

फा.सं. ऐरा/20010/एमवाईटीपी/इंडोथाई/जीएच/पुणे/सीपी-III/2021-26

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आदेश संख्या 31/2023-24

Order No. 31/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण

Airports Economic Regulatory Authority of India

मैसर्स इंडोथाई पुणे प्राइवेट लिमिटेड (आई.पी.पी.एल.) द्वारा पुणे अंतर्राष्ट्रीय हवाईअड्डा, में प्रदान की जा रही ग्राउंड हैंडलिंग सेवाओं के लिए प्रथम नियंत्रण अवधि (वित्त वर्ष 2023-24 से वित्त वर्ष 2027-28) के लिए टैरिफ निर्धारित करने के मामले में

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

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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
BCAS	Bureau of Civil Aviation Security
CAPEX	Capital Expenditure
COD	Commercial Operations Date
CGF	Cargo Facility, Ground Handling & Supply of Fuel to the Aircraft
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
GFHSPPL	Global Flight Handling Services (Pune) Private Limited
GHA	Ground Handling Agency
GHS	Ground Handling Services
INR/₹	Indian Rupees
IPPL	IndoThai Pune Private Limited
ISP	Independent Service Provider
ITAMSPL	IndoThai Airport Management Services Private Limited
LOIA	Letter of Intent to Award
MAG	Minimum Annual Guarantee
MoM	Minutes of Meeting
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 IndoThai Airport Management Services Pvt. Ltd. (ITAMSPL) was awarded Concession to provide Ground Handling Services at Pune International Airport, Pune by the Airport Operator i.e., Airports Authority of India (AAI), vide Letter of Intent to Award (LOIA) dated 12.01.2021.
- 1.2 As per the LOIA, a Special Purpose Vehicle (SPV) was required to be formed by the M/s ITAMSPL within 30 days from the date of issue of LOIA, for entering into concession agreement with AAI and implementation of Concession to provide ground handling services at Pune International Airport. Accordingly, SPV namely M/s IndoThai Pune Private Limited (IPPL), was incorporated under the Indian Companies Act, 2013 on 10.02.2021.
- 1.3 The Airport Operator (AAI) and M/s IPPL (Special Purpose Vehicle) entered into Concession Agreement on 13.08.2022, for a provision of ground handling services at Pune International Airport, Pune for a period of 10 years from the 'Commercial Operations Date (COD)'. The Concession term may be further extended for a period of one year at the sole discretion of AAI.
- 1.4 The shareholding structure of the M/s IPPL is tabulated below:

**Table-1: Shareholding Structure of M/s IPPL, Pune:**

Name of Shareholder	No. of Shares	Shareholding (%)
M/s IndoThai Airport Management Services Private Limited	9900	99%
Shyam Sunder Malani	100	1%
<b>Total</b>	<b>10,000</b>	<b>100%</b>

- 1.5 M/s IndoThai Pune Private Limited was granted security clearance vide Bureau of Civil Aviation Security (BCAS) letter dated 12.05.2022, which is valid for a period of five years from the date of issuance of security clearance.
- 1.6 Upon receipt of request from M/s IndoThai Pune Pvt. Ltd., vide its letter dated 18.05.2022, the Authority, vide its Order No. 18/2022-23 dated 18.08.2022, allowed M/s IndoThai Pune Pvt. Ltd. to levy and collect, on ad-hoc basis, tariff for Ground Handling Services at Pune International Airport w.e.f. 'commercial operation date (COD)' up to 31.03.2023. The Authority extended the prevailing Ad-hoc tariff (as on 31.03.2023) up to 30.09.2023 vide Order No. 42/2022-23 dated 23.03.2023.
- 1.7 Subsequently, the Authority, vide Order no. 20/2023-24 dated 27.09.2023 further extended the Ad-hoc Tariff (as on 30.09.2023) for the 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 IPPL submitted the Multi Year Tariff Proposal ('MYTP') pertaining to First Control Period on 23.09.2023, for determination of regular Tariff in respect of the Ground Handling Services





being provided by the ISP at Pune International Airport, Pune.

- 1.9 M/s IPPL had initially submitted the MYTP/ ATP considering the FY 2022-23 as the first tariff year and FY 2026-27 as last tariff year of the First Control Period. Subsequently, M/s IPPL based on the AERA observations submitted the revised MYTP on 16.10.2023, considering the First Control Period from FY 2023-24 to FY 2027-28.
- 1.10 The Authority carefully examined the MYTP for the First Control Period submitted by M/s IPPL in respect of Ground Handling Services at Pune International Airport, Pune and issued Consultation Paper No. 19/2023-24 dated 17.11.2023, invited suggestions/comments from the stakeholders on various proposals of the Authority with the following timelines:
- Date for submission of written comments by Stakeholders: 08.12.2023
  - Date for submission of counter comments by ISP: 15.12.2023
- 1.11 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. 19/2023-24 dated 17.11.2023 and the same were uploaded on the AERA's website vide Public Notice No. 25/2023-24 dated 11.12.2023.
- 1.12 The Authority, in response to Public Notice No. 25/2023-24 dated 11.12.2023, received counter comments from M/s IPPL on 14.12.2023.
- 1.13 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:**

**1.14 M/s SpiceJet's comments on the Review of Tendering Process (Refer para 1.2 of the CP):**

*"The Authority is requested to ensure that Airport Operators do not award concession agreements to Independent Service Providers based 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 IPPL has been followed and approved as per appropriate governance practices."*

**M/s IPPL's response to comments of SpiceJet:**

- 1.15 *"This is not in the scope of Ground Handling Agency (GHA), only the concerned Authority can comment."*

**Authority's Analysis on the Stakeholder's comments regarding review of Tendering Process:**

- 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 the Airport Operator is in accordance with the Concession Agreement executed between the Service Provider and the Airport Operator. Further, as per regulatory approach of 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.

As per the Authority, bidding process to award such contracts, based on which ISPs pays Revenue Share to Airport Operators, is a non-regulatory issue and such matters may be dealt between the stakeholders at an appropriate forum.

- 1.17 As regard to the comments of M/s SpiceJet regarding compliance of the provisions pertaining to related party transactions, connected with award of concession by the Airport Operator to the ISP, the Authority is of the view that it is the responsibility of the Airport Operator to ensure compliances of pertinent statutory provisions, including the aspects of related party transactions under the Companies Act, 2013, and any statutory obligation mandated in this regard.



