

फा.सं. ऐरा/20010/एमवाईटीपी/सैलेबी/जीएच/अहमदाबाद/सीपी-III/2021-26

F.N. AERA/20010/ MYTP/Celebi/GH/Ahmedabad/CP-III/2021-26

आदेश संख्या 07/2023-24

Order No. 07/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

मैसर्स सैलेबी ग्राउंड हैंडलिंग इंडिया प्राइवेट लिमिटेड (सी.जी.एच.आई.पी.एल.)
द्वारा सरदार वल्लभभाई पटेल अंतरराष्ट्रीय हवाईअड्डा, अहमदाबाद
में ग्राउंड हैंडलिंग सेवाओं के लिए तृतीय नियंत्रण अवधि
(वित्त वर्ष 2021-22 से वित्त वर्ष 2025-26) के लिए टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES FOR
CELEBI GROUND HANDLING INDIA PRIVATE LIMITED (CGHIPL) AT
SARDAR VALLABHBHAI PATEL INTERNATIONAL AIRPORT,
AHMEDABAD FOR THE THIRD CONTROL PERIOD
(FY 2021-22 TO FY 2025-26)

जारी करने की तारीख : 26.05.2023

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List of Abbreviations:

AERA / Authority	Airports Economic Regulatory Authority of India
AIAL	Ahmedabad International Airport Limited
AIASL	AI Airport Services Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
CAPEX	Capital Expenditure
CASIPL	Celebi Airport Services India Private Limited
COD	Commercial Operations Date
CGF	Cargo, Ground Handling & Fuel Throughput
CGHIPL	Celebi Ground Handling India Private Limited
GHA	Ground Handling Agencies
GHS	Ground Handling Services
GBASPL	GSEC Bird Airport Services Pvt. Ltd.
INR/₹	Indian Rupees
ISP	Independent Service Provider
LOA	Letter of Award
MTOW	Maximum Take Off Weight
MYTP	Multi-Year Tariff Proposal
OPEX	Operating Expenditure
O&M	Operation and Maintenance
PAT	Profit After Tax
PBIDT	Profit Before Interest, Depreciation and Tax
P&L	Profit & Loss
SPC	Special Purpose Company
SPRH	Service Provider Right Holder
YoY	Year on Year



CHAPTER 1: INTRODUCTION

- 1.1 Celebi Airport Services India Private Limited (CASIPL) was awarded Concession to provide Ground Handling Services at Sardar Vallabhbhai Patel International Airport, Ahmedabad by the airport operator i.e. Ahmedabad International Airport Limited (AIAL), vide Letter of Award (LOA) dated 08.03.2021.
- 1.2 As per the LOA, a special purpose company was required to be formed by the CASIPL within 15 days from the date of LOA, for implementation of Concession to provide ground handling services at Ahmedabad airport. In this regard, M/s Celebi Ground Handling India Private Limited (CGHIPL), which had been incorporated under the Indian Companies Act, 2013 on 13.10.2018, is considered as “Special Purpose Company (SPC)” in terms of LOA dated 08.03.2021.
- 1.3 The Airport Operator (AIAL) and the special purpose company i.e. CGHIPL entered into License Agreement on 30th September, 2021, for a provision of ground handling services at SVPIA, Ahmedabad for a period of 5 years from “Effective Date”. The Concession term is further extendable for a period of 5 years.
- 1.4 The shareholding structure of the CGHIPL is tabulated as below:

Table-1: Summary of Shareholding Structure of CGHIPL:

Name of Shareholder	No. of Equity Shares	Equity Holding (%)
M/s Celebi Airport Services India Private Limited	10,000	60.98
M/s Avihost Private Limited	6,400	39.02
Total	16,400	100.00

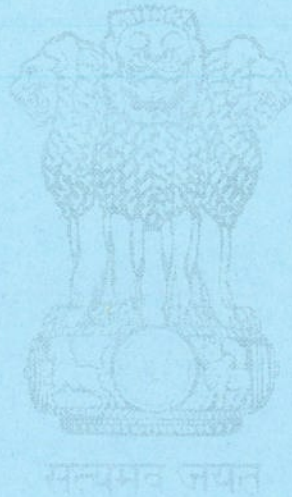
- 1.5 Bureau of Civil Aviation Security has granted security clearance to CGHIPL on 21.11.2022, which is valid for a period of five years from the date of issue of security clearance.
- 1.6 As per the provisions of the AERA (CGF) Guidelines 2011, CGHIPL submitted the Multi-Year Tariff Proposal (‘MYTP’) on 16.09.2022 for determination of Tariff for providing Ground Handling Services at Ahmedabad International Airport for the Third Control Period (FY 2021-22 to FY 2025-26).
- 1.7 The Authority, vide Order No. 36/2022-23 dated 05.01.2023, approved ad-hoc Tariff for CGHIPL, Ahmedabad in respect of Ground Handling Services (GHS) at Ahmedabad International Airport from its COD up to 31.03.2023.

Thereafter, the Authority, vide Order No. 42/2022-23 dated 23.03.2023, further extended the ad-hoc Tariff for CGHIPL in respect of Ground Handling Services (GHS) at Ahmedabad International Airport for the period from 01.04.2023 to 30.09.2023, or, till the determination of regular Tariff for Ground Handling Services for the Third Control Period, whichever is earlier.
- 1.8 The Authority, carefully examined the MYTP for the Third Control Period submitted by the CGHIPL in respect of Ground Handling Services and issued its Consultation Paper (CP) No. 14/2022-23 dated 06.02.2023, inviting suggestions/ comments from the Stakeholders, on the various proposals of the Authority with the following timelines:



- *Date for submission of written comments by Stakeholders: 24th February, 2023.*
- *Date for submission of counter comments: 06th March, 2023.*

- 1.9 The Authority received comments from M/s SpiceJet Ltd. & CGHIPL on the various proposals of the Authority contained in the Consultation Paper No. 14/2022-23 and the same were uploaded on the AERA's website vide Public Notice no. 03/2022-23 dated 12.05.2022.
- 1.10 The Authority, in response to Public Notice no. 23/2022-23 dated 27.02.2023, received counter comments from CGHIPL on 06.03.2022.
- 1.11 The Authority, after examining the comments of Stakeholders i.e. M/s SpiceJet Limited & CGHIPL on the CP No. 14/2022-23 dated 06.02.2023 and after considering all the relevant aspects of the case, has finalized this Tariff Order.



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CHAPTER 2: PRINCIPLES FOR DETERMINATION OF AERONAUTICAL TARIFF

- 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”).

STAGE I: MATERIALITY ASSESSMENT:

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

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

$$\begin{aligned} \text{The Materiality Index for Ahmedabad Airport} &= 15387/420772 \\ &= 3.66\% \end{aligned}$$

The percentage share of Ahmedabad International Airport for FY 2019-20 in respect of International Aircraft Movements is 3.66%, which is less than 5% Materiality Index (MI_G) for the subject regulated service. Hence, the Regulated Service is deemed ‘**Not Material**’ for the Third Control Period.

