

Airports Economic Regulatory Authority of India

Order No. 18/2019-20

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

Date of Issue: 22.11.2019

Service : Ground Handling Services.
Service provider: Air India Air Transport Services Ltd.
Airport :Kolkata, Mumbai, Guwahati, Cochin, Ahmedabad &
Calicut International Airports.

In the matter of Annual Tariff Proposal(ATP) for FY2019-20 & FY2020-21 Of the Second Control Period in respect of M/s Air India Air Transport Services Limited (AIATSL) for providing Ground Handling Services at Kolkata, Mumbai, Guwahati, Cochin, Ahmedabad & Calicut International Airports.

- 1) M/s AIATSL is a subsidiary of Air India Limited and provides the services of Ground Handling at various Indian Airports. The Authority vide following orders determined tariff for the following AIATSL airports under “**light Touch Approach**” for the duration of Second Control Period (01.04.2016 to 31.03.2021):

Name Of the Airport	Order No.	Date of Issue	Provision/Approach Under AERA	Tariff Valid Upto
Guwahati	42/2017-18	27.03.2018	“Non Material” thereby under “Light Touch”	31.03.2019
Mumbai	08/2018-19	14.05.2018	“Non Material” thereby under “Light Touch”	31.03.2019
Kolkata	07/2018-19	14.05.2018	“Non Material” thereby under “Light Touch”	31.03.2019
Cochin	06/2018-19	14.05.2018	“Non Material” thereby under “Light Touch”	31.03.2019

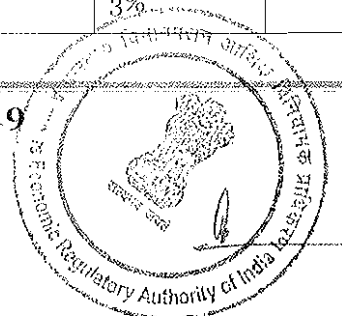


Ahmedabad	05/2018-19	14.05.2018	"Non Material" thereby under "Light Touch"	31.03.2019
Calicut	02/2018-19	09.04.2018	"Non Material" thereby under "Light Touch"	31.03.2019

The above mentioned/determined tariff for above airports were on extension till 30.06.2019 vide AERA order No. 48/2018-19. To avoid the regulatory gap, the same tariff are kept under further extension vide AERA Order No. 08/2019-20 dated 26.09.2019 till 31.03.2020 or till determination of tariff whichever is earlier.

- 2) M/s AIATSL submitted their MYTP/ATP for the complete Second Control Period (FY2016-17 to FY2020-21) online on 24th June, 2016. The increase in tariff sought by M/s AIATSL for FY2019-20 and FY2020-21 is 2% year on Year. Further M/s AIATSL vide their letter dated 20.09.2019 submitted the Annual Compliance Statement (ACS) for FY2016-17, FY2017-18 and FY2018-19 for all the major airports. M/s AIATSL has submitted the consolidated Balance Sheet for FY2016-17, FY2017-18 and FY2018-19. M/s AIATSL has submitted the bifurcation of financials (Balance Sheet for FY2016-17, FY2017-18 and FY2018-19) among all its stations where AIATSL is operating.
- 3) M/s AIATSL vide their email dated 24.09.2019 conveyed the concession rate charged by the respective Airport Operator.
- 4) AIATSL has not conducted the stakeholder consultation with the users on the proposed ATP submitted for the complete Second Control Period i.e. FY2016-17, FY2017-18, FY 2018-19, FY2019-20 and FY2020-21.
- 5) The Authority considered the submissions made by AIATSL and issued the Consultation Paper No. 09/2019-20 dated 17th Oct, 2019, wherein, the Authority proposed that the service provider may be allowed with 2% increase in tariff for FY2019-20 and FY2020-21 (year on year) since, the service provider is earning 10% to 11% profit margin (in an average). The observations of the Authority are as follows:

