



**AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA**

**IN THE MATTER OF  
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES PROVIDED BY  
M/s AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED (AISATS)  
AT KEMPEGOWDA INTERNATIONAL AIRPORT, BENGALURU  
FOR THE THIRD CONTROL PERIOD  
(FY 2021-22 TO FY 2025-26)**

**Date of Issue: 29/06/2022**

AERA Building  
Administrative Complex  
Safdarjung Airport  
New Delhi – 110003

## **STAKEHOLDERS' COMMENTS**

The Authority is aware of the fact that the Aviation Sector is recovering after undergoing turbulence & uncertainty on account of the COVID 19 PANDEMIC around the world. The pandemic had resulted in restrictions on air travel, both domestic and international. Now, with the decline in Covid cases and after easing of restrictions relating to air travel (w.e.f. 28.03.2022), the aircraft traffic has started improving. The Authority has released this Consultation Paper, after examining the impact of COVID 19 Pandemic on the various assumptions stipulated in the Multi-Year Tariff Proposal ('MYTP') submitted by the AISATS. Accordingly, the Authority's proposals on the various aspects of the Tariff determination process have been explained in details in this Consultation Paper.

Thus, in accordance with the provisions of Section 13(4) of the AERA Act, the written comments on Consultation Paper No. 04/2022-23 dated 29/06/2022 are invited from the Stakeholders, preferably in electronic form, at the following address:

Director (P&S, Tariff)  
Airports Economic Regulatory Authority of India (AERA),  
AERA Administrative Complex,  
Safdarjung Airport, New Delhi – 110003, India  
Email: [satish.kr@aera.gov.in](mailto:satish.kr@aera.gov.in); [prabhjot.marwah@govcontractor.in](mailto:prabhjot.marwah@govcontractor.in)  
Copy to: [director-ps@aera.gov.in](mailto:director-ps@aera.gov.in); [secretary@aera.gov.in](mailto:secretary@aera.gov.in)

<b>Last Date for submission of Stakeholders' comments</b>	<b>20/07/2022</b>
<b>Last Date for submission of counter comments</b>	<b>28/07/2022</b>

Comments will be posted on AERA's website: [www.aera.gov.in](http://www.aera.gov.in)

For any clarification/information, Director (P&S,Tariff) may be contacted at  
Telephone No. +91-11-24695048

## **TABLE OF CONTENTS**

CHAPTER 1: BRIEF BACKGROUN .....	6
CHAPTER 2: PRINCIPLES FOR DETERMINATION OF “AERONAUTICAL TARIFF” .....	7
CHAPTER 3: AIRCRAFT TRAFFIC (FLIGHTS TO BE HANDLED).....	9
CHAPTER 4: CAPITAL EXPENDITURE .....	11
CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY .....	13
CHAPTER 6: ANNUAL TARIFF PROPOSAL .....	16
CHAPTER 7: SUMMARY OF AUTHORITY’S PROPOSALS .....	22
CHAPTER 8: STAKEHOLDERS’ CONSULTATION .....	23
ANNEXURE- ‘I’: PROPOSED TARIFF RATE CARD FOR SCHEDULED FLIGHTS .....	24
ANNEXURE- ‘II’: PROPOSED TARIFF RATE CARD FOR INTERNATIONAL NON-SCHEDULED & GENERAL AVIATION FLIGHTS .....	26

## **LIST OF TABLES**

S No.	Particulars	Page No.
1	Summary of Shareholding Structure of AISATS.	6
2	Aircraft Traffic handled by Bengaluru Airport and number of flights handled by AISATS during FY 2019-20 & FY 2020-21	9
3	Projected Aircraft Traffic (Flights to be handled) submitted by AISATS for the Third Control Period	9
4	Projected Capital Expenditure submitted by AISATS for the Third Control Period	11
5	Quantity (in nos.) of Equipment as par to CAPEX proposed by AISATS for the Third Control Period	11
6	Projected Revenue and Operating Expenditure submitted by AISATS for Third Control Period	13
7	Tariff Rates proposed by AISATS for Scheduled Flights for the Third Control Period	16
8	Percentage (%) increase in Tariff for different categories of Scheduled Flights for the Third Control Period	18
9	Tariff Rates proposed by AISATS for Non-Scheduled Flights for the Third Control Period	19

**List of Abbreviations:**

AERA (AUTHORITY)	Airports Economic Regulatory Authority
AISATS	Air India SATS Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
CAPEX	Capital Expenditure
CASIPL	Celebi Airport Services India Pvt. Ltd.
COD	Commercial Operation Date
CGF	Cargo, Ground Handling & Fuel Throughput
GGIPL	GlobeGround India Pvt. Ltd.
GHA	Ground Handling Agencies
GHS	Ground Handling Services
GPU	Ground Power Unit
ISP	Independent Service Provider
KIA	Kempegowda International Airport
LoI	Letter of Intent
MYTP	Multi-Year Tariff Proposal
NCAP	National Civil Aviation Policy
OPEX	Operating Expenditure
O&M	Operation and Maintenance
PAT	Profit After Tax
PBIDT	Profit Before Interest, Depreciation and Tax
P&L	Profit & Loss
RFP	Request for Proposal
SATS	Singapore Airport Terminal Services Limited
SPV	Special Purpose Vehicle
SPRH	Service Provider Right Holder
YoY	Year on Year

## **CHAPTER 1: BRIEF BACKGROUND:**

- 1.1 M/s. Air India SATS Airport Services Private Limited (AISATS) is one of Ground Handling agencies appointed by the Airport Operator, namely Bangalore International Airport Limited, for carrying out Ground Handling Service (GHS) at Kempegowda International Airport (KIA), Bengaluru for the duration of 10 years, effective from 01.08.2018 valid till 31.07.2028.
- 1.2 Bureau of Civil Aviation Security has granted the security clearance to AISATS on 15.01.2021, for the period of 5 years from the date of issue of security clearance or the period of validity of contract with the airport operator, whichever is earlier.

