



AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

**IN THE MATTER OF
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES FOR
M/S GLOBEGROUND INDIA PRIVATE LIMITED AT
RAJIV GANDHI INTERNATIONAL AIRPORT, HYDERABAD FOR
THE THIRD CONTROL PERIOD
(FY 2021-22 TO FY 2025-26)**

Date of Issue: 23rd December, 2021

AERA Building
Administrative Complex
Safdarjung Airport
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List of Abbreviations:

| | |
|-----------------|--|
| AAI | Airports Authority of India |
| ACS | Annual Compliance Statement |
| AERA/ AUTHORITY | Airports Economic Regulatory Authority of India |
| AISATS | Air India SATS Airport Services Private Limited |
| ATM | Air Traffic Movement |
| BWFS | Bird Worldwide Flight Services (India) Pvt. Ltd. |
| C&AG | Comptroller & Auditor General of India |
| CAPA | Centre for Asia Pacific Aviation |
| CAPEX | Capital Expenditure |
| CASIPL | Celebi Airport Services India Private Limited |
| CGF | Cargo, Ground Handling & Fuel Throughput |
| GGIPL | GlobeGround India Private Limited |
| GIIIAL | GMR Hyderabad International Airport Limited |
| GHS | Ground Handling Service |
| GSE | Ground Support Equipment |
| IATA | International Air Transport Association |
| INR | Indian Rupees |
| ISP | Independent Service Provider |
| MOCA | Ministry of Civil Aviation |
| MYTP | Multi-Year Tariff Proposal |
| OPEX | Operating Expenditure |
| RGIA | Rajiv Gandhi International Airport |
| SGHA | Standard Ground Handling Agreement |
| TCP | Third Control Period |
| YoY | Year on Year |



CHAPTER 1: INTRODUCTION

- 1.1 M/s Globe Ground India Private Limited (GGIPL) is one of the Ground Handling Agency appointed by GMR Hyderabad International Airport Limited (GHIAL) for carrying out ground handling service at Rajiv Gandhi International Airport (RGIA), Hyderabad and had entered into a concession agreement on 22nd March, 2019. Duration of the concession agreement is 10 (ten) years valid from date of commencement of operations i.e. 1st April, 2019 till 31st March, 2029. The present shareholding pattern of M/s GGIPL is given as below:

Table 1: Summary of Shareholding Structure of M/s GGIPL

| Name of Shareholder | Percentage of Stake (%) |
|---|--------------------------------|
| M/s Bird Consultancy Services Pvt Ltd | 51.00 |
| Mrs. Radha Bhatia | 41.83 |
| Mr. Vijay Bhatia | 0.01 |
| Mr. Gaurav Bhatia | 1.18 |
| Mrs. Radha Bhatia and Mr. Gaurav Bhatia | 2.99 |
| Mrs. Radha Bhatia and Mr. Ankur Bhatia | 2.99 |
| TOTAL | 100.00 |

- 1.2 M/s GGIPL has commenced its commercial operations of the ground handling services at Hyderabad Airport on 1st April, 2019.
- 1.3 The Authority, vide its Order No. 29/2019-20 dated 13.03.2020 determined tariffs for the period of FY 2019-20 & FY 2020-21 of the 2nd Control Period under '**Light Touch Approach**' in respect of M/s GGIPL for providing Ground Handling services at RGIA, Hyderabad.
- 1.4 The Authority, vide its Order No. 67/2020-21 dated 25.03.2021, allowed M/s GGIPL to collect and levy existing Tariff for a period from 01.04.2021 to 30.09.2021, or, till determination of regular Tariff by the Authority for Third Control Period, whichever is earlier.
- 1.5 Subsequently, the Authority, vide its Order No. 18/2021-22 dated 15.09.2021, allowed M/s GGIPL to collect and levy the existing Tariff for a period from 01.10.2021 to 31.03.2022, or, till the determination of regular Tariff by the Authority for Third Control Period, whichever is earlier.
- 1.6 As per the provisions of the CGF Guidelines 2011, M/s GGIPL has submitted the Multi Year Tariff Proposal ('MYTP'), including Annual Compliance Statement (ACS) for FY 2019-20 and provisional ACS for FY 2020-21, for determination of tariffs for providing Ground Handling Services at RGIA, Hyderabad for the Third Control Period (FY 2021-22 to FY 2025-26) on 09.09.2021.
- 1.7 The Authority carefully considered the Multi Year Tariff Proposal (MYTP) seeking revision of tariffs for providing Ground Handling Services at Rajiv Gandhi International Airport, Hyderabad for the Third Control Period (FY 2021-22 to FY 2025-26) and issued its Consultation Paper No. 21/2021-22 dated 14.10.2021 inviting suggestions/comments from the stakeholders on the proposal of the Authority with the following timelines:
- *Date of Issue of the Consultation Paper: 14th October, 2021.*
 - *Date for submission of written comments by Stakeholders: 04th November, 2021.*



- *Date for submission of counter comments: 11th November, 2021.*
- 1.8** The Authority received comments from M/s Spicejet Ltd. in respect of Consultation Paper No. 21/2021-22. The comments received from Spicejet Ltd. was uploaded on the AERA website vide Public Notice no. 35/2021-22 dated 05.11.2021.
- 1.9** The Authority, in response to Public Notice no. 35/2021-22 dated 05.11.2021, received counter comments from M/s GGIPL on 10.11.2021.
- 1.10** The Authority, after examining the comments of M/s Spicejet & counter comments of M/s GGIPL and after considering all the relevant aspects has finalized this Tariff Order.



**CHAPTER 2: PRINCIPLES FOR DETERMINATION OF AERONAUTICAL TARIFF
UNDER “LIGHT TOUCH APPROACH”.**

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 and 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”).

2.2 In accordance with the above mentioned Guidelines and Directions, the following procedure is followed:

Stage I: MATERIALITY:

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

$$\begin{aligned}\text{The Materiality Index at Hyderabad Airport} &= 25759/431853 \\ &= 5.96\%\end{aligned}$$

The percentage share of Ground Handling Services at Rajiv Gandhi International Airport, Hyderabad (RGIA) for the FY 2019-20 is 5.96% which is more than 5% of the Materiality Index (MI_G) for the above subject service. Hence the regulated service is deemed as ‘**Material**’ for the Third Control Period.