Name Of the Airport		FY2016-17	FY2017-18	FY2018-19	Proposed
Guwahati	Return on RAB	79%	69%	105%	Considering the trend/current increase in inflation and since M/s AIATSL is earning a profit margin of 10% to 11% (in an average), it is proposed that, a 2% increase in tariff for
	Profit Margin	10%	13%	12%	
Mumbai	Return on RAB	11%	5%	6%	
	Profit Margin	5%	3%	3%	
Kolkata	Return on RAB	11%	5%	6%	
	Profit Margin	5%	3%	3%	



Cochin	Return on RAB	155%	114%	39%	FY2019-20 & FY2020-21(year on year), as requested by M/s AIATSL may be approved.
	Profit Margin	10%	14%	11%	
Ahmedabad	Return on RAB	46%	19%	22%	
	Profit Margin	9%	10%	10%	
Calicut	Return on RAB	23%	95%	80%	
	Profit Margin	6%	12%	10%	

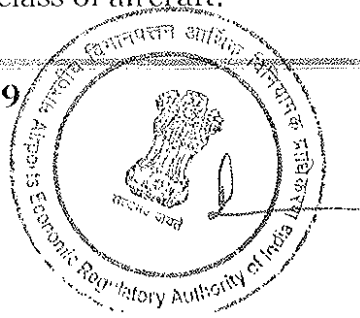
Further, the Authority proposed that the tariff charges for Non-schedule operations provided by the service provider should not exceed the ceiling rates approved by AERA for its scheduled operations for its similar class of aircraft.

- 6) The Authority requested written feedback, comments and suggestions from stakeholders on the above Consultation Paper by 8th Nov, 2019. Only M/s Bhadra International (India) Pvt. Ltd. (Bhadra) commented on the above mentioned CP and requested the Authority for details of "Concession Fee" paid by M/s AIATSL to the Airport Operator. In this regard, it is conveyed that the "Concession Fee" paid to Airport Operator by the Independent Service Provider (ISP) is a matter of agreement between the two parties i.e. Airports Authority of India(AAI) as the Airport Operator and AIATSL as an Independent Service Provider (ISP). However, AERA quantifies the concession fee for the determination of the tariff. AAI is a Public Authority and if M/s Bhadra desires, they may get the information from AAI.
- 7) The Authority vide Public Notice No. 14/2019-20 dated 22.11.2019 displayed in its website the comments of the above mentioned stakeholder.

ORDER


Upon careful consideration of material available on record, as well as submissions made by the stakeholders, the Authority, in exercise of powers conferred by Section 13(1)(a) of the AERA Act, 2008 hereby orders that:

- (i) The Authority in accordance to the provisions of Chapter V of the AERA Guidelines vide its various orders (ref. para 1) above) decided that the tariff will be determined under "**Light Touch Approach**" for the duration of Second Control Period (01.04.2016 to 31.03.2021).
- (ii) The Authority decided to allow M/s AIATSL with an increase of 2% (year on-year) on the existing tariff for FY2019-20 and FY2020-21. The determined tariff is applicable from the date of issue of tariff order to 31.03.2021 and is enclosed as **Annexure-I**.
- (iii) As regards to Non-Scheduled operations of scheduled operators, M/s AIATSL should not exceed the tariff charges as approved by AERA for its scheduled operations for similar class of aircraft.



- (iv) Tariff determined as above will be maximum tariff to be charged excluding statutory taxes, if any. No other charge is to be levied by M/s AIATSL over and above the approved tariff.