The shareholding structure of the AISATS is given as below:

**Table-1: Summary of Shareholding Structure of AISATS:**

<b>Name of Shareholder</b>	<b>Equity Holding (%)</b>
M/s Air India Limited	50.00
M/s Singapore Airport Terminal Services (SATS) Limited	50.00
<b>Total</b>	<b>100.00</b>

- 1.3 The Authority, vide Order No. 18/2021-22 dated 15.09.2021 allowed AISATS to levy and collect, on ad hoc basis, the existing Tariff applicable as on 30.09.2021 at Kempegowda International Airport, Bengaluru for a period of six months w.e.f. 01.10.2021 to 31.03.2022 or till the determination of regular Tariff, whichever is earlier.
- 1.4 The Authority, vide Order No. 46/2021-22 dated 17.03.2022 allowed AISATS to levy and collect, on ad hoc basis, the existing Tariff applicable as on 31.03.2022 at Kempegowda International Airport, Bengaluru for a further period of six months w.e.f. 01.04.2022 to 30.09.2022 or till the determination of regular Tariff, whichever is earlier.
- 1.5 As per the provisions of the CGF Guidelines 2011, AISATS has submitted the Multi Year Tariff Proposal ('MYTP') vide letter dated 25.11.2021 for determination of Tariff for providing Ground Handling Services at Kempegowda International Airport, Bengaluru for the Third Control Period (FY 2021-22 to FY 2025-26).
- 1.6 The Authority, after initial scrutiny of the MYTP/ ATP submissions of AISATS observed some shortcomings/ information gaps. The matter was discussed & clarifications sought from AISATS. Subsequently, in light of AERA's observations/queries, AISATS submitted updated MYTP. However, there were few deficiencies in the updated submission which required clarifications; accordingly, AISATS was asked to review the pertinent observations of the AERA. AISATS, after addressing AERA's observations submitted the revised MYTP for the Third Control Period on 08.06.2022.

## **CHAPTER 2: PRINCIPLES FOR DETERMINATION OF “AERONAUTICAL TARIFF”**

- 2.1 The Authority vide 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”).

### **Stage I: - MATERIALITY ASSESSMENT:**

- 2.2 In accordance with the above mentioned AERA Guidelines and Directions, the following procedure is adopted for determination of Materiality Index of regulated Service:

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

$$\begin{aligned}\text{The Materiality Index for Bengaluru Airport} &= 30,311 / 4,20,772 \\ &= 7.20\%\end{aligned}$$

The percentage share of Bengaluru International Airport for the FY 2019-20 in respect of International Aircraft Movement is 7.20%, which is higher than 5% Materiality Index (MI<sub>G</sub>) for the subject service. Hence, the regulated service is deemed to be ‘**Material**’ for the Third Control Period.

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

- 2.3 The Authority with regard to the provisions of the National Civil Aviation Policy (NCAP, 2016), vide Order No. 15/2016-17 dated 12th January 2017 decided to consider three (3) Ground Handling Agencies (GHA) including Air India’s subsidiary/JV for competition assessment at all major airports.
- 2.4 As per the information furnished by AISATS on competition Assessment Form F1 (b), M/s GlobeGround India Private Limited (GGIPL) and M/s Celebi Airport Services India Pvt. Ltd. (CASIPL) are the other service providers rendering similar services at Kempegowda International Airport, Bengaluru. Since, there are three Ground Handling agencies including AISATS, the service is deemed as “**Competitive**”.
- 2.5 AISATS has provided copies of Standard Ground Handling Agreements with Thai Airways International Public Company Limited and Saudi Arabian Airlines.
- 2.6 As per clause 11.2 of the CGF Guidelines, the ATP is required to be submitted in the manner and form provided in AI 8.2 of Appendix-I to the guidelines and should be supported by the following:
- a) Form B and Form 14 (b) (Proposed Tariff Card);
  - b) Details of Consultation with Stakeholders;
  - c) Evidence of User Agreement(s), if any, between the Service Provider(s) and the User(s) of Regulated Service(s) clearly indicating the Tariff proposed by the Service Provider and agreed to by the User(s).
- 2.7 The Authority notes that AISATS has submitted the documents as stated in para 2.6 above, except the minutes of the Stakeholders’ Consultation Meeting, as the Consultation Meeting is yet to be conducted by AISATS. The Authority advises AISATS to comply with the AERA (CGF) Guidelines, 2011 and conduct Stakeholders’ Consultation Meeting before the finalization of Tariff Order.

**Authority's Proposal regarding tariff determination of AISATS:**

- 2.8 Based on the material before it and its analysis, the Authority proposes to consider Tariff determination exercise of AISATS for providing Ground Handling Services at Kempegowda International Airport, Bengaluru under “**Light Touch Approach**” for the Third Control Period, as the regulated service is ‘**Material but Competitive**’.



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

#### **AISATS, Bengaluru submission on Aircraft Traffic (Flights to be Handled) for the Third Control Period as part of MYTP**

- 3.1 Actual Aircraft Traffic (nos. of landings) handled by Bengaluru Airport and percentage of flights handled by AISATS (out of total number of landings) during FY 2019-20 (pre-Covid year) and FY 2020-21 are given below:

**Table 2: Aircraft Traffic handled by Bengaluru Airport and number of flights handled by AISATS during FY 2019-20 & FY 2020-21**

Year	Total number of Landings at Bengaluru Airport			Actual number of Landings (Flights) handled by AISATS			Percentage (%) of Flights handled by AISATS		
	Domestic	Inter-national	Total	Domestic	Inter-national	Total	Domestic	Inter-national	Total
2019-20	1,00,024	15,156	1,15,180	20,203	7,237	27,440	20%	48%	24%
2020-21	51,230	5,596	56,826	7,298	2,340	9,638	14%	42%	17%

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

**Table 3: Projected Aircraft Traffic (Flights to be handled) submitted by AISATS for the Third Control Period**

Year	Domestic (No. of Landings)	International (No. of Landings)	Total	As a % of FY 2019-20		
				DOM	INTL	TOTAL
2019-20	20,203	7,237	<b>27,440</b>	-	-	-
2020-21	7,298	2,340	<b>9,638</b>	36.12%	32.33%	<b>35.12%</b>
2021-22	8,342	3,360	<b>11,702</b>	41.29%	46.43%	<b>42.65%</b>
2022-23	12,513	5,040	<b>17,553</b>	61.94%	69.64%	<b>63.97%</b>
2023-24	15,016	6,048	<b>21,064</b>	74.33%	83.57%	<b>76.76%</b>
2024-25	16,518	6,653	<b>23,171</b>	81.76%	91.93%	<b>84.44%</b>
2025-26	18,169	7,318	<b>25,487</b>	89.93%	101.12%	<b>92.88%</b>
<b>TOTAL (2021-22 to 2025-26)</b>	<b>70,558</b>	<b>28,419</b>	<b>98,977</b>			

#### **Authority's Examination and Analysis:**

- 3.3 The Authority observed that COVID-19 had severely impacted the business in Civil Aviation Sector, including Ground Handling Service Providers during FY 2020-21 & FY 2021-22. However, the Authority notes that after the second wave of Covid-19, the Aircraft Traffic has improved gradually during FY 2021-22 and air-traffic is expected to improve further in coming months.
- 3.4 As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Bengaluru Airport for FY 2021-22 had reached to 64% of the pre-Covid level (FY 2019-20).

