64.04	
	Container Lazy Dolly	51	0.99	50.39	
	Diesel Baggage Tractor	3	61.54	184.63	
	Engineering Trestle	2	0.48	0.96	
	Forklift	1	25.00	25.00	
	Fuel Bowzer	1	3.00	3.00	
	High Loader - Lower Deck	4	294.61	1,178.44	
	High Loader - Main Deck	2	433.36	866.73	
	Pallet Dolly (20 Feet)	5	7.00	35.00	
	PAX Stairs (Electric Semi-Motorized)	8	29.82	238.56	
	Conveyer Belt (Towable Electric)	8	15.18	121.44	
Push Back (Narrow Body) (Electric)	1	213.84	213.84		



Year	Particulars	Qty.	Rate/ Unit	Amount	Asset Class
	Push-Back (Wide Body)	1	472.82	472.82	
	Tail Jack	1	35.00	35.00	
	Toilet Cart (Towable)	1	7.80	7.80	
	Toilet Cart (Motorized)	1	129.75	129.75	
	Tow Bar	8	9.01	72.09	
	Water Cart (Motorized)	1	115.51	115.51	
	Lithium Charger - Apron Bus	1	21.79	21.79	
	Electric Baggage Tractor	13	35.00	455.00	
	Lithium Charger - Electric Baggage Tractor	11	2.58	28.40	
	Porta Cabin	2	2.28	4.56	
			TOTAL	5730.77	
	Apron Bus (Electric)	5	144.70	723.50	
	Apron Car (Electric)	2	16.08	32.17	
	Pick UP Van	1	7.77	7.77	
	Mini Bus	1	20.07	20.06	
			TOTAL	783.50	Motor Vehicles
	Furniture	1	53.10	53.10	Furniture & Fixtures
			TOTAL	53.10	
	WAN switch	1	0.50	0.50	
	Punching machine	4	0.37	1.48	
	KIOSK	2	0.25	0.50	
			TOTAL	2.48	Office Equipment
	Laptop/Desktop	36	0.76	27.32	
			TOTAL	27.32	Computers
	Inform (Resource Planning)	1	41.10	41.10	
	SAP	1	17.92	17.92	
			TOTAL	59.02	Computer Software
	Electrical Infrastructure	1	197.06	197.06	Infrastructure Improvement
			TOTAL	197.06	
	SUB TOTAL			6853.26	
FY 2024-25	Ground Services Equipment (GSE) Workshop	1	1539.90	1539.90	Infrastructure Improvement
GRAND TOTAL FOR THE CONTROL PERIOD				8393.16	

Authority's Examination on the CAPEX proposed by the ISP for the First Control Period at Consultation Stage:

- 4.3 The Authority noted that out of the total projected CAPEX (₹ 8393.16 lakhs) for the Control Period the ISP had proposed to incur the major portion of the CAPEX amounting to ₹ 6853.26 lakhs (i.e. approx. 82% of total CAPEX) in the first tariff year (FY 2023-24). Further, in support of the CAPEX planned for the FY 2023-24, the ISP vide email 19.09.2023 furnished copies of Purchase Orders (POs) in respect of the proposed CAPEX. The Authority noted that the ISP submitted copies of POs amounting to ₹ 4533 lakhs, which is approx. 66% of total CAPEX proposed during the current financial year.
- 4.4 The Authority noted that M/s CGSCPL, out of the total projected CAPEX, had earmarked a sum of Rs. 5730 lakhs for the Ground Handling Equipment and an amount of Rs. 1737 lakhs projected towards infrastructure improvements (leasehold improvements).

In this regard, the Authority sought the justifications/ basis of the proposed CAPEX, from the ISP. In response to Authority's query, the ISP, vide email dated 23.08.2023 submitted that "Celebi will be providing ground handling services at Chennai Airport for the first time. Company didn't have any presence and operations in this airport before this. So, company has to incur CAPEX on all



the equipment, vehicles, office equipment, IT assets, furniture etc. to set up this station. Considering the level of operations with domestic, international and non-scheduled flights, we need to buy all kind of equipment. From last few years, we are preferring to invest in electrical equipment and vehicles wherever it is possible and feasible.”

4.5 The ISP, with regard to the CAPEX pertaining to infrastructure improvements (leasehold improvements) further submitted that “We are investing in electric equipment and vehicles. To operate them we have to set up charging station for which some investment is required to be on electrical cabling. The investment of Rs. 1.97 cr. in FY 23-24 is towards this electrical infrastructure set up. In FY 24-25, we are going to construct GSE Workshop facility to repair and maintain our equipment”.

4.6 The Authority, further sought the justification in respect of the projected CAPEX of Rs.1540 lakhs on the construction of infrastructure for the Ground Support Equipment (GSE) Workshop during the 2nd tariff year i.e., FY 2024-25, the ISP responded vide email dated 06.09.2023 and submitted that “In reference to the CAPEX of INR 15.40 cr. (₹ 1540 lakhs) (including GST) presented in MYTP towards the construction of GSE Workshop in FY 2024-25. This will include complete work such as:

- Structural, civil & finishing, plumbing, sanitization, electrical, fire protection, elevator.
- Workshop tools like crane, hydraulic jacks, compressors, washing & painting facility etc.
- Store room racks

The total planned construction will be of 1666 sq mtr. as presented below:

Description	Sq. Mtr.
Ground Floor	1000
1 st Floor	333
2 nd Floor	333
Total	1666

4.7 In respect of the proposed construction of GSE workshop, the Authority observed that the ISP has projected a significant cost in respect of the GSE Workshop, which appeared to be on the higher side. Therefore, the Authority advised the ISP to bring in efficiency in the cost of the GSE Workshop, in overall interest of all the stakeholders.

4.8 From the CAPEX submission/ clarifications submitted by M/s CGSCPL as discussed in para 4.4 to 4.6 above, the Authority noted that most of the CAPEX planned by the ISP for the First Control Period is towards the purchase of Ground Handling Equipment and construction of GSE Workshop, which are essential requirements for the smooth ground handling operations at the Airport. Further, the Authority, noted that the ISP is a new entrant at the Chennai Airport, hence is required to invest in all kinds of GSE in the initial years of operations so as to provide Ground Handling Services as per the requirements of its custom airlines & concession agreement.

In view of the above, the Authority proposed to consider CAPEX for the First Control Period as submitted by the ISP, as per Table 4.

Stakeholders' Comments:

4.9 M/s Spice Jet's comments on the Deferment of Capital Expenditure (Refer 4.2 of the CP):

"The projected traffic increase of 118% to be handled by CGSCPL in FY 2024-25 (7767 flights) over FY 2023-24 (being 3566 flights annualized) appears to be quite high. It is unlikely that all the CAPEX equipment as proposed would be required. In order to support the airlines to continue and sustain its operations, all non-essential CAPEX proposed by CGSCPL should be put on hold/deferred to the Second Control Period, unless deemed critical from a safety or security compliance perspective.