Stage II: COMPETITION:

2.3 The Authority with regard to the provisions of the National Civil Aviation Policy (NCAP-2016), vide its Order No. 15/2016-17 dated 12th Jan, 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 M/s GGIPL on Competition Assessment, [Form F1(b)] two other service providers namely, M/s Celebi Airport Services India Private Limited (CASIPL) and M/s Air India SATS Airport Services Private Limited (AISATS) are also rendering similar services at RGIA, Hyderabad. Hence in the instant case, there are three service providers including M/s GGIPL providing Ground Handling service at RGIA, Hyderabad, and therefore the Ground Handling Service is deemed to be ‘**Competitive**’.

2.5 M/s GGIPL has submitted the copies of the user agreement with Oman Airways and Qatar Airways. In addition, M/s GGIPL has submitted the ‘Minutes’ of the Meeting of the stakeholder consultation for ground handling services at RGIA, Hyderabad held through virtual platform (video conferencing) dated 30th June, 2021. As per the above referred ‘Minutes’ of the meeting, M/s. GGIPL explained that considering the current pandemic situation, no increase in the Annual Tariff is proposed and they will continue with existing Tariff for 1st two years of the Control Period i.e. FY 2021-22 and FY 2022-23, wherein, none of the stakeholder including participants from Oman Airways, Qatar Airways, Gulf Air etc. objected on the projected ATP of M/s GGIPL.



2.6 M/s Spicejet comments on review of tendering process:

- 2.6.1 M/s Spicejet submitted that the Authority should ensure that instead of the license agreements being for a period of 10 years, the same should not exceed 5 years. License Agreement should be awarded in a fair and transparent manner to three-four parties who are providing GHS on competitive costs with best-in-class services. Any attempt to award the contracts on highest revenue share basis should be discouraged as it tends to increase costs and ultimately the burden of high costs being passed on to the airlines.
- 2.6.2 M/s Spicejet further submitted that 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.
- 2.6.3 M/s Spicejet also requested to clarify whether M/s GGIPL is subject to any audit by suitable Auditing Authority, or audit by C&AG.

2.7 M/s GGIPL's counter comment/response on Spicejet Comments regarding review of tendering process:

- 2.7.1 As regard to the concern raised by M/s Spicejet, M/s GGIPL stated that they are complying with the approved mechanism set up by AERA for determination of Tariff.

2.8 Authority's Examination regarding review of tendering process:

- 2.8.1 The Authority noted the comments of M/s Spicejet and M/s GGIPL's response thereon. The Authority observed that M/s GGIPL has a valid Concession Agreement with Airport Operator namely Rajiv Gandhi International Airport (RGIA), Hyderabad for a period of 10 years and same is effective from 01st April, 2019 and is valid upto 31st March, 2029. The Authority is of the view that any capital intensive business, like Civil Aviation, requires investment with a long term perspective.
- 2.8.2 The Authority further notes that there are three Ground Handling Service providers including M/s GGIPL at Rajiv Gandhi International Airport, Hyderabad, signifying the nature of services as "Competitive".
- 2.8.3 The Authority considers the process of "Award of Contract" as non-regulatory in nature and is of the view that all such issues, including royalty share to Airport Operators, may be taken up by the Stakeholders with the Service Providers/Airport Operators in appropriate forums.
- 2.8.4 The Authority also notes that C&AG audit is applicable in case of Government Organisations (i.e. Government Departments, Public Sector Undertakings etc.). However, M/s GGIPL as being a Private Limited Company, the accounts are audited by their statutory auditor appointed by the Board of Directors.

2.9 Authority's Decisions regarding Tariff determination principal:

- 2.9.1 Based on the material before it and its analysis, the Authority decides to adopt '**Light Touch Approach**' for determination of tariffs for the Third Control Period (FY 2021-22 to FY 2025-26).



CHAPTER 3: TRAFFIC (FLIGHTS HANDLING)

M/s GGIPL, Hyderabad submission on Traffic (Flights to be Handled) for the Third Control Period (TCP) as part of MYTP.

- 3.1 As per MYTP submitted by M/s GGIPL, Hyderabad, the actual Traffic handled for the FY 2019-20 & FY 2020-21 and projected Traffic (Flights to be handled) for the Third Control Period (FY 2021-22 to FY 2025-26) is as under:

Table 2: Actual and projected Traffic (Flights to be handled) submitted by M/s GGIPL

| Year | Domestic (Landing) | International (Landing) | Total | As % of FY 2019-20 | | |
|----------------------------|-----------------------|----------------------------|-------|--------------------|---------------|-------|
| | | | | Domestic | International | Total |
| 2019-20 | 10 | 1395 | 1405 | - | - | - |
| 2020-21 | 4 | 561 | 565 | 40.00 | 40.22 | 40.21 |
| 2021-22 | 4 | 589 | 593 | 40.00 | 42.22 | 42.21 |
| 2022-23 | 4 | 707 | 711 | 40.00 | 50.68 | 50.60 |
| 2023-24 | 5 | 848 | 853 | 50.00 | 60.78 | 60.71 |
| 2024-25 | 5 | 1,018 | 1,023 | 50.00 | 72.97 | 72.81 |
| 2025-26 | 5 | 1,221 | 1,226 | 50.00 | 87.53 | 87.26 |
| Total (2021-22 to 2025-26) | 23 | 4,383 | 4,406 | | | |

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

- 3.2.1 The Authority observed that COVID-19 pandemic has severely impacted the business of M/s. GGIPL and ISP has projected gradual recovery in business from FY 2021-22 onwards. M/s GGIPL has projected total Traffic volume would reach to 87.26% of pre-Covid level (FY 2019-20) in FY 2025-26.
- 3.2.2 The Authority, further observed that the share of Domestic flights in overall Traffic Projection is less than 1%. The proposed Domestic Flights to be handled during FY 2021-22 to 2022-23 is just 4 per year, which is 40% of actual domestic flights handled in FY 2019-20. For FY 2023-24 to 2025-26, projected volume of Domestic Flights is expected to reach 50% of pre-covid level.
- 3.2.3 The Authority, further observed that International Flights proposed to be handled in FY 2022-23 is 42.22% of actual flights handled in FY 2019-20 (Pre Covid level), which is further projected to reach 87.53% of pre-covid level (FY 2019-20) in FY 2025-26.
- 3.2.4 The Authority proposed to adopt Traffic Projections for the 3rd Control Period as submitted by M/s GGIPL (ref. Table 2 above). During the stakeholder consultation process, the Authority received no comments/views from any stakeholders with respect to Traffic Projections (Flights to be handled) for the Third Control Period. The Authority proposes to maintain the same view on Traffic Projections (Flights to be handled) for 3rd Control Period as taken at CP stage.



