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F.N. AERA/20010/MYTP/BASCPL/GH/Chennai/CP-III/2023-28

आदेश संख्या 28/2023-24
Order No. 28/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

मैसर्स बर्ड एयरपोर्ट सर्विसेज (चैन्नई) प्राइवेट लिमिटेड (बी.ए.एस.सी.पी.एल.) के संबंध में चैन्नई अंतर्राष्ट्रीय हवाईअड्डा, चैन्नई में प्रथम नियंत्रण अवधि (वित्त वर्ष 2023-24 से वित्त वर्ष 2027-28) के लिए ग्राउंड हैंडलिंग सेवाओं के लिए टैरिफ निर्धारण के मामले में

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

जारी करने की तारीख : 07.12.2023

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List of Abbreviations:

AERA / Authority	Airports Economic Regulatory Authority of India
BASCPL	Bird Airport Services (Chennai) Private Limited
AIASL	AI Airport Services Limited
CGSCPL	Celebi Ground Services (Chennai) Private Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
CAPEX	Capital Expenditure
COD	Commercial Operations Date
CGF	Cargo Facility, Ground Handling & Supply of Fuel to the Aircraft
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
GGIPL	Global Ground India Private Limited
GHA	Ground Handling Agencies
GHS	Ground Handling Services
GSE	Ground Support Equipment
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 Globe Ground India Private Limited (GGIPL) was awarded Concession to provide Ground Handling Services at Chennai International Airport, Chennai through Request for Proposal selection process, by the Airport Operator i.e., 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 GGIPL within 30 days from the date of issue of LOIA, for entering into the concession agreement with AAI and implementation of Concession to provide ground handling services at Chennai International Airport. Accordingly, SPV namely M/s Bird Airport Services (Chennai) Private Limited (BASCPL), was incorporated under the Indian Companies Act, 2013 on 20.01.2023, is considered as “Special Purpose Vehicle” in terms of LOIA dated 18.11.2022
- 1.3 The Airport Operator (AAI) and the Special Purpose Vehicle i.e., M/s BASCPL entered into Concession Agreement on 28.06.2023, for a provision of ground handling services at Chennai International Airport, Chennai for a period of 10 years from the “Commercial Operations Date (COD)”. The Concession term is further extendable for a period of one year at the sole discretion of AAI.
- 1.4 The shareholding structure of the M/s BASCPL is tabulated below:

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

Name and Address	No. of Shares	Shareholding (%)
Globe Ground India Private Limited	5,100	51.00%
Bird Worldwide Flight Services (India) Private Limited	2,900	29.00%
Global Flight Handling Services Private Limited	1,000	10.00%
Gokul Vinimay Private Limited	1,000	10.00%
Total	10,000	100%

- 1.5 Bureau of Civil Aviation Security (BCAS) granted security clearance to M/s BASCPL on 15.05.2023, which is valid for a period of five years from the date of issue of security clearance.
- 1.6 The Authority, vide Order No. 12/2023-24 dated 11.07.2023 approved Ad-hoc Tariff for M/s Bird Airport Services (Chennai) Private Limited, from commercial operation date (COD) up to 30.09.2023.
- 1.7 Subsequently the Authority, vide Order no. 20/2023-24 dated 27.09.2023, extended the prevailing Ad-hoc Tariff (as on 30.09.2023) for further period from 01.10.2023 up to 31.03.2024 or till the determination of regular Tariff for the ISP, whichever is earlier.
- 1.8 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), M/s BASCPL submitted the Multi-Year Tariff Proposal (‘MYTP’) on 22.08.2023 in respect of the First Control Period (FY 2023-24 to FY 2027-28), for determination of Tariff of regulated service (Ground Handling Services) being provided at Chennai International Airport, Chennai.

- 1.9 The Authority carefully examined the MYTP for the First control Period for ground handling services submitted by M/s Bird Airport Services (Chennai) Private Limited and issued Consultation Paper No. 14/2023-24 dated 06.10.2023, inviting suggestions/comments from the stakeholders on the various proposals of the Authority with the following timelines:
- Date for submission of written comments by Stakeholders: 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. 14/2023-24 dated 06.10.2023 and the same were uploaded on the AERA's website vide Public Notice No. 17/2023-24 dated 30.10.2023.
- 1.11 The Authority, in response to Public Notice No. 17/2023-24 dated 30.10.2023, received counter comments from M/s BASCPL on 03.11.2023.
- 1.12 The Authority, after examining the comments of stakeholder (M/s SpiceJet Ltd.) & counter comments of the ISP on the above referred CP and after considering all the relevant aspects of the case, has finalized this Tariff Order.

Stakeholders' Comments

- 1.13 **M/s SpiceJet'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. Globe Ground India Private Limited (GGIPL) / Ms. Bird Airport Services (Chennai) Private Limited (BASCPL) for ground handling services has been followed and approved as per appropriate governance practices."

M/s BASCPL's response to comments of M/s SpiceJet:

- 1.14 *"This is a Global Practice applied by the regulatory bodies in India. We need to follow the Guidelines and Instructions prescribed by these regulatory bodies.*

Therefore, SpiceJet should raise this observation with the appropriate forum/regulatory bodies "

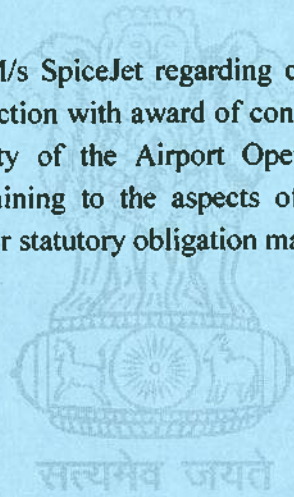
Authority's analysis on the Stakeholders' comments regarding review of tendering process:

- 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 Concession 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 As regard to 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, 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 the above mentioned AERA Guidelines and Direction, the following procedure is adopted for the determination of the Materiality Index of the Regulated Service:

STAGE I: MATERIALITY ASSESSMENT:

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

The Materiality Index for Chennai International Airport = $\frac{37768}{420772}$
= 8.97%

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

Stage II: COMPETITION ASSESSMENT:

- 2.4 The Authority noted that as per the information furnished by M/s BASCPL in form F1(b) of the MYTP, in addition to the ISP, M/s AI Airport Services Limited (AIASL) and M/s Celebi Ground Services Chennai Pvt. Ltd (CGSCPL) are the other two service providers rendering similar services at Chennai International Airport, Chennai. Hence the Regulated Service is deemed as ‘**Competitive**’ in respect of the ISP, for the First Control Period.
- 2.5 As per Clause 3.2 (ii) of the Guidelines, wherever the Regulated Service is deemed as ‘**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.
- 2.6 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 to the Guidelines and the proposal shall be supported by the following:
- 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(s) that are proposed by the Service Provider.