It is worth noting that consultation paper no. 14/2023-2, dated October 6, 2023, also addresses the determination of tariffs for ground handling services at Chennai, to be provided by M/s Bird Airport Services. As a new entrant, M/s Bird Airport Services has projected a capital expenditure of only Rs.58.90 crores while expecting a market share of around 14% for FY 2023-24. In contrast, CGSCPL, which will also be providing similar services in Chennai for the first time, has projected a CAPEX of more than Rs.83 crores while expecting a market share of around 5% for FY 2023-24. This apparent discrepancy between CAPEX spending and expected market share for CGSCPL as compared to M/s Bird Airport Services warrants a review of CGSCPL's CAPEX projections by the Authority."

4.10 M/s CGSCPL's response to comments of Spice Jet:

"The CAPEX has been planned based on the aircraft volume expected to be handled after considering all the safety aspects, essentiality & smooth running of the operations. All the plant & machinery related CAPEX presented in projections has already been ordered which demonstrates its requirement and essentiality.

The comment on the justification of CAPEX with the estimated market share of 5% should be seen in a different way. We are expecting to handle 4847 international flights which represents approx. market share in the range of 25% of the total international flights comprising of various type of aircrafts – wide body, narrow body, freighters etc. The equipment required to handle wide body international flights are large, sophisticated & extensive compared to handle domestic narrow body flights. Therefore, the CAPEX proposed in the MYTP are reasonable & required for the operations."

Authority's Analysis regarding the CAPEX proposed by the ISP for the First Control Period:

- 4.11 The Authority notes the comments of M/s SpiceJet Ltd., in context of the proposed CAPEX, wherein the Stakeholder has submitted that the projected flights to be handled in FY 2024-25 appears to be quite high. As per the stakeholder, the requirement of higher CAPEX based on the projected market share may not be required during the First Control Period. In this regard, the Authority feels that it is normal for any new service provider to have low market share initially, as it takes time for the new service provider to develop client base in a new market.

Further, it is pertinent to mention that irrespective of level of operations, the ISPs are required to have necessary Ground Handling Equipment, allied facilities/ infrastructure ready in order to undertake ground handling operations in an efficient manner at the airport. The Authority from the ISP's counter submission also notes that M/s CGSCPL is expected to handle around 25% of International Aircraft



traffic at the Chennai Airport, which mainly comprises of wide body aircrafts. As per the ISP, wide body Aircrafts require large, sophisticated & extensive equipment as compared to Narrow body Aircrafts. Accordingly, the ISP is required to invest in the various kinds of Ground Handling Equipment to undertake ground operations of all type of Aircraft operations. Accordingly, the ISPs are required to maintain the necessary ground handling equipment etc. as per the Standard Operating Procedure/ Concession Agreement, in order to provide better passenger facilitation.

4.12 In respect of the comments of M/s SpiceJet regarding higher CAPEX proposed by the ISP as compared to the CAPEX proposed by the other service provider namely M/s BASCPL providing similar services at Chennai Airport, the Authority notes that M/s BASCPL has taken some of the ground handling equipment on hire basis, in addition to outright purchase of equipment; hence, M/s BASCPL proposed lower CAPEX as compared to M/s CGSCPL for provision of Ground Handling Services at Chennai airport. However, it is important to note that hiring/ leasing of equipment entails additional OPEX in the form of hiring charges/ lease rentals.

4.13 Considering that M/s CGSCPL is a new entrant at Chennai Airport, it is imperative for the ISP to incur the necessary CAPEX on ground handling equipment & allied facilities to ensure smooth Ground Handling Operations at the airport and to provide quality services to the users.

In view of the foregoing, the Authority decides to consider the CAPEX proposed for the First Control Period as submitted by the ISP (Table 4).

Authority's decision regarding CAPEX for the First Control Period

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

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CHAPTER 5: OPERATING EXPENDITURE AND PROJECTED PROFITABILITY

M/s CGSCPL submission on Operating Expenditure for the First Control Period

- 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 expenditures of M/s CGSCPL for its Ground Handling Operations at Chennai Airport have been broadly categorized as under:
- a) Payroll Cost;
 - b) Administrative and General Expenditure;
 - c) Utilities & Outsourcing costs;
 - d) Concession fee;
 - e) License fee and
 - f) Repair & Maintenance Expenses
- 5.3 As per the MYTP submission, Revenue, Operating Expenditure (OPEX) and Profitability projected by the ISP for the First Control Period (FY 2023-24 to FY 2027-28) is as under:

Table 6: Revenue, Operating Expenditure and Profitability projected by M/s CGSCPL for the First Control Period.

(₹ in lakhs)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTAL
Revenue from Regulated Services (A)	1,254.73	7,436.17	8,065.89	8,749.72	9,492.39	34,998.90
Revenue from Non-Regulated Services (B)	-	-	-	-	-	-
Total Revenue from Services (A+B = C)	1,254.73	7,436.17	8,065.89	8,749.72	9,492.39	34,998.90
Operating Expenditure						
i. Payroll Cost	608.27	2,326.20	2,527.41	2,746.03	2,983.56	11,191.48
ii. Administrative and General Expenditure	138.92	226.25	238.79	252.44	262.03	1,118.44
iii. Utilities & Outsourcing Costs	72.68	266.27	291.07	318.32	348.28	1,296.62
iv. Concession fee	1,808.33	3,100.00	3,100.00	3,100.00	3,100.00	14,208.33
v. License fee	216.89	340.86	366.43	393.91	423.46	1,741.56
vi. Repairs & Maintenance Expenses	22.80	26.06	29.31	32.57	35.83	146.57
Total OPEX (i+ii+iii+iv+v+vi) = (D)	2,867.90	6,285.65	6,553.01	6,843.28	7,153.16	29,703.00
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (C-D)	- 1,613.17	1,150.52	1,512.88	1,906.45	2,339.23	5,295.90
Depreciation and Amortization	392.46	881.18	958.80	951.97	949.70	4,134.11
EBIT	- 2,005.63	269.34	554.07	954.48	1,389.53	1,161.79
Interest & Finance Charges	828.36	1,167.91	1,176.00	1,122.91	1,021.47	5,316.65
Profit/Loss Before Tax (PBT)	- 2,833.99	- 898.57	- 621.92	- 168.44	368.06	- 4,154.86
Provision for Tax*	-	-	-	-	-	-
Profit After Tax (PAT)	- 2,833.99	- 898.57	- 621.92	- 168.44	368.06	- 4,154.86

*Nil Tax Provision due to anticipated losses in first four tariff years.



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

- 5.4 The Authority analyzed the Operating Expenditure provided in Form F3 (P&L) of the MYTP for the First Control Period and observed that the ISP has projected low OPEX for its first tariff year i.e., FY 2023-24 as compared with the succeeding tariff year i.e., FY 2024-25, due to partial operations in the FY 2023-24, as M/s CGSCPL commenced its commercial operations from October, 2023.

The Authority observed that the ISP considered the Y-o-Y% increase in Revenues & OPEX from 2nd tariff year onward of the Control Period as per Table 7 below:

Table 7: Year-on-Year Percentage (%) increase in the Revenues and Operation & Maintenance Expenditure for the First Control Period.