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## CHAPTER 2: PRINCIPLES FOR THE 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:

### MATERIALITY ASSESSMENT:

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

$$\begin{aligned} \text{The Materiality Index for Pune Airport} &= 1195/420772 \\ &= 0.28\% \end{aligned}$$

The percentage share of Pune International Airport, Pune for FY 2019-20 (Pre- Covid Year) in respect of International Aircraft Movements is 0.28%, which is less than 5% Materiality Index (MI<sub>G</sub>) for the subject regulated service. Hence, the Regulated Service is deemed ‘**Not Material**’ for the First Control Period at Pune International Airport, Pune as per clause 4.4(ii) of the Guidelines.

- 2.3 As per the information furnished by M/s IPPL in Form F1 (b) on competition Assessment, M/s AI Airport Services Limited (AIASL) and M/s Global Flight Handling Services (Pune) Private Limited (GFHSPPL) are also rendering similar services at Pune International Airport.
- 2.4 As per Clause 3.2 (i) of the CGF Guidelines, wherever the Regulated Service provided is ‘Not Material’, 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 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.
- 2.6 The Authority noted that M/s IPPL had submitted the Annual Tariff Proposal (ATP) for the First Control Period as part of its MYTP submission. The ISP conducted stakeholders’ consultation meeting on 21<sup>st</sup> September, 2023 and had submitted Minutes of Meetings (MoM) to the Authority vide email dated 27.10.2023. As per the minutes of meeting, it was observed that besides participants from the ISP, representatives of Akasa Air, Air Asia participated in the above referred consultation





meeting. From the MoM, it was noted that none of the Stakeholders raised any issue regarding Tariff proposed by ISP for the First Control Period.

**Stakeholders' Comments:**

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

**Authority's Decision regarding Methodology of Tariff Determination of M/s IPPL:**

- 2.8 Based on the material before it and its analysis, the Authority decides to consider the Tariff determination exercise for M/s IPPL, in respect of Ground Handling Services being provided by the ISP at Pune International Airport, Pune, under the '**Light Touch Approach**', for the First Control Period, as the regulated service is deemed '**Not Material**'.



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

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

3.1 Actual Aircraft Traffic handled at Pune International Airport, Pune from the FY 2018-19 to FY 2022-23 is given below:

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

Year	Total number of Landings at Pune International Airport			Y-o-Y % increase		
	Domestic	International	Total	Domestic	International	Total
2018-19	57612	2276	59888	--	--	--
2019-20	53066	1195	54261	- 7.9%	- 47.5%	- 9.4%
2020-21	19686	145	19831	- 62.9%	- 87.9%	- 63.5%
2021-22	30519	302	30821	55%	108.3%	55.4%
2022-23	58261	1190	59451	90.9%	294%	92.9%

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

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

Year	Flights to be handled by M/s IPPL for the First Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic	International		Domestic	International	Total
2023-24	4331	49	4380	-	-	-
2024-25	4873	52	4925	12.5%	5%	12.4%
2025-26	5287	54	5341	8.5%	5%	8.5%
2026-27	5730	57	5787	8.4%	5%	8.3%
2027-28	6205	60	6265	8.3%	5%	8.3%
<b>Total</b>	<b>26426</b>	<b>272</b>	<b>26698</b>			





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

- 3.3 The ISP started its commercial operations with effect from 22.08.2022 and had operated partially during the FY 2022-23. The Authority, for the purpose of determination of regular Tariff for M/s IPPL at Pune International Airport had considered the FY 2023-24 as the first tariff year and the FY 2027-28 as the fifth tariff year of the First Control Period.
- 3.4 The Authority observed that in respect of FY 2024-25 (second tariff year), the ISP projected a growth of 12.4% in the total aircraft traffic volume as compared to the FY 2023-24. From the FY 2025-26 onward, M/s IPPL projected an increase around 8.5% on Y-o-Y basis in the total aircraft traffic volumes (domestic & international).
- 3.5 As per the statistics available at AAI website, the total Aircraft Traffic handled by Pune International Airport in FY 2022-23 had reached to 110% of the actual Aircraft Traffic handled at the Pune airport during 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 September, 2023 in respect of the Pune International Airport, Pune have increased by 16%, as compared to the corresponding period of FY 2022-23.
- 3.7 Based on the projected aircraft traffic volumes for the FY 2023-24 (Table 3), the Authority noted that the ISP is expected to have market share of around 7.4% in the ground handling services at the Pune Airport, when compared with the actual number of total flights handled in FY 2022-23 (Table 2) at the Pune airport.
- 3.8 The Authority noted that the ISP had projected a nominal International Aircraft traffic (International Flights to be handled) for the First Control Period. Accordingly, the Authority sought a clarification from the ISP for the low international aircraft traffic volume projection. In response thereto, the ISP informed that they expected to handle only the Non-Scheduled International Flights during the Control Period.
- 3.9 The ISP further provided the detail of the agencies providing the ground handling services to the major airlines operating at the Pune Airport, as per the table given below:

Airline	Ground Handling Agency/Self Handling
Air India	M/s AI Airport Services Limited
Air India Express	M/s AI Airport Services Limited
Akasa Air	M/s IndoThai Pune Private Limited
AIX Connect	M/s IndoThai Pune Private Limited
Indigo	Self-handling
Spice Jet	M/s Global Flight Handling Services Private Limited





3.10 The Authority, taking into account the market competition among the three service providers at Pune International Airport, considered the aircraft traffic volume projected by the ISP for the First Control Period as reasonable. Accordingly, the Authority proposed to consider the projected Aircraft Traffic Volume (flights to be handled by the ISP) as submitted by M/s IPPL for the First Control Period as per the Table 3 above.

**Stakeholders' Comments:**

3.11 The Authority received no comments/ views from any stakeholder regarding Projected Aircraft Volumes (Flights to be handled by the ISP) for the First Control Period in respect of M/s IPPL.

**Authority's Analysis on Stakeholder's Comments regarding the Projected Aircraft Volumes:**

3.12 The Authority, subsequent to consultation process, reviewed the total Aircraft Traffic at Pune International Airport, Pune available at AAI website and observes that during the period from April 2023 to November 2023, the total Aircraft Traffic (Domestic + International) at Pune Airport has increased by 14% as compared to the corresponding period of FY 2022-23.