3.3 Authority's Decisions regarding Traffic (Flights to be handled) for the Third Control Period.

- 3.3.1 Based on the material before it and its analysis, the Authority decides to consider Traffic (Flights to be handled) for the Third Control Period as per Table-2.



CHAPTER 4: CAPITAL EXPENDITURE

M/s GGIPL, Hyderabad submission on Capital Expenditure (CAPEX) for the Third Control Period as part of MYTP.

- 4.1 As per MYTP submission, M/s GGIPL, Hyderabad projected total capital expenditure (CAPEX) of Rs. 1981.01 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 M/s GGIPL, Hyderabad for the Third Control Period is given as below:

Table 3: Projected Capital Expenditure submitted by M/s GGIPL for the Third Control Period

(Rs. in Lakhs)

| Particulars | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|---------------------------|---------------|---------------|---------------|---------------|----------|-----------------|
| Leasehold Improvements | 129.26 | 324.32 | - | - | - | 453.58 |
| Ground Handling Equipment | - | 500.00 | 500.00 | 500.00 | - | 1500.00 |
| Furniture & Fixtures | 27.43 | - | - | - | - | 27.43 |
| TOTAL | 156.69 | 824.32 | 500.00 | 500.00 | - | 1,981.01 |

Table 4: Breakup of Projected Capital Expenditure submitted by M/s GGIPL for the Third Control Period

(Rs. in Lakhs)

| Year | Item Description | Qty. | Cost Per Unit | Total | Asset Class |
|---------------|--|------|---------------|---------------|------------------------|
| Tariff Year 1 | Architectural Design /Civil, Plumbing, Fire & Electrical Work, HVAC Works, HT Cabling Work | 1 | 58.20 | 58.20 | Leasehold Improvements |
| | Statutory Approvals (Pre Construction) Service Charges | 1 | 10.00 | 10.00 | |
| | Oil Water Separator Systems | 1 | 1.52 | 1.52 | |
| | Debris Removal | 1 | 1.26 | 1.26 | |
| | Transformer | 1 | 29.70 | 29.70 | |
| | Supply Of the HT And LT Panels And Ups For GSE3 | 1 | 28.59 | 28.58 | |
| | Furniture & Fixtures | 1 | 27.43 | 27.43 | Furniture & Fixtures |
| | Total - 2021-22 | | | 156.69 | |
| Tariff Year 2 | Office Building Interior Work | 1 | 287.32 | 287.32 | Leasehold Improvements |
| | CCTV Camera | 1 | 7.50 | 7.50 | |
| | Single Girder EOT Crane with Electric Wire rope Hoist GSE3 | 1 | 11.00 | 11.00 | |
| | LED & other Sign Boards | 1 | 6.50 | 6.50 | |

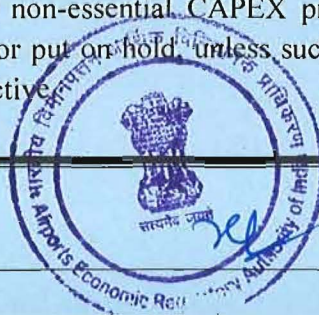
| | | | | | |
|------------------------------|--|---|--------|----------------|----------------------------|
| | Safety Equipment | 1 | 12.00 | 12.00 | |
| | Pax. step motorized – adjustable height | 2 | 30.00 | 60.00 | Ground Handling Equipments |
| | Lower Deck Loader | 1 | 200.00 | 200.00 | |
| | Electric Baggage Tractors | 4 | 30.00 | 120.00 | |
| | Tugs – (Diesel). | 2 | 25.00 | 50.00 | |
| | Tugs – (Electric). (with Cabin / battery / Charger) | 2 | 35.00 | 70.00 | |
| | Total - 2022-23 | | | 824.32 | |
| | | | | | |
| Tariff Year 3 | Main Lower Deck Loader | 1 | 290.00 | 290.00 | Ground Handling Equipments |
| | Electric Baggage Tractors | 3 | 30.00 | 90.00 | |
| | Tugs – (Diesel). | 2 | 25.00 | 50.00 | |
| | Tugs – (Electric). (with Cabin / battery / Charger) | 2 | 35.00 | 70.00 | |
| | Total - 2023-24 | | | 500.00 | |
| | | | | | |
| Tariff Year 4 | Ground Power Unit (90 KVA) | 1 | 65.00 | 65.00 | Ground Handling Equipments |
| | Aircraft Starter Unit | 1 | 135.00 | 135.00 | |
| | Aircraft Cooling Unit (150 TR) | 2 | 150.00 | 300.00 | |
| | Total - 2024-25 | | | 500.00 | |
| TOTAL PROJECTED CAPEX | | | | 1981.01 | |

4.2 Authority's Analysis regarding CAPEX for the Third Control Period at Consultation stage:

- 4.2.1 The Authority examined the total projected capital expenditure of Rs. 1981.01 Lacs for the TCP and noted that M/s GGIPL has proposed Rs 453.58 lacs for Leasehold Improvements, Rs. 1500.00 lacs for ground handling equipment and Rs. 27.43 lacs for furniture and fixtures.
- 4.2.2 M/s GGIPL in its submission stated that the projected CAPEX would be required to meet the projected growth in business at RGIA, Hyderabad.
- 4.2.3 The Authority also observed from the above submission that M/s GGIPL had proposed to incur significant amount of CAPEX in the 2nd year of the Control Period.
- 4.2.4 The Authority proposes to consider projected CAPEX as submitted by M/s GGIPL, Hyderabad for the 3rd control period as per Table No. 3.

4.3 M/s Spicejet Comments on Deferment of Capital Expenditure for the Third Control Period:

- 4.3.1 M/s Spicejet submitted that as per CAPA and IATA projections, it will take around 2-3 years for flight operations to reach its pre-Covid 19 peak level operations. Hence to support/sustain airlines operations, all non-essential CAPEX proposed by M/s GGIPL should be deferred to 4th Control Period or put on hold, unless such CAPEX deemed critical/essential from safety compliance perspective.



4.3.2 M/s Spicejet further submitted that in CP, no details in respect of Leasehold Improvements proposed by M/s GGIPL was indicated and requested the Authority to review the same.