- 2.3 As per the information furnished by CGHIPL in Form F1 (b) on competition Assessment, two other service providers namely, M/s GSEC Bird Airport Services Pvt. Ltd. (GBASPL) and M/s AI Airport Services Limited (AIASL) are also rendering similar services at Ahmedabad International Airport.
- 2.4 As per Clause 3.2 (ii) of the 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 should be supported by the following:
- Form B and Form 14 (b) (Proposed Tariff Card);
 - Evidence of Consultation with Stakeholders;
 - Evidence of User Agreement(s), if any, between the Service Provider and the User of Regulated Service(s) clearly indicating the Tariff proposed by the Service Provider.
- 2.6 CGHIPL submitted the MYTP and other requisite documents for the determination of Tariff for Ground Handling Services at Ahmedabad airport. The ISP has also conducted the Stakeholders' consultation meeting on 11.05.2023 and submitted the Minutes of Meeting (MoM) to the Authority vide email dated 24.05.2023. As per the MoM, the representatives from Etihad Airways, Emirates, Singapore Airlines, Air Arabia, Iraqi Airways, Tata SIA Airlines Ltd., Fly Dubai, Blue Dart, Tata Air India, SpiceJet Ltd., Akasa Air, Go Indigo & Airport Operator participated in the Consultation meeting. From the minutes of meeting, it is observed that none of



the stakeholders raised any concern relating to Annual Tariff Proposal (ATP) of CGHIPL in respect of Ground Handling Services being provided at Ahmedabad International Airport.

2.7 **Authority's decision regarding Methodology of Tariff Determination for the CGHIPL:**

Based on the material before it and its analysis, the Authority decides to consider the Tariff determination exercise in respect of CGHIPL, providing Ground Handling Services at Ahmedabad International Airport, under the '**Light Touch Approach**' for the Third Control Period, as the regulated service is deemed '**Not Material**'.



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CHAPTER 3: AIRCRAFT TRAFFIC (FLIGHTS TO BE HANDLED)

CGHIPL submission on Projected Aircraft Traffic (Flights to be Handled) for the Third Control Period as a part of MYTP

3.1 Actual Aircraft Traffic (Nos. of landings) handled at Ahmedabad Airport, from FY 2018-19 to FY 2021-22 is given below:

Table 2: Actual Aircraft Traffic handled at Ahmedabad Airport during FY 2018-19 to FY 2021-22

Year	Total number of Landings at Ahmedabad Airport			Y-o-Y % increase		
	Domestic	International	Total	Domestic	International	Total
2018-19	31,942	7,264	39,206	-	-	-
2019-20	34,595	7,694	42,289	8%	6%	8%
2020-21	18,557	1,548	20,105	-46%	-80%	-52%
2021-22	22,816	2,763	25,579	23%	78%	27%

3.2 Projected Aircraft Traffic (flights to be handled) for the Third Control Period (FY 2022-23 to FY 2025-26) submitted by CGHIPL is given below in Table 3.

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

Year	Flights to be handled for the Third Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic (No. of Landings)	International (No. of Landings)		Domestic	International	Total
2022-23	-	92	92*	-	-	-
2023-24	4,884	1,599	6,483	-	-	-
2024-25#	7,131	2,324	9,455	46%	45%	46%
2025-26	7,844	2,580	10,424	10%	11%	10%
TOTAL (FY 2022-23 to FY 2025-26)	19,859	6,595	26,454			

*Aircraft Traffic projection for 1 month only.

#YoY increase has been computed from FY 2024-25 onward considering FY 2023-24 (having operations for full year) as a base year.

Authority's Examination regarding Traffic (Flights to be handled) for the Third Control Period at Consultation Stage:

3.3 The Authority noted that CGHIPL is a new entrant at Ahmedabad airport and expected to commence its commercial operations at Ahmedabad airport in March, 2023. As per the ISP, in initial year of operations, they proposed to handle International Flights only and Domestic Flights handling will commence from FY 2023-24.

The Authority noted that ISP has projected small number of flights to be handled during FY 2022-23 and same is reasonable considering that ISP would be providing ground handling services in FY 2022-23 for one month only (March 2023).

- 3.4 The Authority observed from the above Table 2 & 3 that the CGHIPL is expected to have market share of around 15% at Ahmedabad Airport, based on ISP's projected operations for FY 2023-24 as compared to actual number of total flights handled in FY 2019-20 (pre-covid year) at the airport.
- 3.5 The Authority further observed that the ISP projected significant increase in total Aircraft Traffic (flights to be handled) in FY 2023-24, which is 587% more aircraft traffic volume proposed to be handled, as compared to annualized aircraft traffic volume projected for FY 2022-23.
- 3.6 For FY 2024-25, CGHIPL projected an increase of 46% in total aircraft traffic volume & for FY 2025-26, ISP considered a moderate traffic growth of 10%.
- 3.7 As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Ahmedabad Airport for the first eight months (Apr – Nov) of FY 2022-23 had reached to 90% of Aircraft Traffic in corresponding pre-Covid period (FY 2019-20) at Ahmedabad Airport.
- 3.8 The Authority, considering that the Civil Aviation Sector is gradually recovering from the covid pandemic and taking into account market competition among the three service providers at Ahmedabad airport, feels that aircraft traffic projected by the ISP for the Third Control Period appears reasonable. Accordingly, Authority proposed to adopt Aircraft Traffic Volume submitted by CGHIPL for the Third Control Period as per Table 3 above.

Stakeholders' Comments

- 3.9 During the stakeholder consultation process, the Authority received no comments/ views from stakeholders in respect of Traffic Volume (flights to be handled) for the Third Control Period.

Authority's Analysis regarding Traffic Volume for the Third Control Period:

- 3.10 As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Ahmedabad Airport for the period from April to February of FY 2022-23 had reached to 91% of Aircraft Traffic in corresponding pre-Covid period (FY 2019-20) at Ahmedabad Airport.
- 3.11 The Authority, noting the gradual recovery of the Civil Aviation Sector from the covid pandemic and market competition among the three service providers at Ahmedabad airport, considers aircraft traffic projected by the ISP for the Third Control Period as reasonable. Accordingly, the Authority decides to maintain the same view on Air Traffic projections for the Third Control Period, as taken at Consultation Stage.

Authority's decision regarding Aircraft Traffic Volume for the Third Control Period:

- 3.12 Based on the material before it and its analysis, the Authority decides to consider the Aircraft Traffic projected (Flights to be handled by the ISP) for the Third Control Period as per the Table 3.



CHAPTER 4: CAPITAL EXPENDITURE (CAPEX)

CGHIPL Submission on Capital Expenditure for the Third Control

- 4.1 CGHIPL, Ahmedabad projected a total Capital Expenditure (CAPEX) of ₹53.27 lakhs for the Third Control Period (FY 2021-22 to FY 2025-26). The year-wise & asset-wise Capital Expenditure projected by CGHIPL is given below:

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

Particulars	(₹ in Lakhs)				
	2022-23	2023-24	2024-25	2025-26	Total
Infrastructure Improvement	-	46.00	-	-	46.00
Furniture & Fixtures	7.27	-	-	-	7.27
Total	7.27	46.00	-	-	53.27

- 4.2 The ISP, vide email dated 08.12.2022, provided the further details of the proposed CAPEX for the Third Control Period as under:

Sl. No.	Particulars	Value	Details
	<i>FY 2022-23</i>		
1	Furniture - refurbishment	7,26,500	Furniture for 50 sqm. office Status - Since the Pax. throughput intimation was received few weeks back only, as of now no work is started.
	<i>FY 2023-24</i>		
2	Infrastructure Improvement - Workshop	46,00,000	Workshop for 230 sqm. Status - Company intends to construct workshop for regular maintenance of the Ground Handling equipment. The construction is planned on 230 sqm. @ INR 20,000 per sqm.