Particulars	FY 2025-26	FY 2026-27	FY 2027-28
Revenue from Regulated Services	8%	8%	8%
Payroll Cost	9%	9%	9%
Administrative and General Expenditure	6%	6%	4%
Utilities and Outsourcing costs	9%	9%	9%
Concession fee	0%	0%	0%
License fee	7.5%	7.5%	7.5%
Repairs and Maintenance costs	13%	11%	10%

- 5.5 The Table 7 above shows Y-o-Y % change in Revenue & OPEX from FY 2025-26 onwards, as the financial figures pertaining to the FY 2023-24 (first tariff year), where ISP is expected to operate partially only, are not comparable with the FY 2024-25, having commercial operations throughout the year.

The Authority's examination of Y-o-Y % growth in the OPEX considered by the M/s CGSCPL from FY 2025-26 onward is given in the following sections:

- a) **Payroll Cost:** The Authority noted that the ISP proposed a Y-o-Y increase of 9% in payroll costs from FY 2025-26 onward. The Authority observed that M/s CGSCPL had considered 5% Y-o-Y increase in projected aircraft traffic volume from FY 2025-26 onward and had considered additional 3% increase in manpower numbers.

The Authority noted that projected increase in payroll expenses considered by the M/s CGSCPL is commensurate with the projected increase in aircraft traffic & revenues, and, it factors-in the impact of additional manpower required to meet the projected growth in aircraft traffic.

Further, considering the impact of periodic increase in minimum wages & annual salary increments and related increase in statutory component like EPF etc., the Y-o-Y increase projected in Payroll expenses by the ISP for the First Control Period seems reasonable.

- b) **Administrative & General Expenditure:** The Authority observed that the Administrative & General Expenditure is expected to increase on Y-o-Y basis, ranging between 4% to 6%, during the Control Period.

The Authority, taking into account the projected increase in the aircraft traffic and the impact



of general inflation, considers that the Y-o-Y increase proposed in respect of Administrative and General Expenses by ISP for the First Control Period as reasonable.

c) **Concession Fee:** The Authority noted from the clause 7.1.1 of the concession agreement executed between AAI and M/s CGSCPL, the Revenue Share payable to the airport operator (AAI) to be calculated as under:

- i) 3% of the Actual Gross Revenue from the scheduled Domestic Passenger Flights.
- ii) 15% of the Actual Gross Revenue from users other than "scheduled Domestic Passenger Flights and RCS flights".
- iii) 0% for RCS flights.

The Authority further noted from the clause 7.1.2 of above said agreement that every year the ISP shall pay 'Premium', which is maximum of "Minimum Annual Guarantee" (MAG) and the 'Revenue Share', calculated as per the clause 7.1.1 of the concession agreement. Further MAG will be escalated at 20% on completion of five years.

The ISP, further clarified that they are expecting that the amount of revenue share (payable to airport operator) will be less than the MAG in all the Tariff Years of the Control Period; accordingly, there will be the fixed amount of Concession Fee (Amount of MAG) payable to the AAI during the Control Period.

Considering the clause 7.1.2 of the concession agreement and clarification furnished by the ISP, the Authority proposed to consider the concession fee (premium) payable to the Airport Operator as projected by ISP, for the First Control Period.

d) **License fees:** The Authority observed from the clause no. 7.2 of concession agreement with the Airport Operator (AAI) that ISP is required to execute a separate space and land agreement. As per the supplementary Space and Land Agreement, the Authority observes that the License Fee is escalated @ 7.5% on Y-o-Y basis.

e) **Repairs and Maintenance Costs:** The Authority, noted that the ISP proposed annual escalations in R&M Expenses ranging between 10% to 13%, from FY 2025-26 onward. The Authority notes that the overall repair and maintenance costs as a % of Opening RAB is nominal in all the tariff years of the Control Period, as tabulated hereunder:

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Opening RAB (₹ in lakhs)	NIL	6460.80	7119.53	6160.72	5208.75
Repair and Maintenance Costs	22.80	26.05	29.31	32.57	35.82
% of Opening RAB	-	0.40%	0.41%	0.53%	0.69%

In view of the above and taking into account the impact of annual general inflation, the Authority considers that the projected R&M Expenses for the First Control Period is reasonable.

f) **Utilities and Outsourcing Costs:** The Authority noted that M/s CGSCPL proposed Y-o-Y increase of 9% in the Utilities and Outsourcing Costs from FY 2025-26 onward. The Authority observed that Utility & Outsourcing Costs consist of mainly fuel cost and electricity expenses. Further, these expenses are directly linked with the number of flights



to be handled by the service provider.

The Authority noted that Y-o-Y increase projected in Utility & Outsourcing Costs is commensurate with the projected increase in the aircraft traffic and unit rates of Electricity, Fuel cost etc. Considering the above, the Utility and Outsourcing Costs projected for the control period is reasonable.

- 5.6 Accordingly, the Authority proposed to consider the projected Revenue, OPEX and Profitability for the First Control Period, as submitted by the ISP.

Stakeholders' Comments:

- 5.7 **M/s Spice Jet's comments on Abolishment of Royalty Charges/ Concession Fee (Refer 5.2, 5.3, 5.5(c) and Table 6 & 7 of the CP):**

Any attempt to award the contracts by the airport operator on highest revenue share basis should be discouraged as it breeds inefficiencies and tends to disproportionately increase the cost. It is general perception that service providers have no incentive to reduce their expenses, as most of 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. 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 services providers. It may be pertinent to note that market access fee by any name or description is not practiced in most of the global economies, including European Union, Australia etc. Sometimes it is argued by the airport operators that 'Royalty' on 'Aero Revenues' helps in subsidizing the aero charges for the airlines, however royalty in 'Non-Aero Revenues' hits the airlines directly without any benefit.

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

- 5.8 **M/s Spice Jet's comments on Operating Expenditure – Drastic Cost Cutting (Refer 5.3, 5.5 and Table 6 & 7 of the CP):**

"It may be noted that across various industries, instead of cost escalations, all the costs have been renegotiated downwards substantially. It may also be noted that cost incurred by CGSCPL 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 the Authority to kindly put on hold any increase in operational expenditure by CGSCPL not related to safety or security."

- 5.9 **M/s CGSCPL's response to Spice Jet's comments regarding Abolishment of Royalty Charges/ Concession fee:**

"The recommendation made under this point is of Policy nature therefore we would not be in position to comment on the same."

- 5.10 **M/s CGSCPL's response to Spice Jet's comments regarding Operating Expenditure:**

"All the costs has been presented considering the optimum utilization of the resources and are essential in nature to provide the best services with high standards of safety and quality."

Authority's analysis on Stakeholders' comments regarding OPEX for the First Control Period:

5.11 As regard to the comments of M/s SpiceJet pertaining to abolishment of royalty charges/ concession fee and M/s CGSCPL's response thereon, the Authority notes that the 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.

It is noteworthy to mention that at AAI Airports, the Royalty/ Concession Fee charged by airport operator is nominal. In the instant case, at Chennai Airport, the Concession Fee on Scheduled Domestic Flights, Other than 'Scheduled Domestic Flights & RCS Flights' and RCS Flights is charged reasonably @ 3%, 15% and 0% respectively. Moreover, at Chennai Airport there is no escalation in Concession Fee during the Control Period.