4.4 M/s GGIPL counter comment/response on M/s Spicejet Comments regarding Deferment of Capital Expenditure for the Third Control Period:

4.4.1 M/s GGIPL stated that it has to introduce Ground Handling Equipment that are acceptable to User Airlines, further these Airlines do Audit before signing SGHA.

4.4.2 M/s GGIPL has confirmed that in order to provide the Ground Handling Services which meets the service level expected by the Airlines & Airport Operator and for better passenger experience, it has to incur the proposed CAPEX.

4.5 Authority's Examination regarding Capital Expenditure for the Third Control Period:

4.5.1 The Authority notes the comments of M/s Spicejet and M/s GGIPL's response thereon. The Authority observes that M/s GGIPL has projected total capital expenditure of Rs. 1981.01 lacs to be incurred during the Third Control Period and as per its submission, the proposed capital expenditure would be required to meet the service level expectations of User Airlines & Airport Operator.

4.5.2 The Authority has taken cognizance of the comments of M/s Spicejet regarding the projection of ATM, based on reports published by CAPA and IATA and noted that M/s GGIPL needs to incur capital expenditure commensurate with projected level of operations at RGIA, Hyderabad during the Control Period.

4.5.3 The Authority took note of the comments of M/s Spicejet regarding the Leasehold Improvements (refer para 4.3.2 above) and observes that the details of Leasehold Improvements, Ground Handling Equipment and Furniture & Fixtures were not detailed in the Consultation Stage. Accordingly, the Authority sought clarifications from M/s GGIPL. The ISP vide email dated 26.11.2021 provided breakup of projected CAPEX, including details of CAPEX proposed under the head of Leasehold Improvements, as indicated in Table-4 above.

4.5.4 The Authority also noted that there is no change in the CAPEX, as considered at CP stage vis-à-vis CAPEX provided by the M/s GGIPL vide email dated 26.11.2021 (ref. Table 4 above).

4.6 Authority's Decisions regarding Capital Expenditure for the Third Control Period

4.6.1 Based on the material before it and its analysis, the Authority decides to consider the Capital Expenditure for the Third Control Period as per Table 3.



CHAPTER 5: OPERATING EXPENDITURE

M/s GGIPL, Hyderabad's submission on Operating Expenditure for the Third Control Period as part of MYTP

- 5.1 As provided in Clause 9.4 of the CGF Guidelines mentioned in Direction No. 04/2010-11, the operational and maintenance expenditure incurred by the Service provider(s) include expenditure incurred on security, operating costs, other mandated operating costs and statutory operating costs.
- 5.2 Operation and Maintenance (O&M) Expenditure submitted by M/s GGIPL, Hyderabad has been segregated into the following categories:
- a) Payroll Costs;
 - b) Concession Fees;
 - c) Utility and Outsourcing Costs;
 - d) Repair and Maintenance Expenditure and
 - e) Admin and General Expenses
- 5.3 **M/s GGIPL, Hyderabad submitted the Annual Compliance Statement for F.Y. 2019-20 & F.Y. 2020-21 and projected Revenue & Operating Expenditure for TCP as under:**

Table 5: Actual (FY 2019-20) and Projected Revenue & Operating Expenditure and PBIDT submitted by M/s GGIPL

| Particulars | (Rs. in Lacs) | | | | | | | CAGR | YoY % Change | | | | | |
|-----------------------|---------------|----------|---------|---------|---------|---------|---------|------|--------------|---------|---------|---------|---------|---------|
| | 2019-20* | 2020-21# | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| Revenue (A) | 1924.93 | 944.47 | 1211.95 | 1331.02 | 1461.89 | 1605.74 | 1763.86 | 10% | -50.93 | 28.32 | 9.82 | 9.83 | 9.84 | 9.85 |
| Operating Exp. (B) | 1583.77 | 879.58 | 934.89 | 1011.97 | 1096.12 | 1188.02 | 1288.41 | 8% | -44.46 | 6.29 | 8.24 | 8.32 | 8.38 | 8.45 |
| Payroll Costs | 516.57 | 283.56 | 311.92 | 343.11 | 377.42 | 415.16 | 456.68 | 10% | -45.11 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Concession Fees | 469.26 | 220.71 | 231.75 | 243.34 | 255.50 | 268.28 | 281.69 | 5% | -52.97 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Utility & Outsourcing | 22.42 | 17.88 | 19.67 | 21.63 | 23.80 | 26.18 | 28.79 | 10% | -20.25 | 10.01 | 9.96 | 10.03 | 10.00 | 9.97 |
| Repairs & Maintenance | 75.17 | 19.34 | 21.27 | 23.40 | 25.74 | 28.31 | 31.14 | 10% | -74.27 | 9.98 | 10.01 | 10.00 | 9.98 | 10.00 |
| Admin & General | 500.35 | 338.09 | 350.28 | 380.49 | 413.66 | 450.09 | 490.11 | 9% | -32.43 | 3.61 | 8.62 | 8.72 | 8.81 | 8.89 |
| PBIDT (A-B) | 341.16 | 64.89 | 277.06 | 319.05 | 365.77 | 417.72 | 475.45 | | -80.98 | 327.03 | 15.16 | 14.64 | 14.20 | 13.82 |

* 2019-20 audited figures # 2020-21 provisional figures

5.4 **Authority's analysis regarding Operating Expenditure for the third control period at Consultation stage:**

- 5.4.1 The Authority analysed the Operating Expenditure provided in Form F3 (P&L) for the Third Control Period and noted that there was an increase in the projected Revenue and Operating Expenditures under various heads for the 3rd control period (FY 2021-22 to 2025-26). Accordingly, a clarification from M/s GGIPL was sought. The ISP in its response submitted that the projected Revenue and Operating Expenditure had been shown to increase due to factors like increase in operating volume and inflation impact.
- 5.4.2 The Authority further observed that PBIDT of M/s GGIPL substantially reduced from Rs. 341.16 Lacs (FY 2019-20) to Rs. 64.89 Lacs (FY 2020-21). However, profitability is projected to improve from FY 2021-22 onwards.



- 5.4.3 The Authority, considering the above facts, proposed to consider the OPEX as submitted by M/s GGIPL for the 3rd Control Period as per Table-5 above.