2.7 The Authority noted that the M/s BASCPL has submitted the Annual Tariff Proposal (ATP) along with its MYTP and other requisite documents for the determination of Tariff for Ground Handling Services at Chennai International Airport, except the minutes of the Stakeholders' consultation meeting. ISP is yet to conduct the Stakeholders' Consultation meeting.

The Authority, therefore, directed M/s BASCPL to conduct Stakeholders' Consultation Meeting within the two weeks of the issuance of this Consultation Paper, in compliance to the CGF Guidelines, 2011.

2.8 Subsequent to the directions of the Authority, M/s BASCPL conducted the Stakeholder Consultation Meeting on 02.11.2023 and submitted the Minutes of Meeting (MoM) vide email dated 08.11.2023. From the MoM, the Authority notes that the representatives of Lufthansa and Sri Lankan Airlines participated in the above referred meeting and none of the Stakeholders raised any concern regarding Tariff proposed by the ISP.

Stakeholders' Comments

2.9 The Authority received no comments/ views from any stakeholder regarding Tariff determination methodology for the First Control Period in respect of M/s BASCPL.

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

2.10 Based on the material before it and its analysis, the Authority decides to consider the Tariff determination exercise for M/s BASCPL, in respect of the Ground Handling Services provided by the ISP, 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 BASCPL submission on Projected Aircraft Traffic (Flights to be Handled) during First Control Period

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

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

Year	Total number of Landings at Chennai International Airport			Y-o-Y % increase		
	Domestic	International	Total	Domestic	International	Total
2018-19	69458	19582	89040	-	-	-
2019-20	65,107	18,884	83,991	-6%	-4%	-6%
2020-21	26,387	5,909	32,295	-59%	-69%	-62%
2021-22	36073	9,728	45,801	37%	65%	42%
2022-23	52857	15,990	68,847	47%	64%	50%

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

Table 3: Projected Aircraft Traffic (Flights to be handled by ISP) submitted by M/s BASCPL for the First Control Period (FY 2023-24 to FY 2027-28).

Year	Flights to be handled for the First Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic	International		Domestic	International	Total
2023-24 (Oct 2023- Mar 2024)	2890	1998	4868			
2023-24* (Annualized)	5,780	3,955	9,735	-	-	-
2024-25	6,069	4,152	10,221	5%	5%	5%
2025-26	6,373	4,358	10,731	5%	5%	5%
2026-27	6,691	4,577	11,268	5%	5%	5%
2027-28	7,025	4,805	11,830	5%	5%	5%
Total	31,938	21,847	53,785			

*Annualized traffic projections for the FY 2023-24



Authority's Examination of the Projected Aircraft Traffic (Flights to be handled by the ISP) at Consultation Stage:

- 3.3 The Authority noted that M/s BASCPL is a new entrant at Chennai International Airport and commenced its commercial operations at Chennai International Airport on 1st October, 2023. The Authority, on the basis of aircraft traffic projection submitted by the ISP for the FY 2023-24 (9735 landings on annualized basis) expects service provider to have market share around 14%, when compared with the actual aircraft traffic handled at the Chennai airport in FY 2022-23 (68847 no. of landings), published by the AAI at its website.
- 3.4 The Authority noted that M/s BASCPL projected a modest growth rate of 5% on Y-o-Y basis from 2nd Tariff year onward for the aircraft traffic volume to be handled by the ISP during the First Control Period.
- 3.5 As per the statistics available at AAI website, the total Aircraft Traffic handled by Chennai International Airport in FY 2022-23 had reached to 82% of the actual Aircraft Traffic handled in the pre-Covid year i.e., FY 2019-20.
- 3.6 The Authority observed from the AAI statistics that the aircraft movements for the period from April, 2023 to July, 2023 in respect of the Chennai airport have increased by 10%, as compared to the corresponding period of FY 2022-23.
- 3.7 Considering that the service provider is new entrant at Chennai International Airport and taking into account the market competition among the three service providers at Chennai International Airport, aircraft traffic projected by the ISP for the First Control Period appears reasonable. Accordingly, the Authority proposed to adopt Aircraft traffic projections (flights to be handled) as submitted by M/s BASCPL for the First Control Period (FY 2023-24 to 2027-28) as per the Table 3 above.

Stakeholders' Comments

M/s SpiceJet's Comments on the aircraft traffic: (Refer 3.1 and 3.2 of the CP)

- 3.8 "Authority may please note that extrapolating recent traffic trends due to the recovery from COVID-19 and other factors may not accurately predict future aircraft 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 BASCPL to reach higher traffic levels."

M/s BASCPL's response to comments of M/s SpiceJet:

- 3.9 "We have projected the traffic based on our best assessment of the situation."

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

- 3.10 As regard to comments of M/s SpiceJet suggesting independent study on the aircraft traffic projections at Chennai airport, The Authority at the time of tariff determination for Airport operator has done thorough examination/analysis of Air Traffic projections, thereby conducting 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 ISP is a new entrant at the Chennai Airport and considering the market competition among the three service providers, the aircraft traffic (flights to be handled) projected by the ISP is reasonable.
- 3.12 The Authority, from the statistics available at AAI website notes that the total aircraft traffic movements at Chennai airport for the period from April, 2023 to October, 2023 have increased by 10.4% over the corresponding period of the FY 2022-23.
- 3.13 In view of the above, the Authority decides to maintain the same view on the projected aircraft traffic (flights to be handled by the ISP), as was taken at CP stage.