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


**(Geetha Sahu)
AGM (Fin.)**

**To
M/s AIATSL, Airline House, Gurudwara Rakab Gunj Road, New Delhi-
110001.**

**Copy to: Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan,
Safdarjung Airport, New Delhi-110003.**



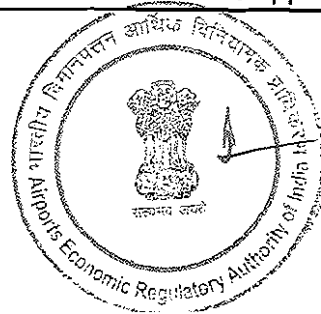
Tariff Rates from the Date of Issue of Tariff Order to 31.03.2021 to be charged by M/s AIATSL, Calicut									
ATP(in INR)- for Schedule/Non-Scheduled Aircrafts (International & Domestic)				Existing Rates		FY2019-20		FY2020-21	
Station	Services	Aircraft type	Type of Carrier	Ramp Handling	Ceiling rate (INR)	Ramp Handling	Ceiling rate (INR)	Ramp Handling	Ceiling rate (INR)
CCJ	Comprehensive	Single Engine Aircraft	Pax non-schedule domestic		48000	0	48960	0	49939
CCJ	Comprehensive	Single Engine Aircraft	Pax non schedule		104000	0	106080	0	108202
CCJ	Comprehensive	ATR-72	Pax non schedule international	10000	14000	10200	14280	10404	14566
CCJ	Comprehensive	A319	Pax schedule Domestic		115500	0	117810	0	120166
CCJ	Comprehensive	A320	Pax schedule international		115500	0	117810	0	120166
CCJ	Comprehensive	A321	Pax schedule international		115500	0	117810	0	120166
CCJ	Comprehensive	A310	Pax schedule international		240000	0	244800	0	249696
CCJ	Comprehensive	B737	Pax schedule international		115500	0	117810	0	120166
CCJ	Comprehensive	A300-600	Pax schedule Domestic		280500	0	286110	0	291832
CCJ	Comprehensive	A330-200	Pax schedule international		180000	0	183600	0	187272
CCJ	Comprehensive	A340	Pax schedule international		180000	0	183600	0	187272
CCJ	Comprehensive	B777	Pax schedule international		214500	0	218790	0	223166
CCJ	Comprehensive	B777-200F	Pax schedule international		247500	0	252450	0	257499
CCJ	Freighter	A310F	Pax schedule international		206000	0	210120	0	214322
CCJ	Comprehensive	ATR-72	Pax schedule International	10000	14000	10200	14280	10404	14566

All charges mentioned above are maximum and inclusive of Royalty/Concession Fee. The applicable Statutory Taxes would be paid extra.



Tariff Rates from the Date of Issue of Tariff Order to 31.03.2021 to be charged by M/s AIATSL, Kolkata									
ATP(in INR)- for Schedule/Non-Scheduled Aircrafts (International & Domestic)									
Station	Services	Aircraft type	Type of Carrier	FY2019-20		FY2020-21		FY2020-21	
				Ramp Handling	Ceiling rate (INR)	Ramp Handling	Ceiling rate (INR)	Ramp Handling	Ceiling rate (INR)
				Existing Rates		Proposed Rates		Proposed Rates	
CCU	Comprehensive	Single Engine Aircraft	Pax non-schedule domestic		48000	0	48960	0	49939
CCU	Comprehensive	Single Engine Aircraft	pax non-schedule international		104000	0	106080	0	108202
CCU	Comprehensive	A300-600	Pax schedule international		283000	0	288660	0	294433
CCU	Comprehensive	A319	Pax schedule international	43000	132000	43860	134640	44737	137333
CCU	Comprehensive	A319	pax schedule domestic		48000	0	48960	0	49939
CCU	Comprehensive	A320	Pax schedule international	43000	132000	43860	134640	44737	137333
CCU	Comprehensive	A320	pax schedule domestic		48000	0	48960	0	49939
CCU	Comprehensive	A321	Pax schedule international	43000	132000	43860	134640	44737	137333
CCU	Comprehensive	A321	pax schedule domestic		48000	0	48960	0	49939
CCU	Comprehensive	B737	Pax schedule international	43000	132000	43860	134640	44737	137333
CCU	Comprehensive	A300-600	pax schedule domestic		283000	0	288660	0	294433
CCU	Comprehensive	B757	Pax schedule international		156000	0	159120	0	162302
CCU	Comprehensive	DC10	Pax schedule international		240000	0	244800	0	249696
CCU	Comprehensive	A380	Pax schedule international		260000	0	265200	0	270504
CCU	Comprehensive	A330-309	Pax schedule international		175000	0	178500	0	182070
CCU	Comprehensive	A330-200	Pax schedule international		283000	0	288660	0	294433
CCU	Comprehensive	A340	Pax schedule international		397000	0	404940	0	413039
CCU	Comprehensive	B747	Pax schedule international		190000	0	193800	0	197676
CCU	Comprehensive	B777	Pax schedule international		202000	0	206040	0	210161
CCU	Comprehensive	B787-800	Pax schedule international		220000	0	224400	0	228888
CCU	Comprehensive	B787-900	Pax schedule international		225000	0	229500	0	234090
CCU	Comprehensive	ATR72	Pax schedule domestic	10000	14000	10200	14280	10404	14566
CCU	Freighter	A310F	Freighter schedule international		206000	0	210120	0	214322
CCU	Freighter	B777-200F	Freighter schedule international		247000	0	251940	0	256979

All charges mentioned above are maximum and inclusive of Royalty/Concession Fee. The applicable Statutory Taxes would be paid extra.