5.5 M/s Spicejet Comments on Operating Expenditure for the Third Control Period:

- 5.5.1 M/s Spicejet submitted that after the Covid-19 Pandemic, all the organizations have taken cost cutting measures including renegotiations of all cost items on its profit and loss account, the cost incurred by service providers impacts airlines as such cost is passed on to the airlines. M/s Spicejet further stated that various reports from IATA and CAPA projected pre-Covid flight operations level to be achieved in next 2-3 years. M/s Spicejet requested the Authority to put on hold any increase in OPEX and also advised M/s GGIPL to review their Operational Expenditure and renegotiate OPEX cost in a significant manner.
- 5.5.2 M/s Spicejet further stated that M/s GGIPL should effectively utilize their existing manpower and any additional costs related with contract manpower or otherwise should be reduced. M/s GGIPL should restructure its employee benefit expenses and hold any revisions at least for next two (2) years.
- 5.5.3 As regard to Royalty Charges/Concession Fee, M/s Spicejet submitted that the royalty is in the nature of market access fee, charged (by any name or description) by the Airport operator under various headings without any underlying services. 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. The rates of royalty/concession fee being paid by M/s GGIPL at Hyderabad Airport are 24%. These charges are passed on to airlines by M/s GGIPL. M/s Spicejet urged the Authority to abolish such royalty, which may be included in any of the cost items.

5.6 M/s GGIPL response on M/s Spicejet Comments regarding Operating Expenditures for the Third Control Period:

- 5.6.1 M/s GGIPL does not agree with M/s Spicejet's contentions and submitted that the observations made are very generic in nature, lacks substance to support their claims and as per the ISP, M/s Spicejet is unaware about the facts/ground realities.
- 5.6.2 M/s GGIPL further stated that they are providing Ground Handling Services at major Airports in India since last 12 years and have sufficient control over their Operational Expenditure. The ISP further stated that increase in Operating Expenditure is commensurate with the increase in Aircraft Movements.
- 5.6.3 M/s GGIPL submitted that it pays staff according to the "minimum wages" published by the regulatory Authority twice a year and stated that ground handling services are provided by a team of trained and qualified staff under sufficient supervisions. There is little scope of material savings, without compromising on quality and safety aspects of the total service package.
- 5.6.4 In response to M/s Spicejet comments pertaining to abolishing of Royalty Charges/Concession Fee, M/s GGIPL stated that the Royalty Charges/Concession Fee on the Ground Handling Services is considered as Aero Revenue of the Airport Operator; hence, it directly helps the Airlines in having subsidized Aero Charges levied by Airport operator to the Airlines.



5.7 Authority's Examination regarding Operating expenses for the Third Control Period:

- 5.7.1 The Authority notes the comments of M/s Spicejet and response of M/s GGIPL thereon. The Authority, observes from the P&L Statement submitted by M/s GGIPL that there is a projected increase of 10% YoY in Payroll Cost from FY 2021-22 onwards. A clarification on the projected increase in payroll expenses was obtained from M/s GGIPL, wherein the ISP stated that the increase in payroll cost is commensurate with increase in operating volume and projected factor of annual inflation.
- 5.7.2 The Authority is also aware of the fact that the Payroll Cost in respect of contract workers for Ground handling Services predominately comprises of Minimum Wages, as notified by relevant Authorities, from time to time, and it includes statutory components i.e. EPF and ESI.
- 5.7.3 The Authority, notes that there are three players providing Ground Handling Services at RGIA, Hyderabad which ensures competition among the ISPs resulting in moderation of Tariff.

5.8 Authority's Decisions regarding Operating Expenditure for the Third Control Period

- 5.8.1 Based on the material before it and its analysis, the Authority decides to consider Operating Expenditure for the Third Control Period as per Table 5.



CHAPTER 6: ANNUAL TARIFF PROPOSAL

6.1 M/s GGIPL submitted the Tariff Proposal for Schedule Flights for the Third Control Period (FY 2021-22 to FY 2025-26) as per Table 6 below:

Table 6: Proposed Tariff Rates for Schedule Flights to be handled by M/s GGIPL for 3rd Control Period

(Rates in INR)

| Particulars | FY 2021-22 | | | FY 2022-23 | | | FY 2023-24 | | | FY 2024-25 | | | FY 2025-26 | | |
|--------------------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
| | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full |
| Domestic Passenger Flight | | | | | | | | | | | | | | | |
| CODE B | 5000 | 7500 | 12500 | 5000 | 7500 | 12500 | 5100 | 7650 | 12750 | 5202 | 7803 | 13005 | 5332 | 7998 | 13330 |
| CODE C | 6600 | 9900 | 16500 | 6600 | 9900 | 16500 | 6732 | 10098 | 16830 | 6867 | 10300 | 17167 | 7004 | 10506 | 17510 |
| CODE D | 10400 | 15600 | 26000 | 10400 | 15600 | 26000 | 10608 | 15912 | 26520 | 10820 | 16230 | 27050 | 11037 | 16555 | 27591 |
| CODE E | 21800 | 32700 | 54500 | 21800 | 32700 | 54500 | 22236 | 33354 | 55590 | 22681 | 34021 | 56702 | 23134 | 34702 | 57836 |
| CODE F | 38400 | 57600 | 96000 | 38400 | 57600 | 96000 | 39168 | 58752 | 97920 | 39951 | 59927 | 99878 | 40750 | 61126 | 101876 |
| International Passenger Flight | | | | | | | | | | | | | | | |
| CODE B | 16977 | 25466 | 42443 | 16977 | 25466 | 42443 | 43292 | 25975 | 43292 | 17663 | 26495 | 44158 | 18105 | 27157 | 45262 |
| CODE C | 39879 | 59819 | 99698 | 39879 | 59819 | 99698 | 101692 | 61015 | 101692 | 41490 | 62235 | 103726 | 42528 | 63791 | 106319 |
| CODE D | 59924 | 89886 | 149810 | 59924 | 89886 | 149810 | 152806 | 91684 | 152806 | 62345 | 93517 | 155862 | 63904 | 95855 | 159759 |
| CODE E | 81235 | 121853 | 203088 | 81235 | 121853 | 203088 | 207150 | 124290 | 207150 | 84517 | 126776 | 211293 | 86630 | 129945 | 216575 |
| CODE F | 101069 | 151604 | 252673 | 101069 | 151604 | 252673 | 257726 | 154636 | 257726 | 105152 | 157729 | 262881 | 107781 | 161672 | 269453 |
| Domestic Freight Flight | | | | | | | | | | | | | | | |
| CODE C | NA | 54000 | NA | NA | 54000 | NA | NA | 55080 | NA | NA | 56182 | NA | NA | 57586 | NA |
| CODE D | NA | 94000 | NA | NA | 94000 | NA | NA | 95880 | NA | NA | 97798 | NA | NA | 100243 | NA |
| CODE E | NA | 113000 | NA | NA | 113000 | NA | NA | 115260 | NA | NA | 117565 | NA | NA | 120504 | NA |
| CODE F | NA | 154000 | NA | NA | 154000 | NA | NA | 157080 | NA | NA | 160222 | NA | NA | 164227 | NA |
| International Freight Flight | | | | | | | | | | | | | | | |
| CODE C | NA | 140315 | NA | NA | 140315 | NA | NA | 143121 | NA | NA | 145984 | NA | NA | 149633 | NA |
| CODE D | NA | 154030 | NA | NA | 154030 | NA | NA | 157111 | NA | NA | 160253 | NA | NA | 164259 | NA |
| CODE E | NA | 205725 | NA | NA | 205725 | NA | NA | 209840 | NA | NA | 214036 | NA | NA | 219387 | NA |
| CODE F | NA | 302785 | NA | NA | 302785 | NA | NA | 308841 | NA | NA | 315018 | NA | NA | 322893 | NA |