- 3.5 The Authority also notes that as per AISATS projection, it will achieve 93% of Traffic actually handled during pre-Covid year (FY 2019-20) in FY 2025-26.
- 3.6 The Authority, mindful of the adverse impact caused by Covid-19 pandemic on Civil Aviation Sector and considering the market competition among the three Ground Handling Service Providers (including AISATS) at Bengaluru Airport, feels that AISATS is likely to handle only the Aircraft Traffic (flights to be handled) as projected in Table 3 above.

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

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

## CHAPTER 4: CAPITAL EXPENDITURE

### AISATS submission on Capital Expenditure for the Third Control Period as part of MYTP

- 4.1 AISATS has projected a total Capital Expenditure (CAPEX) of ₹ 1950.00 lakhs for the procurement of various assets for the Third Control Period (FY 2021-22 to FY 2025-26). The asset wise Capital Expenditure projected by ISP for Third Control Period is given as below:

**Table 4: Projected Capital Expenditure submitted by AISATS for the Third Control Period**

(₹ in Lakhs)

S. No.	Project Type	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
1	Ambulift	150.00	-	-	-	-	150.00
2	Computer Peripherals & Software	10.00	10.00	10.00	10.00	30.00	70.00
3	Furniture	40.00	60.00	60.00	80.00	80.00	320.00
4	Air Conditioning Unit (65 Tonne)	-	130.00	-	130.00	130.00	390.00
5	Push back Small	-	-	130.00	130.00	130.00	390.00
6	Air Starter Unit	-	-	-	210.00	210.00	420.00
7	Air Conditioning Unit (110 Ton)	-	-	-	-	210.00	210.00
	<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>	<b>560.00</b>	<b>790.00</b>	<b>1950.00</b>

- 4.2 AISATS vide email dated 05.05.2022 submitted the quantity of Equipment proposed to be acquired as part of CAPEX for the Third Control Period.

**Table 5: Quantity (in nos.) of Equipment as par to CAPEX proposed by AISATS for the Third Control Period**

(in nos.)

S.N.	Project Type	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
1	Ambulift	2	-	-	-	-	2
2	Computer Peripherals & Software	10	10	10	10	30	70
3	Furniture	2	3	3	4	4	16
4	Air Conditioning Unit (65 Ton)	-	1	-	1	1	3
5	Push back Small	-	-	1	1	1	3
6	Air Starter Unit	-	-	-	2	2	4
7	Air Conditioning Unit (110 Ton)	-	-	-	-	1	1

**Authority's Examination and Analysis:**

- 4.3 The Authority notes that AISATS in its MYTP submission has proposed a total CAPEX of ₹ 1950.00 lakhs for the Third Control Period. The Authority observes that out of total CAPEX planned for the Third Control Period, AISATS has projected CAPEX of ₹ 200 lakhs for the first Tariff year of the Control Period. The Authority sought details of actual CAPEX incurred for FY 2021-22, in response thereto, AISATS vide email dated 28.04.2022 confirmed that they have incurred CAPEX around ₹200.00 lakhs during FY 2021-22.
- 4.4 The Authority observes from the statistics showing actual Traffic handled at Bengaluru Airport (refer Table 2) that AISATS had a market share of 24% (out of total landings) in respect of Ground Handling Business at Bengaluru Airport in FY 2019-20. As per AISATS' submission, major portion of proposed CAPEX (Ground Handling Equipment) is towards replacement of old assets taken on lease and the remaining CAPEX is required for their new office. Since, the proposed CAPEX is mainly relating to replacement of Ground Handling Equipment considered essential for smooth business operations & better passenger facilitation, the Authority feels that the projected CAPEX for the Third Control Period seems reasonable.
- 4.5 In view of the above, the Authority proposes to consider the CAPEX for the Third Control Period projected by AISATS as per Table 4 above.

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

- 4.6 Based on the material before it and its analysis, the Authority proposes to consider the CAPEX for the Third Control Period as per Table 4.

## CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY

### AISATS, Bengaluru submission on Operating Expenditure for the Third Control Period as part of MYTP

5.1 As provided in Clause 9.4 of the Guidelines mentioned in Direction No. 04/2010-11, the Operation and Maintenance (O&M) Expenditure shall include all expenditures incurred by the Service provider(s), including expenditure incurred on security operating costs, other mandated operating costs and statutory operating costs.

5.2 Operation and Maintenance Expenditure submitted by AISATS has been segregated into the following categories:

- a) Payroll Costs;
- b) Concession Fees;
- c) Repair and Maintenance Expenditure;
- d) Admin and General Expenses

5.3 As per the MYTP submitted by AISATS, Revenue and Operating Expenditure (OPEX) projected by AISATS for the Third Control Period (FY 2021-22 to FY 2025-26) is as under:

**Table 6: Projected Revenue and Operating Expenditure submitted by AISATS for Third Control Period**

Particulars	₹ in Lakhs						CAGR (%)	YoY% Change			
	2021-22	2022-23	2023-24	2024-25	2025-26	Total		2022-23	2023-24	2024-25	2025-26
<b>Revenue (A)</b>	6,805.31	10,243.16	12,392.10	13,760.92	15,289.39	58,490.89	22%	51%	21%	11%	11%
<b>Operating Expenditure</b>											
Payroll Costs (a)	2,994.75	4,941.34	5,979.02	6,905.77	7,976.16	28,797.03	31%	65%	21%	16%	16%
Admin & General Expenses (b)	1,353.40	1,384.47	1,417.24	1,451.70	1,517.54	7,124.35	3%	2%	2%	2%	5%
Concession fees (c)	1,155.00	1,749.83	2,120.83	2,356.30	2,617.74	9,999.69	22%	51%	21%	11%	11%
Repairs & Maintenance Expenditure (d)	180.86	186.28	191.87	197.63	203.56	960.19	3%	3%	3%	3%	3%
<b>Total Operating Exp. (B) = (a) + (b) + (c) + (d)</b>	5,684.00	8,563.39	10,360.44	11,275.79	13,141.60	49,025.23	21%	45%	18%	12%	13%
<b>PBIDT (A-B)</b>	1,121.30	1,981.24	2,683.14	2,849.52	2,974.39	11,609.63	28%	77%	35%	6%	4%
Depreciation	839.95	857.95	876.68	918.64	981.99	4,475.21	-	-	-	-	-
Interest and Finance Cost	173.24	159.38	146.63	134.9	109.11	723.26	-	-	-	-	-
<b>PBT</b>	108.11	963.91	1,659.83	1,795.98	1,883.29	6,411.16	-	-	-	-	-
Tax @ 34.94%*	-	-	-	619.99	658.1	238.67	-	-	-	-	-
<b>PAT</b>	108.11	963.91	1,659.83	1,175.99	1,225.19	6,172.49	-	-	-	-	-
<b>Profit Margin (PAT / Revenue)</b>	2%	9%	13%	9%	8%	11%	-	-	-	-	-

\* Nil Tax Liability from FY 2021-22 till FY 2023-24 due to accumulated loss in FY 2020-21 (₹ 2753.64 lakhs).