Tariff Rates from the Date of Issue of Tariff Order to 31.03.2021 to be charged by M/s AIATSL, Ahmedabad										
ATP(in INR)- for Schedule/Non-Scheduled Aircrafts (International & Domestic)										
Station	Services	Aircraft type	Type of Carrier	Existing Rates		FY2019-20		FY2020-21		
				Ramp Handling	Ceiling rate (INR)	Ramp Handling	Ceiling rate (INR)	Ramp Handling	Ceiling rate (INR)	
1	AMD	Comprehensive	Single Engine Aircraft	Pax Non-Schedule Domestic		48000	0	48960	0	49939
	AMD	Comprehensive	Single Engine Aircraft	Pax Non-Schedule International		104000	0	106080	0	108202
	AMD	Comprehensive	ATR-72	Pax schedule international	10000	14000	10200	14280	10404	14566
	AMD	Comprehensive	A300-600	Pax schedule international		165000	0	168300	0	171666
	AMD	Comprehensive	A310	Pax schedule international		165000	0	168300	0	171666
	AMD	Comprehensive	A319	Pax schedule international		66000	0	67320	0	68666
	AMD	Comprehensive	A320	Pax schedule international		66000	0	67320	0	68666
	AMD	Comprehensive	A321	Pax schedule international		66000	0	67320	0	68666
	AMD	Comprehensive	A330	Pax schedule international		165000	0	168300	0	171666
	AMD	Comprehensive	A340	Pax schedule international		185500	0	189210	0	192994
	AMD	Comprehensive	B737	Pax schedule international		66000	0	67320	0	68666
	AMD	Comprehensive	B747	Pax Non Schedule international		185800	0	189516	0	193306
	AMD	Comprehensive	B777	Pax schedule international		185800	0	189516	0	193306
	AMD	Comprehensive	ATR-72	Pax Schedule Domestic	10000	14000	10200	14280	10404	14566

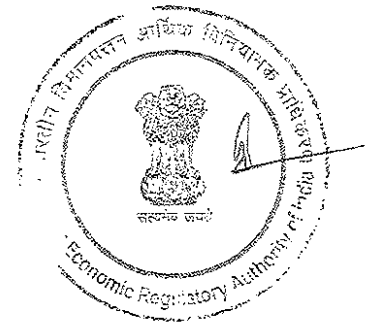
All charges mentioned above are maximum and inclusive of Royalty/Concession Fee. The applicable Statutory Taxes would be paid extra.



Tariff Rates from the Date of Issue of Tariff Order to 31.03.2021 to be charged by M/s AIATSL,Mumbai.

ATP(in INR)- for Schedule/Non-Scheduled Aircrafts					FY2019-20	FY2020-21
Station	Services	Aircraft type	Type of Carrier	Existing Tariff	Ceiling rate (INR)	Ceiling rate (INR)
BOM	Comprehensive	ATR 72	Pax Schedule International	14000	14280	14566
BOM	Comprehensive	A300	Pax Schedule International	140000	142800	145656
BOM	Comprehensive	A310	Pax Schedule International	150000	153000	156060
BOM	Comprehensive	A319	Pax Schedule International	92136	93978 72	95858
BOM	Comprehensive	A320	Pax Schedule International	92136	93978 72	95858
BOM	Comprehensive	A321	Pax Schedule International	92136	93978 72	95858
BOM	Comprehensive	A330	Pax Schedule International	180000	183600	187272
BOM	Comprehensive	A340	Pax Schedule International	180000	183600	187272
BOM	Comprehensive	B737	Pax Schedule International	92136	93978 72	95858
BOM	Comprehensive	B747	Pax Schedule International	200000	204000	208080
BOM	Comprehensive	B757	Pax Schedule International	200000	204000	208080
BOM	Comprehensive	B767	Pax Schedule International	200000	204000	208080
BOM	Comprehensive	B777	Pax Schedule International	200000	204000	208080
BOM	Comprehensive	B787	Pax Schedule International	170000	173400	176868
BOM	Comprehensive	a380	Pax Schedule International	260000	265200	270504
BOM	Freighter	B777F	Pax Schedule International	180000	183600	187272