Authority's decision regarding Aircraft Traffic Volume for the First Control Period:

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



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CHAPTER 4: CAPITAL EXPENDITURE (CAPEX)

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

4.1 M/s BASCPL projected a total Capital Expenditure (CAPEX) of ₹ 5890.49 lakhs for the First Control Period (FY 2023-24 to FY 2027-28). The year-wise & asset-wise Capital Expenditure projected by M/s BASCPL is given below:

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

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
Ground Handling Equipment	4424.01	647.24	-	38.77	-	5110.02
Office Equipment	15.07	-	-	-	-	15.07
Motor Vehicles	765.40	-	-	-	-	765.40
Total	5204.48	647.24	-	38.77	-	5890.49

4.2 The ISP provided the further details of the proposed CAPEX for the First Control Period as under:

(₹ in Lakhs)

Financial Year	Particulars	Qty.	Rate	Amount	Asset Class
2023-24	Push Back Tractor - TT110	2	55.79	111.59	Ground Handling Equipment
	Towbar Universal	8	5.20	41.60	
	Passenger Step - 2200-5300mm height	4	9.55	38.20	
	Passenger Step Ladder Non-motorized	2	5.55	11.10	
	Baggage Conveyor Belt - Electric	4	8.05	32.20	
	Ambulift - Lift 2000-4400mm	1	30.05	30.05	
	GPU-140 KVA Single cable	1	56.38	56.38	
	Diesel Baggage Tractor - 25T Tow Capacity	7	32.55	227.86	
	Push back tractors Wide Body TMX 450-50	2	308.81	617.63	
	Passenger Step Ladder motorized	4	23.30	93.20	
	Baggage Conveyor Belt - 9 M Boom Length	2	8.05	16.10	
Main Deck Loader-15T Capacity for wide body freighters only			379.24	379.24	



Financial Year	Particulars	Qty.	Rate	Amount	Asset Class
	Lower Deck Loader-7T Capacity for wide body freighters only	1	184.22	184.22	Ground Handling Equipment
	Universal Loader	2	243.81	487.63	
	Toilet servicing Cart - Lift pressure 0.25-0.35 Mpa, Flow rate 120L/min	3	14.05	42.15	
	Water Servicing Cart - Lift pressure 0.25-0.35 Mpa, Flow rate 120L/min	3	12.55	37.65	
	Ambulift - Universal	1	45.55	45.55	
	Air Conditioning Unit-Cooling capacity 110T Air flow 300 ppm	2	323.36	646.72	
	JET START UNIT-400 PPM Single hose	1	392.69	392.69	
	GPU-180 KVA Single cable	1	62.68	62.68	
	EBT	15	32.55	488.28	
	Baggage trolleys	75	0.85	63.75	
	Pallet Dollies - 10 Feet	75	2.05	153.75	
	Container Dollies	50	1.25	62.50	
	Fuel Bowser 900 L - towable	3	7.21	21.64	
	Wheel chairs	100	0.125	12.50	
	Chocks (12), Marshalling torches (10 pairs*5), Head set (2), By Pass pin for A320/B737 (2), Safety cones (12), Vacuum cleaners (3), Firex (2)	5	5.20	26.00	
	Laser jet Black & White Printer	2	0.20	0.40	
	Laser jet MFP Color Printer	2	0.12	0.24	
	Laptop	20	0.55	11.00	
	Desktop	20	0.40	8.00	
	Mobile Phone	15	0.10	1.50	
	Office New Cabins Set Up / Modification	1	35.00	35.00	Vehicles
	Vehicle for GA Operations	2	62.55	125.10	
	Vehicle GSE Maintenance	2	7.55	15.10	
	Coaches - Electric	5	125.05	625.25	
			Total for FY 2023-24	5204.49	
2024-25	Passenger Step - 2200-5300mm height	5	30.05	150.25	Ground Handling Equipment
	Push Back Tractor - Draw Pull Bar of 12000 DaN	2	55.79	111.59	
	Baggage Conveyor Belt - 5 M Boom Length	20	8.05	161.00	
	Diesel Baggage Tractor - 25T			71.90	



Financial Year	Particulars	Qty.	Rate	Amount	Asset Class
	Tow Capacity	3	23.96		
	Container Dollies	84	1.25	105.00	
	Baggage trolleys	50	0.95	47.50	
		Total for FY 2024-25		647.24	

2026-27	Baggage Conveyor Belt - 5 M Boom Length	1	5.77	5.77	Ground Handling Equipment
	Container Dollies	20	1.25	25.00	
	Wheel chairs	64	0.125	8.00	
		Total for FY 2026-27		38.77	
	Grand Total			5890.49	

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

- 4.3 The Authority observed that M/s BASCPL, out of the total CAPEX of ₹ 5890.49 lakhs projected for the First Control Period, has proposed a major portion of the CAPEX on the procurement of Ground Handling Equipment and allied infrastructure etc.
- 4.4 During the Control period, out of the total projected CAPEX, the ISP proposed to incur ₹ 5110.02 lakhs (86%) on the procurement of Ground Handling Equipment, ₹15.07 lakhs (0.2%) on office equipment and ₹765.40 lakhs (13.8%) on vehicles.
- 4.5 The Authority, from the submission of the ISP (vide email dated 27.09.2023) observed that the ISP had already issued purchase orders amounting to ₹ 3308 lakhs approx. (63.5%) against the total CAPEX proposed for FY 2023-24. The ISP also informed that the remaining CAPEX in respect of the FY 2023-24 will be incurred during the remaining period of the current financial year.
- 4.6 The Authority noted that M/s BASCPL being a new entrant at the Chennai International Airport is required to make provision for the necessary Ground Support Equipment (GSE) / Allied infrastructure during initial years of the Control Period, for smooth commencement of its commercial operations.
- 4.7 The Authority also observed that ISP is spending major portion of CAPEX towards the procurement of Ground Handling Equipment, where GST Input Tax Credit is available. Accordingly, the Authority sought clarification from the ISP regarding the treatment of GST component in the capitalization of the assets. The ISP, vide email dated 11.09.2023 informed the Authority that the proposed CAPEX relating to the Ground Handling equipment excludes GST component.
- 4.8 In view of the above, the Authority at CP stage proposed to consider CAPEX projection for the First Control Period as submitted by M/s BASCPL as per Table 4.

Stakeholders' Comments on the CAPEX Projection for the First Control Period

4.9 M/s SpiceJet comments on deferment of Capital Expenditure (Refer 4.2 of the Consultation Paper):

"The projected initial market share of around 14% in FY 2023-24 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 BASCPL should be put on hold/deferred to the Second Control Period, unless deemed critical from a safety or security compliance perspective."

4.10 M/s BASCPL's response to M/s SpiceJet's Comments regarding deferment of CAPEX:

"We submit as under the following:

- a) BASCPL is required to induct ground handling equipment that are acceptable to its customer airlines which are audited in detail by these customers before signing SGHA.*
- b) BASCPL is committed to provide world class ground handling services, to meet service levels expected by the airlines and the airport operator for better passenger service experience.*
- c) In addition, there are regulatory requirements, in relation to equipment, which every ground handling entity has to follow.*

Hence, BASCPL cannot compromise on safety, security, efficiency, and continuity of its operations and service delivery. BASCPL is mature enough to understand that every additional spend will impact its costs. Therefore, all such decisions are taken with a balanced approach."