### **Authority's Examination and Analysis:**

5.4 The Authority's analysis of growth rates considered by the ISP in respect of different components of projected OPEX from FY 2022-23 onwards is given in the following sections: -

5.5 **Payroll Costs:** The Authority notes that payroll cost of AISATS is projected to increase on YoY basis ranging between 16% to 65% for the Third Control Period. The Authority sought justifications/ assumptions pertaining to YoY increase considered in the projected Payroll Cost. The ISP in its response vide email dated 25.05.2022 stated as under: -

*"The basis of Payroll cost projection.*

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
No. of Flights	11,702	17,553	21,064	23,171	25,487
		(50% increase)	(20% increase)	(10% increase)	(10% increase)
No. of manpower	1,300	1,950	2,145	2,252	2,365
		(50% increase)	(10% increase)	(5% increase)	(5% increase)
Yearly cost per manpower (₹)	2,30,365.38	2,53,401.92	2,78,742.12	3,06,616.33	3,37,277.96
		(10% increase)	(10% increase)	(10% increase)	(10% increase)
Total Payroll Costs (₹)	29,94,75,000	49,41,33,750	59,79,01,838	69,05,76,622	79,76,15,999

*It can be seen from the above table that there is 50% increase in no. of flights in FY 2022-23 over FY 2021-22; 20% increase in FY 2023-24 and 10% in FY 2024-25 & FY 2025-26. To cater to the requirement of the services to the increase in the flights, the management estimates 50% increase in labor force in FY 2022-23; 10% increase in FY 2023-24 and 5% in FY 2024-25 & FY 2025-26.*

*The average cost per employee paid at Bangalore is ₹2.30 lakhs per annum and the management expects 10% salary escalation on this average cost."*

The Authority notes from the above that for FY 2022-23, the payroll cost is projected to increase by 65%, as compared to FY 2021-22, considering the cumulative impact of increase in manpower by 50% due to projected increase in number of flights by 50%, which is proportionate to the projected Revenues for the respective Tariff years of the Control Period and additional 10% increase in payroll cost on account of annual escalation in salaries & wages. Similarly, for subsequent years of the Control Period, projected payroll costs have been estimated considering cumulative impact of increase in manpower due to increase in nos. of flights and annual increase in salaries & wages by 10%.

In light of the above, the YoY increase in payroll costs projected by AISATS for the Third Control Period seems reasonable.

- 5.6 **Administrative and General Costs:** The Authority notes that AISATS has projected a nominal YoY increase ranging between 2% to 5% under Administrative and General Costs during the Third Control Period.
- 5.7 **Repair and Maintenance Costs:** The Authority notes that the projected YoY increase of 3% in Repair and Maintenance from FY 2022-23 onwards. Considering that the ISP is required to undertake day-to-day maintenance of the assets and keep the equipment in the operational state so as to provide better services to the Users, the expenditure projected under the Repairs and Maintenance seems reasonable.
- 5.8 **Concession Fee:** The Authority has examined the Concession Agreement executed between ISP and Airport Operator and notes that as per the concession agreement, AISATS is required to share a percentage (%) of its Gross Revenue with the Airport Operator. The Authority observes that YoY increase in Concession Fee projected for the Third Control Period is in line with the projected increase in Revenues.
- 5.9 The Authority further observes from the Projected P&L Statement that AISATS is likely to earn profits throughout the Third Control Period. As per the MYTP submission, ISP is likely to earn ₹108.12 lakhs profit in FY 2021-22 and profits are expected to increase to ₹ 1225.19 lakhs by the last year of the Third Control Period.

**Authority's Proposal regarding OPEX for the Third Control Period:**

- 5.10 Based on the material before it and its analysis, the Authority, proposes to consider the OPEX for the Third Control Period as per Table 6.

## CHAPTER 6: ANNUAL TARIFF PROPOSAL

### AISATS submissions on Annual Tariff Proposal for the Third Control Period as part of MYTP

6.1 AISATS has submitted the Tariff proposal for Ground Handling Services at Kempegowda International Airport, Bengaluru for the Third Control Period (FY 2021-22 to FY 2025-26) as per Table 7 given below:

**Table 7: Tariff Rates proposed by AISATS for Scheduled Flights for the Third Control Period**

(Rates in ₹)

Aircraft Types	Maximum Rates for Tariff Year FY 2021-22							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	5,217	9,690	14,907	14,609	27,131	41,740	NA	NA
CODE C	6,991	12,984	19,975	38,088	70,735	108,823	67,082	1,63,234
CODE D	11,186	20,775	31,961	57,393	106,586	163,979	1,16,276	1,80,377
CODE E	23,479	43,603	67,082	73,045	135,656	208,701	1,40,218	2,45,969
CODE F	41,740	77,518	119,258	103,307	191,856	295,163	1,90,663	3,54,196

Aircraft Types	Maximum Rates for Tariff Year FY 2022-23							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	5,478	10,174	15,652	15,339	28,488	43,827	NA	NA
CODE C	10,487	19,476	29,963	39,992	74,272	114,264	70,436	1,71,396
CODE D	11,746	21,813	33,559	60,262	111,916	172,178	1,22,090	1,89,396
CODE E	35,218	65,405	100,623	76,698	142,438	219,136	1,47,229	2,58,267
CODE F	43,827	81,394	125,221	108,472	201,449	309,921	2,00,196	3,71,906