3.13 In view of the above and considering that the Authority received no comments from any stakeholder regarding Projected Aircraft Traffic Volumes, the Authority decides to maintain the same view on the projected Aircraft Traffic Volumes (Flights to be handled by the ISP), as was taken at the Consultation Stage.

**Authority's Decision regarding the Projected Aircraft Traffic Volumes (Flights to be handled by the ISP) for the First Control Period:**

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

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## CHAPTER 4: CAPITAL EXPENDITURE (CAPEX)

### M/s IPPL's Submission on the Capital Expenditure for the First Control Period

4.1 M/s IPPL projected a total Capital Expenditure (CAPEX) of ₹ 777.75 Lakhs for the First Control Period. The CAPEX is proposed to be incurred during the FY 2023-24 to FY 2027-28. The year-wise & category-wise Capital Expenditure projected by ISP is given below:

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

(₹ in Lakhs)

Particulars of Assets	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28		Total
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	
Ground Handling Equipment		48.56		71.50		121.90		253.00		69.20	564.16
Vehicles		68.50		34.25		12.50		74.50		13.34	203.09
Furniture and Fittings		1.50		-		2.00		2.00		1.00	6.50
Office Equipment		1.50		1.00		-		1.00		0.50	4.00
<b>Total</b>		<b>120.06</b>		<b>106.75</b>		<b>136.40</b>		<b>330.50</b>		<b>84.04</b>	<b>777.75</b>

4.2 As part of the MYTP, the ISP also provided the detailed bifurcation of the proposed CAPEX for the First Control Period as under:

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

(₹ in Lakhs)

Sl. no.	Particulars	Cost/ Unit	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28		Total Amount
			Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	
1.	<b>Ground Handling Equipment:</b>												
	Push Back - Medium	90.00	-	0.00	-	0.00	-	0.00	1	90.00	-	0.00	90.00
	Towbar	7.50	1	7.50	-	0.00	1	7.50	1	7.50	-	0.00	22.50
	Tugs	25.00	-	0.00	-	0.00	-	0.00	2	50.00	-	0.00	50.00
	Electric Baggage Tractors	35.00	-	0.00	-	0.00	2	70.00	2	70.00	-	0.00	140.00
	Ground Power Unit - 90 KVA	36.00	-	0.00	1	36.00	-	0.00	-	0.00	1	36.00	72.00
	Towable Bulk Freight Loader	8.00	-	0.00	1	8.00	2	16.00	1	8.00	-	0.00	32.00
	Towable Pax Step ladder	8.00	-	0.00	1	8.00	2	16.00	1	8.00	-	0.00	32.00
	Towable toilet cart	4.00	-	0.00	1	4.00	-	0.00	-	0.00	1	4.00	8.00
	Towable water cart	4.00	-	0.00	1	4.00	-	0.00	-	0.00	1	4.00	8.00
	Vacuum Cleaner	0.50	2	1.00	-	0.00	4	2.00	2	1.00	2	1.00	5.00
	Baggage Trolley - Covered	0.70	25	17.50	10	7.00	10	7.00	20	14.00	10	7.00	52.50
	Ambulift Towable	12.00	1	12.00	-	0.00	-	0.00	-	0.00	1	12.00	72400
	Fire Extinguisher TROLLEY	0.15	-	0.00	-	0.30	2	0.30	2	0.30	-	0.00	0.90
	Trestle/ Ladder	2.00	1	2.00	-	0.00	-	0.00	-	0.00	1	2.00	4.00





Sl. no.	Particulars	Cost/ Unit	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28		Total Amount
			Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	
	Wheelchairs	0.22	23	5.06	10	2.20	5	1.10	10	2.20	10	2.20	12.76
	Fuel Bowser	1.50	1	1.50	-	0.00		0.00	-	0.00	-	0.00	1.50
	Miscellaneous	0.00	-	2.00		2.00	-	2.00	1	2.00	-	1.00	9.00
	<b>Total</b>			<b>48.56</b>		<b>71.50</b>		<b>121.90</b>		<b>253.00</b>		<b>69.20</b>	<b>564.16</b>
2.	<b>Vehicles:</b>												
	Bus/coaches	34.25	2	68.50	1	34.25	-	-	2	68.50	-	-	171.25
	Car-KIA		-	-	-	-	1	12.50	-	-	-	-	12.50
	Car		-	-	-	-	-	-	1	6.00	1	6.23	12.23
	Tata Yodha		-	-	-	-	-	-	-	-	1	7.11	7.11
	<b>Total</b>			<b>68.50</b>		<b>34.25</b>		<b>12.50</b>		<b>76.50</b>		<b>13.34</b>	<b>203.09</b>
3.	<b>Furniture &amp; Fittings</b>			<b>1.50</b>		<b>-</b>		<b>2.00</b>		<b>2.00</b>		<b>1.00</b>	<b>6.50</b>
4.	<b>Office Equipment</b>			<b>1.50</b>		<b>1.00</b>		<b>-</b>		<b>1.00</b>		<b>0.50</b>	<b>4.00</b>
	<b>GRAND TOTAL</b>			<b>120.06</b>		<b>106.75</b>		<b>136.40</b>		<b>330.50</b>		<b>84.04</b>	<b>777.75</b>

**Authority's Examination of the CAPEX proposed by the ISP at Consultation Stage:**

- 4.3 The Authority noted that the ISP is providing Ground Handling Services (GHS) at Pune International Airport, Pune from 22.08.2022 and has an Opening Regulatory Asset Base (RAB) of ₹ 599.31 lakhs. The ISP projected a total CAPEX of ₹ 777.75 lakhs during the First Control Period. Out of Total projected CAPEX, M/s IPPL projected a major portion of the CAPEX i.e., ₹ 564.16 lakhs (72.54%) on the Ground Handling Equipment and ₹ 203.09 lakhs (26.11%) on the procurement of vehicles.
- 4.4 The Authority sought the status of CAPEX incurred so far in respect of the FY 2023-24. In response, the ISP vide email dated 06.10.2023 stated that they had not incurred any CAPEX till date; however, as per the ISP, they will incur the projected CAPEX on or before the end of FY 2023-24.
- 4.5 The Authority, based on its examination, observed that M/s IPPL had proposed the necessary CAPEX on assets/ equipment which are essential for the smooth ground handling operations at the Airport. The Authority, therefore, proposed to consider the projected CAPEX for the First Control Period as submitted by the ISP, as per Table 4 above.
- 4.6 The Authority noted that the ISP would be eligible to claim GST Input Tax Credits (ITC) on the procurement of various movable assets etc. Accordingly, the Authority advised the ISP to claim the eligible ITC on such Assets and exclude the GST component from the capitalized value of such Assets.