Note: Above Tariff Rates are excluding all applicable tax.



6.2 M/s. GGIPL had proposed the following % increase in the Tariff from FY 2022-23 onwards for Schedule Flights at RGIA, Hyderabad airport as per the Table given below:

Table 7: Statement of YoY Percentage (%) Change in Tariff for Schedule Flights for different Category of Flights:

| Particulars | FY 2021-22 | | | FY 2022-23 | | | FY 2023-24 | | | FY 2024-25 | | | FY 2025-26 | | |
|---------------------------------------|------------|------|------|------------|------|------|------------|------|------|------------|------|------|------------|------|------|
| | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full |
| Domestic Passenger Flight | | | | | | | | | | | | | | | |
| CODE B | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE C | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE D | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE E | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE F | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| International Passenger Flight | | | | | | | | | | | | | | | |
| CODE B | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE C | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE D | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE E | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| CODE F | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 |
| Domestic Freight Flight | | | | | | | | | | | | | | | |
| CODE C | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| CODE D | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| CODE E | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| CODE F | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| International Freight Flight | | | | | | | | | | | | | | | |
| CODE C | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| CODE D | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| CODE E | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |
| CODE F | NA | 0.0 | NA | NA | 0.0 | NA | NA | 2.0 | NA | NA | 2.0 | NA | NA | 2.5 | NA |



6.3 M/s GGIPL submitted a separate Tariff Card for Non-Schedule Flights as per table 8 given below:

Table 8: Proposed Tariff Rates submitted by M/s GGIPL for Non-Schedule Flights for the Third Control Period

Rates for Domestic Flights

| Aircraft MTOW | Rates in INR | | | | | YoY % Change | | | |
|----------------|--------------|----------|----------|----------|----------|--------------|---------|---------|---------|
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| Upto 07 tons | 25,714 | 25,714 | 27,000 | 28,350 | 29,768 | 0% | 5% | 5% | 5% |
| 07 - 10 tons | 25,714 | 25,714 | 27,000 | 28,350 | 29,768 | 0% | 5% | 5% | 5% |
| 10 - 20 tons | 28,393 | 28,393 | 29,813 | 31,303 | 32,868 | 0% | 5% | 5% | 5% |
| 20-30 tons | 34,821 | 34,821 | 36,563 | 38,391 | 40,310 | 0% | 5% | 5% | 5% |
| 30 - 40 tons | 51,000 | 51,000 | 53,550 | 56,228 | 59,039 | 0% | 5% | 5% | 5% |
| 40 - 50 tons | 58,286 | 58,286 | 61,200 | 64,260 | 67,473 | 0% | 5% | 5% | 5% |
| 50 - 100 tons | 78,857 | 78,857 | 82,800 | 86,940 | 91,287 | 0% | 5% | 5% | 5% |
| 100 - 200 tons | 4,05,321 | 4,05,321 | 4,25,588 | 4,46,867 | 4,69,210 | 0% | 5% | 5% | 5% |
| 200 - 300 tons | 5,37,321 | 5,37,321 | 5,64,188 | 5,92,397 | 6,22,017 | 0% | 5% | 5% | 5% |
| Above 300 tons | 6,14,786 | 6,14,786 | 6,45,525 | 6,77,801 | 7,11,691 | 0% | 5% | 5% | 5% |

Rates for International Flights

| Maximum Take-off Weight (MTOW) | Rates in INR | | | | | YoY % Change | | | |
|--------------------------------|--------------|----------|----------|----------|----------|--------------|---------|---------|---------|
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| Upto 07 tons | 44,464 | 44,464 | 46,688 | 49,022 | 51,473 | 0% | 5% | 5% | 5% |
| 07 - 10 tons | 68,357 | 68,357 | 71,775 | 75,364 | 79,132 | 0% | 5% | 5% | 5% |
| 10 - 20 tons | 78,321 | 78,321 | 82,238 | 86,349 | 90,667 | 0% | 5% | 5% | 5% |
| 20-30 tons | 94,286 | 94,286 | 99,000 | 1,03,950 | 1,09,148 | 0% | 5% | 5% | 5% |
| 30 - 40 tons | 1,00,714 | 1,00,714 | 1,05,750 | 1,11,038 | 1,16,589 | 0% | 5% | 5% | 5% |
| 40 - 50 tons | 1,09,714 | 1,09,714 | 1,15,200 | 1,20,960 | 1,27,008 | 0% | 5% | 5% | 5% |
| 50 - 100 tons | 1,49,143 | 1,49,143 | 1,56,600 | 1,64,430 | 1,72,652 | 0% | 5% | 5% | 5% |
| 100 - 200 tons | 4,05,321 | 4,05,321 | 4,25,588 | 4,46,867 | 4,69,210 | 0% | 5% | 5% | 5% |
| 200 - 300 tons | 5,37,321 | 5,37,321 | 5,64,188 | 5,92,397 | 6,22,017 | 0% | 5% | 5% | 5% |
| Above 300 tons | 6,14,786 | 6,14,786 | 6,45,525 | 6,77,801 | 7,11,691 | 0% | 5% | 5% | 5% |

Notes: Above Tariff Rates are excluding all applicable tax.