Authority's Examination regarding CAPEX for the Third Control Period at Consultation Stage:

- 4.3 The Authority noted that CGHIPL projected a nominal CAPEX of ₹ 53.27 lakhs for the Third Control Period. CGHIPL, being a new entrant at Ahmedabad Airport, the Authority expected more CAPEX on procurement of Ground Handling Equipment and allied infrastructure etc. from the new entrant, particularly during the initial year of their commercial operations. In this context, the Authority sought clarification from the ISP regarding procurement of ground handling equipment and related Costs. In response thereto, CGHIPL vide email dated 17.01.2023 stated that they propose to take the requisite Ground Handling Equipment on rental basis, instead of outright purchase.

On the requisition of the Authority, CGHIPL vide email dated 19.01.2023 submitted a list of Ground Handling Equipment & Other Assets proposed to be taken on rental basis. The ISP further informed that the Equipment rental expenses have been considered by them in OPEX under the 'Utility & Outsourcing Costs'.

The details of ground handling equipment being taken on hire basis at Ahmedabad airport by the ISP for the Third Control Period is as under: -

S. No.	Particulars	Qty.
1	Air Conditioning Unit (ACU)	1
2	Ambulift	1
3	Conveyor Belt - Electric	2
4	Diesel Baggage Tractor (Comet 3)	3
5	High Loader - Main Deck (Electric)	1
6	Pallet Dolly - (10Ft)	38
7	Pax. Step Ladder - (Towable - Electric)	2
8	Push Back Tow Tractor (Wide body)	1
9	Towbar	3
10	Water Cart - (Towable)	1
11	Apron Bus	2
12	Baggage Cart	25
13	Container Dolly	15
14	Trestle	1
15	Fuel Bouzer	1
16	Ground Power Unit (140w)	1
17	High Loader - Lower Deck (Diesel)	1
18	Pallet Dolly - (20 Ft)	2
19	PAX Stairs (Towable - Diesel)	1
20	PAX Stairs (Motorized)	1
21	Toilet Cart	1
22	Wheel Chair	15

- 4.4 The Authority sought status of CAPEX incurred for FY 2022-23 from CGHIPL. The ISP vide email dated 02.02.2023 stated that the projected CAPEX for FY 2022-23 amounting to ₹ 7.27 lakhs w.r.t. furniture-refurbishment will be incurred and capitalised by March, 2023.
- 4.5 Further, the Authority sought details of CAPEX proposed under the Infrastructure Improvement project by the ISP. The ISP vide email dated 03.02.2023 stated that the project has been planned for FY 2023-24, towards a construction of workshop for carrying out day to day maintenance of the equipment and vehicles by the technical department. The plan is to get the workshop built in the area of 230 sq. mtr. which will serve the maintenance, repairing, washing etc. of the equipment and vehicles. The cost of construction @ INR 20,000 per sq. mtr. is assumed considering the cost for installing a temporary shed to cover the area and tools like crane, compressor, welding machine, tyre repairing machine, hydraulic press, tool boxes etc. and same is based on the similar work done at other airports by the agency.
- 4.6 Considering that the CGHIPL is a new entrant at Ahmedabad Airport and proposed modest CAPEX for the Ahmedabad Airport during the current control period, the Authority proposed to consider CAPEX for the Third Control Period as submitted by the ISP, as per Table 4.

Stakeholders Comments

M/s SpiceJet's comments on Capital Expenditure for the Third Control Period:

M/s SpiceJet on the proposed Capital Expenditure for the Third Control Period submitted that:

- 4.7 *"While it is mentioned that CGHIPL proposes to take the requisite Ground Handling Equipment on rental basis, we request AERA that in case the renting entity is within the purview of AERA, the Authority may please make a note that any revenues accruing to such renting entity by virtue of rentals from CGHIPL may kindly be trued up and taken into consideration while determining the tariff of such renting entity in this subsequent control period (as applicable). This would not only bring transparency in the airport's eco-system but also reflect a fairer picture of revenue generation of all concerned entities, and thus lead to a better tariff determination process for the renting entity."*

Celebi response to M/s SpiceJet's comments regarding Capital Expenditure for the Third Control Period:

Celebi submitted its counter comment as under:

- 4.8 *"The renting entity is neither considering the capital expenditure incurred for giving equipment on rental basis to CGHIPL in its RAB (regulatory asset base) nor claiming any benefit of its depreciation, interest expense, return on equity etc. so it is not required to consider renting entity's rental income from CGHIPL while determining the tariff of renting entity."*

Authority's Analysis on the Stakeholders' comments regarding Capital Expenditure for the Third Control Period:

- 4.9 The Authority notes the comments of M/s SpiceJet and the clarification thereon by the ISP. It is observed from counter comments of the ISP that the renting entity (M/s Celebi Airport Services India Private Limited) is not claiming the any benefits relating to depreciation, interest expenses, return on equity etc. in respect of CAPEX towards procurement of equipment for renting out to the ISP. Further, as per the ISP, the CAPEX relating to procurement of equipment for leasing out to the ISP will not form part of RAB of the renting entity.

It is noteworthy that the Authority determined Tariffs for the renting entity, providing Ground Handling Services at the various major airports, under the light touch approach and there is no provision of truing-up of various building blocks under light touch regulatory approach.

- 4.10 The Authority, noting that ISP is a new entrant at Ahmedabad Airport & has proposed modest CAPEX for the Third Control Period and considering the views of the Stakeholders, decides to maintain the same view on projected Capex for the Third Control Period, as taken at CP stage.

Authority's decision regarding CAPEX for the Third Control Period

- 4.11 Based on the material before it and its analysis, the Authority decides to consider the CAPEX for the ISP in respect of the Third Control Period as per Table 4.

CHAPTER 5: OPERATING EXPENDITURE AND PROFITABILITY STATEMENT

CGHIPL Submission on Operating Expenditure for the Third Control

- 5.1 As provided in Clause 9.4 of the Guidelines, 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 CGHIPL for its ground handling operations at Ahmedabad airport have been broadly categorized as under:
- a) Payroll Costs;
 - b) Admin and General Expenses;
 - c) Concession Fees;
 - d) Repairs and Maintenance; and
 - e) Utilities & Outsourcing Costs
- 5.3 As per the MYTP submission, Revenue, Operating Expenditure (OPEX) and Profitability projected by the ISP for the Third Control Period (FY 2021-22 to FY 2025-26) is as under:

Table 5: Revenue, Operating Expenditure and Profitability projected by CGHIPL for the Third Control Period

Particulars	FY 2022-23	FY 2022-23 (Annualized)	FY 2023-24	FY 2024-25	FY 2025-26	TOTAL
Revenue from Regulated Services (A)	87.81	263.43	2,638.82	3,890.38	4,342.41	10,959.42
Operating Expenditure						
i. Payroll Cost	106.78	320.43	731.70	923.58	1,016.42	2,778.48
ii. Administrative and General Expenditure (including License Fees)	52.23	156.69	149.79	156.03	161.00	519.05
iii. Concession Fees	39.52	118.56	1,299.13	1,921.67	2,160.11	5,420.43
iv. Repairs & Maintenance Expenses	3.03	9.09	14.52	16.70	19.17	53.42
v. Utilities & Outsourcing Costs	154.29	462.87	503.13	576.34	601.88	1,835.64
Total OPEX (i+ii+iii+iv+v) = (B)	355.85	1067.55	2,698.27	3,594.32	3,958.58	10,607.02
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (A-B)	-268.03	-804.09	-59.45	296.06	383.83	352.40
Depreciation and Amortization	0.91	2.73	6.66	6.66	6.66	20.88
Interest & Finance Charges	-	-	52.47	52.61	52.47	157.55
Profit Before Tax (PBT)	-268.94	-806.82	-118.58	236.79	324.70	173.97
Provision for Tax*	-	-	-	-	43.78	43.78
Profit After Tax (PAT)	-268.94	-806.82	-118.58	236.79	280.91	130.19

*Nil Tax Provision in FY 2024-25 due to likely losses in preceding two years.