Aircraft Types	Maximum Rates for Tariff Year FY 2023-24							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	5,752	10,683	16,435	16,106	29,912	46,018	NA	NA
CODE C	11,011	20,450	31,461	41,992	77,985	119,977	73,958	1,79,965
CODE D	12,333	22,904	35,237	63,275	117,512	180,787	1,28,194	1,98,866
CODE E	36,979	68,675	105,654	80,533	149,560	230,093	1,54,590	2,71,181
CODE F	46,019	85,463	131,482	113,896	211,521	325,417	2,10,206	3,90,501

Aircraft Types	Maximum Rates for Tariff Year FY 2024-25							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	6,040	11,217	17,257	16,912	31,407	48,319	NA	NA
CODE C	11,562	21,472	33,034	44,092	81,884	125,976	77,656	1,88,964
CODE D	12,950	24,049	36,999	66,439	123,387	189,826	1,34,604	2,08,809
CODE E	38,828	72,109	110,937	84,559	157,038	241,597	1,62,320	2,84,740
CODE F	48,320	89,736	138,056	119,591	222,097	341,688	2,20,716	4,10,026

Aircraft Types	Maximum Rates for Tariff Year FY 2025-26							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	6,342	11,778	18,120	17,757	32,978	50,735	NA	NA
CODE C	12,140	22,545	34,685	46,296	85,979	132,275	81,539	1,98,412
CODE D	13,597	25,252	38,849	69,761	129,556	199,317	1,41,334	2,19,249
CODE E	40,769	75,715	116,484	88,787	164,890	253,677	1,70,436	2,98,977
CODE F	50,736	94,223	144,959	125,570	233,202	358,772	2,31,752	4,30,527

**Notes:**

- 1) To achieve the projected ARR only maximum ground handling rates have been suggested for Airlines as user agreements will be entered into with each Airline based on the IATA AHM 810 STANDARD GROUND HANDLING AGREEMENT 1998 or 2004 or 2008 or 2013 (SGHA).
- 2) The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 3) These rates may be revised, where external economic / financial factors warrant a review. However, any change, will be in consultation with the relevant authorities (AERA) and related stakeholders.
- 4) All charges mentioned above exclude taxes which will be charged at the prevailing rates.

Exchange rate used for contracts signed in USD: 1 USD = 75 INR.

6.2 AISATS has proposed the following % increase in the Tariff for Scheduled Flights at Bengaluru Airport as stated in the table below:

**Table 8: Percentage (%) increase in Tariff for different categories of Scheduled Flights for the Third Control Period**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full
<b>Domestic Passenger Flights</b>												
CODE B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE C	50%	50%	50%	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	50%	50%	50%	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 Flights</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>Domestic Cargo Flights</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 Cargo Flights</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%

6.3 AISATS has also submitted separate Tariff Rate Card for Non-Schedule Flights as per Table given below:-

**Table 9: Tariff Rates proposed by AISATS for Non-Scheduled Flights for the Third Control Period**

(Rates in ₹)

Aircraft Types	Maximum Rates for Tariff Year FY 2021-22							
	Non-Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Compre-hensive	Passenger	Ramp	Compre-hensive		
CODE B	8,871	16,474	25,345	24,836	46,124	70,960	NA	NA
CODE C	11,886	22,074	33,960	64,750	120,250	185,000	114,040	277498
CODE D	19,017	35,318	54,335	97,568	181,197	278,765	197,670	306645
CODE E	39,914	74,126	114,040	124,178	230,617	354,795	238,375	418150
CODE F	70,959	131,780	202,739	175,622	326,155	501,777	324,130	602135

Aircraft Types	Maximum Rates for Tariff Year FY 2022-23							
	Non- Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Compre-hensive	Passenger	Ramp	Compre-hensive		
CODE B	9,313	17,295	26,608	26,077	48,429	74,506	NA	NA
CODE C	17,828	33,109	50,937	67,987	126,262	194,249	119,741	291373
CODE D	19,968	37,083	57,050	102,446	190,257	292,703	207,553	321973
CODE E	59,871	111,188	171,059	130,386	242,145	372,531	250,289	439054
CODE F	74,507	138,369	212,876	184,403	342,463	526,866	340,333	632240

Aircraft Types	Maximum Rates for Tariff Year FY 2023-24							
	Non-Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Compre-hensive	Passenger	Ramp	Compre-hensive		
CODE B	9,779	18,160	27,939	27,381	50,850	78,231	NA	NA
CODE C	18,719	34,765	53,484	71,386	132,575	203,961	125,728	305942
CODE D	20,966	38,937	59,903	107,568	199,770	307,338	217,931	338072
CODE E	62,864	116,748	179,612	136,905	254,253	391,158	262,804	461007
CODE F	78,232	145,287	223,519	193,623	359,586	553,209	357,350	663852

Aircraft Types	Maximum Rates for Tariff Year FY 2024-25							
	Non-Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	10,268	19,068	29,336	28,750	53,393	82,143	NA	NA
CODE C	19,655	36,503	56,158	74,956	139,203	214,159	132,015	321239
CODE D	22,014	40,884	62,898	112,947	209,758	322,705	228,827	354975
CODE E	66,008	122,585	188,593	143,751	266,965	410,716	275,944	484057
CODE F	82,143	152,552	234,695	203,304	377,565	580,869	375,217	697045

Aircraft Types	Maximum Rates for Tariff Year FY 2025-26							
	Non-Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	10,781	20,022	30,803	30,188	56,063	86,250	NA	NA
CODE C	20,638	38,328	58,966	78,703	146,164	224,867	138,615	337301
CODE D	23,115	42,928	66,043	118,594	220,246	338,840	240,269	372724
CODE E	69,308	128,714	198,022	150,938	280,313	431,251	289,741	508260
CODE F	86,251	160,180	246,430	213,470	396,443	609,913	393,978	731897

**Notes:**

- 1) To achieve the projected ARR only maximum ground handling rates have been suggested for Airlines as user agreements will be entered into with each Airline based on the IATA AHM 810 STANDARD GROUND HANDLING AGREEMENT 1998 or 2004 or 2008 or 2013 (SGHA).
- 2) The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 3) These rates may be revised, where external economic / financial factors warrant a review. However, any change, will be in consultation with the relevant authorities (AERA) and related stakeholders.
- 4) All charges mentioned above exclude taxes which will be charged at the prevailing rates.
- 5) Exchange rate used for contracts signed in USD: 1 USD = 75 INR.

**Authority's Examination and Analysis:**

- 6.4 The Authority notes that AISATS has not proposed Tariff increase for first Tariff Year (FY 2021-22) of the Third Control Period over the prevailing Tariff (as on 31.03.21).
- 6.5 The Authority observes that in case of Domestic (Scheduled & Non-Scheduled) Flights, the ISP, for FY 2022-23 has proposed 50% increase in rates for Code C & E type aircrafts as compared to prevailing rates (FY 2021-22).