6.3.1 Further, M/s GGIPL also submitted a separate Tariff card for additional services for Schedule Flights and Non-Schedule Flights as per Annexure – III, in addition to standard Tariff proposed at Table No. 6 & 8.

6.4 Authority's Analysis regarding ATP for the Third Control Period at Consultation stage:

6.4.1 The Authority observed that in case of Schedule Flights, M/s GGIPL had proposed no tariff increase for FY 2021-22 over the existing Tariff of FY 2020-21. Thereafter, ISP proposed 2% YoY increase in FY 2023-24 & 2024-25 and 2.5% increase



in FY 2025-26 (Refer Table 7).

- 6.4.2 The Authority noted that the tariff proposed by M/s GGIPL for Schedule Flights (in respect of Freight & Passenger) for FY 2021-22 is lower than the rates approved by the Authority for AISATS (who is providing similar services at RGIA, Hyderabad) in case of International and Domestic Flights.
- 6.4.3 The Authority, further noted that the tariff proposed by M/s GGIPL for FY 2021-22 for Schedule Flights is lower from rates approved for M/s CASIPL (who is providing similar services at RGIA, Hyderabad) for Domestic Passenger and Freight Flights. However, in respect of International Freight and Passenger Flights, rates of M/s. GGIPL are lower in Code F aircrafts and rates are higher in all other category of aircrafts, as compared to rates of M/s. CASIPL.
- 6.4.4 The Authority observed that M/s GGIPL had proposed no increase in the charges of Non-Schedule Flights in FY 2021-22 and FY 2022-23 and thereafter, proposed 5% YoY increase from FY 2023-24 to FY 2025-26.
- 6.4.5 M/s. GGIPL was asked to propose charges for Non-Schedule aircrafts on the basis of aircraft type, as was done in case of Schedule Flights. However, M/s. GGIPL had informed that ground handling services for Non-Schedule Flights are dealt based on MTOW basis. It was further informed by M/s. GGIPL that there is no published schedule of such flights and they operate on ad-hoc basis after taking Directorate General of Civil Aviation (DGCA) approval etc. at short notice and their tariff are marketed based on MTOW and not comparable with the tariffs of Schedule Flight operation/handling.
- 6.4.6 The Authority observed that M/s GGIPL, in case of Non-Schedule Flights, had proposed no increase in Tariff for FY 2021-22 and FY 2022-23 and thereafter proposed 5% p.a. increase from FY 2023-24 onwards.
- 6.4.7 The Authority proposed that the charges for Non-Schedule Operations should not be more than the charges for Schedule Operations.
- 6.4.8 M/s GGIPL further submitted that additional service charges are not part of “**Comprehensive/Full**” charges mentioned in case of Schedule/Non-Schedule Flights.

6.5 M/s Spicejet comments on tariff rates for the Third Control Period:

6.5.1 M/s Spicejet submitted their following comments on Tariff proposed by M/s GGIPL:

- **Annual Tariff for Schedule Flights:-**

M/s Spicejet submitted that in the back drop of COVID-19, the tariff hike in case of Domestic and International Schedule Flights (Pax & Freight) should not exceed 2% for FY 2025-26.

- **Separate charges for Non-Schedule Operations:-**

As regard to separate charges proposed in respect of Non-Schedule Operations, M/s Spicejet submitted that in the back drop of COVID-19, most of the operation in FY 2020-21 (and continuing in the uncertain future) were in the nature of charters and special flights with special approvals from DGCA, and were Non-Schedule in nature. Hence, in their view, the rates chargeable for Non-Schedule should be no higher than that proposed for the Schedule Operations.



6.6 M/s GGIPL response to M/s Spicejet Comments regarding Tariff Rates for the Third Control Period:

6.6.1 M/s GGIPL does not agree with M/s Spicejet's contentions and submitted that the observations made are very generic and lacks substance to support the observation.

6.6.2 M/s GGIPL further stated the following:

- Hike in Tariff for Schedule Flights and Non-Schedule Flights:-
 - Increase in Tariff Rates is considered after factoring in the effect of increase in the minimum wages rates, general inflation and increase in the operational cost.
 - The ISP further stated that the rates proposed are the ceiling rates and Airlines can always negotiate with the ISP for the rates lower than the approved Tariff, based on the volume, service required etc.
- Separate charges for Non-Schedule Operations :-
 - The observation made indicates that M/s Spicejet is unaware about the ground realities. M/s GGIPL stated that in case of Non-Schedule Operations, they as a Ground Handling Service Provider have to keep certain additional set of equipment and manpower, as ISP have to be ready to provide Ground Handling Services on short notice.

6.6.3 M/s GGIPL also submitted some facts pertaining to Ground Handling Agencies:

- a) ISP have to keep their workforce and equipment running to ensure 24/7 availability of services;
- b) Their major users are International Airlines which are currently operating at only 30% capacity of pre-Covid level. The fixed cost is mainly recovered from International operations. At present, their operations are mainly affected as international operations are running at 30% capacity only;
- c) Revenue from Ground Handling Services from domestic flights recovers mainly their variable cost only;
- d) Domestic airlines have a choice of doing self-handling of their flights, which they do where they have large operations and can achieve economy of scale. Airports, where the airlines do not have large operations then they appoint a Ground Handling Agency to handle their Flights;
- e) While appointing a Ground Handling Agency, they have a choice of GHAs, who compete with each other to get the business.

6.7 Authority's Examination regarding Annual Tariff Proposal for the Third Control Period:

6.7.1 The Authority notes that M/s GGIPL has not proposed any Tariff increase for FY 2021-22 & FY 2022-23 over the existing tariff as applicable for FY 2020-21 and thereafter, the ISP has proposed only a nominal increase in the range of 2% to 2.5% for the remaining period of the control period in case of Domestic and International Schedule Flights.

6.7.2 Further, M/s GGIPL, in case of Non-Schedule Operations, has not proposed any increase for FY 2021-22 & FY 2022-23 and thereafter proposed an increase of 5% YoY from FY 2023-24 onwards.

6.7.3 On the issue of separate rates for Non-Schedule Flights, the Authority notes the submission of M/s GGIPL that they are required to keep certain additional set of equipment and manpower to provide Ground Handling Services on short notice; whereas, in case of Non-Schedule Operations, the ISP doesn't have any guarantee of recovering the associated cost due to the nature of service.

6.7.4 As regard to separate rates in respect of Additional Services in the Tariff Chart, the matter got



clarified from the M/s GGIPL that additional services are not part of Comprehensive (Full) Services. The Authority, feels that such services are required by airlines occasionally; however, service providers are required to maintain the associated equipment to meet the operational requirement of airlines.