Authority's Examination on Operating expenses & projected profitability at Consultation Stage:

5.4 The Authority analyzed the Operating Expenditure provided in Form F3 (P&L) of the MYTP for the Third Control Period and observed that the ISP has projected very low OPEX for FY 2022-23, as the ISP would be having commercial operations during FY 2022-23 for one month only i.e., in March, 2023.

The Authority observed following Y-o-Y % increase in Revenue & OPEX considered by the ISP as per Table 6 below:

Table 6: Year on Year Percentage (%) increase in the Revenue and Operation & Maintenance Expenditure during the Third Control Period

Particulars	FY 2024-25	FY 2025-26
Revenue	47%	12%
Payroll cost	26%	10%
Administrative and General Expenditure	4%	3%
Concession Fees	48%	12%
Repairs and Maintenance costs	15%	15%
Utilities and Outsourcing costs	15%	4%

Note: Percentage increase for FY 2023-24 compared to previous year not indicated above as FY 2022-23 had operations for one month only (i.e. March, 2023)

5.5 The Authority's examination of Y-o-Y% growth considered by the CGHIPL for the projected OPEX from FY 2022-23 onward is given in the following sections:

a) **Payroll Cost:** The Authority noted that CGHIPL during FY 2022-23 is expected to have commercial operations for one month only, accordingly payroll costs for FY 2022-23, as compared to succeeding FY 2023-24 (having full year operations), is comparatively very low. The Authority noted that the ISP in respect of FY 2024-25 and FY 2025-26 projected increase in Payroll Costs by 26% and 10% respectively.

The Authority observed that for FY 2024-25, the aircraft traffic is projected to increase around 46% and to cater the projected increase in aircraft traffic, ISP proposed to increase manpower number by 22%, as compared to FY 2023-24. Similarly, CGHIPL taking into account the 10% increase in projected aircraft traffic volume in FY 2025-26, considered further 5% increase in manpower number.

The Authority noted that projected increase in payroll expenses considered by the CGHIPL is commensurate with the projected increase in aircraft traffic & revenues, and, it factors-in the impact of additional manpower required to meet the projected growth in aircraft traffic. Further, considering the impact of periodic increase in minimum wages & annual salary increments and related increase in statutory component like EPF etc., the YoY increase projected by the ISP in Payroll expenses for the Third Control Period seemed reasonable.

b) **Administrative & General Expenditure:** The Authority observed that the YoY increase considered by CGHIPL in the Administrative and General Expenditure for the Control period is ranging between 3% to 4%, except for FY 2022-23, where percentage (%) increase is appearing higher due to less operating months. The ISP, vide email dated 17.01.2023 regarding YoY increase in Admin. & General Expenses, stated that lease rent is one of the major components

of Administrative & General expenses (which almost accounts for 70% of total Admin. & General Expenses), and as per the ISP same is escalated @ 4% Y-o-Y basis.

The Authority noted that considering the increase in aircraft traffic and taking into account impact of general inflation, the YoY increase projected by ISP in respect of Administrative and General Expenses for the Third Control Period seemed reasonable.

c) **Concession Fees:** The Authority noted from the concession agreement, executed between AIAL and CGHIPL, that the ISP is required to pay concession fees @ 45% on the higher of following:

- 1) Actual Gross Revenue; or
- 2) 80% of the Regulated Revenue.

The Authority noted that the concession fee projected by the ISP is commensurate with the projected revenue for the control period.

d) **Repairs and Maintenance Costs:** The Authority observed that CGHIPL projected an increase in R&M expenses by 15% from FY 2024-25 onwards. The Authority sought clarification from the ISP regarding the higher R&M expenses proposed. The ISP vide email dated 17.01.2023 stated that most of the Ground Handling Equipment and Other Assets are acquired on hired basis and the R&M cost of used assets will be relatively higher than newly acquired assets.

In view of the above and taking into account the impact of annual general inflation, including annual increase in cost of labour component of Repair & Maintenance Costs, the Authority considered the projected R&M expenses for the Third Control Period as reasonable.

e) **Utilities and Outsourcing Costs:** The Authority noted that CGHIPL has proposed YoY increase of 15% & 4% for FY 2024-25 and FY 2025-26 respectively. The Authority sought clarifications on YoY increase considered by the ISP in Utility & Outsourcing costs. The ISP vide email dated 17.01.2023 informed that Utility & Outsourcing costs mainly consist of fuel charges, equipment hire charges, electricity expenses, water charges & other consumables. These expenses are directly linked with the number of flights projected to be handled. ISP further stated the above said charges are expected to increase by 5% to 7.5% on Y-o-Y basis, which is resulting in higher Utility & Outsourcing costs.

The Authority noted that YoY increase projected in Utility & Outsourcing costs is commensurate with the increase in aircraft traffic & revenues projected for the control period. Considering the above & taking into account the clarifications furnished by the ISP, the Utility & Outsourcing costs projected for the Control Period appeared reasonable.

5.6 The Authority also noted that as per the projected profitability statement for the Third Control Period (Table no. 5) CGHIPL is likely to suffer losses during the first two tariff years of the Control Period and thereafter ISP is expected to generate nominal profits of 6% during last two tariff years.

Stakeholders Comments

M/s SpiceJet's comments on Operating Expenditure and Profitability for the Third Control Period:

M/s SpiceJet submitted the following comments:

5.7 "As you are aware, royalty is in the nature of market access fee, charged (by any name or description) by the service provider under various headings without any underlying services. These charges are mostly passed on to the airlines by the service provider. 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.

- 5.8 Awarding the contracts to the service provider on highest revenue share basis should be discouraged as it breeds inefficiencies and tends to disproportionately increase the cost. It is general perception service providers has no incentive to reduce its expenses as some of such increase will be passed on to the airlines through tariff determination mechanism process and indirectly airlines will be forced to bear some of these additional costs. There needs to be a mechanism for incentivizing the parties for increasing efficiencies and cost savings and not for increasing the royalty for the airport operator.

In view of the above, we urge Authority to abolish such royalty/concession fee which may be included in any of the cost items.”

Celebi’s response to M/s SpiceJet’s comments on Operating Expenditure and Profitability projected for the Third Control Period:

Celebi submitted its response as under:

- 5.9 “The concession fees rate is determined by the Airport Operator on which we don't have any control.”

Authority’s Analysis regarding Stakeholders’ comments on the Operating Expenditure for the Third Control Period:

- 5.10 As regard to the comments of M/s SpiceJet and response thereon by the CGHIPL, 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. 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.

Further, the Authority considers that bidding process, based on which the Royalty Charges/ Concession Fee is levied on to the ISPs by the Airport Operators, as a non-regulatory issue. Such matters may be dealt among the Stakeholders at appropriate forums.

