

[F. No. AERA/20010/MYTP-GGI/GH/BIAL/2011-12/Vol - I]

Airports Economic Regulatory Authority of India

Order No. 37/2015-16

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110003**

Date of Order: 20th October, 2015

Date of Issue: 29th October, 2015

Service: Ground Handling Services
Service provider: M/s Globe Ground India Pvt. Ltd.
Airport: Kempegowda International Airport, Bengaluru.

Determination of tariff for the fourth & fifth (FY 2014-15 & FY 2015-16) tariff year of the first control period.

This Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [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] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period.

2. Accordingly, the Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Globe Ground India Pvt. Ltd. (GGIPL) for the first control period commencing 01.04.2011 in respect of ground handling services at Kempegowda International Airport, Bengaluru. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) No. 24/2011-12 dated 25.10.2011 wherein, inter-alia, it was decided that the ground handling service provided by GGIPL is "material but competitive", hence "light touch approach" be adopted for determination of tariff for the 1st Control period. Pursuant to issue of above, the Authority considered the Annual Tariff Proposal (ATP) for the first, second and third tariff year and after due stakeholder consultation, determined the tariffs vide ATO no. Order No. 24/2012-13 dated 19.11.2012.

3.1 GGIPL, vide letter no. Nil dated 20.09.2015 submitted ATP for fourth fifth tariff (2014-15) and the fifth tariff year (2015-16) along with (a) the Form B and (b) Form 14(b) vide their letter dated 22.06.2015. GGIPL vide letter dated 03.09.2015 had submitted Annual Compliance Statements (ACS) for tariff year 2011-12, 2012-13 and 2013-14 respectively.

3.2 GGIPL has proposed an increase of 10% in tariff in tariff year for the fifth tariff years (FY 2014-15 & FY 2015-16). The comparison of rates approved for third tariff year vis-à-vis rates proposed for fourth & fifth tariff years.

4. The Authority noted the following:

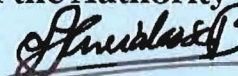
- (i) GGIPL has not submitted the proof of stakeholder consultation, and copies of user agreements justifying the increase sought by them.
- (ii) Less than one year is left for completion of the 1st Control Period, which is set to expire on 31.03.2016 and process for determination of tariff involving stakeholder consultation will take approx. 2-3 months and thus, benefit of revised tariff may be available for less than 5 months from the date of order.

ORDER

5. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) Globe Ground India Pvt. Ltd. would continue to levy tariffs in respect of Ground Handling Services at Kempegowda International Airport, Bengaluru for the remaining period of the current control period at the same level as was approved vide Order No. 24/2012-13 dated 19.11.2012 for the third tariff year (**Annexure – I**).
- (ii) Globe Ground India Pvt. Ltd. should submit the MYTP and ATP for the 2nd Control Period well in time as per the Guidelines by incorporating the actual financials of 2014-2015.

By the Order of and in the
Name of the Authority


(Joy Kuriakose)
Deputy Chief

To,

M/s Globe Ground India Pvt. Ltd.,
E-9, Connaught House,
Connaught Place,
New Delhi – 100 001
(Through: Shri Rajat Maharishi, Chief Executive Officer)



Annexure-I

Globe Ground India Pvt. Ltd. (Operations at Bangalore International Airport, Bengaluru)						
Maximum Rate to be paid by Scheduled Airlines for comprehensive Ground Handling						
Tariff Year 3 (01.04.2013 to 31.03.2014)						
Form 14(b)		Ground Handling Rates in INR for Tariff Year 3 (2013-14)				
S.No.	ICAO Code	Aircraft Type	Scheduled Passenger Aircraft		Scheduled Freighter Aircraft	
			Domestic	International	Domestic	International
1	Code B	Single Engine Aircraft	12,100	33,880	N/A	N/A
2	Code C	A318, A319, A320, A321, B717, B727, B737, BBJ, MD81 to MD90, DC9, TUI34, TUI34A, AN24, AN26, AN26, ATR42, ATR72, F27, F28, F50, F70, F100, YAK40, YAK42	16,214	88,330	54,450	1,32,495
3	Code D	A300-60C, A310, B707, B727-100 B757, B767, B787-300, DC8, DC10, MD11	25,942	1,33,100	94,380	1,46,410
4	Code E	A330-200, A330-300, A340, B747SP, B747, B777, B787-800, B787-900, IL96	54,450	1,69,400	1,13,740	1,99,650
5	Code F	A380	96,800	2,39,580	1,54,759	2,87,496

Note: The above rates are excluding all taxes such as Service Tax as may be applicable.