**Stakeholders' Comments:**

- 4.7 The Authority received no comments/ views from any stakeholder in respect of the CAPEX proposed by the ISP for the First Control Period.
- 4.8 In view of the above, the Authority decides to maintain the same view on the projected CAPEX, as was taken at the Consultation Stage.

**Authority's Decision regarding the Projected CAPEX for the First Control Period:**

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





**CHAPTER 5: REVENUE FROM OPERATIONS, OPERATING EXPENDITURE AND PROJECTED PROFITABILITY**

**M/s IPPL's 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 IPPL for its Ground Handling operations at the Pune International Airport have been broadly categorized as under:
- Payroll Cost;
  - Repair and Maintenance Costs;
  - Concession Fee/ Revenue Share payable to Airport Operator;
  - Utilities & Outsourcing Expenses;
  - Administrative & Other 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 IPPL for the First Control Period**

(₹ in Lakhs)

Particulars	FY	FY	-FY	FY	FY	TOTAL
	2023-24	2024-25	2025-26	2026-27	2027-28	
Revenue from Regulated Services (A).	949.30	1,100.36	1,239.36	1,400.05	1,581.07	6,270.15
Revenue from other than Regulated Services (B)	-	-	-	-	-	-
<b>Total Revenue from the Services (A+B) = (C)</b>	<b>949.30</b>	<b>1,100.36</b>	<b>1,239.36</b>	<b>1,400.05</b>	<b>1,581.07</b>	<b>6,270.15</b>
<b>Operating Expenditure (OPEX)</b>						
Payroll Cost (i)	578.44	607.36	637.73	669.62	703.10	3,196.24
Repair and Maintenance Costs (ii)	16.95	18.39	19.97	21.92	23.99	101.21
Concession Fee/ Revenue Share payable to Airport Operator (iii)	154.38	128.15	102.52	82.02	73.22	540.29
Utilities & Outsourcing Expenses (iv)	0.37	0.37	0.38	0.39	0.40	1.90
Administrative & Other Expenses (v)	69.46	70.15	75.25	81.03	87.44	383.32
<b>Total OPEX (i+ii+iii+iv+v) = (D)</b>	<b>819.59</b>	<b>824.43</b>	<b>835.85</b>	<b>854.97</b>	<b>888.14</b>	<b>4,222.97</b>
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (C-D) = (E)	129.71	275.94	403.51	545.09	692.93	2,047.18
Depreciation and Amortization (F)	71.94	75.42	81.52	106.41	104.18	439.46
Interest & Finance Charges (G)	146.34	127.38	104.27	86.86	56.56	521.42
<b>Profit Before Tax (PBT) (E-F-G) = (H)</b>	<b>-88.57</b>	<b>73.14</b>	<b>217.72</b>	<b>351.81</b>	<b>532.19</b>	<b>1,086.29</b>
Provision for Tax (Calculated after taking in to an account the previous years anticipated losses) (I)	0.00	0.00	0.00	55.31	134.00	189.31





Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTAL
Profit After Tax (PAT) (H-I) = (J)	-88.57	73.14	217.72	296.49	398.19	896.98

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

5.4 The Authority analyzed the Operating Expenditure of the ISP, as provided in the Form F3 (P&L) of the MYTP, for the First Control Period and observed that the ISP had considered the following % increase in Revenues & OPEX on Y-o-Y basis, from the second tariff year onward, as indicated in the Table 7 below:

**Table 7: Year-on-Year Percentage (%) increase in the Revenue and Operation & Maintenance Expenditure during the First Control Period**

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Revenue from Regulated Services	15.9%	12.6%	13%	12.9%
Payroll Costs	5%	5%	5%	5%
Repair and Maintenance Costs	8.5%	8.5%	9.8%	9.5%
Concession Fee/ Revenue Share payable to Airport Operator	-17%	-20%	-20%	-10.7%
Utilities & Outsourcing Expenses	2%	2%	2%	2%
Administrative & Other Expenses	1%	7.3%	7.7%	7.9%

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

- a) **Payroll Cost:** The Authority noted from the MYTP submission that the ISP projected a Y-o-Y increase of 5% in Payroll costs during the First Control Period. Considering the impact of periodic increase in minimum wages & annual salary increments and related increase in statutory components like EPF etc., the Authority considered the Y-o-Y increase projected Payroll expenses by the ISP for the First Control Period as reasonable.
- b) **Repairs and Maintenance Costs:** The Authority observed that M/s IPPL projected an increase in R&M expenses from second tariff year onward, ranging between 8.5% to 10%, during the First Control Period. The Authority observed that the ISP during the last two tariff years of the Control Period had considered slightly higher R&M Expenses, as compared to initial two years of the Control Period.

As per the Authority, it is imperative for the ground handling agencies to keep the ground handling equipment & allied facilities in proper working conditions, so as to provide safe & better services to users. The Authority in its analysis observed that the overall repair and maintenance costs, as a % of Opening RAB, is ranging between 2% to 3% 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	599.31	647.43	678.76	733.65	957.73
Repair and Maintenance Costs	16.95	18.39	19.97	21.92	23.99
<b>% of Opening RAB</b>	<b>2.83%</b>	<b>2.84%</b>	<b>2.94%</b>	<b>2.99%</b>	<b>2.50%</b>

Further, taking into account the impact of annual general inflation, including annual increase in labour component of Repair & Maintenance Costs, the Authority considered the projected R&M expenses for the First Control Period as reasonable.

c) **Concession Fee/ Revenue Share payable to Airport Operator:** The Authority noted from the clause 7.1.1 of concession agreement, executed between AAI and M/s IPPL, the Revenue Share payable by the ISP to the airport operator (AAI) is 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 flight(s).

The Authority further observed 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.