- 5.11 The Authority, at CP stage had examined the various components of OPEX & basis of their projection for the Third Control Period (Refer para 5.4 to 5.6). Considering the above and taking note of the Stakeholders comments, the Authority decides to maintain the same view on the OPEX projection for the Third Control Period, as was taken at CP stage.

Authority’s decision regarding Operation and Maintenance Expenses for the Third Control Period:

- 5.12 Based on the available facts and its analysis, the Authority decides to consider the OPEX for the Third Control Period as per Table 5.



CHAPTER 6: ANNUAL TARIFF PROPOSAL

CGHIPL Submissions on Annual Tariff Proposal for the Third Control Period as a part of MYTP

6.1 CGHIPL submitted a Tariff proposal for Ground Handling Services in respect of Scheduled Flights at Sardar Vallabhbhai Patel International Airport, Ahmedabad, for the Third Control Period (FY 2022-23 to FY 2025-26) as given in Table below:

Table 7: Proposed Tariff Rates for Schedule Flights submitted by CGHIPL for the Third Control Period
(Rates in ₹)

	FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Passenger Flight												
Code B	5,025	15,075	20,100	5,280	15,830	21,110	5,540	16,620	22,160	5,820	17,450	23,270
Code C	7,875	23,625	31,500	8,270	24,810	33,080	8,680	26,050	34,730	9,110	27,350	36,460
Code D	12,075	36,225	48,300	12,680	38,040	50,720	13,310	39,940	53,250	13,980	41,940	55,920
Code E	27,300	81,900	1,09,200	28,670	86,000	1,14,670	30,100	90,300	1,20,400	31,610	94,820	1,26,430
International Passenger Flight												
Code C	28,750	86,250	1,15,000	30,190	90,560	1,20,750	31,700	95,090	1,26,790	33,290	99,840	1,33,130
Code D	45,938	1,37,813	1,83,750	48,230	1,44,700	1,92,930	50,640	1,51,940	2,02,580	53,170	1,59,540	2,12,710
Code E	52,563	1,57,688	2,10,250	55,190	1,65,570	2,20,760	57,950	1,73,850	2,31,800	60,850	1,82,540	2,43,390
Code F	79,375	2,38,125	3,17,500	83,340	2,50,030	3,33,370	87,510	2,62,530	3,50,040	91,890	2,75,660	3,67,550
Domestic Cargo Flight												
Code C	NA	32,000	NA	NA	33,600	NA	NA	35,280	NA	NA	37,040	NA
Code D	NA	52,000	NA	NA	54,600	NA	NA	57,330	NA	NA	60,200	NA
Code E	NA	90,000	NA	NA	94,500	NA	NA	99,230	NA	NA	1,04,190	NA
International Cargo Flight												
Code C	NA	1,10,250	NA	NA	1,15,760	NA	NA	1,21,550	NA	NA	1,27,630	NA
Code D	NA	1,47,000	NA	NA	1,54,350	NA	NA	1,62,070	NA	NA	1,70,170	NA
Code E	NA	1,83,750	NA	NA	1,92,940	NA	NA	2,02,590	NA	NA	2,12,720	NA
Code F	NA	2,67,750	NA	NA	2,81,140	NA	NA	2,95,200	NA	NA	3,09,960	NA

Note: Above prices are excluding applicable taxes.

6.2 CGHIPL proposed the following % increase in the Tariff for Schedule Flights at Ahmedabad Airport as stated in the table below:

Table 8: Statement of YoY Percentage (%) Change in Different Category of Scheduled Flights for the Third Control Period

Particulars	FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Passenger Flights									
CODE B	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE C	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE D	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE E	5%	5%	5%	5%	5%	5%	5%	5%	5%
International Passenger Flights									
CODE C	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE D	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE E	5%	5%	5%	5%	5%	5%	5%	5%	5%
CODE F	5%	5%	5%	5%	5%	5%	5%	5%	5%



Particulars	FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Cargo Flights									
CODE C	NA	5%	NA	NA	5%	NA	NA	5%	NA
CODE D	NA	5%	NA	NA	5%	NA	NA	5%	NA
CODE E	NA	5%	NA	NA	5%	NA	NA	5%	NA
International Cargo Flights									
CODE C	NA	5%	NA	NA	5%	NA	NA	5%	NA
CODE D	NA	5%	NA	NA	5%	NA	NA	5%	NA
CODE E	NA	5%	NA	NA	5%	NA	NA	5%	NA
CODE F	NA	5%	NA	NA	5%	NA	NA	5%	NA

6.3 CGHIPL also submitted separate Tariff Rate Card for Non-Scheduled and General Aviation Operation(s) as per the table given below: -

Table 9: Proposed Tariff Rates for Non-Scheduled Flights submitted by CGHIPL for the Third Control Period

(Rates in ₹)

A/C Category	FY 2022-23		FY 2023-24		FY 2024-25		FY 2025-26	
	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.	Domestic	Intl.
Maximum Take Off Weight (MTOW)								
0-5000	24,310	47,380	25,530	49,750	26,810	52,240	28,150	54,850
5001-10000	31,615	83,275	33,200	87,440	34,860	91,810	36,600	96,400
10001- 20000	38,160	1,33,930	40,070	1,40,630	42,070	1,47,660	44,170	1,55,040
20001- 30000	63,740	1,52,885	66,930	1,60,530	70,280	1,68,560	73,790	1,76,990
30001- 40000	65,175	1,70,330	68,430	1,78,850	71,850	1,87,790	75,440	1,97,180
40001- 50000	64,475	1,91,475	67,700	2,01,050	71,090	2,11,100	74,640	2,21,660
50001- 100000	87,720	2,48,270	92,110	2,60,680	96,720	2,73,710	1,01,560	2,87,400
100001 – 200000	2,09,000	3,44,390	2,19,450	3,61,610	2,30,420	3,79,690	2,41,940	3,98,670
Above 200000	2,60,750	4,08,831	2,73,790	4,29,270	2,87,480	4,50,730	3,01,850	4,73,270

Note: The above rates are exclusive of GST and any other applicable Government taxes.

Authority's Examination and Analysis:

- 6.4 The Authority observed that in the case of Scheduled Flights (Domestic & International), the ISP has proposed 5% YoY increase in Tariff Rates from FY 2023-24 onward.
- 6.5 The Authority also observed that CGHIPL proposed a separate Tariff Rate card for Non-Scheduled Flights and just like scheduled flights ISP proposed an increase of 5% YoY basis from FY 2023-24 onward. (Table 9)
- 6.6 The Authority noted that the Tariff rates proposed by CGHIPL in case of Scheduled Flights and Non-Scheduled Flights are lower than the rates approved by the Authority for the other Ground Handling Service Provider namely 'GBASPL' providing ground handling services at the same Airport.
- 6.7 Keeping in view the projected increase in Aircraft Traffic volume & consequential increase in Operating Expenditure projected and further taking into account the periodic increase in operating costs, due to factors like increase in number of manpower & minimum wages, annual salary increment & general inflation etc., the Authority is of the view that ISP requires adequate revenues to cover up the Operating Costs and get reasonable return on the its investments. In light of the above, the



Authority considers 5% increase in Tariff Rates proposed by the ISP on YoY basis from FY 2023-24 onward as reasonable.