Further, as per the regulatory approach of the AERA, the royalty paid by the ISPs to the Airport Operators are treated as aeronautical revenues in the hands of Airport Operators; hence, such revenues directly help in subsidizing the aeronautical Tariffs, levied by the Airport Operators to the Airlines. Moreover, the Authority considers that bidding process, based on which the Royalty Charges/ Concession Fee is levied on to the ISPs by the Airport Operators, is a non-regulatory issue. Such matters may be dealt among the Stakeholders at appropriate forums.

As far as the issue relating to Royalty payable by the ISPs to Airport Operators on the Non-Aero Services, raised by the stakeholder, it is informed that levy of Royalty Charges/ Revenue Share on the Concessions pertaining to the 'Non-Aero Services' is outside the ambit of AERA. Hence, such issues may be discussed mutually between the concerned Stakeholders.

5.12 The Authority, at CP stage examined the various components of OPEX as projected by the ISP for the First Control Period (Refer para 5.4 and 5.5). Many components of OPEX are linked with the level of operations (Aircraft Traffic); accordingly, with the projected increase in Traffic, the corresponding expenses on flight handling will also increase. Further, in order to ensure quality services and smooth ground handling operations with proper safety measures, the ISP is required to incur expenditure on Ground Handling Equipment & allied facilities. Hence, considering the projected increase in aircraft traffic and the impact of general inflation, the revenue and operating expenses will also increase accordingly. Therefore, the Y-o-Y increase projected by M/s CGSCPL in OPEX appears reasonable.

In view of the above, the Authority decides to maintain the same view on the OPEX projection for the First Control Period, as was taken at CP stage.

Authority's decision regarding Operation and Maintenance Expenditure for the First Control Period:

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

CHAPTER 6: ANNUAL TARIFF PROPOSAL

M/s CGSCPL Submissions on Annual Tariff Proposal for the First Control Period

6.1 M/s CGSCPL submitted a Tariff proposal for the Ground Handling Services in respect of Scheduled Flights at Chennai International Airport, Chennai, for the First Control Period (FY 2023-24 to FY 2027-28) as given in Table below:

Table 8: Proposed Tariff Rates for Scheduled Flights submitted by M/s CGSCPL for the First Control Period.

(Rates in ₹)

	FY 2023-24			FY 2024-25			FY 2025-26			2026-27			2027-28		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
(A) Passenger Flights															
Domestic Passenger Flight															
Below Code B	4,437	13,313	17,750	4,660	13,980	18,640	4,890	14,680	19,570	5,130	15,410	20,540	5,390	16,180	21,570
Code B	8,325	19,425	27,750	8,740	20,400	29,140	9,180	21,420	30,600	9,640	22,490	32,130	10,120	23,610	33,730
Code C	9,975	29,925	39,900	10,470	31,420	41,890	10,990	32,990	43,980	11,540	34,640	46,180	12,120	36,370	48,490
Code D	22,325	66,975	89,300	23,440	70,320	93,760	24,610	73,840	98,450	25,840	77,530	103,370	27,130	81,410	108,540
Code E	30,225	90,675	120,900	31,740	95,210	126,950	33,330	99,970	133,300	35,000	104,970	139,970	36,750	110,220	146,970
Code F	35,000	105,000	140,000	36,750	110,250	147,000	38,590	115,760	154,350	40,520	121,550	162,070	42,550	127,630	170,180
International Passenger Flight															
Code B	31,795	74,188	105,983	33,380	77,900	111,280	35,050	81,800	116,850	36,800	85,890	122,690	38,640	90,180	128,820
Code C	42,825	128,475	171,300	44,970	134,900	179,870	47,220	141,650	188,870	49,580	148,730	198,310	52,060	156,170	208,230
Code D	57,352	172,056	229,408	60,220	180,660	240,880	63,230	189,690	252,920	66,390	199,170	265,560	69,710	209,130	278,840
Code E	80,293	240,878	321,171	84,310	252,920	337,230	88,530	265,570	354,100	92,960	278,850	371,810	97,610	292,790	390,400
Code F	100,366	301,099	401,465	105,380	316,150	421,530	110,650	331,960	442,610	116,180	348,560	464,740	121,990	365,990	487,980
(B) Cargo Flights															
Domestic Cargo Flight															
Code B	NA	35,000	NA	NA	36,750	NA	NA	38,590	NA	NA	40,520	NA	NA	42,550	NA
Code C	NA	65,000	NA	NA	68,250	NA	NA	71,660	NA	NA	75,240	NA	NA	79,000	NA
Code D	NA	135,000	NA	NA	141,750	NA	NA	148,840	NA	NA	156,280	NA	NA	164,090	NA
Code E	NA	160,000	NA	NA	168,000	NA	NA	176,400	NA	NA	185,220	NA	NA	194,480	NA
Code F	NA	220,000	NA	NA	231,000	NA	NA	242,550	NA	NA	254,680	NA	NA	267,410	NA
International Cargo Flight															
Code B	NA	90,000	NA	NA	94,500	NA	NA	99,230	NA	NA	104,190	NA	NA	109,400	NA
Code C	NA	150,000	NA	NA	157,500	NA	NA	165,380	NA	NA	173,650	NA	NA	182,330	NA
Code D	NA	225,000	NA	NA	236,250	NA	NA	248,060	NA	NA	260,460	NA	NA	273,480	NA
Code E	NA	310,000	NA	NA	325,500	NA	NA	341,780	NA	NA	358,870	NA	NA	376,810	NA
Code F	NA	390,000	NA	NA	409,500	NA	NA	429,980	NA	NA	451,480	NA	NA	474,050	NA

Note: Above prices are excluding applicable taxes.

6.2 M/s CGSCPL proposed the following % increase in the Tariff rates on Y-o-Y basis for the Scheduled Flights at Chennai International Airport as stated in the table below:



Table 9: Statement of Y-o-Y Percentage (%) Change in Tariff Rates in respect of different categories of the Scheduled Flights for the First Control Period.

	FY 2023-24			FY 2024-25			FY 2025-26			2026-27			2027-28		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
(A) Passenger Flights															
Domestic Passenger Flight															
Below Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code C	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code D	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code E	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code F	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
International Passenger Flight															
Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code C	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code D	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code E	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code F	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
(B) Cargo Flights															
Domestic Cargo Flight															
Code B	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code C	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code D	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code E	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code F	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
International Cargo Flight															
Code B	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code C	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code D	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code E	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA
Code F	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA	NA	5%	NA

6.3 M/s CGSCPL also submitted separate Tariff Rate Card for Non-Scheduled and General Aviation Flight(s) as per the table given below: -

Table 10: Proposed Tariff Rates for Non-Scheduled Flights submitted by M/s CGSCPL for the First Control Period.