Authority's analysis on the Stakeholders' comments regarding the projected Capital Expenditure 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 initial market share of around FY 2023-24 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, it is pertinent to mention that irrespective of level of operations, the ISPs are required to have necessary Ground Handling Equipment, allied facilities/ infrastructure in order to undertake ground handling operations in an efficient manner. Further, the Authority from the ISP's submission observes that customers i.e. airlines, before signing the agreements with the service providers, inspect the inventory of ground handling equipment etc. in possession of the ground handling agency; accordingly, the ISPs are required to maintain the necessary ground handling equipment etc. as per the Standard Operating Procedure/ Concession Agreement in order to serve better passenger service experience.

4.12 Considering that M/s BASCPL is a new entrant at Chennai Airport, it is essential for the new service provider to incur the necessary CAPEX in order to ensure smooth conduct of 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

4.13 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 BASCPL 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 BASCPL for its Ground Handling operations at Chennai International Airport have been broadly categorized as under:

- a) Payroll Costs;
- b) Admin and General Expenses;
- c) Concession Fees;
- d) Repairs and Maintenance Expenses and
- e) Utilities & Outsourcing Costs

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 5: Revenue, Operating Expenditure and Profitability projected by M/s BASCPL for the First Control Period.

(₹ in lakhs)

Particulars	First Control Period						TOTAL
	FY 2023-24 (Oct. 2023- Mar. 2024)	FY 2023-24*	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Revenue from Regulated Services (A)	3,381.65	6763.30	7,597.73	8,533.56	9,589.49	10,772.04	39,874.47
Revenue from Non-Regulated Services (B)	-	-	-	-	-	-	-
Total Revenue from Services (A+B) = C	3,381.65	6763.30	7,597.73	8,533.56	9,589.49	10,772.04	39,874.47
Operating Expenditure							
i. Payroll Cost	1352.66	2,705.32	2,980.17	3,287.80	3,629.15	4,004.62	15254.39
ii. Administrative and General Expenditure	492.91	985.82	1,052.97	1,125.29	1,203.37	1,287.51	5162.06
iii. Concession Fees	1550.00	3100.00	3100.00	3100.00	3100.00	3100.00	13950.00
iv. Repairs & Maintenance Expenses	23.26	46.52	48.85	51.29	53.86	56.55	233.82
v. Utilities & Outsourcing Costs	138.63	277.26	305.44	336.48	370.77	408.49	1,559.82
Total OPEX (i+ii+iii+iv+v) = (D)	3557.46	7114.92	7487.43	7900.86	8357.15	8857.17	36,160.10



Particulars	First Control Period						TOTAL
	FY 2023-24 (Oct. 2023- Mar. 2024)	FY 2023-24*	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (C-D) = E	-175.81	-351.62	110.30	632.70	1,232.34	1,914.87	3,714.38
Depreciation and Amortization = (F)	185.87	371.73	410.55	417.87	420.40	420.40	1,855.08
Interest and Finance Charges = (G)	291.23	582.46	541.67	457.28	368.89	276.04	1,935.12
Profit Before Tax (PBT) (E-F-G) = H	-652.91	-1305.81	-841.92	-242.45	443.05	1218.43	-75.82
Provision for Tax = (I)#	-	-	-	-	-	-	-
Profit After Tax (PAT) (H-I)	-652.91	-1305.81	-841.92	-242.45	443.05	1218.43	-75.82

* Annualized figures of Revenue, Operating and Maintenance expenses for FY 2023-24

Nil Tax provision due to anticipated losses in first three tariff years.

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

- 5.4 The Authority analyzed the Operating Expenditure of the ISP, as provided in Form F3 (P&L) of the MYTP for the First Control Period and observes following Y-o-Y% increase in Revenue & OPEX considered by the ISP as per Table 6 below:

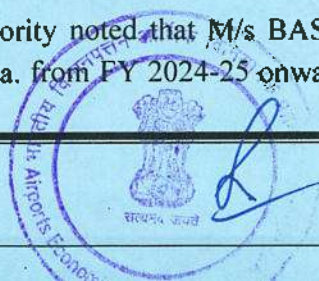
Table 6: Y-o-Y Percentage (%) increase in the Revenue and Operation & Maintenance Expenditure projected by the ISP for the First Control Period

Particulars	First Control Period			
	FY* 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Revenue	12.3%	12.3%	12.3%	12.3%
Payroll Expenses	10.3%	10.3%	10.3%	10.3%
Administrative and General Expenses	7%	7%	7%	7%
Concession Fees	0%	0%	0%	0%
Repairs and Maintenance Expenses	5%	5%	5%	5%
Utilities and Outsourcing Expenses	10%	10%	10%	10%

*Percentage increase is after comparing the annualized figures of FY 2023-24 with FY 2024-25.

- 5.5 The Authority's examination of Y-o-Y % growth considered by the M/s BASCPL for projected OPEX from FY 2023-24 onward is given in the following sections:

- a) **Payroll Expenses:** The Authority noted that M/s BASCPL considered Y-o-Y increase in the Payroll Expenses @ 10.3% p.a. from FY 2024-25 onward, during the First Control Period. It is



further noted that the ISP considered 3% increase in manpower strength on a Y-o-Y basis.

Considering the periodic increase in minimum wages & annual salary increments and related increase in statutory component like EPF etc., impact of additional manpower to cater to the projected growth in aircraft traffic (flights to be handled by the ISP), the Y-o-Y increase considered by the ISP in Payroll expenses for the First Control Period is reasonable.

b) Administrative & General Expenses: The Authority noted that the Y-o-Y increase considered by M/s BASCPL in the Administrative and General Expenses for the Control period is 7%. The Authority's examination regarding Administrative & General expenses is as under:

b.1 Equipment Hire Expenses: The Authority noted that M/s BASCPL also proposed an Equipment Hire expense which forms around 25% of the total Admin & General Expenses. Further, the Authority observed that the Y-o-Y increase in Equipment Hire Expense is 7% from 2024-25 onwards. In this regard, the Authority observed that the ISP already proposed significant CAPEX on the GSE. Therefore, the Authority asked the ISP to furnish the details of equipment being hired along with the justification thereof.