- 6.8 The Authority is of the view that the Tariff for Domestic Non-Scheduled and General Aviation Operations, including Item-wise Charges for Ground Handling Services, 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 in case of International "Non-Scheduled & General Aviation Operations" as per Annexure-II.
- 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 the 15th of the month will be applicable for the second fortnight.
- 6.10 Further, CGHIPL should ensure compliance towards Standardization of Ground Handling Equipment at Sardar Vallabhbhai Patel International Airport, Ahmedabad 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

M/s SpiceJet's comments on Tariff Rates for the Third Control Period:

M/s SpiceJet submitted the following comments on the Tariff Rates for the Third Control Period:

- 6.11 *"We humbly request AERA to kindly consider our submission as mentioned above, and review the proposed tariffs in light of the same, as the proposed rates of tariff are very high, especially for the scheduled passenger flights in the back drop of COVID-19. It is in the interest of all the stakeholders not to implement such high tariffs in order to encourage middle class people to travel by air, which will help in sharp post COVID-19 recovery of aviation sector. Customers of airlines have limited capacity to pay for the Air Fares, and when the cost of travel goes up (caused in part due to high service provider charges), the air traffic goes down, leading to further losses and financial crisis for airlines.*
- 6.12 *While it is mentioned that the rates proposed by CGHIPL in case of Scheduled Flights and Non-Scheduled Flights are lower than the rates approved by the Authority for other ground Handling Service providers at the same airport, may we draw the attention of AERA, that on comparing the proposed tariff for Item-wise Charges mentioned in Annexure-III to the rates that have been approved by AERA for Mis GSEC Bird Airport Services Pvt. Ltd. (GBASPL) for the same airport (SVPIA) for the Third Control period vide the Tariff Order No. 36/2021-22 dated 28th January 2022, it was noted that certain charges proposed for CGHIPL appear to be significantly higher than those approved for GBASPL, for e.g.:*
- Air Cooling Unit: Rs. 25,478 vs Rs. 18,479 - Domestic - for CGHIPL and GBASPL respectively in FY 22-23;*
 - Air Start Unit: Rs. 15,844 vs Rs. 13,533 - Domestic - for CGHIPL and GBASPL respectively in FY 22-23;*
 - Pushback for narrow body aircraft: Rs. 13,619 vs Rs. 11,200 - Domestic - for CGHIPL and GBASPL respectively in FY 22-23);*
 - Towbar: Rs. 4,911 vs Rs. 3,733 - Domestic - for CGHIPL and GBASPL respectively in FY 22-23. Please also clarify whether it is for narrow body or wide body aircraft or for ATR/Dash.*
 - Excess baggage Fee (% of collection): 15% vs 0% - Domestic & 15% vs 7% International- for CGHIPL and GBASPL respectively in FY 22-23;*
 - Authority may also please review the Items "White collar staff" and "Blue collar" staff, as:*



- a. the "Unit" mentioned against these items may not be "per staff per hour" as currently mentioned, and it may have been intended to be "per person per 8 Hours". Kindly review.
- b. the rates appear to be excessive: Rs. 3,382 vs Rs. 2,800 for white collar staff - Domestic & Rs. 2,375 vs Rs. 1,867 for Blue collar staff - Domestic for CGHIPL and GBASPL respectively in FY 22-23;"

M/s Celebi's comments on Tariff Card for the Third Control Period:

M/s Celebi submitted the following comments relating to the Tariff Card for the Third Control Period:

(a) "Proposed Tariff Card in respect of International "Non-Schedule & General Aviation.

"The proposed tariff in CP appears to be different & high compared to our requested tariffs vide MYTP submission dated 15th September, 2022. Request to kindly revise the same in the final order"

(b) Proposed Tariff Card in respect of Domestic Passenger Flight

We would like to propose separate tariff slabs under "Below Code B" category as below:

Particulars	FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full	Pax	Ramp	Full	Pax	Ramp	Full
Domestic Passenger Flight									
Below Code B	3750	11250	15000	3940	11810	15750	4140	12400	16540

Note: Above prices are excluding applicable taxes."

Celebi response to M/s SpiceJet's comments regarding proposed Tariff Rates for the Third Control Period:

Celebi submitted the following counter comments in response to comments of M/s SpiceJet:

- 6.13 "As we know the proposed tariffs are the maximum tariffs and the final tariffs to be charged to the airline will be based on one-to-one discussion with Airlines.
- 6.14 In reference to the item wise charges, there are other services where our charges are lower than the AERA approved tariffs of M/s GSEC Bird Airport Services Pvt. Ltd. (GBASPL). Highlighting few of them below in International for FY 2022-23:
Step Ladder: Rs. 7,555 vs Rs. 13,325
Conveyor Belt: Rs. 10,600 vs Rs. 14,373
- 6.15 The charges mentioned for White collar staff & Blue-collar staff are on per hour basis only as you would understand that these services are provided on ad hoc basis and Company has to arrange resources for this.
- 6.16 Summarising, to all the comments provided by SpiceJet Limited, we would like to re-iterate the fact that the pandemic has affected the entire industry and we have implemented all measures to reduce & control the cost. But to continue the operations, maintain the infrastructure and to provide the best services, costs will have to be incurred. The tariffs have been proposed considering all these facts only."



Authority's Analysis regarding Stakeholders' comments on Annual Tariff Proposal for the Third Control Period:

- 6.17 As regard to the comments of M/s SpiceJet on the proposed increase in Tariff, the Authority notes the submission of M/s CGHIPL that the actual Tariff that will be charged to airlines would be different, from the ceiling Tariff rates approved by the Authority, based on the negotiable with the airlines depending on the services requested.
- 6.18 Further, taking into account the investments made/projected by the ISP on Ground Handling Equipment and associated facilities and factoring in periodic increase in the minimum wages rates, impact of general inflation on operating expenditure, CGHIPL requires adequate revenues to meet the projected operating expenses. It is worth mentioning that, as per the profitability statement (Table-5), the ISP is expected to earn a minimal profit of 6%, in the last two tariff years of the Control Period.
- 6.19 As regard to the comments of M/s SpiceJet and response thereon from CGHIPL regarding higher tariff proposed by the ISP for few services (including blue collar staff and white collar staff) indicated under item-wise Tariff rate card (Annexure III) as compared to approved tariff of M/s GBASPL, the Authority observes that CGHIPL is the third Ground Handling Service Provider at Sardar Vallabhbhai Patel International Airport, Ahmedabad, hence, it is expected that market competition will help in moderating Service Charges for the Users.
- 6.20 Further, the airlines have a choice of availing services from any of the three service providers rendering ground handling services at Ahmedabad airport. It is expected that market competition would keep the charges of ground handling services at reasonable levels.
- 6.21 The Authority observed that inadvertently, wrong version the Tariff rate card in respect of International "Non-Schedule & General Aviation" was attached to CP. Based on the comments of the ISP, the Authority has revised the Tariff rate card of International "Non-schedule & General Aviation".
- 6.22 Further, the ISP proposed to include tariff slab (below Code B) under Schedule Flights for Domestic Passenger Flights. The Authority decides to consider the tariff slab (below Code B) as proposed by CGHIPL.
- 6.23 Subsequent to Stakeholders' consultation process, the ISP vide email dated 25.05.2023 submitted a revised Tariff Rate Card in respect of the Ground Handling Services for the Third Control Period at Ahmedabad airport. The Authority from the revised Tariff Rate Card observes that the ISP has lowered the Tariff rates for the International Scheduled Flights under "Code F", International "Non-Scheduled Flights & General Aviation" and Item-wise Charges for Domestic and International Flights, as compared to Tariff Rates earlier proposed at CP stage.