The Authority sought clarification in respect of increase proposed in Tariff rates under aforesaid categories. AISATS vide email 12.05.2022 informed that majority of the Traffic movement at Bengaluru Airport and major portion of their operating cost is incurred for these categories of

aircrafts. The ISP further stated that due to Covid-19, the operations of these categories of aircrafts were impacted the most and in order to cover up for annual inflation, increase in operating costs, a one-time annual increase in rates for these categories are proposed.

The Authority further observes that in case of other categories of aircraft types under Domestic Flights (Scheduled & Non-Scheduled) and International Flights, AISATS has proposed a uniform increase of 5% YoY from FY 2022-23 onwards.

- 6.6 The Authority notes that AISATS has proposed a separate Tariff for Non-Schedule Flights. In this regard, the Authority is of the view that the Tariff for Domestic Non-Schedule Flights should not be more than the Tariff of relevant Domestic Schedule Flights for similar class of Aircraft(s). However, the Authority proposes to consider the separate Tariff in case of International Non-Schedule Flights only, as per Table 9 given above.
- 6.7 The Authority feels that competition among the three service providers at KIA, Bengaluru will result in moderation of Tariff rates for Users.
- 6.8 The Authority proposes 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.9 Further, AISATS should ensure compliance of Standardization of Ground Handling Equipment at Major Airports, in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 01.11.2021.

**Authority's Proposal regarding Tariff Proposal for the Third Control Period:**

Based on the available facts and analysis, the Authority proposes the following with regard to Tariff structure and Annual Tariff Proposal for the Third Control Period:

- 6.10 The Authority proposes to consider the Tariff Rate card for Scheduled Flights as submitted by AISATS for the Third Control Period (**Annexure I**).
- 6.11 The Authority proposes that the Tariff for Domestic Non-Scheduled and General Aviation Operations should not be more than the Tariff of relevant Domestic Scheduled Flights for similar class of Aircraft(s).
- 6.12 The Authority proposes to consider the separate Tariff for International Non-Scheduled Flights as submitted by AISATS for Third Control Period (**Annexure-II**).
- 6.13 The Authority proposes 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.14 The Authority also proposes that the Tariff Rates proposed as per **Annexure I & II** shall be the maximum Tariff to be charged. No other charge is to be levied over and above the proposed Tariff Rates.

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

The below mentioned summary provides the Authority's proposals relating to relevant chapters regarding the tariff determination of AISATS providing Ground Handling Services at Kempegowda International Airport, Bengaluru for Stakeholder Consultation purpose:

<b>Chapter</b>	<b>Para</b>	<b>Summary of Authority's Proposals</b>	<b>Page No.</b>
<b>Chapter No.2</b>	<b>2.8</b>	The Authority proposes to consider Tariff determination exercise of AISATS for providing Ground Handling Services at Kempegowda International Airport, Bengaluru under <b>“Light Touch Approach”</b> for the Third Control Period, as the regulated service is <b>‘Material but Competitive’</b> .	<b>8</b>
<b>Chapter No. 3</b>	<b>3.7</b>	The Authority proposes to consider the Aircraft Traffic (Flights to be handled) as submitted by AISATS for the Third Control Period as per Table-3.	<b>10</b>
<b>Chapter No. 4</b>	<b>4.6</b>	The Authority proposes to consider the CAPEX for the Third Control Period as per Table 4.	<b>12</b>
<b>Chapter No. 5</b>	<b>5.10</b>	The Authority, proposes to consider the OPEX for the Third Control Period as per Table 6.	<b>15</b>
<b>Chapter No. 6</b>	<b>6.10</b>	The Authority proposes to consider the Tariff Rate card for Scheduled Flights as submitted by AISATS for the Third Control Period ( <b>Annexure-I</b> ).	<b>21</b>
	<b>6.11</b>	The Authority proposes that the Tariff for Domestic Non-Scheduled and General Aviation Operations should not be more than the Tariff of relevant Domestic Scheduled Flights for similar class of Aircraft(s).	
	<b>6.12</b>	The Authority proposes to consider the separate Tariff for International Non-Scheduled Flights as submitted by AISATS for Third Control Period ( <b>Annexure-II</b> ).	
	<b>6.13</b>	The Authority proposes 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.	
	<b>6.14</b>	The Authority also proposes that the Tariff Rates proposed as per Annexure I & II shall be the maximum Tariff to be charged. No other charge is to be levied over and above the proposed Tariff Rates.	

## **CHAPTER 8: STAKEHOLDERS' CONSULTATION**

- 8.1 In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in Chapter 7 is hereby put forth for Stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary annexures are enclosed to the consultation paper (**Annexure I & II**).
- 8.2 For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response here to and by making such decision fully documented and explained in the tariff order in terms of the provisions of the Act.
- 8.3 The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in Chapter 7, latest by **20/07/2022**.

**Secretary,**

**Airports Economic Regulatory Authority of India**

AERA Building, Administrative Complex

Safdarjung Airport, New Delhi -110003

Tel: 011-24695044-47, Fax: 011-24695048

**(Chairperson)**

**PROPOSED TARIFF RATE CARD FOR AISATS, BENGALURU IN RESPECT OF DOMESTIC\*  
& INTERNATIONAL SCHEDULED FLIGHTS FOR GROUND HANDLING SERVICES  
FOR THE THIRD CONTROL PERIOD (FY 2021-22 to FY 2025-26)  
FOR STAKEHOLDERS' CONSULTATION**

Aircraft Types	Maximum Rates for Tariff Year FY 2022-23							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Compre- hensive	Passenger	Ramp	Compre- hensive		
CODE B	5,478	10,174	15,652	15,339	28,488	43,827	NA	NA
CODE C	10,487	19,476	29,963	39,992	74,272	114,264	70,436	1,71,396
CODE D	11,746	21,813	33,559	60,262	111,916	172,178	1,22,090	1,89,396
CODE E	35,218	65,405	100,623	76,698	142,438	219,136	1,47,229	2,58,267
CODE F	43,827	81,394	125,221	108,472	201,449	309,921	2,00,196	3,71,906

Aircraft Types	Maximum Rates for Tariff Year FY 2023-24							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Compre- hensive	Passenger	Ramp	Compre- hensive		
CODE B	5,752	10,683	16,435	16,106	29,912	46,018	NA	NA
CODE C	11,011	20,450	31,461	41,992	77,985	119,977	73,958	1,79,965
CODE D	12,333	22,904	35,237	63,275	117,512	180,787	1,28,194	1,98,866
CODE E	36,979	68,675	105,654	80,533	149,560	230,093	1,54,590	2,71,181
CODE F	46,019	85,463	131,482	113,896	211,521	325,417	2,10,206	3,90,501