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. In the first year, Concessionaire will pay MAG quoted at the time of bid. From the second year onward, MAG for Concessionaire will be 80% of the previous year’s premium. As per the ISP, for the first and last tariff year, the premium (concession fee) has been considered based on the expected Revenue Share (which is expected to be more than 80% of previous year’s MAG). However, for remaining tariff years of the Control period, the MAG is expected to be higher than the ‘Revenue Share’ (calculated as per the clause no. 7.1.1 of the agreement); hence the ‘premium’ payable to the airport operator has been considered based on the MAG figures.

In view of the above, the Authority proposed to consider the concession fee (premium) payable to the airport operator as projected by ISP, for the First Control Period.

d) **Utilities and Outsourcing Expenses:** The Authority noted that M/s IPPL proposed Y-o-Y increase of 2% in the Utilities and Outsourcing Expenses from FY 2024-25 onward. The Authority observed that Utility & Outsourcing Expenses consist of mainly Power 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 Expenses is commensurate with the projected increase in the aircraft traffic and the number of Electricity/Power units consumed. Considering the above, the Utility and Outsourcing





Expenses projected for the Control Period by the ISP is reasonable.

- e) **Administrative & Other Expenses:** In respect of Administrative and Other Expenses, M/s IPPL proposed an increase of 1% during FY 2024-25 as compared to the projected figures of FY 2023-24. From FY 2025-26 onward, the ISP had proposed a Y-o-Y increase of around 7% to 8% in Admin. & General Expenses.

The Authority noted that the Land/ Space Rent is a major component of the Admin. & Other Expenses (i.e., ₹ 265 lakhs approx.), which almost accounts for 69% of the total Admin. & Other Expenses projected for the First Control Period. The Authority further observed from the ISP's submission that Land/Space Rent will be escalated annually @ 7.5% p.a.

Apart from Land/ Space Rent, other major heads of expenses under the Admin. & General Expenses include expenses relating to transportation, travelling and cost of consumables.

In view of the projected increase in the aircraft traffic and considering the impact of general inflation & annual escalation @ 7.5% p.a. in Land/ Space Rent, the Y-o-Y increase of around 7% to 8% projected by the ISP in respect of Administrative and Other Expenses for the First Control Period is reasonable.

- 5.6 The Authority also noted that as per the profitability statement projected for the First Control Period (Table no. 6), M/s IPPL is expected to earn a profit of around Rs. 8.96 crores and maintain overall profit margin (Total PAT / Total Revenue) of around 14.3% for the First Control Period.

**Stakeholders' Comments:**

- 5.7 **M/s SpiceJet's Comments on the Projected OPEX (Refer Table 6 & 7 of the CP):**

*"The costs of Repair and Maintenance appears to be on a higher side, especially for FY 2024-25. Authority is requested to kindly review the same. It may please be noted that cost incurred by IPPL 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 IPPL not related to safety or security."*

- 5.8 **M/s SpiceJet's Comments on Abolishment of Royalty Charges/ Concession Fee (Refer Table 6 & 7 of the CP):**

*"We urge the Authority to take measures to abolish royalty which may be included in any of the cost items, making it a burden on the airlines, thus leading to higher air fares and lower traffic. 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."*

**M/s IPPL's response to comments of SpiceJet:**

- 5.9 **Projected OPEX (Repair & Maintenance Costs):**

*"The cost of Repair and Maintenance is considered only 2% per annum of the CAPEX and which sounds reasonable in order to maintain proper upkeep and safety parameters."*

- 5.10 **Abolishment of Royalty Charges/ Concession Fee:**

*"The Royalty charges are as per Open Tender floated by the Airport Operator and same has to be honored."*





**Authority's Analysis on stakeholders' comments on Projected OPEX for the First Control Period:**

- 5.11 As regard to the comments of M/s SpiceJet pertaining to increase in R&M Cost and response thereon from the ISP, the Authority notes that the ISP has considered the cost of Repair & Maintenance as only 2% per annum of the CAPEX, which as per the service provider is essential to maintain the Ground Handling Equipment in good working condition, so as to ensure safety of passengers & aircrafts during ground handling Operations. Considering the above and taking into account the annual general inflation, the projected R&M expenses proposed by the ISP for the First Control Period appears reasonable.
- 5.12 As regard to the comments of M/s SpiceJet pertaining to abolishment of royalty charges and M/s IPPL'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. 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.
- 5.13 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 the CP stage.

**Authority's Decision regarding Operation and Maintenance Expenses projected for the First Control Period:**

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

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## CHAPTER 6: ANNUAL TARIFF PROPOSAL

### M/s IPPL submission on the Annual Tariff Proposal for the First Control Period

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

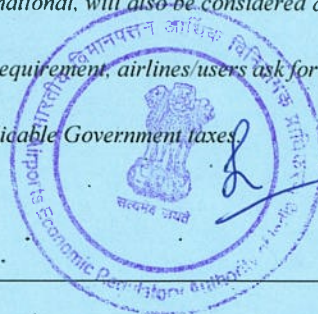
**Table 8: Proposed Tariff Rates for Scheduled Flights submitted by M/s IPPL for the First Control Period**

(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
<b>(A) Passenger Flights</b>															
<b>Domestic Passenger Flight</b>															
Code B	5198	7798	12996	5472	8208	13680	5760	8640	14400	6048	9072	15120	6350	9526	15876
Code C	6931	10397	17328	7296	10944	18240	7680	11520	19200	8064	12096	20160	8467	12701	21168
Code D	8664	12996	21660	9120	13680	22800	9600	14400	24000	10080	15120	25200	10584	15876	26460
Code E	20794	31190	51984	21888	32832	54720	23040	34560	57600	24192	36288	60480	25402	38102	63504
Code F	41587	62381	103968	43776	65664	109440	46080	69120	115200	48384	72576	120960	50803	76205	127008
<b>International Passenger Flight</b>															
Code B	21101	49236	70337	22212	51827	74039	23381	54555	77936	24550	57283	81833	25777	60147	85925
Code C	21660	50540	72200	22800	53200	76000	24000	56000	80000	25200	58800	84000	26460	61740	88200
Code D	26858	62670	89528	28272	65968	94240	29760	69440	99200	31248	72912	104160	32810	76558	109368
Code E	35522	82886	118408	37392	87248	124640	39360	91840	131200	41328	96432	137760	43394	101254	144648
Code F	40721	95015	135736	42864	100016	142880	45120	105280	150400	47376	110544	157920	49745	116071	165816
<b>(B) Cargo Flights</b>															
<b>Domestic Cargo Flight</b>															
	Ramp Services			Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	39710			41800			44000			46200			48510		
Code C	54150			57000			60000			63000			66150		
Code D	144400			152000			160000			168000			176400		
Code E	189525			199500			210000			220500			231525		
Code F	225625			237500			250000			262500			275625		
<b>International Cargo Flight</b>															
	Ramp Services			Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	64980			68400			72000			75600			79380		
Code C	158840			167200			176000			184800			194040		
Code D	180500			190000			200000			210000			220500		
Code E	198550			209000			220000			231000			242550		
Code F	231040			243200			256000			268800			282240		