Authority's decisions regarding Tariff for Ground Handling Services for the Third Control Period:

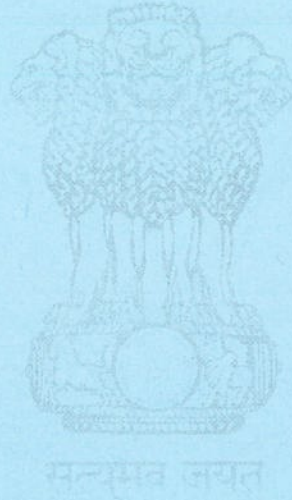
Based on the available facts and its analysis, the Authority decides the following Tariff structure and Annual Tariff Proposal for the Third Control Period:

- 6.24 To consider the Tariff Rates for Ground Handling Services provided by CGHIPL at Ahmedabad airport in respect of Scheduled Flights, International "Non-Scheduled & General Aviation Flights" and Item-wise Tariff Rate Card for Scheduled & Non-Scheduled Operators, for the Third Control Period as per Annexures (I, II & III).
- 6.25 The Tariff for Domestic Non-Scheduled and General Aviation Operations, including Item-wise Charges for Ground Handling Services, shall not exceed the approved Tariff(s) for relevant Domestic



Scheduled Flights for similar class of Aircraft(s).

- 6.26 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.
- 6.27 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.
- 6.28 CGHIPL shall ensure compliance towards Standardization of Ground Handling Equipment at Sardar Vallabhbhai Patel International Airport, Ahmedabad in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 27.10.2022.



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CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The Summary of Authority's decisions (given under each chapter) regarding the Tariff determination of CGHIPL, for the Third Control Period is as under:

Chapter	Para	Summary of Authority's Proposals	Page No.
Chapter No.2	2.7	The Authority decides to consider the Tariff determination exercise in respect of CGHIPL, providing Ground Handling Services at Ahmedabad International Airport, under the ' Light Touch Approach ' for the Third Control Period, as the regulated service is deemed ' Not Material '.	8
Chapter No. 3	3.12	The Authority decides to consider the Aircraft Traffic projected (Flights to be handled by the ISP) for the Third Control Period as per the Table 3.	10
Chapter No. 4	4.11	The Authority decides to consider the CAPEX for the ISP in respect of Third Control Period as per Table 4.	13
Chapter No. 5	5.12	The Authority decides to consider the OPEX for the Third Control Period as per Table 5.	17
Chapter No. 6	6.24	The Authority decides to consider the Tariff Rates for Ground Handling Services provided by CGHIPL at Ahmedabad airport in respect of Scheduled Flights, International "Non-Scheduled & General Aviation Flights" and Item-wise Tariff Rate Card for Scheduled & Non-Scheduled Operators, for the Third Control Period as per Annexures (I, II & III) .	22
	6.25	The Authority decides that the Tariff for Domestic Non-Scheduled and General Aviation Operations, including Item-wise Charges for Ground Handling Services, shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).	
	6.26	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 15 th of the month will be applicable for the second fortnight.	
	6.27	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.	23
	6.28	The Authority decides that CGHIPL shall ensure compliance towards Standardization of Ground Handling Equipment at Sardar Vallabhbai Patel International Airport, Ahmedabad in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-24011/10/2021-AAI-MOCA dated 27.10.2022.	

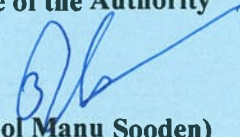


CHAPTER 8: ORDER

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

- (i) The service for Ground Handling being provided by M/s Celebi Ground Handling India Private Limited at Sardar Vallabhbai Patel International Airport, Ahmedabad is “**Not Material**”. Therefore, the Authority decides to adopt ‘**Light Touch Approach**’ for determination of Tariff for the Third Control Period (FY 2021-22 to FY 2025-26).
- (ii) The Authority decides that the Tariff Rates indicated in **Annexures (I, II & III)** shall be 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”, including Item-wise Charges for GHS, 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 15th 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 CGHIPL shall maintain the separate accounts for its Ground Handling Operations at Ahmedabad 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) The Tariff Order shall be effective from **01.06.2023**.
- (viii) The Airport operator shall ensure the compliance of the Order.

By the Order of and in the name of the Authority


(Col Manu Sooden)
Secretary

To

Shri Laxman K. Prasad, CFO
M/s Celebi Ground Handling India Private Limited (CGHIPL)
Room no. CE-01, Import Building 2,
International Cargo Terminal,
IGI Airport, New Delhi - 110037

Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
2. Chief Airport Officer, Sardar Vallabhbai Patel International Airport, Ahmedabad.



**APPROVED TARIFF RATE CARD FOR CGHIPL PROVIDING GROUND HANDLING SERVICES
AT Sardar Vallabhbhai International Airport, Ahmedabad**

Maximum rate to be levied for Domestic* and International Scheduled Flights
for the Third Control Period (FY 2021-22 to FY 2025-26)

TARIFF RATES ARE EFFECTIVE FROM 01.06.2023

(Rates in ₹)

(A) - Passenger Flights									
	FY 2023-24			FY 2024-25			FY 2025-26		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
Domestic Passenger Flight									
Below Code B	3,750	11,250	15,000	3,940	11,810	15,750	4,140	12,400	16,540
Code B	5,280	15,830	21,110	5,540	16,620	22,160	5,820	17,450	23,270
Code C	8,270	24,810	33,080	8,680	26,050	34,730	9,110	27,350	36,460
Code D	12,680	38,040	50,720	13,310	39,940	53,250	13,980	41,940	55,920
Code E	28,670	86,000	1,14,670	30,100	90,300	1,20,400	31,610	94,820	1,26,430
International Passenger Flight									
Code C	30,190	90,560	1,20,750	31,700	95,090	1,26,790	33,290	99,840	1,33,130
Code D	48,230	1,44,700	1,92,930	50,640	1,51,940	2,02,580	53,170	1,59,540	2,12,710
Code E	55,190	1,65,570	2,20,760	57,950	1,73,850	2,31,800	60,850	1,82,540	2,43,390
Code F	66,230	1,98,690	2,64,920	69,540	2,08,620	2,78,160	73,020	2,19,050	2,92,070
(B) - Cargo Flights									
	FY 2023-24			FY 2024-25			FY 2025-26		
	Ramp Services			Ramp Services			Ramp Services		
Domestic Cargo Flight									
Code C	33,600			35,280			37,040		
Code D	54,600			57,330			60,200		
Code E	94,500			99,230			1,04,190		
International Cargo Flight									
Code C	1,15,760			1,21,550			1,27,630		
Code D	1,54,350			1,62,070			1,70,170		
Code E	1,92,940			2,02,590			2,12,720		
Code F	2,31,530			2,43,110			2,55,270		

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

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 Third fortnight and the rate as on 15th of the month will be applicable for the second fortnight.