The ISP vide Email dated 03.10.2023 clarified that *"we procure equipment as per the normal schedule provided by the airlines. It is not viable to keep the equipment in spares to cater to the need of the sudden requirement of additional equipment due to the sudden change in the flight timing done by the airlines at very short notice. Hence, we take equipment on a hire basis from other ground handling agencies and other vendors who are authorized to provide their equipment on a hire basis at the airport"*.

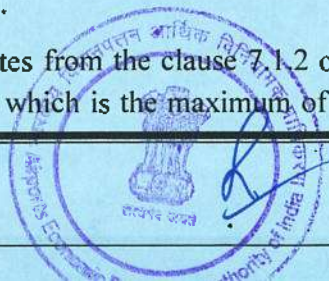
b.2 Lease/ Space Rent: The Authority observed that lease/rent is another major component of Admin. & General expenses (i.e. ₹ 755 lakhs approx., which almost accounts for 15% of total Admin. & General Expenses). The Authority observed from the clause no. 7.2 of concession agreement with the Airport Operator (AAI) that ISP is required to execute a separate space and land agreement. The ISP vide Email dated 11.09.2023 provided copy of supplementary Space and land agreement with AAI. The Authority, from the supplementary agreement notes that the License fee will be escalated @ 7.5% Y-o-Y basis.

In view of above, including clarification furnished by the ISP, and taking into account the projected increase in the aircraft traffic and considering the impact of general inflation and annual escalation in Land/ Space Rent as per concession agreement, the Y-o-Y increase projected by ISP in respect of Administrative and General Expenses for the First Control Period is reasonable.

c) Concession Fees: The Authority noted from the clause 7.1.1 of concession agreement executed between AAI and M/s BASCPL, 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 notes from the clause 7.1.2 of above said agreement, that every year the ISP shall pay 'premium' which is the maximum of "Minimum Annual Guarantee" (MAG) and



the 'Revenue Share' calculated as per clause 7.1.1 of the concession agreement. Further as per the ISP, MAG will be escalated @ 20% p.a. on completion of five years.

The ISP, vide email dated 26.09.2023 further clarified that they are expecting that the amount of revenue share will be less than the MAG in all the Tariff year of the Control Period. Accordingly, there will be the fixed amount of Concession fee (Amount of MAG) payable to Airport Operator in the Control Period. So, the ISP is expecting no escalation in the Concession fee in the Control Period from FY 2024-25 onward.

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) **Repairs and Maintenance Expenses:** The Authority observed that the Y-o-Y increase proposed by M/s BASCPL in the Repair and Maintenance Expenses for the Control period is 5% p.a. from 2024-25 onwards. Considering the impact of annual general inflation, including annual increase in labour component of Repair & Maintenance, the Authority considers the Y-o-Y increase in Repair and Maintenance Expenses for the First Control Period projected by ISP as reasonable.
- e) **Utilities and Outsourcing Expenses:** The Authority observed that from FY 2024-25 onward the Y-o-Y increase proposed by M/s BASCPL in the Utilities and Outsourcing Expenses for the Control Period is 10%. The Authority further observed that the utility and outsourcing costs of the ISP mainly comprise of fuel charges and electricity expenses which are directly linked with the number of flights handled.

In view of the projected increase in aircraft traffic (flights to be handled by the ISP) and the impact of general inflation, the Utility & Outsourcing Expenses projected for the Control Period by the ISP is reasonable.

Stakeholders' Comments

M/s SpiceJet's comments regarding abolishment of royalty charges (Refer 5.2, 5.4(C) and Table 5 & 6 of the Consultation Paper):

- 5.6 *"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."

M/s SpiceJet comments regarding Operating Expenditure – Drastic Cost Cutting (Refer 5.3, 5.5 and Table 5 & 6 of the Consultation Paper):

- 5.7 *"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 BASCPL 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 BASCPL not related to safety or security."*

M/s BASCPL's response to M/s SpiceJet's Comments:

- 5.8 *"Here again, the observations made by SpiceJet Ltd. is nowhere close to reality on ground. It is more than 15 years that the Airports Authority of India (AAI) is continuously privatizing Indian airports. All these Airport Concessions carry revenue share. Such private appointees (as Airport Operator for a defined concession period), further issue concessions on the basic parameters of AAI. As a result, ground handling concessions also attract concession fees. This method is prevalent at all the airports in India, be it under AAI or a concessioned Airport Operator. The revenues earned by airport operators are reviewed by AERA to ascertain that the airport charges are meeting AERA guidelines.*

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

In a nutshell, the royalty on the Ground Handling Services is considered as Aero Revenue for the Airport Operator and hence it directly helps to reduce other Aero Charges which the airport operator recovers from the airlines."

- 5.9 *"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 the 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 the option of choosing any GHA out of 3 GHAs working at CIA. In addition, SpiceJet has the 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."*

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

- 5.10 As regard to the comments of M/s SpiceJet pertaining to abolishment of royalty charges and M/s BASCPL'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.

- 5.11 The Authority, at CP stage had examined the various components of OPEX projected by the ISP for the First Control Period (Refer para 5.4 and 5.5). It is noteworthy to mention that expenditure on many components of OPEX is directly linked with the level of operations (aircraft traffic handling); accordingly, with the projected increase in aircraft traffic, the corresponding expenses on flight handling will also increase.

Hence, considering the projected increase in Aircraft Traffic and taking into account the impact of general inflation, the Y-o-Y increase in operating expenses considered by the ISP for the First Control Period 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 Expenses projected for the First Control Period:

- 5.12 Based on the material before it and its analysis, the Authority decides to consider the OPEX for the First Control Period as per Table 5.



CHAPTER 6: ANNUAL TARIFF PROPOSAL

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

6.1 M/s BASCPL submitted a Tariff proposal for Ground Handling Services pertaining to 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 7: Proposed Tariff Rates for Scheduled Flights submitted by M/s BASCPL for the First Control Period

(Rates in ₹)