(Rates in ₹)

A/C Category	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.
Maximum Take Off Weight (MTOW)										
0-5000	24,310	47,380	25,530	49,750	26,810	52,240	28,150	54,850	29,560	57,590
5001-10000	31,615	83,275	33,200	87,440	34,860	91,810	36,600	96,400	38,430	101,220
10001- 20000	38,160	133,930	40,070	140,630	42,070	147,660	44,170	155,040	46,380	162,790
20001- 30000	63,740	152,885	66,930	160,530	70,280	168,560	73,790	176,990	77,480	185,840
30001- 40000	65,175	170,330	68,430	178,850	71,850	187,790	75,440	197,180	79,210	207,040
40001- 50000	64,475	191,475	67,700	201,050	71,090	211,100	74,640	221,660	78,370	232,740
50001- 100000	87,720	248,270	92,110	260,680	96,720	273,710	101,560	287,400	106,640	301,770
100001 – 200000	209,000	344,390	219,450	361,610	230,420	379,690	241,940	398,670	254,040	418,600
Above 200000	260,750	408,831	273,790	429,270	287,480	450,730	301,850	473,270	316,940	496,930

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



Authority's Examination regarding the proposed Tariff for the Control Period at Consultation Stage:

- 6.4 The Authority observed that in the case of Scheduled Flights (Domestic & International), the ISP proposed 5% Y-o-Y increase in Tariff Rates from FY 2024-25 onward.
- 6.5 The Authority also observed that M/s CGSCPL has proposed a separate Tariff Rate card for Non-Scheduled Flights and just like scheduled flights, ISP has proposed an increase of 5% Y-o-Y basis from FY 2024-25 onward. (Table 9)
- 6.6 Considering the Aircraft Traffic projected (Flights to be handled) by the ISP for the Control Period & projected increase in Operating Expenditure, due to factors like increase in number of manpower, annual increase in salary & wages, general inflation etc., ISP requires adequate revenues to cover up the Operating Costs and get reasonable return on its investments. Thus the 5% increase in Tariff Rates considered by the ISP on Y-o-Y basis from FY 2024-25 onward is reasonable.
- 6.7 The Authority also observed that as per the projected profitability statement for the First Control Period (Table no. 6), M/s CGSCPL is likely to suffer losses during first four tariff years of the Control Period, however the ISP is expecting to generate surplus in the last tariff year of the Control Period.
- 6.8 The Authority is of the view that the Tariff for Domestic 'Non-Scheduled and General Aviation Flights', should not be more than the Tariff of relevant Domestic Scheduled Flights for a similar class of Aircraft(s). However, the Authority proposed to consider the separate Tariff Rate Card in case of the International 'Non-Scheduled & General Aviation Flights' as per Annexure-II.
- 6.9 The Authority proposed that in case of payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and the rate as on the 15th of the month will be applicable for the second fortnight.
- 6.10 Further, M/s CGSCPL should ensure compliance towards Standardization of Ground Handling Equipment at Chennai International Airport, Chennai in accordance with the directives issued by the Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 27.10.2022.

Stakeholders' Comments:

6.11 M/s Spice Jet's comments on Tariff Rates for the First Control Period:

• **Annexure III of the Consultation Paper:**

"It is noted that the proposed tariffs are exorbitantly high for International flights as compared to the recent consultation paper of GSEC Indo-Thai for Jaipur and GAU, the comparative tariffs of a few items are exhibited below as illustrations. Please note that these are examples only for one year (2023-24), while there may be several cases across the various years and categories. Authority is requested to kindly conduct a thorough review of the proposed Units and Tariffs before arriving at a decision, please.

S. No.	Services	Station	Service Provider	Unit	International
1	Air Conditioning Unit	MAA	CGSCPL	Per Hour	24,265
2	Air Conditioning Unit (NB)	GAU	GSEC Indo Thai	Per Hour	15,000



3	Air Conditioning Unit (NB)	JAI	GSEC Indo Thai	Per Hour	11,100
4	Air Starter Unit	MAA	CGSCPL	Start	15,089
5	Air Starter Unit (NB)	GAU	GSEC Indo Thai	Per Hour	15,000
6	Air Starter Unit (NB)	JAI	GSEC Indo Thai	Per Hour	7,500
7	Blue Collar Staff	MAA	CGSCPL	Per Staff Per Hour	2,262
8	Blue Collar Staff	GAU	GSEC Indo Thai	Per Staff Per Hour	800
9	Blue Collar Staff	JAI	GSEC Indo Thai	Per Staff Per Hour	400
10	White Collar Staff	MAA	CGSCPL	Per Staff Per Hour	3,221
11	White Collar Staff	GAU	GSEC Indo Thai	Per Staff Per Hour	1,200
12	White Collar Staff	JAI	GSEC Indo Thai	Per Staff Per Hour	600

It may be particularly noted that while it is mentioned that the rates in Annexure III are the maximum rates that may be charged, it is not been explained or reasoned by the Authority why the maximum rates should be allowed to be higher than other comparable airports."

• **Refer 6.2, 6.3, 6.11 and Table 9, 10 & 11 of the CP:**

"We humbly submit that the proposed tariffs are excessively high considering post-COVID-19 economic climate, current geopolitical situation and other factors leading to recent airline collapse.

It is in the interest of all the stakeholders not to implement such high tariffs in order to encourage middle class people to travel by air, which will help in sharp post COVID-19 recovery of aviation sector. Customers of airlines have limited capacity to pay for the Air Fares, and when the cost of travel goes up (caused in part due to high service provider charges), the air traffic goes down, leading to further losses and financial crisis for airlines.

Thus, it is humbly submitted that it is imperative that the Authority does not take any steps, including by way of approving the proposed high tariffs, during the First Control Period. We also humbly request the Authority to not implement any Y-O-Y increase in tariffs during the First Control Period and defer any increase in the same to the subsequent control period, given the scenario described above."

6.12 M/s CGSCPL's response to comments of Spice Jet:

"As we know, the proposed tariffs are the maximum tariffs and the final tariffs to be charged to the airline will be based on one to one discussion with Airlines.

It is not completely correct to compare the tariffs with different service providers operating at different regions. Moreover, there are other services where our charges are lower than the AERA

approved tariffs of M/s GSEC Indo Thai Pvt. Ltd., Jaipur. Highlighting few of them below for FY 2023-24:

Ambulift Domestic: Rs 6,000 vs Rs 10,000

Exterior Cleaning NB: Rs 31,755 vs Rs 52,500

Exterior Cleaning WB: Rs 84,100 vs Rs 1, 50,000

Interior Deep Cleaning WB: Rs 15,000 vs Rs 24,000

Vehicle VIP rates in all categories

Conveyor Belt: Rs 10,600 vs Rs 14,373

The charges mentioned for White collar staff & Blue collar staff are on per hour basis only as you would understand that these services are provided on ad hoc basis and Company has to arrange resources for this."

Authority's analysis regarding Tariff for the Ground Handling Services in respect of the First Control Period:

- 6.13 The Authority notes the comments of M/s SpiceJet wherein the stakeholder viewed that the ISP has proposed high tariff rates for some of the Itemized ground handling services, as compared to tariff for similar services at other comparable airports. In this regard, the Authority is of the view that it is not appropriate to compare tariff rates of different airports; as each airport is unique in itself and has a different business model, with varying levels of aircraft traffic, CAPEX, OPEX etc., which have direct bearing on the tariff of services at respective airports.

Further, the Authority notes the counter comments of M/s CGSCPL that the actual Tariff charged to the airlines would be different from the ceiling Tariff Rates approved by the Authority, based on the negotiation with the airlines.

