

**Airports Economic Regulatory Authority of India**

**Order No. 36/2012-13**

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

**Date of Order: 10<sup>th</sup> January, 2013  
Date of Issue: 29<sup>th</sup> January, 2013**

**In the matter of Determination of Annual Tariff Proposal submitted by M/s Bhadra International India Ltd. for Second Tariff Year(2012-13) of the first control period for providing Ground Handling Services at Chennai International Airport, Chennai**

The Authority had in its Order No. 29/2011-12 dated 28.11.2011, ordered that it shall adopt a "light touch approach" for determination of tariff for the first Control period w.e.f 01.04.2011 and also determined the charges for the first tariff year (2011-12) of the current Control Period for the Ground Handling Services provided by Bhadra International India Ltd (Bhadra) at Chennai International Airport (CIA).

2.1 Bhadra vide their letter dated 10.04.2012, submitted its Annual Tariff Proposal (ATP) for providing Ground Handling Services at Chennai Airport, Chennai for the second tariff year commencing from 01.04.2012 wherein it proposed to maintain the same rates for the second tariff year of the first control period as had been approved by the Authority vide MYTO no.29/2011-12 dated 05-12-2011 .

2.2 The Authority considered the submissions made by Bhadra and a Consultation Paper No.07/2012-13 was issued on 19.06.2012 for Stakeholder Consultation.

2.3. In response to the Consultation Paper, Airport Passengers Association of India (APAI) had submitted that - "...We find no mention of the cost of providing "Ambulift" for emergency use by various Airlines-both domestic & international. ....We strongly believe that they should have a nominal charges ofRs 2,500/- for providing this service and less if an Airline takes on an annual contract. ..."

2.4. In response to comments of APAI, Bhadra submitted that

*"...Bhadra" is offering all inclusive bouquet of comprehensive Ground Handling Services within the tariff limitations approved by "AERA" which does or does not include the provision of an "Ambulift.*

*....As "Bhadra" is an authorized direct service provider to an "Airline", it is purely up to the sensitivity of the concerned airline customer to ask for*



*a particular services if not contracted within the bouquet of services by it. It may be appreciated that when an Airline gets the provision of "Ambulift" included in the bouquet of services it avails from "Bhadra" there is a strong possibility that the cost of provision of a particular service may get cross subsidized within the overall package. However, in the event of an airline seeking this service as an "optional" component, the tariff is pre decided and maintained within the overall limitations imposed by "AERA".*

*We have also examined the observation as regards providing this service at a nominal charge of Rs. 2500.00 in the event of an annual contract by an airline. As the suggestion is extremely vague we would prefer not to respond to the same. However, it is to submit that the provision of this service involves high capital and maintenance cost and extremely low revenue generation. It would be essential to take into account the fact that the provision of services by "Bhadra" are not subsidized from any source and are rather subjected to airport royalty of 32.5% while formulating the response of AERA to this observation".*

3. The Authority considered the comments of APAI regarding the cost of providing "Ambulift" for emergency use by various Airlines as well as reply of Bhadra on this subject. The Authority observed that the ground handling agreements have a vast gamut of services on offer, out of which depending upon the requirements, the contracting parties may decide upon any set of services therefrom. Given this fact, it is practically impossible for the Authority to enumerate the services that must be provided by the ground handling service provider against each of the tariff item – as the same is inherently non-determinable being based on the requirement of each individual aircraft operator. Further, Bhadra has stated that the charges for various services, whether contracted within a bouquet of services or availed as optional services, are maintained within the maximum tariffs determined by the Authority. Hence, the Authority decided that it may not enumerate the services to be provided by the ground handling service provider against each ceiling tariff rate.

4. The Authority also observed that it had, in its MYTO decided that it shall determine tariff(s) under light touch approach in respect of the ground handling services being rendered by Bhadra as the services were competitive.

**ORDER :**

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

- (i). The Tariffs for the second tariff year (2012-13) of the first control period for Ground Handling Services provided by M/s Bhadra International India Ltd at Chennai International Airport ,Chennai are determined w.e.f 01.04.2012 as at **Annexure-I**.



- (ii). The instant determination permits M/s Bhadra International India Ltd to only charge/levy certain tariffs for ground handling services provided by it at Chennai airport, and does not confer any rights/claims whatsoever on M/s Bhadra International India Ltd for appointment as service provider for providing any services at Chennai airport. Further, for this purpose, this order will not affect the rights of any party in this matter.

**By the Order of and in the Name  
of the Authority**



**[Capt. Kapil Chaudhary, (Retd.)]  
Secretary**

**To**

**M/s Bhadra International India Limited,  
B-4/62, Safdarjung Enclave,  
New Delhi - 110 029  
(Through: Shri Prem Bajaj, Chairman and Managing Director)**



## Annexure -I

**Bhadra International India Limited:- Annual Tariff Proposal for Second Tariff Year 2012-13**

**Station Name: Chennai International Airport, Chennai**

Tariff Heading	Conditions of Tariff
<b>A-International</b>	Maximum Tariff per Flight in (INR)
<b>a-Passenger Flights</b>	
A320(Narrow Body)Upper Limit	1,25,208
A320(Narrow Body)Lower Limit	83,472
A300/310 Upper Limit	1,55,100
A300/310 Lower Limit	1,36,300
Wide Body(747/777)Lower Limit	1,73,900
Wide Body(747/777)Upper Limit	2,02,100
<b>b-Freighter</b>	
Freighter Lower Limit	1,55,100
Freighter Upper Limit	2,11,500
<b>B-Domestic</b>	
<b>a- Passenger Flights</b>	
Learjet, Jetstream,DH6,C560	12,600
YAK40,CL60,F50,F27,F28,C750,AN24,ATR42,ATR72,HS748,HS125,DA90,G-2 to GB,TU124,TU134,CRJ,EM4,CV580,BAC111,BE2	20,250
AN8,AN12,B737-100/200,IL18,DC9,MD82,F70,F100	36,000
A320,A321,B727,B737-500 to 800,C130,MD 83/87/88/90,TU154,TU104	45,000
B757,TU204,B707,C106	45,000
A310,A300,A330,B767,IL62,IL76,DC8,787-3	54,000
A340,B777,DC10,IL86,IL96,MD11,L1011,B747,AN124	99,000
<b>b-Freighter</b>	
Freighter A310	74,730
Freighter ATR	21,620

### GPU Charges as and when requested by airline

Equipment	Rate/hr-contracted Airline	Rate/hr-casual Airline
Ground Power Unit-140KVA	Rs.7,950/hr	Rs.9,540/hr
Ground Power Unit- 90KVA	Rs.6,625/hr	Rs.7,950/hr