**Notes:**

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





6.2 M/s IPPL proposed the following % increase in the Tariff Rates on Y-o-Y basis in respect of the Scheduled Flights at Pune International Airport as stated in the table below:

**Table 9: Statement of Y-o-Y Percentage (%) Increase in Tariff Rates for different categories of Scheduled Flights submitted by the ISP in respect of 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
<b>(A) Passenger Flights</b>												
<b>Domestic Passenger Flight</b>												
Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code C	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code D	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code E	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code F	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>International Passenger Flight</b>												
Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code C	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code D	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code E	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code F	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>(B) Cargo Flights</b>												
<b>Domestic Cargo Flight</b>												
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	5%			5%			5%			5%		
Code C	5%			5%			5%			5%		
Code D	5%			5%			5%			5%		
Code E	5%			5%			5%			5%		
Code F	5%			5%			5%			5%		
<b>International Cargo Flight</b>												
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	5%			5%			5%			5%		
Code C	5%			5%			5%			5%		
Code D	5%			5%			5%			5%		
Code E	5%			5%			5%			5%		
Code F	5%			5%			5%			5%		

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

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

Financial Year	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
	Domestic	International	Domestic	International	Domestic	International	Domestic	International	Domestic	International
<b>Maximum Take Off Weight (MTOW)</b>										
Helicopter	8123	13321	8550	14022	9000	14760	9450	15498	9923	16273
<6000	12184	27382	12825	28823	13500	30340	14175	31857	14884	33450
>6000 - 12000	16696	37003	17575	38950	18500	41000	19425	43050	20396	45203





Financial Year	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
A/C Category	Domestic	International	Domestic	International	Domestic	International	Domestic	International	Domestic	International
Maximum Take Off Weight (MTOW)										
>12000 - 25000	27075	42553	28500	44793	30000	47150	31500	49508	33075	51983
>25000 - 40000	40613	64754	42750	68163	45000	71750	47250	75338	49613	79104
>40000 - 70000	54150	81406	57000	85690	60000	90200	63000	94710	66150	99446
>70000 - 100000	88445	109157	93100	114903	98000	120950	102900	126998	108045	133347
> 100000 - 150000	112813	162811	118750	171380	125000	180400	131250	189420	137813	198891
> 150000 & above	135375	185013	142500	194750	150000	205000	157500	215250	165375	226013

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 observed that in the case of Scheduled Flights (Domestic and International), the ISP proposed 5% Y-o-Y increase in Tariff Rates from FY 2024-25 onward (Table 9).
- 6.5 The Authority also noted that M/s IPPL proposed a separate Tariff Rate card for Non-Scheduled Flights and similar to scheduled flights, the ISP proposed an increase of 5% Y-o-Y basis from FY 2024-25 (second tariff year) onward (Table 10).
- 6.6 Considering the Aircraft Traffic projected by the-ISP for the Control Period and projected increase in Operating Expenditure, due to factors like increase in number of manpower, annual increase in salary and wages, general inflation etc., the Authority is of the view that ISP requires minimum level of revenues to cover-up the Operating Costs and get reasonable return on its investments. In view of the above, the 5% increase in Tariff Rates proposed by the ISP on Y-o-Y basis from FY 2024-25 onward is reasonable.
- 6.7 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 International 'Non-Scheduled & General Aviation Flights' only, as per Annexure-II.
- 6.8 As regard to the fewer number of services covered under the Rate Card for the 'Item-wise' Charges for Ground Handling Services, the ISP clarified that they are expected to handle mainly Narrow body type of Aircrafts at Pune International Airport, Pune and Itemised Rate Card has been proposed accordingly.
- 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.10 Further, M/s IPPL should ensure compliance towards Standardization of Ground Handling Equipment at Pune International Airport 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 SpiceJet's comments on Tariff (Refer Table 8, 9 & 10 and Annexure I, II, III of the CP):**

*"It is noted that some of the proposed tariffs are excessively high as compared the Tariffs for similar services for international flights in recent consultation papers, like of GSEC Indo-Thai Jaipur, e.g. Air Conditioning Units and Air Starter Unit. Authority is requested to kindly conduct a thorough review of the proposed Tariffs for similar services at comparable airports before arriving at a decision. It is requested that the maximum rates of IPPL should not be allowed to be higher for similar services at than comparable airports.*

*Thus, it is humbly submitted 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 IPPL's response to comments of SpiceJet:**

*"Please find appended herein below the Tariffs of GSEC IndoThai at Jaipur and IPPL for Air Conditioning Unit and Air Starter Unit.*

**Air Conditioning Unit:** *Since M/s IPPL has not deployed an ACU at Pune it has not provided any tariff for the same.*

**Air Start Unit:**

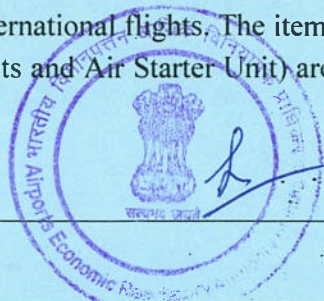
	<b>GSEC IndoThai - JPR</b>		<b>IPPL</b>	
	<b>Int. (INR)</b>	<b>Domestic</b>	<b>Int. (INR)</b>	<b>Domestic</b>
<i>FY 2022-23</i>			<i>N.A.</i>	<i>N.A.</i>
<i>FY 2023-24</i>	<i>15000.00</i>	<i>7500.00</i>	<i>N.A.</i>	<i>N.A.</i>
<i>FY 2024-25</i>	<i>16480.00</i>	<i>8250.00</i>	<i>15750.00</i>	<i>7875.00</i>
<i>FY 2025-26</i>	<i>18000.00</i>	<i>9075.00</i>	<i>16537.50</i>	<i>8268.75</i>
<i>FY 2026-27</i>	<i>18000.00</i>	<i>9075.00</i>	<i>17364.38</i>	<i>8682.19</i>
<i>FY 2027-28</i>	<i>N.A.</i>	<i>N.A.</i>	<i>18232.59</i>	<i>9116.30</i>