All charges mentioned above are maximum and inclusive of Royalty/Concession Fee. The applicable Statutory Taxes would be paid extra.

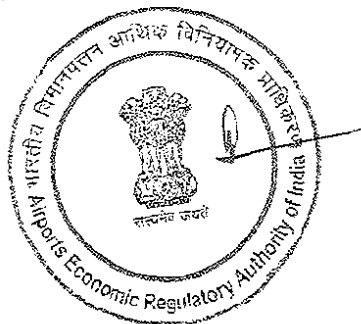


Tariff Rates from the Date of Issue of Tariff Order to 31.03.2021 to be charged by M/s AIATSL, Cochin

ATP(in INR)- for Schedule/Non-Scheduled Aircrafts (International & Domestic)

Station	Services	Aircraft type	Comprehensive Handling Rate	FY2019-20	FY2020-21
			Existing		
COK	Comprehensive	Single Engine Aircraft	93600	95472	97381
COK	Comprehensive	A319	90000	91800	93636
COK	Comprehensive	A320	90000	91800	93636
COK	Comprehensive	A321	69468	70857	72275
COK	Comprehensive	A330	115830	118147	120510
COK	Comprehensive	B737	105300	107406	109554
COK	Comprehensive	B747	127413	129961	132560
COK	Comprehensive	B777	115830	118147	120510
COK	Comprehensive	B787-9	115830	118147	120510

All Charges mentioned above are maximum and inclusive of Royalty/Concession Fee. The applicable Statutory Taxes would be paid extra.



Tariff Rates from the Date of Issue of Tariff Order to 31.03.2021 to be charged by M/s AIATSL, Guwahati

ATP(in INR)- for Schedule/Non-Scheduled Aircrafts (International)								
Station	Services	Aircraft type	Freighter	Ceiling Rates				
				Existing Rates	FY2019-20	FY2020-21		
GAU	Comprehensive	A300		293865	0	299742	0	305737
GAU	Comprehensive	A310		248820	0	253796	0	258872
GAU	Comprehensive	A319		163621	0	166893	0	170231
GAU	Comprehensive	A320		163621	0	166893	0	170231
GAU	Comprehensive	A321		163621	0	166893	0	170231
GAU	Comprehensive	A330	306735	293865	312870	299742	319127	305737
GAU	Comprehensive	A340		413127	0	421390	0	429817
GAU	Comprehensive	ATR72		25740	0	26255	0	26780
GAU	Comprehensive	B737		163621	0	166893	0	170231
GAU	Comprehensive	B757		163020	0	166280	0	169606
GAU	Comprehensive	B767-300		293865	0	299742	0	305737
GAU	Comprehensive	B777		300300	0	306306	0	312432
GAU	Comprehensive	CRJ200		75075	0	76577	0	78108
GAU	Comprehensive	Dash8-Q400		54569	0	55660	0	56774
GAU	Comprehensive	DC10		250793	0	255809	0	260925
GAU	Comprehensive	Embraer-145		25740	0	26255	0	26780
GAU	Comprehensive	Fokker 100		90519	0	92329	0	94176
GAU	Comprehensive	Fokker F28		54569	0	55660	0	56774
GAU	Freighter	A330F		306735	0	312870	0	319127
GAU	Freighter	B747F	281252		286877	0	292615	0
GAU	Freighter	B777F	84500		86190	0	87914	0
GAU	Freighter	MD11F	84500		86190	0	87914	0

All charges mentioned above are maximum and inclusive of Royalty/Concession Fee. The applicable Statutory Taxes would be paid extra.