- 6.14 Further, as per the Authority, item-wise charges for various ground handling services (as per Annexure III) are optional in nature and the market competition among the three service providers will help in keeping the tariff rates of these services at reasonable levels.

- 6.15 Further, taking into account the investments made/ projected by the ISP on Ground Handling Equipment and associated facilities and factoring in periodic increase in the minimum wages/ annual increments, impact of general inflation on operating expenditure, M/s CGSCPL requires minimum level of revenues to cover up for the projected operating expenses and to generate reasonable returns.

It is worth mentioning here that as per the profitability statement (Table-5), the ISP is expected to incur net loss for the First Control Period, even after considering the proposed tariff increase.

- 6.16 In view of the above, the Authority decides to consider the Tariff in respect of the Ground Handling Services for the First Control Period, as per **Annexures (I, II & III)**.

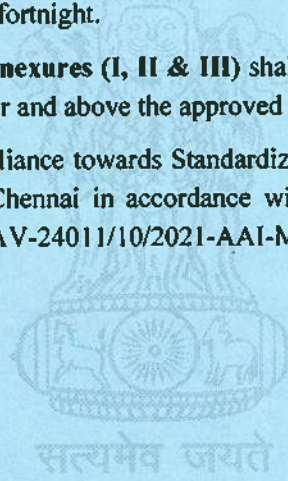
Authority's decisions regarding Tariff for Ground Handling Services for the First Control Period:

Based on material before it and its analysis, the Authority decides the following Tariff structure and



Annual Tariff Proposal for the First Control Period:

- 6.17 To consider the Tariff Rates for the Ground Handling Services provided by M/s CGSCPL at Chennai Airport in respect of Scheduled Flights, International “Non-Scheduled & General Aviation Flights” and Item-wise charges in respect of the Ground Handling Services for the Scheduled & Non-Scheduled Flights, for the First Control Period as per **Annexures (I, II & III)**.
- 6.18 The Tariff for Domestic “Non-Scheduled and General Aviation Flights”, shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).
- 6.19 In case of payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and the rate prevailing as on the 15th of the month will be applicable for the second fortnight.
- 6.20 The Tariff Rates indicated in **Annexures (I, II & III)** shall be maximum charges to be levied. No other charges are to be levied over and above the approved Tariff Rates.
- 6.21 M/s CGSCPL shall ensure compliance towards Standardization of Ground Handling Equipment at Chennai International Airport, Chennai 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.



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CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The below-mentioned summary provides the Authority's decisions relating to relevant chapters pertaining to the Tariff determination exercise for M/s CGSCPL, for its Ground Handling Services at Chennai International Airport, Chennai:

Chapter	Para	Summary of the Authority's Decisions	Page No.
Chapter No.2	2.8	The Authority decides to consider the Tariff determination exercise for M/s CGSCPL providing Ground Handling Services at Chennai International Airport under the ' Light Touch Approach ' for the First Control Period, as the regulated service is deemed ' Material but Competitive '.	9
Chapter No. 3	3.13	The Authority decides to consider the Aircraft Traffic (Flights to be handled by the ISP) for the First Control Period as per Table 3.	12
Chapter No. 4	4.14	The Authority decides to consider the CAPEX for the First Control Period as per Table 4.	17
Chapter No. 5	5.13	The Authority decides to consider the OPEX for the First Control Period as per Table 6.	22
Chapter No. 6	6.17	The Authority decides to consider the Tariff Rates for the Ground Handling Services provided by M/s CGSCPL at Chennai Airport in respect of Scheduled Flights, International "Non-Scheduled & General Aviation Flights" and Item-wise charges in respect of the Ground Handling Services for the Scheduled & Non-Scheduled Flights, for the First Control Period as per Annexures (I, II & III) .	28
	6.18	The Authority decides that the Tariff for Domestic "Non-Scheduled and General Aviation Flights", shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).	
	6.19	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 the rate prevailing as on the 15 th of the month will be applicable for the second fortnight.	
	6.20	The Authority decides that the Tariff Rates indicated in Annexures (I, II & III) shall be maximum charges to be levied. No other charges are to be levied over and above the approved Tariff Rates.	
	6.21	The Authority decides that M/s CGSCPL shall ensure compliance towards Standardization of Ground Handling Equipment at Chennai International Airport, Chennai 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 submissions made by M/s CGSCPL, the Authority, in exercise of powers conferred upon it by Section 13(1) (a) of the AERA Act, 2008, hereby orders that:

- (i) The Regulated Service i.e., the Ground Handling Services provided by M/s Celebi Ground Services Chennai Private Limited at the Chennai International Airport is deemed as “Material but competitive”. The Authority, therefore, decides to adopt ‘Light Touch Approach’ for the determination of the Tariff, in respect of the Ground Handling Services, for the First Control Period (FY 2023-24 to FY 2027-28).
- (ii) The Authority decides that the Tariff Rates indicated in Annexures (I, II & III) shall be the maximum Tariff(s) to be charged. No other charge(s) is to be levied over and above the approved Tariff Rates.
- (iii) The Authority decides that Tariff for Domestic “Non-Scheduled Flights & General Aviation Flights”, 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 15th of the month will be applicable for the second fortnight.
- (v) The Tariff determined herein above is excluding of applicable taxes, if any.
- (vi) M/s CGSCPL shall maintain the separate accounts for its Ground Handling Operations at the Chennai 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).
- (vii) This Tariff Order shall be effective from 11.12.2023.
- (viii) The Airport Operator shall ensure the compliance of this Order.

By the Order of and in the name of the Authority

(Suyash Narain)
Secretary

To

Shailender Chaudhary
Director
M/s Celebi Ground Services Chennai Private Limited
No. 12/18, RMS Apartments, 3rd Floor,
Gopalakrishna Street, Pondy Bazaar,
T Nagar, Chennai, Tamil Nadu - 600017

Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003
2. Chairman, Airports Authority of India, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003
3. Shri C.V. Deepak, Airport Director, Chennai International Airport, Chennai, Tamil Nadu - 600027



ANNEXURE I

**TARIFF RATE CARD APPROVED BY AERA
FOR M/s CGSCPL AT CHENNAI INTERNATIONAL AIRPORT
IN RESPECT OF DOMESTIC* & INTERNATIONAL SCHEDULED FLIGHTS
FOR THE FIRST CONTROL PERIOD (FY 2023-24 to FY 2027-28)**

Revised Tariff Rates for Ground Handling Services are effective from 11.12.2023

(Rates in ₹)