*From the above it may please be noted that rate considered is lower.*

*Furthermore, it may please be noted that this is the maxim price approved by AERA. An airline is always welcome to negotiate with us while giving us opportunity to serve them."*

**Authority's Analysis regarding Tariff rates for Ground Handling Services for the Control Period:**

6.13 The Authority notes the comments of M/s SpiceJet regarding high tariff in respect of few item-wise ground handling services for international flights. The itemized tariff rate card for GHS (Annexure III) (including Air Conditioning Units and Air Starter Unit) are optional in nature. In the instant case, it is





observed that the service provider has proposed lower charges at Pune airport for the above referred Item-wise Ground Handling Services, as compared to Tariff approved by the Authority for Indo-Thai at Jaipur airport for similar services. However, as per the Authority, it may not be appropriate to compare the Tariff Rates of ISPs at different airports, as the Tariff Rates depends on many factors, such as extent of market competition, capital investment, & Traffic Volumes etc.

The Authority expects that the market competition among the three service providers would keep the User Charges for various Ground Handling Services at reasonable levels at the airport.

- 6.14 As regard to the suggestion of M/s SpiceJet that the proposed increase in Tariff Rates, including subsequent increase in Tariff Rates on Y-o-Y basis, may not be implemented by the AERA; the Authority in this regard, notes the counter comments of ISP wherein the service provider has submitted that the actual Tariff that would be charged to the Airlines would be different from the ceiling Tariff Rates approved by the Authority, based on the negotiation with the airlines, depending on the services required.
- 6.15 Further, 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 revenue to cover-up for the projected operating expenses and to generate reasonable returns on the its investments.
- 6.16 In view of the above, the Authority decides to consider the Tariffs for the ISP, in respect of Ground Handling Services at Pune International Airport, as indicated in Annexure (I, II & III) to this Order.

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

Based on the 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 Ground Handling Services provided by M/s IPPL at Pune International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Flights' and Item-wise Tariff Rate Card for Ground Handling Services, 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.20 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.
- 6.21 M/s IPPL shall ensure compliance towards Standardization of Ground Handling Equipment at Pune International Airport in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-240 11/10/2021-AAI-MOCA dated 27.10.2022.





## CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The below-mentioned summary provides the Authority's decisions relating to relevant chapters regarding the Tariff determination of M/s IPPL providing Ground Handling Services at Pune International Airport:

Chapter	Para	Summary of Authority's Decisions	Page No.
Chapter No.2	2.8	The Authority decides to consider the Tariff determination exercise for M/s IPPL, in respect of Ground Handling Services being provided by the ISP at Pune International Airport, Pune under the ' <b>Light Touch Approach</b> ' for the First Control Period, as the regulated service is deemed ' <b>Not Material</b> '.	9
Chapter No. 3	3.14	The Authority decides to consider the Aircraft Traffic Volumes (Flights to be handled by the ISP) for the First Control Period as given in Table 3.	12
Chapter No. 4	4.9	The Authority decides to consider the projected CAPEX for the First Control Period as per Table 4.	14
Chapter No. 5	5.14	The Authority decides to consider the OPEX for the First Control Period as per Table 6.	19
Chapter No. 6	6.17	The Authority decides to consider the Tariff Rates for Ground Handling Services provided by M/s IPPL at Pune International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Flights' and Item-wise Tariff Rate Card for Ground Handling Services, for the First Control Period as per Annexures (I, II & III).	24
	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 15th 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 Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.	
	6.21	The Authority decides that M/s IPPL shall ensure compliance towards Standardization of Ground Handling Equipment at Pune International Airport in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-240 11/10/2021-AAJ-MOCA dated 27.10.2022.	





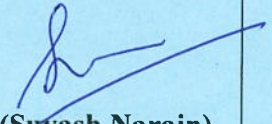
## CHAPTER 8: ORDER

Upon careful consideration of the material available on record & submissions made by M/s IPPL, 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 IndoThai Pune Private Limited at the Pune International Airport is deemed as “**Not Material**”. 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- (v) The Tariff determined herein above is excluding of applicable taxes, if any.
- (vi) M/s IPPL shall maintain the separate accounts for its Ground Handling Operations at the Pune International 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 **10.01.2024**.
- (viii) Airport Operator shall publish tariff rates in respect of Ground Handling Services for M/s IPPL approved hereinunder at its official website for the information of all Stakeholders.
- (ix) The Airport Operator shall ensure the compliance of this Order.

By the Order of and in the name of the Authority

भा.वि.आ.वि.प्रा.

  
(Suyash Narain)  
Secretary

To

**Vikash Ladia**, Director,  
M/s IndoThai Pune Private Limited  
1<sup>st</sup> Floor, Srushti, S No 164/2B, PT 44,  
Adarsh Colony, Tingre Nagar,  
Yerwada, Pune, Maharashtra - 411006

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 Santosh Dhoke, Airport Director, Airports Authority of India, Civil Enclave Pune Airport, Lohegaon, Pune, Maharashtra - 411032