	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Passenger Flight															
Code B	6,000	14,000	20,000	6,420	14,980	21,400	6,870	16,030	22,900	7,380	17,220	24,600	7,920	18,480	26,400
Code C	9,000	21,000	30,000	9,630	22,470	32,100	10,320	24,080	34,400	11,070	25,830	36,900	11,850	27,650	39,500
International Passenger Flight															
Code C	41,250	96,250	1,37,500	44,160	1,03,040	1,47,200	47,280	1,10,320	1,57,600	50,610	1,18,090	1,68,700	54,180	1,26,420	1,80,600
Code D	61,875	1,44,375	2,06,250	66,210	1,54,490	2,20,700	70,860	1,65,340	2,36,200	75,840	1,76,960	2,52,800	81,150	1,89,350	2,70,500
Code E	82,500	1,92,500	2,75,000	88,290	2,06,010	2,94,300	94,500	2,20,500	3,15,000	1,01,130	2,35,970	3,37,100	1,08,210	2,52,490	3,60,700
Domestic Cargo Flight															
Code C	N/A	N/A	82,500	N/A	N/A	88,300	N/A	N/A	94,500	N/A	N/A	1,01,200	N/A	N/A	1,08,300
Code D	N/A	N/A	1,23,750	N/A	N/A	1,32,500	N/A	N/A	1,41,800	N/A	N/A	1,51,800	N/A	N/A	1,62,500
International Cargo Flight															
Code C	N/A	N/A	1,37,500	N/A	N/A	1,47,200	N/A	N/A	1,57,600	N/A	N/A	1,68,700	N/A	N/A	1,80,600
Code D	N/A	N/A	1,92,500	N/A	N/A	2,06,000	N/A	N/A	2,20,500	N/A	N/A	2,36,000	N/A	N/A	2,52,600
Code E	N/A	N/A	2,32,500	N/A	N/A	2,48,800	N/A	N/A	2,66,300	N/A	N/A	2,85,000	N/A	N/A	3,05,000

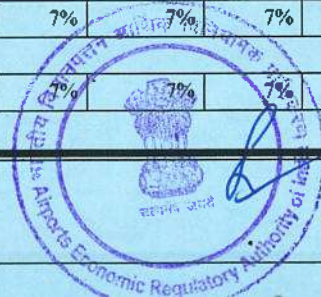
Notes:

- Any flight where either its arrival or departure are international, will also be considered as an International Flight for the purposes of applying above rates.
- The above rates are for basic Handling Services. As per requirement, airlines/users ask for additional services. The rates for such additional services are given in Annexure-III.
- The above rates are exclusive of GST and any other applicable Government taxes.

6.2 M/s BASCPL proposed the following % increase in the Tariff Rates on Y-o-Y basis for the Scheduled Flights at Chennai International Airport, for the First Control Period, as per table given below:

Table 8: Y-o-Y Percentage (%) Change in the Proposed Tariff for the different categories of Scheduled Flights for the First Control Period.

	FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Passenger Flight												
Code B	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code C	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
International Passenger Flight												
Code C	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%



	FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Code D	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code E	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Domestic Cargo Flight												
Code C	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
Code D	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
International Cargo Flight												
Code C	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
Code D	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
Code E	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%

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

Table 9: Proposed Tariff Rates for Non-Scheduled Flights and General Aviation Flights submitted by M/s BASCPL for the First Control Period.

(Rates in ₹)

Maximum Take-Off Weight (MTOW)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	International	International	International	International	International
0-5000	45,000	48,150	51,521	55,127	58,986
5001-10000	82,500	88,275	94,454	1,01,066	1,08,141
10001- 20000	1,31,250	1,40,438	1,50,269	1,60,788	1,72,043
20001- 35000	1,50,000	1,60,500	1,71,735	1,83,756	1,96,619
35001- 40000	1,68,750	1,80,563	1,93,202	2,06,726	2,21,197
40001- 50000	1,87,500	2,00,625	2,14,669	2,29,696	2,45,775
50001- 100000	2,43,750	2,60,813	2,79,070	2,98,605	3,19,507
100001 – 200000	4,61,250	4,93,538	5,28,086	5,65,052	6,04,606
200001 - 300000	5,43,750	5,81,813	6,22,540	6,66,118	7,12,746
300001 and above	6,56,250	7,02,188	7,51,341	8,03,935	8,60,210

Notes: 1. The above rates are for basic Handling Services. As per requirement, airlines/users ask for additional services. The rates for which are given in Annexure-III.

2. 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 noted that in the case of Scheduled Flights (Domestic & International), the ISP proposed 7% Y-o-Y increase in Tariff Rates from FY 2024-25 onwards (Table 8).
- 6.5 The Authority also noted that M/s BASCPL proposed a separate Tariff Rate card for Non-Scheduled Flights, considering an increase of 7% Y-o-Y basis in tariff rates from FY 2024-25 onwards (Table 9).
- 6.6 The Authority, considering the Aircraft Traffic projection and projected increase in the Operating Expenditure for the Control Period, due to factors like increase in number of employees, annual increase in salaries & wages etc., is of the view that ISP requires adequate revenues to cover up the Operating Costs and to get reasonable return on its investments.



- 6.7 It is pertinent to note that the ISP even with the proposed Tariff is likely to suffer losses during the first four Tariff years of the Control Period (Table 5). The Authority considers 7% increase in Tariff Rates proposed by the ISP on Y-o-Y basis from FY 2024-25 onward as reasonable.
- 6.8 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 a 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 **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 BASCPL 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.

Stakeholder's Comments

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

6.11 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 (Domestic)	MAA	BASCPL	Per Hour	17,270
2	Air Conditioning Unit (NB)	GAU	GSEC Indo Thai	Per Hour	15,000
3	Air Conditioning Unit (NB)	JAI	CGSCPL	Per Hour	11,100
4	Air Starter Unit (International)	MAA	BASCPL	Per Hour	21,369
5	Air Starter Unit (NB)	JAI	GSEC Indo Thai	Per Hour	7,500

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.”



6.12 Refer 6.1, 6.2, 6.3 and Table 7, 8 & 9 of the Consultation Paper:

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."

6.13 M/s BASCPL's response on the comments of M/s SpiceJet Ltd:

"The observation made are of very generic and lacks the substance to support this observation. SpiceJet has to understand that these rates are maximum rates and SpiceJet has the option of discussing and negotiating. SpiceJet also has the option of choosing another service provider or do self-handling in case negotiated prices are not suitable for them."

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

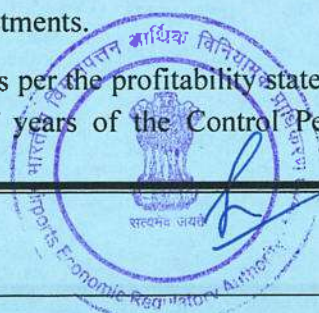
6.14 The Authority notes the comments of M/s SpiceJet regarding high tariff rates proposed by the ISP at Chennai airport for some of the Item-wise services, as compared to tariff for similar services at other comparable airports. In this regard, the Authority is of the view that it is not appropriate to compare tariff of similar services at the different airports, as each airport is unique in itself and has a different business model with varying levels of aircraft operations, CAPEX, OPEX & market competition etc., which has direct bearing on the tariff rates of comparable services.