ANNEXURE II

APPROVED TARIFF RATE CARD FOR CGHIPL PROVIDING GROUND HANDLING SERVICES AT SARDAR VALLABHBHAI INTERNATIONAL AIRPORT, AHMEDABAD

Maximum rate to be levied for International “Non-Scheduled Flights & General Aviation”
for the Third Control Period (FY 2021-22 to FY 2025-26)

TARIFF RATES ARE EFFECTIVE FROM 01.06.2023

(Rates in ₹)

A/C Category	FY 2023-24	FY 2024-25	FY 2025-26
MTOW			
0-5000	43,090	46,110	49,340
5001-10000	75,740	81,040	86,710
10001- 20000	121,810	130,340	139,460
20001- 30000	122,690	131,280	140,470
30001- 40000	136,690	146,260	156,500
40001- 50000	143,420	153,460	164,200
50001- 100000	154,080	164,870	176,410
100001 - 200000	185,020	197,970	211,830
Above 200000	262,470	280,840	300,500

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 15th of the month will be applicable for the second fortnight.



APPROVED TARIFF RATE CARD FOR CGHIPL IN RESPECT OF GROUND HANDLING SERVICES AT SARDAR VALLABHBHAI PATEL INTERNATIONAL AIRPORT, AHMEDABAD

TARIFF RATES ARE EFFECTIVE FROM 01.06.2023

**Tariff for Item-wise Charges in respect of Domestic & International Flights
for FY 2023-24 to FY 2025-26 of the Third Control Period (FY 2021-22 to FY 2025-26)**

(Rates in ₹)

S. NO.	SERVICES	UNIT	FY 2023-24		FY 2024-25		FY 2025-26	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
1	VIP Vehicle	Per Service	2,625	5,250	2,756	5,513	2,894	5,788
2	Wheel Chair	Per Service	1,260	2,100	1,323	2,205	1,389	2,315
3	Ambulift	Per Service	7,350	14,700	7,718	15,435	8,103	16,207
4	Tail stand	Per Use	7,395	11,378	7,765	11,947	8,153	12,544
5	Ground Power Unit	Per Hour	8,400	18,137	8,820	19,043	9,261	19,996
6	Air Cooling Unit per hour usage	Per Hour	14,700	41,157	15,435	43,215	16,207	45,375
7	Brake Cooling Unit	Per flight	24,322	37,419	25,538	39,290	26,815	41,254
8	Trestle	Per Hour	1,946	2,994	2,043	3,143	2,145	3,300
9	Headset service	Per Flight	2,100	5,250	2,205	5,513	2,315	5,788
10	Apron Transport (Passenger)	Per Trip	3,150	5,250	3,308	5,513	3,473	5,788
11	Crew Transport	Per Trip	3,150	5,250	3,308	5,513	3,473	5,788
12	Air Starter Unit	Per Start	14,210	22,402	14,920	23,522	15,666	24,698
13	Pushback for wide body aircraft	Per Push	15,750	26,250	16,538	27,563	17,364	28,941
14	Pushback for narrow body aircraft	Per Push	10,500	16,800	11,025	17,640	11,576	18,522
15	Towing of wide body aircraft	Per Tow	15,750	27,300	16,538	28,665	17,364	30,098
16	Towing of narrow body aircraft	Per Tow	15,372	23,649	16,141	24,832	16,948	26,073
17	Baggage ID	Per Service	7,976	12,271	8,375	12,885	8,793	13,529
18	LDL	Per hour	15,750	25,200	16,538	26,460	17,364	27,783
19	MDL	Per hour	21,000	39,900	22,050	41,895	23,153	43,990
20	Toilet truck	Per Flight	4,200	11,633	4,410	12,215	4,631	12,825
21	Water truck	Per Flight	4,200	10,061	4,410	10,564	4,631	11,092
22	Forklift	Per Hour	8,173	12,574	8,582	13,202	9,011	13,863
23	Conveyor belt	Per Hour	4,725	9,450	4,961	9,923	5,209	10,419
24	Vacuum Cleaner	Per Hour	2,042	3,143	2,144	3,300	2,252	3,465
25	Baggage Tugs	Per Hour	4,095	8,400	4,300	8,820	4,515	9,261
26	Baggage/Cargo cart	Per Hour	2,529	3,892	2,656	4,087	2,789	4,291
27	Container/Pallet Dolly	Per Hour	2,100	4,790	2,205	5,030	2,315	5,281
28	Container/Pallet Dolly 20 FT	Per Hour	4,200	9,581	4,410	10,060	4,631	10,563
29	Passenger Step (mobile)	Per Hour	3,675	7,933	3,859	8,329	4,052	8,746
30	Towbar	Per Use	3,920	6,210	4,116	6,520	4,321	6,846
31	Ballast Bags refill	Per refill-per bag	1,419	2,183	1,489	2,292	1,564	2,407
32	Operational Flight Plan Print Out	Per service	2,920	4,493	3,066	4,718	3,219	4,953
33	Cabin loading/unloading Narrow Body	Per hour	15,565	23,946	16,343	25,144	17,161	26,401
34	Cabin loading/unloading Wide Body	Per hour	19,457	29,933	20,429	31,430	21,451	33,002
35	Full body suit PPE	Per suit	1,469	2,261	1,542	2,374	1,620	2,492
36	ATC payment services	Per flight	6,300	22,491	6,615	23,616	6,946	24,796
37	Very Important Persons	Per Passenger	2,100	6,267	2,205	6,581	2,315	6,910



38	Transit w/o visa Pax.	Per Passenger	2,100	6,267	2,205	6,581	2,315	6,910
39	UM Handling	Per child	2,100	4,101	2,205	4,306	2,315	4,522
40	Deportee/ Inadmissible Handling	Per Passenger	4,074	6,267	4,278	6,581	4,492	6,910
41	Excess Baggage Fee (% of collection)	Amount collected	15%		15%		15%	
42	Aircraft marshalling	Per service	2,920	4,493	3,066	4,718	3,219	4,953
43	Aircraft Disinfection – Pax. Aircraft Code C	Per service	8,757	13,473	9,195	14,146	9,655	14,853
44	Aircraft Disinfection – Pax. Aircraft Code D/E	Per service	16,536	25,440	17,363	26,712	18,231	28,048
45	Aircraft Disinfection – Pax. Aircraft Code F	Per service	25,781	39,663	27,070	41,646	28,423	43,728
46	Aircraft Disinfection - Freighter Aircrafts	Per service	5,375	8,269	5,644	8,682	5,926	9,116
47	Stationary (Boarding card & Tags)	Per Flight	7,783	11,973	8,172	12,572	8,580	13,200
48	Manual Check-In	Per Passenger	147	226	154	237	162	249
49	Interior Cleaning – Narrow Body	Per Service	9,450	21,190	9,923	22,250	10,419	23,362
50	Interior Cleaning - Wide Body	Per Service	14,700	37,370	15,435	39,238	16,207	41,200
51	Arrange Non-Scheduled Crew Hotel Accommodation	Per flight	1,426	2,195	1,497	2,304	1,572	2,419
52	Direct crew through airport facilities	Per Service	2,931	4,510	3,077	4,735	3,231	4,972
53	Cargo Supervision services	Per flight	11,144	17,144	11,701	18,002	12,286	18,902
54	Unit Load Device (ULD) Storage	Per ULD/per day	1,931	2,972	2,027	3,120	2,129	3,276
55	White collar staff	Per staff per hour	2,940	4,638	3,087	4,870	3,241	5,113
56	Blue collar staff	Per staff per hour	1,960	3,066	2,058	3,219	2,161	3,380

Dom. = Domestic; Intl. = International

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 the 15th of the month will be applicable for the second fortnight.

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