	FY 2023-24			FY 2024-25			FY 2025-26			2026-27			2027-28			
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	
(A) Passenger Flights																
Domestic Passenger Flight																
Below Code B	4,437	13,313	17,750	4,660	13,980	18,640	4,890	14,680	19,570	5,130	15,410	20,540	5,390	16,180	21,570	
Code B	8,325	19,425	27,750	8,740	20,400	29,140	9,180	21,420	30,600	9,640	22,490	32,130	10,120	23,610	33,730	
Code C	9,975	29,925	39,900	10,470	31,420	41,890	10,990	32,990	43,980	11,540	34,640	46,180	12,120	36,370	48,490	
Code D	22,325	66,975	89,300	23,440	70,320	93,760	24,610	73,840	98,450	25,840	77,530	103,370	27,130	81,410	108,540	
Code E	30,225	90,675	120,900	31,740	95,210	126,950	33,330	99,970	133,300	35,000	104,970	139,970	36,750	110,220	146,970	
Code F	35,000	105,000	140,000	36,750	110,250	147,000	38,590	115,760	154,350	40,520	121,550	162,070	42,550	127,630	170,180	
International Passenger Flight																
Code B	31,795	74,188	105,983	33,380	77,900	111,280	35,050	81,800	116,850	36,800	85,890	122,690	38,640	90,180	128,820	
Code C	42,825	128,475	171,300	44,970	134,900	179,870	47,220	141,650	188,870	49,580	148,730	198,310	52,060	156,170	208,230	
Code D	57,352	172,056	229,408	60,220	180,660	240,880	63,230	189,690	252,920	66,390	199,170	265,560	69,710	209,130	278,840	
Code E	80,293	240,878	321,171	84,310	252,920	337,230	88,530	265,570	354,100	92,960	278,850	371,810	97,610	292,790	390,400	
Code F	100,366	301,099	401,465	105,380	316,150	421,530	110,650	331,960	442,610	116,180	348,560	464,740	121,990	365,990	487,980	
(B) Cargo Flights																
Domestic Cargo Flight																
	Ramp Services		Ramp Services		Ramp Services		Ramp Services		Ramp Services		Ramp Services		Ramp Services		Ramp Services	
Code B	35,000		36,750		38,590		40,520		42,550		44,580		46,610		48,640	
Code C	65,000		68,250		71,660		75,240		79,000		82,890		86,830		90,820	
Code D	135,000		141,750		148,840		156,280		164,090		172,260		180,790		189,580	
Code E	160,000		168,000		176,400		185,220		194,480		204,100		214,170		224,300	
Code F	220,000		231,000		242,550		254,680		267,410		280,740		294,570		309,000	
International Cargo Flight																
Code B	90,000		94,500		99,230		104,190		109,400		114,960		120,780		126,960	
Code C	150,000		157,500		165,380		173,650		182,330		191,460		201,050		211,200	
Code D	225,000		236,250		248,060		260,460		273,480		287,130		301,540		317,010	
Code E	310,000		325,500		341,780		358,870		376,810		395,610		415,270		435,600	
Code F	390,000		409,500		429,980		451,480		474,050		497,700		522,430		549,240	

*Tariff for Domestic Scheduled Flights is also applicable to Domestic "Non-Scheduled Flights & General Aviation Flights"

Notes:

- Above Tariff Rates are excluding all applicable taxes.
- Tariff indicated above 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 15th of the month will be applicable for the second fortnight.



ANNEXURE II

**TARIFF RATE CARD APPROVED BY AERA
FOR M/s CGSCPL AT CHENNAI INTERNATIONAL AIRPORT
IN RESPECT OF INTERNATIONAL "NON-SCHEDULED & GENERAL AVIATION FLIGHTS"
FOR THE FIRST CONTROL PERIOD (FY 2023-24 to FY 2027-28)**

Revised Tariff Rates for Ground Handling Services are effective from 11.12.2023

(Rates in ₹)

A/C Category	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Maximum Take Off Weight (MTOW)					
0-5000	47,380	49,750	52,240	54,850	57,590
5001-10000	83,275	87,440	91,810	96,400	101,220
10001- 20000	133,930	140,630	147,660	155,040	162,790
20001- 30000	152,885	160,530	168,560	176,990	185,840
30001- 40000	170,330	178,850	187,790	197,180	207,040
40001- 50000	191,475	201,050	211,100	221,660	232,740
50001- 100000	248,270	260,680	273,710	287,400	301,770
100001 – 200000	344,390	361,610	379,690	398,670	418,600
Above 200000	408,831	429,270	450,730	473,270	496,930

Notes:

- Above Tariff Rates are excluding all applicable taxes.
- Tariff indicated above 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 15th of the month will be applicable for the second fortnight.

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ANNEXURE III

**ITEMISED TARIFF RATE CARD APPROVED BY AERA
FOR M/s CGSCPL AT CHENNAI INTERNATIONAL AIRPORT
FOR THE FIRST CONTROL PERIOD (FY 2023-24 TO FY 2027-28)**

Item-wise Charges for the Ground Handling Services in respect of Domestic* & International Flights

Revised Tariff Rates are effective from 11.12.2023

(Rates in ₹)

Sl. No.	SERVICES	UNIT	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
1	Air Cooling Unit per hour usage	Per Hour	24265	37330	25478	39197	26752	41156	28089	43214	29494	45375
2	Air Starter Unit	Per Start	15089	23214	15844	24375	16636	25593	17468	26873	18341	28217
3	Aircraft Disinfection - Freighter A/Cs	Per service	4875	7500	5119	7875	5375	8269	5643	8682	5926	9116
4	Aircraft Disinfection - Pax A/C Code C	Per service	7943	12220	8340	12831	8757	13473	9195	14146	9655	14853
5	Aircraft Disinfection - Pax A/C Code D/E	Per service	14999	23075	15749	24229	16536	25440	17363	26712	18231	28048
6	Aircraft Disinfection - Pax A/C Code F	Per service	23384	35975	24553	37774	25781	39662	27070	41646	28423	43728
7	Aircraft marshalling	Per service	2000	4075	2100	4279	2205	4493	2315	4717	2431	4953
8	Ambulift	Per flight leg	6000	10000	6300	10500	6615	11025	6946	11576	7293	12155
9	Apron Transport (Passenger)	Per Trip	2000	5000	2100	5250	2205	5513	2315	5788	2431	6078
10	Arrange non-scheduled Crew HOTAC	Per flight	1294	1990	1358	2090	1426	2194	1497	2304	1572	2419
11	ATC payment services	Per flight	3000	8000	3150	8400	3308	8820	3473	9261	3647	9724
12	Baggage ID	Per Service	3000	4000	3150	4200	3308	4410	3473	4631	3647	4862
13	Baggage/Cargo cart	Per Hour	1500	3530	1575	3707	1654	3892	1736	4086	1823	4291
14	Ballast Bags refill	Per refill-per bag	1287	1980	1351	2079	1419	2183	1490	2292	1564	2407
15	Blue collar staff	Per staff per hour	2262	3480	2375	3654	2494	3837	2619	4029	2749	4230
16	Brake Cooling Service	Per flight	22061	33940	23164	35637	24322	37419	25538	39290	26815	41254
17	Cabin loading/unloading NB	Per hour	14118	21720	14824	22806	15565	23946	16343	25144	17161	26401
18	Cabin loading/unloading WB	Per hour	17648	27150	18530	28508	19456	29933	20429	31430	21451	33001
19	Cargo / Apron Transport on Apron	Per Flight	6500	10000	6825	10500	7166	11025	7525	11576	7901	12155
20	Cargo Supervision services	Per flight	10108	15550	10613	16328	11144	17144	11701	18001	12286	18901
21	CHOCKS for narrow body aircraft	Per Hour	4875	7500	5119	7875	5375	8269	5643	8682	5926	9116
22	CHOCKS for wide body aircraft	Per hour	5850	9000	6143	9450	6450	9923	6772	10419	7111	10940