The Authority notes the counter comments of M/s BASCPL that the tariff proposed (Item-wise tariff for ground handling services as per Annexure III) is negotiable; accordingly, the tariff that would be charged to the airlines would be different from the ceiling tariff rates approved by the AERA.

6.15 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.

6.16 Considering the investments made/ projected by the ISP on Ground Handling Equipment and associated facilities and factoring-in the periodic increase in the minimum wages/ annual increments, impact of general inflation on operating expenditure, the Authority feels that service provider requires minimum level of revenues to cover-up the projected operating expenses and to generate reasonable returns on the its investments.

It is worth mentioning here that as per the profitability statement (Table-5), the ISP is likely to suffer loss during the first three tariff years of the Control Period; thereafter, the service provider is



expected to generate nominal profits during the First Control Period.

- 6.17 In view of the above, the Authority decides to maintain the same tariff structure and charges in respect of the Ground Handling Services, during the First Control Period, as was proposed at the CP stage as per the **Annexures (I, II & III)**.

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

Based on the available material and its analysis, the Authority decides the following in respect of Tariff structure and Annual Tariff Proposal for the First Control Period:

- 6.18 To consider the Tariff Rates for Ground Handling Services provided by M/s BASCPL at Chennai International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Flights' & Item-wise Tariff Rate Card for Scheduled & Non-Scheduled Flights, for the First Control Period, as per **Annexures (I, II & III)** of this Tariff Order.
- 6.19 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).
- 6.20 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.
- 6.21 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.
- 6.22 M/s BASCPL 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 pertaining to the Tariff determination exercise in respect of the Ground Handling Services, provided by the ISP at Chennai International Airport:

Chapter	Para	Summary of the Authority's Decisions	Page No.
Chapter No.2	2.10	The Authority decides to consider the Tariff determination exercise for M/s BASCPL, in respect of the Ground Handling Services provided by the ISP, at Chennai International Airport, under the ' Light Touch Approach ' for the First Control Period, as the regulated service is deemed as ' Material but Competitive '	9
Chapter No. 3	3.14	The Authority decides to consider the Aircraft Traffic Volume (Flights to be handled by the ISP) for the First Control Period as per Table 3.	12
Chapter No. 4	4.13	The Authority decides to consider the CAPEX for the First Control Period as per Table 4.	17
Chapter No. 5	5.12	The Authority decides to consider the OPEX for the First Control Period as per Table 5.	23
Chapter No. 6	6.18	The Authority decides to consider the Tariff Rates for Ground Handling Services provided by M/s BASCPL at Chennai International Airport in respect of Scheduled Flights, International "Non-Scheduled & General Aviation Flights" and Item-wise Tariff Rate Card for Scheduled & Non-Scheduled Flights, for the First Control Period as per Annexures (I, II & III) .	28
	6.19	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).	
	6.20	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.	
	6.21	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.	
	6.22	The Authority decides that M/s BASCPL 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 & submissions made by M/s BASCPL, 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 Bird Airport 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 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 BASCPL 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

Sundeep Kr. Jain,
Chief Commercial Officer
M/s Bird Airport Services (Chennai) Private Limited
New Domestic Terminal Building (T-1),
Chennai Airport, Chennai, Tamil Nadu - 600016

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

**TARIFF RATE CARD APPROVED BY AERA
FOR M/s BASCPL 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 is effective from 11.12.2023

(Rates in ₹)

	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Passenger Flight															
Code B	6,000	14,000	20,000	6,420	14,980	21,400	6,870	16,030	22,900	7,380	17,220	24,600	7,920	18,480	26,400
Code C	9,000	21,000	30,000	9,630	22,470	32,100	10,320	24,080	34,400	11,070	25,830	36,900	11,850	27,650	39,500
International Passenger Flight															
Code C	41,250	96,250	1,37,500	44,160	1,03,040	1,47,200	47,280	1,10,320	1,57,600	50,610	1,18,090	1,68,700	54,180	1,26,420	1,80,600
Code D	61,875	1,44,375	2,06,250	66,210	1,54,490	2,20,700	70,860	1,65,340	2,36,200	75,840	1,76,960	2,52,800	81,150	1,89,350	2,70,500
Code E	82,500	1,92,500	2,75,000	88,290	2,06,010	2,94,300	94,500	2,20,500	3,15,000	1,01,130	2,35,970	3,37,100	1,08,210	2,52,490	3,60,700
Domestic Cargo Flight															
Code C	N/A	N/A	82,500	N/A	N/A	88,300	N/A	N/A	94,500	N/A	N/A	1,01,200	N/A	N/A	1,08,300
Code D	N/A	N/A	1,23,750	N/A	N/A	1,32,500	N/A	N/A	1,41,800	N/A	N/A	1,51,800	N/A	N/A	1,62,500
International Cargo Flight															
Code C	N/A	N/A	1,37,500	N/A	N/A	1,47,200	N/A	N/A	1,57,600	N/A	N/A	1,68,700	N/A	N/A	1,80,600
Code D	N/A	N/A	1,92,500	N/A	N/A	2,06,000	N/A	N/A	2,20,500	N/A	N/A	2,36,000	N/A	N/A	2,52,600
Code E	N/A	N/A	2,32,500	N/A	N/A	2,48,800	N/A	N/A	2,66,300	N/A	N/A	2,85,000	N/A	N/A	3,05,000

*Tariff for Domestic Scheduled Flights is also applicable to Domestic "Non-Scheduled Flights and 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.