Aircraft Types	Maximum Rates for Tariff Year FY 2024-25							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Compre- hensive	Passenger	Ramp	Compre- hensive		
CODE B	6,040	11,217	17,257	16,912	31,407	48,319	NA	NA
CODE C	11,562	21,472	33,034	44,092	81,884	125,976	77,656	1,88,964
CODE D	12,950	24,049	36,999	66,439	123,387	189,826	1,34,604	2,08,809
CODE E	38,828	72,109	110,937	84,559	157,038	241,597	1,62,320	2,84,740



CODE F	48,320	89,736	138,056	119,591	222,097	341,688	2,20,716	4,10,026
--------	--------	--------	---------	---------	---------	---------	----------	----------

Aircraft Types	Maximum Rates for Tariff Year FY 2025-26							
	Scheduled Aircraft							
	Passenger						Freighter	
(ICAO Code)	Domestic Flight			International Flight			Domestic Flight	International Flight
	Passenger	Ramp	Comprehensive	Passenger	Ramp	Comprehensive		
CODE B	6,342	11,778	18,120	17,757	32,978	50,735	NA	NA
CODE C	12,140	22,545	34,685	46,296	85,979	132,275	81,539	1,98,412
CODE D	13,597	25,252	38,849	69,761	129,556	199,317	1,41,334	2,19,249
CODE E	40,769	75,715	116,484	88,787	164,890	253,677	1,70,436	2,98,977
CODE F	50,736	94,223	144,959	125,570	233,202	358,772	2,31,752	4,30,527

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

**Notes:**

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

**PROPOSED TARIFF RATE CARD FOR AISATS, BENGALURU IN RESPECT OF INTERNATIONAL  
NON-SCHEDULED & GENERAL AVIATION FLIGHTS FOR GROUND HANDLING SERVICES  
FOR THE THIRD CONTROL PERIOD (FY 2021-22 to FY 2025-26)  
FOR STAKEHOLDERS' CONSULTATION**

Aircraft Types (ICAO Code)	Maximum Rates for Tariff Year FY 2022-23			
	Non- Scheduled Aircraft			
	Passenger			Freighter
	International Flight			International Flight
	Passenger	Ramp	Comprehensive	
CODE B	26,077	48,429	74,506	NA
CODE C	67,987	126,262	194,249	291373
CODE D	102,446	190,257	292,703	321973
CODE E	130,386	242,145	372,531	439054
CODE F	184,403	342,463	526,866	632240

Aircraft Types (ICAO Code)	Maximum Rates for Tariff Year FY 2023-24			
	Non-Scheduled Aircraft			
	Passenger			Freighter
	International Flight			International Flight
	Passenger	Ramp	Comprehensive	
CODE B	27,381	50,850	78,231	NA
CODE C	71,386	132,575	203,961	305942
CODE D	107,568	199,770	307,338	338072
CODE E	136,905	254,253	391,158	461007
CODE F	193,623	359,586	553,209	663852

Aircraft Types (ICAO Code)	Maximum Rates for Tariff Year FY 2024-25			
	Non-Scheduled Aircraft			
	Passenger			Freighter
	International Flight			International Flight
	Passenger	Ramp	Comprehensive	
CODE B	28,750	53,393	82,143	NA
CODE C	74,956	139,203	214,159	321239
CODE D	112,947	209,758	322,705	354975
CODE E	143,751	266,965	410,716	484057
CODE F	203,304	377,565	580,869	697045

Aircraft Types	Maximum Rates for Tariff Year FY 2025-26			
	Non-Scheduled Aircraft			
	Passenger			Freighter
(ICAO Code)	International Flight			International Flight
	Passenger	Ramp	Comprehensive	
CODE B	30,188	56,063	86,250	NA
CODE C	78,703	146,164	224,867	337301
CODE D	118,594	220,246	338,840	372724
CODE E	150,938	280,313	431,251	508260
CODE F	213,470	396,443	609,913	731897

**Notes:**

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

Dated: 25<sup>th</sup> November, 2021

To,  
Director (Planning & Strategy)  
AERA Building  
Administrative Complex  
Safdarjung Airport,  
New Delhi – 110 003

**Subject:** Submission of Form A & Form B in connection with submission of MYTP & ATP for the Third Control Period (FY 2021-22 to FY 2025-26) on behalf of M/s Air India SATS Airport Services Private Limited for its Ground handling operations at Kempegowda International Airport, Bengaluru:

Dear Sir/Madam,

Greetings.

In reference to caption subject matter, we are submitting the below mentioned documents for tariff approval process for third control period FY 2021-22 to FY 2025-26. The following documents are submitted for your perusal:

1. Form A – Along with Multi-year Tariff Proposal (MYTP) duly signed & stamped
2. Form B – Along with Form 14(b) Annual Tariff Proposals
3. Copies of the User Agreements
4. Copy of Concession Agreement with the Airport Operator
5. Annual Compliance Statement for FY 2020-21

We humbly request the Authority to maintain complete confidentiality of the contents of the MYTP. Please do let us know in case you need any information or clarification in this matter. We request the Authority to review our submissions under light touch approach and approve our ATP for the third control period.

Thanking You.

Yours Sincerely,  
For Air India SATS Airport Services Private Limited

Sanjay Gupta,  
Chief Financial Officer

Place: Mumbai  
Date: 25 November, 2021

**Air India SATS Airport Services Private Limited**

16<sup>th</sup> Floor, Commerz II, International Business Park, Oberoi Garden City, Off Western Express Highway,  
Goregaon (East), Mumbai - 400063 | Tel: +91-22-4203 7000 | www.aisats.in

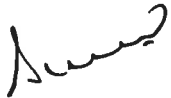
Registered Office: Airlines House, 113, Gurudwara Rakabganj Road, New Delhi - 110001  
(CIN): U74900DL2010PTC201763

**Form A****BEFORE THE AIRPORT ECONOMIC REGULATORY AUTHORITY OF INDIA****AT NEW DELHI****SUBMISSION OF MULTI YEAR TARIFF PROPOSAL FOR THIRD CONTROL PERIOD  
(2021-22 TO 2025-26) FOR AND BEHALF OF:**

M/s AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED  
Kempegowda International Airport,  
Bengaluru.