Sl. No.	SERVICES	UNIT	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
23	CONES for narrow body aircraft	Per Hour	4875	7500	5119	7875	5375	8269	5643	8682	5926	9116
24	CONES for wide body aircraft	Per Hour	5850	9000	6143	9450	6450	9923	6772	10419	7111	10940
25	Container/Pallet Dolly	Per Hour	1500	4345	1575	4562	1654	4790	1736	5030	1823	5281
26	Container/Pallet Dolly 20 FT	Per Hour	2000	8690	2100	9125	2205	9581	2315	10060	2431	10563
27	Conveyor belt	Per Hour	5000	10095	5250	10600	5513	11130	5788	11686	6078	12271
28	Crew Transport	Per Trip	1800	5000	1890	5250	1985	5513	2084	5788	2188	6078
29	Deportee/INAD handling	Per Passenger	4225	6500	4436	6825	4658	7166	4891	7525	5136	7901
30	Direct crew through airport facilities	Per Service	1000	4090	1050	4295	1103	4509	1158	4735	1216	4971
31	Excess Baggage Fee (% of collection)	As per collection	15%	15%	16%	16%	17%	17%	17%	17%	18%	18%
32	Exterior Cleaning - NB	Per Service	21900	31755	22995	33343	24145	35010	25352	36760	26620	38598
33	Exterior Cleaning - WB	Per Service	58000	84100	60900	88305	63945	92720	67142	97356	70499	102224
34	Fire Extinguisher equipment on ramp (standalone)	Per Flight	1625	2500	1706	2625	1792	2756	1881	2894	1975	3039
35	Forklift	Per Hour	7413	11405	7784	11975	8173	12574	8582	13203	9011	13863
36	Full body suit PPE	Per suit	1333	2050	1399	2153	1469	2260	1543	2373	1620	2492
37	Ground Power Unit	Per Hour	5000	15000	5250	15750	5513	16538	5788	17364	6078	18233
38	Headset service	Per Flight	2500	5000	2625	5250	2756	5513	2894	5788	3039	6078
39	Interior Deep Cleaning - NB	Per Service	8000	19220	8400	20181	8820	21190	9261	22250	9724	23362
40	Interior Deep Cleaning - WB	Per Service	15000	33895	15750	35590	16538	37369	17364	39238	18233	41200
41	Interior Tum Cleaning - NB	Per Service	8000	16700	8400	17535	8820	18412	9261	19332	9724	20299
42	Interior Tum Cleaning - WB	Per Service	15000	27000	15750	28350	16538	29768	17364	31256	18233	32819
43	LDL	Per hour	23329	35890	24495	37685	25720	39569	27006	41547	28356	43625
44	Load Control	Per Flight	9750	15000	10238	15750	10749	16538	11287	17364	11851	18233
45	Loading Of Baggage Into ULD Or Aircraft	PER BAG	325	500	341	525	358	551	376	579	395	608
46	Manual Check-In	Per Passenger	133	205	140	215	147	226	154	237	162	249
47	MDL	Per hour	27622	42495	29003	44620	30453	46851	31976	49193	33574	51653
48	MHB Handling	Per Bag	585	900	614	945	645	992	677	1042	711	1094
49	Offloading Of Baggage From ULD Or Aircraft	PER BAG	325	500	341	525	358	551	376	579	395	608
50	Operational Flight Plan Print Out	Per service	600	4075	630	4279	662	4493	695	4717	729	4953
51	Oversized Baggage Handling	Per Bag	455	700	478	735	502	772	527	810	553	851
52	Passenger Step (mobile)	Per Hour	1500	7195	1575	7555	1654	7932	1736	8329	1823	8746
53	Pushback for narrow body aircraft	Per Push	12000	20000	12600	21000	13230	22050	13892	23153	14586	24310
54	Pushback for wide body aircraft	Per Push	16000	24000	16800	25200	17640	26460	18522	27783	19448	29172
55	Station Management	Per flight	9750	15000	10238	15750	10749	16538	11287	17364	11851	18233



Sl. No.	SERVICES	UNIT	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
56	Stationary (Boarding card & Tags)	Per Flight	7059	10860	7412	11403	7783	11973	8172	12572	8580	13200
57	Supervision & Administration Services	Per flight	5850	9000	6143	9450	6450	9923	6772	10419	7111	10940
58	Tail stand	Per Hour	10000	15000	10500	15750	11025	16538	11576	17364	12155	18233
59	Toilet truck	Per Service	3000	14255	3150	14968	3308	15716	3473	16502	3647	17327
60	Towbar	Per Use	2000	7195	2100	7555	2205	7932	2315	8329	2431	8746
61	Towing of narrow body aircraft	Per Tow	14000	22000	14700	23100	15435	24255	16207	25468	17017	26741
62	Towing of wide body aircraft	Per Tow	24000	29000	25200	30450	26460	31973	27783	33571	29172	35250
63	Transit w/o visa pax	Per Passenger	4225	6500	4436	6825	4658	7166	4891	7525	5136	7901
64	Trestle (standard size - 4ft)	Per Hour	1000	2000	1050	2100	1103	2205	1158	2315	1216	2431
65	Tugs	Per Hour	3000	11405	3150	11975	3308	12574	3473	13203	3647	13863
66	ULD Storage	Per ULD/per day	1000	2695	1050	2830	1103	2971	1158	3120	1216	3276
67	ULD WASHING	PER ULD	2925	4500	3071	4725	3225	4961	3386	5209	3555	5470
68	UM Handling	Per UM	4225	6500	4436	6825	4658	7166	4891	7525	5136	7901
69	Vacuum Cleaner	Per Hour	1853	2850	1945	2993	2042	3142	2145	3299	2252	3464
70	VIP Vehicle (Innova Range)	Per trip	6000	9500	6300	9975	6615	10474	6946	10997	7293	11547
71	VIP Vehicle (Luxury - Mercedes/ BMW / AUDI range)	Per trip	6000	9500	6300	9975	6615	10474	6946	10997	7293	11547
72	VIPs	Per Passenger	4225	6500	4436	6825	4658	7166	4891	7525	5136	7901
73	Water truck	Per Service	3000	14255	3150	14968	3308	15716	3473	16502	3647	17327
74	Water Uplift	Per Ltr.	5	15	5	16	6	17	6	17	6	18
75	Weight Cart Facility	Per Hour	9750	15000	10238	15750	10749	16538	11287	17364	11851	18233
76	Wheel Chair	Per Service	1000	2500	1050	2625	1103	2756	1158	2894	1216	3039
77	White collar staff	Per staff per hour	3221	4955	3382	5203	3551	5463	3728	5736	3915	6023

Dom. = Domestic; Intl. = International

*Tariff for Domestic Flights is also applicable to Domestic 'General Aviation Flights'.

Notes:

- Above Tariff Rates are excluding of all applicable taxes, if any.
- Tariff indicated above 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 15th of the month will be applicable for the second fortnight.