**TARIFF RATE CARD APPROVED BY AERA
FOR M/s BASCPL 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 is 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	45,000	48,150	51,521	55,127	58,986
5001-10000	82,500	88,275	94,454	1,01,066	1,08,141
10001- 20000	1,31,250	1,40,438	1,50,269	1,60,788	1,72,043
20001- 35000	1,50,000	1,60,500	1,71,735	1,83,756	1,96,619
35001- 40000	1,68,750	1,80,563	1,93,202	2,06,726	2,21,197
40001- 50000	1,87,500	2,00,625	2,14,669	2,29,696	2,45,775
50001- 100000	2,43,750	2,60,813	2,79,070	2,98,605	3,19,507
100001 - 200000	4,61,250	4,93,538	5,28,086	5,65,052	6,04,606
200001 - 300000	5,43,750	5,81,813	6,22,540	6,66,118	7,12,746
300001 and above	6,56,250	7,02,188	7,51,341	8,03,935	8,60,210

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 FOR GROUND HANDLING SERVICES
APPROVED BY AERA FOR M/s BASCPL AT CHENNAI INTERNATIONAL
AIRPORT FOR THE FIRST CONTROL PERIOD (FY 2023-24 TO FY 2027-28)**

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

Revised Tariff is effective from 11.12.2023

(Rates in ₹)

S. No.	SERVICE S	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.
Ground Handling Equipment												
1	Ambulift	Per Usage	10,903	17,233	11,666	18,439	12,483	19,730	13,357	21,111	14,292	22,589
2	Ground Power Unit (GPU) 90 KV	Per Hour	8,461	13,373	9,053	14,309	9,687	15,311	10,365	16,383	11,091	17,530
3	Ground Power Unit (GPU) 140 KV	Per Hour	10,903	17,233	11,666	18,439	12,483	19,730	13,357	21,111	14,292	22,589
4	Hook on power	Per flight	872	1,379	933	1,476	998	1,579	1,068	1,690	1,143	1,808
5	Air Conditioner unit (ACU)	Per Hour	17,270	27,298	18,479	29,209	19,773	31,254	21,157	33,442	22,638	35,783
6	Ramp to Flight Deck Communication	Per Turnround	3,490	5,515	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
7	Step Ladder (remote bay) - Narrow Body	Per Hour	5,670	8,961	6,067	9,588	6,492	10,259	6,946	10,977	7,432	11,745
8	Step Ladder (remote bay) - Wide Body	Per Hour	8,460	13,373	9,052	14,309	9,686	15,311	10,364	16,383	11,089	17,530
9	Passenger Bus	Per Trip	3,925	6,204	4,200	6,638	4,494	7,103	4,809	7,600	5,146	8,132
10	Crew Bus	Per Turnround	3,490	5,515	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
11	Conveyor belt loader	Per hour	9,090	14,371	9,726	15,377	10,407	16,453	11,135	17,605	11,914	18,837
12	Fork Lift 10 Ton	Per Hour	8,900	14,063	9,523	15,047	10,190	16,100	10,903	17,227	11,666	18,433
13	Fork Lift 5 Tons	Per Hour	6,280	9,926	6,720	10,621	7,190	11,364	7,693	12,159	8,232	13,010
14	Fork Lift 3 Tons	Per Hour	4,536	7,169	4,854	7,671	5,194	8,208	5,558	8,783	5,947	9,398
15	Air Start Unit (ASU)	Per start	13,520	21,369	14,466	22,865	15,479	24,466	16,563	26,179	17,722	28,012
16	Towbar	Per push / tow	3,490	5,515	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
17	Push Back - Narrow Body	per service	10,470	16,544	11,203	17,702	11,987	18,941	12,826	20,267	13,724	21,686
18	Tow Inter Stand - Narrow Body	Per Tow	15,265	24,127	16,334	25,816	17,477	27,623	18,700	29,557	20,009	31,626
19	Wing	Per	1,745	2,757	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614



S. No.	SERVICE S	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.
	Walkers	turnaround										
20	Toilet service	per service	6,542	10,340	7,000	11,064	7,490	11,838	8,014	12,667	8,575	13,554
21	Water service	per service	5,670	8,961	6,067	9,588	6,492	10,259	6,946	10,977	7,432	11,745
Passenger/Terminal Side and Manpower related.												
22	Unaccompanied minor handling	per child	2,365	3,737	2,531	3,999	2,708	4,279	2,898	4,579	3,101	4,900
23	Wheel Chair WCHR OR WCHS	per service	2,355	3,722	2,520	3,983	2,696	4,262	2,885	4,560	3,087	4,879
24	WCHC	per service	2,620	4,136	2,803	4,426	2,999	4,736	3,209	5,068	3,434	5,423
25	VIPs	per passenger	3,637	5,748	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
26	Transit w/o visa pax	per passenger	3,637	5,748	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
27	Deportees	per passenger	3,637	5,748	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
28	Floor Walkers/Welcme staff	per personnel/ 8hrs	1,745	2,757	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
29	Manpower (White collar)	per personnel/ 8 hr.	2,617	4,136	2,800	4,426	2,996	4,736	3,206	5,068	3,430	5,423
30	Manpower (Blue collar)	per personnel/ 8 hr.	1,745	2,757	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
31	Excess Baggage Collection	per flight	10% of collection		10% of collection		10% of collection		10% of collection		10% of collection	
32	Val Handling	per std. sz. container	9,092	14,371	9,728	15,377	10,409	16,453	11,138	17,605	11,918	18,837
33	Ballast Bags Refill	Per refill - per Bag	1,308	2,068	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
34	Interior cleaning (Transit) - Narrow Body	per service	12,210	19,301	13,065	20,652	13,980	22,098	14,959	23,645	16,006	25,300
35	Interior cleaning (Transit) - ATR & like	per service	7,065	11,167	7,560	11,949	8,089	12,785	8,655	13,680	9,261	14,638
36	Deep Cleaning - Narrow Body	per service	17,445	27,574	18,666	29,504	19,973	31,569	21,371	33,779	22,867	36,144
37	Deep Cleaning - ATR & like	per service	10,030	15,855	10,732	16,965	11,483	18,153	12,287	19,424	13,147	20,784
38	Flight Deck cleaning	per service	4,360	6,893	4,665	7,376	4,992	7,892	5,341	8,444	5,715	9,035
39	Waste Disposal	per service	1,220	1,930	1,305	2,065	1,396	2,210	1,494	2,365	1,599	2,531
40	Arrange non-scheduled Crew Hotel accommodation	per service	1,308	2,068	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711



S. No.	SERVICE S	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.
41	Arrange for non-scheduled Crew Transportation	per service	1,308	2,068	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
42	C.I.Q. assistance / Direct crew thru airport facilities	per arr. or dep. clearance	2,617	4,136	2,800	4,426	2,996	4,736	3,206	5,068	3,430	5,423
43	Cargo Supervision services	per flight	6,530	10,321	6,987	11,043	7,476	11,816	7,999	12,643	8,559	13,528
44	Cargo Supervision services	Per flight	10,012	15,826	10,713	16,934	11,463	18,119	12,265	19,387	13,124	20,744
45	Live Animal Handling	per AVI	1,273	2,012	1,362	2,153	1,457	2,304	1,559	2,465	1,668	2,638

Dom. = Domestic; Intl. = International

* Tariff for Domestic Flights is also applicable to Domestic "Non-Scheduled and 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.

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