I, Sanjay Gupta, aged 49 years resident of Republic of India acting in my official capacity as Chief Financial Officer in M/S Air India SATS Airport Services Private Limited having its registered office at Airlines House, 113 Guru Rakabganj Road, New Delhi 110001 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/S Air India SATS Airport Services Private Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority')
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include (i) Business Plan; (ii) Information pertaining to physical assets; (iii) Information relating to the Regulatory Building Blocks; (iv) Historical and Forecasted volumes; and (v) Historical revenues, are correct and true to my knowledge and belief and nothing material has been concealed therefrom.

**Sanjay Gupta**

Chief Financial Officer

Place: Mumbai

Date: 25 November 2021

**Air India SATS Airport Services Private Limited**

16<sup>th</sup> Floor, Commerz II, International Business Park, Oberoi Garden City, Off Western Express Highway,  
Goregaon (East), Mumbai - 400063 | Tel: +91-22-4203 7000 | [www.aisats.in](http://www.aisats.in)

Registered Office: Airlines House, 113, Gurudwara Rakabganj Road, New Delhi - 110001  
(CIN): U74900DL2010PTC201763

**Form F3: Historical and Projected Profit and Loss Account**

S.N.	Particulars	FY 2021-22 Tariff Year 1	FY 2022-23 Tariff Year 2	FY 2023-24 Tariff Year 3	FY 2024-25 Tariff Year 4	FY 2025-26 Tariff Year 5
1	Revenue					
	Revenues from regulated services	66,55,00,000	1,00,82,32,500	1,22,20,00,995	1,35,76,78,262	1,50,83,15,452
	Revenues from other than regulated services	1,50,31,355	1,60,83,550	1,72,09,399	1,84,14,057	2,06,23,744
		68,05,31,355	1,02,43,16,050	1,23,92,10,394	1,37,60,92,319	1,52,89,39,195
2	Operating expenditure					
	Payroll cost	29,94,75,000	49,41,33,750	59,79,01,838	69,05,76,622	79,76,15,999
	Administrative and General	13,53,39,805	13,84,47,317	14,17,24,269	14,51,69,647	15,17,53,728
	Concession fees	11,55,00,000	17,49,82,500	21,20,82,817	23,56,30,112	26,17,73,756
	Repair and Maintenance cost	1,80,85,637	1,86,28,206	1,91,87,053	1,97,62,664	2,03,55,544
3	Earnings before depreciation , interest and taxation (EBITD)	11,21,30,913	19,81,24,277	26,83,14,418	28,49,53,274	29,74,40,168
	Depreciation and amortization	8,39,94,563	8,57,94,996	8,76,68,245	9,18,63,663	9,81,99,263
4	Earnings before interest and taxation (EBIT)	2,81,36,351	11,23,29,281	18,06,46,173	19,30,89,611	19,92,40,906
	Total interest and finance charges	1,73,23,972	1,59,38,055	1,46,63,010	1,34,89,969	1,09,10,772
5	Profit / loss before tax	1,08,12,378	9,63,91,226	16,59,83,163	17,95,99,641	18,83,30,134
	Provision for taxation	-	-	-	6,19,98,581	6,58,10,082
6	Profit / loss after taxation	1,08,12,378	9,63,91,226	16,59,83,163	11,76,01,061	12,25,20,052
7	Balance carried to balance sheet	1,08,12,378	9,63,91,226	16,59,83,163	11,76,01,061	12,25,20,052

**Form F12(b & c)-Projected Aircraft Movements**

Year	Domestic (Landing)			International (Landing)		
	Optimistic	Most Likely	Conservative	Optimistic	Most Likely	Conservative
2021-2022	9,176	8,342	7,508	3,696	3,360	3,024
2022-2023	13,765	12,513	11,262	5,544	5,040	4,536
2023-2024	16,518	15,016	13,514	6,653	6,048	5,443
2024-2025	18,169	16,518	14,866	7,318	6,653	5,988
2025-2026	19,986	18,169	16,352	8,050	7,318	6,586

## Form F10 (a) - Capital Projects

S.N.	Project Type	FY 2021-22 Tariff Year 1	FY 2022-23 Tariff Year 2	FY 2023-24 Tariff Year 3	FY 2024-25 Tariff Year 4	FY 2025-26 Tariff Year 5
1	Ambulift	1,50,00,000				
2	Computer Peripherals & Software	10,00,000	10,00,000	10,00,000	10,00,000	30,00,000
3	Furniture	40,00,000	60,00,000	60,00,000	80,00,000	80,00,000
4	Air Conditioning Unit (65 Tonne)		1,30,00,000		1,30,00,000	1,30,00,000
5	Push back Small			1,30,00,000	1,30,00,000	1,30,00,000
6	Air Starter Unit				2,10,00,000	2,10,00,000
7	Air Conditioning Unit (110 Tonne)					2,10,00,000
	<b>Total</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>5,60,00,000</b>	<b>7,90,00,000</b>



## Form F11 ( c ) - Administrative and General Expenditure

S.N.	Particulars	FY 2021-22 Tariff Year 1	FY 2022-23 Tariff Year 2	FY 2023-24 Tariff Year 3	FY 2024-25 Tariff Year 4	FY 2025-26 Tariff Year 5
1	Asset Usage Charges	86,60,745	79,67,885	73,30,454	67,44,018	64,06,817
2	Communication expenses	59,25,199	61,02,955	62,86,044	64,74,625	67,98,357
3	Consumption of stores and spare parts	87,73,310	90,36,509	93,07,604	95,86,832	1,00,66,174
4	Freight and transportation charges	22,13,056	22,79,447	23,47,831	24,18,266	25,39,179
5	Legal and professional expenses	21,88,662	22,54,322	23,21,952	23,91,611	25,11,191
6	Miscellaneous expenses	4,82,70,269	4,97,18,378	5,12,09,929	5,27,46,227	5,53,83,538
7	Power and fuel	3,78,71,605	3,90,07,753	4,01,77,986	4,13,83,326	4,34,52,492
8	Rent	2,09,84,806	2,16,14,350	2,22,62,781	2,29,30,664	2,40,77,197
9	Sales promotion expenses	3,49,170	3,59,645	3,70,434	3,81,547	4,00,625
10	Travelling and conveyance	1,02,982	1,06,072	1,09,254	1,12,532	1,18,158
	<b>Total</b>	<b>13,53,39,805</b>	<b>13,84,47,317</b>	<b>14,17,24,269</b>	<b>14,51,69,647</b>	<b>15,17,53,728</b>