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

**Revised Tariff for Ground Handling Services is effective from 10.01.2024**

(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
<b>(A) Passenger Flights</b>															
<b>Domestic Passenger Flight</b>															
Code B	5198	7798	12996	5472	8208	13680	5760	8640	14400	6048	9072	15120	6350	9526	15876
Code C	6931	10397	17328	7296	10944	18240	7680	11520	19200	8064	12096	20160	8467	12701	21168
Code D	8664	12996	21660	9120	13680	22800	9600	14400	24000	10080	15120	25200	10584	15876	26460
Code E	20794	31190	51984	21888	32832	54720	23040	34560	57600	24192	36288	60480	25402	38102	63504
Code F	41587	62381	103968	43776	65664	109440	46080	69120	115200	48384	72576	120960	50803	76205	127008
<b>International Passenger Flight</b>															
Code B	21101	49236	70337	22212	51827	74039	23381	54555	77936	24550	57283	81833	25777	60147	85925
Code C	21660	50540	72200	22800	53200	76000	24000	56000	80000	25200	58800	84000	26460	61740	88200
Code D	26858	62670	89528	28272	65968	94240	29760	69440	99200	31248	72912	104160	32810	76558	109368
Code E	35522	82886	118408	37392	87248	124640	39360	91840	131200	41328	96432	137760	43394	101254	144648
Code F	40721	95015	135736	42864	100016	142880	45120	105280	150400	47376	110544	157920	49745	116071	165816
<b>(B) Cargo Flights</b>															
<b>Domestic Cargo Flight</b>															
	Ramp Services			Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	39710			41800			44000			46200			48510		
Code C	54150			57000			60000			63000			66150		
Code D	144400			152000			160000			168000			176400		
Code E	189525			199500			210000			220500			231525		
Code F	225625			237500			250000			262500			275625		
<b>International Cargo Flight</b>															
Code B	64980			68400			72000			75600			79380		
Code C	158840			167200			176000			184800			194040		
Code D	180500			190000			200000			210000			220500		
Code E	198550			209000			220000			231000			242550		
Code F	231040			243200			256000			268800			282240		

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

**Notes:**

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





**TARIFF RATE CARD APPROVED BY AERA  
FOR M/S IPPL AT PUNE 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 for Ground Handling Services is effective from 10.01.2024**

(Rates in ₹)

Financial Year →	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
A/C Category					
Maximum Take Off Weight (MTOW)					
Helicopter	13321	14022	14760	15498	16273
≤ 6000	27382	28823	30340	31857	33450
>6000 - 12000	37003	38950	41000	43050	45203
>12000 - 25000	42553	44793	47150	49508	51983
>25000 - 40000	64754	68163	71750	75338	79104
>40000 - 70000	81406	85690	90200	94710	99446
>70000 - 100000	109157	114903	120950	126998	133347
> 100000 - 150000	162811	171380	180400	189420	198891
> 150000 & above	185013	194750	205000	215250	226013

**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 15<sup>th</sup> of the month will be applicable for the second fortnight.

भा.वि.आ.वि.प्रा.

AERA





**ITEMISED TARIFF RATE CARD FOR GROUND HANDLING SERVICES  
APPROVED BY AERA FOR M/s IPPL AT PUNE 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 10.01.2024**

(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 Starter Unit (NB)	Per Start	7,500	15,000	7,875	15,750	8,269	16,538	8,682	17,364	9,116	18,233
2	Aircraft Disinfection-Freighter Aircrafts	Per Service	3,000	16,000	3,150	16,800	3,308	17,640	3,473	18,522	3,647	19,448
3	Aircraft Disinfection-Pax Aircrafts Code C	Per Service	4,000	8,000	4,200	8,400	4,410	8,820	4,631	9,261	4,862	9,724
4	Aircraft Disinfection-Pax Aircrafts Code D/E	Per Service	25,000	32,000	26,250	33,600	27,563	35,280	28,941	37,044	30,388	38,896
5	Aircraft Disinfection-Pax Aircrafts Code F	Per Service	-	40,000	-	42,000	-	44,100	-	46,305	-	48,620
6	Aircraft Marshalling	Per Service	1,875	2,480	1,969	2,604	2,067	2,734	2,171	2,871	2,279	3,014
7	Ambulift	Per flight leg	5,000	10,000	5,250	10,500	5,513	11,025	5,788	11,576	6,078	12,155
8	Apron Transport (Passenger)	Per Trip	950	1,600	998	1,680	1,047	1,764	1,100	1,852	1,155	1,945
9	Arrange non-scheduled Crew Hotel Accommodation (HOTAC)	Per flight	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
10	ATC payment services	Per flight	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
11	Baggage ID	Per Service	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
12	Baggage /Cargo cart	Per Hour	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
13	Blue collar staff	Per staff per hour	400	800	420	840	441	882	463	926	486	972
14	Crew Transport	Per Trip	950	1,600	998	1,680	1,047	1,764	1,100	1,852	1,155	1,945
15	Deportee/Inadmissible (INAD) handling	Per passenger	-	1,200	-	1,260	-	1,323	-	1,389	-	1,459
16	Excess Baggage Fee (% of collection)	As per collection	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
17	Exterior Cleaning - NB	Per Service	52,500	-	55,125	-	57,881	-	60,775	-	63,814	-
18	Ground Power unit 90KVA	Per Hour	4,700	10,000	4,935	10,500	5,182	11,025	5,441	11,576	5,713	12,155
19	Interior Deep Cleaning - NB	Per Service	5,000	8,000	5,250	8,400	5,513	8,820	5,788	9,261	6,078	9,724
20	Passenger Step (mobile-NB)	Per Hour	1,375	4,000	1,444	4,200	1,516	4,410	1,592	4,631	1,671	4,862



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.
21	Pushback for narrow body aircraft	Per Push	5,000	10,000	5,250	10,500	5,513	11,025	5,788	11,576	6,078	12,155
22	Toiler truck	Per Service	1,375	2,400	1,444	2,520	1,516	2,646	1,592	2,778	1,671	2,917
23	Towing of narrow body aircraft	Per Tow	5,000	10,000	5,250	10,500	5,513	11,025	5,788	11,576	6,078	12,155
24	Unaccompanied Minor (UM) Handling	per UM	950	1,200	998	1,260	1,047	1,323	1,100	1,389	1,155	1,459
25	Vacuum Cleaner	Per Hour	3,750	4,000	3,938	4,200	4,134	4,410	4,341	4,631	4,558	4,862
26	VIP Vehicle (Innova range)	Per Trip	10,000	20,000	10,500	21,000	11,025	22,050	11,576	23,153	12,155	24,310
27	VIP Vehicle (Luxury-Mercedes/BMW/AUDI range)	Per Trip	25,000	40,000	26,250	42,000	27,563	44,100	28,941	46,305	30,388	48,620
28	Water truck	Per Service	1,375	2,400	1,444	2,520	1,516	2,646	1,592	2,778	1,671	2,917
29	Wheel chair	Per Service	400	2,400	420	2,520	441	2,646	463	2,778	486	2,917
30	White Collar Staff	Per staff per hour	600	1,200	630	1,260	662	1,323	695	1,389	729	1,459

\* 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 15<sup>th</sup> of the month will be applicable for the second fortnight.

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