- 6.7.5 The Authority has noted the clarification of M/s GGIPL regarding proposed increase in Tariff; wherein, the ISP submitted that increase in Tariff is considered after factoring in the effect of increase in the minimum wages rates, general inflation and increase in the operational cost.
- 6.7.6 The Authority further noted that M/s. GGIPL had proposed separate Tariff for Non-Schedule Flights. 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 Operations for similar class of aircraft(s). However, the Authority decides to consider the separate Tariff Rate in case of International Non-Scheduled Flights.

6.8 Authority's Decisions regarding Annual Tariff Proposal for the Third Control Period

- 6.8.1 Based on the material before it, and its analysis, the Authority decides to adopt the Tariff Rates for Ground Handling Services provided by M/s GGIPL, Hyderabad in respect of Schedule Flights, International Non-Schedule Flights and Additional Services for the Third Control Period as per **Annexures (I to III)**.
- 6.8.2 The Authority decides that the Tariff Rates indicated in **Annexures (I to III)** shall be maximum rates to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- 6.8.3 The Authority decides that Tariff for Domestic Non Schedule Flights shall not exceed the approved Tariff for Domestic Schedule Flights for similar class of aircraft(s).
- 6.8.4 The Authority also decides a separate Tariff Rate Card in case of International Non-Schedule Flights.
- 6.8.5 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.
- 6.8.6 The Authority also decides that M/s GGIPL should ensure compliance towards 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.



CHAPTER-7: SUMMARY OF AUTHORITY'S DECISIONS

The summary of the Authority's decisions (given under each chapter) regarding the tariff determination of M/s GGIPL, for the 3rd Control Period is as under:

| Chapter | Para | Summary of Authority's Decisions | Page No. |
|---------------------|-------------|---|-----------------|
| Chapter No 2 | 2.9.1 | The Authority decides to adopt ' Light Touch Approach ' for determination of tariffs for the Third Control Period (FY 2021-22 to FY 2025-26). | 8 |
| Chapter No 3 | 3.3.1 | The Authority decides to consider Traffic (Flights to be handled) for M/s GGIPL, Hyderabad for the Third Control Period as per Table-2. | 10 |
| Chapter No 4 | 4.6.1 | The Authority decides to consider Capital Expenditure for M/s GGIPL, Hyderabad for the Third Control Period as per Table 3. | 13 |
| Chapter No 5 | 5.8.1 | The Authority decides to consider Operating Expenditure for M/s GGIPL, Hyderabad for the Third Control Period as per Table 5. | 16 |
| Chapter No 6 | 6.8.1 | The Authority decides to adopt the Tariff Rates for Ground Handling Services provided by M/s GGIPL, Hyderabad in respect of Schedule Flights, International Non-Schedule Flights and Additional Services for the Third Control Period as per Annexures (I to III) . | 22 |
| | 6.8.2 | The Authority decides that the Tariff Rates indicated in Annexures (I to III) shall be maximum rates to be charged. No other charge is to be levied over and above the approved Tariff Rates. | |
| | 6.8.3 | The Authority decides that Tariff for Domestic Non Schedule Flights shall not exceed the approved Tariff for Domestic Schedule Flights for similar class of aircraft(s). | |
| | 6.8.4 | The Authority also decides a separate tariff rate card in case of International Non-Scheduled Flights. | |
| | 6.8.5 | 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. | |
| | 6.8.6 | The Authority also decides that M/s GGIPL should ensure compliance towards 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. | |

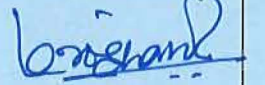


CHAPTER 8: ORDER

Upon careful consideration of the material available on record, as well as submission made by M/s GGIPL, 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 Globe Ground India Pvt. Ltd. at Rajiv Gandhi International Airport, Hyderabad is **"Material but Competitive"**. 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 tariff order shall be made effective from **1st January, 2022**.
- (iii) The Authority decides that the Tariff Rates indicated in **Annexure (I to III)** shall be maximum rates to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- (iv) The Authority decides that Tariff for Domestic Non Schedule Flights shall not exceed the approved Tariff for Domestic Schedule Flights for similar class of aircraft(s).
- (v) The Authority also decides a separate tariff rate card in case of International Non-Scheduled Flights.
- (vi) 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.
- (vii) The Authority also decides that M/s GGIPL, should ensure compliance of directives issued by Ministry of Civil Aviation vide its letter No. AV-24011/10/2021-AAI-MOCA dated 01.11.2021, on Standardization of Ground Handling Equipment at Major Airports.
- (viii) The Airport operator shall ensure the compliance of the Order.

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


**(Ram Krishan)
Director (P&S)**

To

M/s Globe Ground India Private Limited
E-9, Connaught House, Connaught Place
New Delhi – 110001, India
(Through: Shri Sanjay Sawant, Chief Financial Officer)

Copy to:

- i) Secretary, Ministry of Civil Aviation,
Rajiv Gandhi Bhawan,
Safdarjung Airport, New Delhi-110003.
- ii) Shri Pradeep Panicker, CEO
Hyderabad International Airport Limited,
GMR AERO Tower, RGIA, Shamshabad,
Hyderabad, 500409, Telangana, India.



ANNEXURE-I**TARIFF RATE CARD****APPROVED TARIFF CARD FOR M/S GLOBEGROUND INDIA PRIVATE LIMITED PROVIDING
GROUND HANDLING SERVICES AT RGIA, HYDERABAD****Maximum rate to be levied for Domestic* and International Schedule Flights in respect of Ground
Handling Services for the Third Control Period (FY 2021-22 to FY 2025-26)****APPROVED TARIFF CARD WILL BE EFFECTIVE FROM 1st JANUARY, 2022****(Rates in INR)**

| Particulars | FY 2021-22 | | | FY 2022-23 | | | FY 2023-24 | | | FY 2024-25 | | | FY 2025-26 | | |
|---------------------------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
| | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full | Pax | Ramp | Full |
| Domestic Passenger Flight | | | | | | | | | | | | | | | |
| CODE B | 5000 | 7500 | 12500 | 5000 | 7500 | 12500 | 5100 | 7650 | 12750 | 5202 | 7803 | 13005 | 5332 | 7998 | 13330 |
| CODE C | 6600 | 9900 | 16500 | 6600 | 9900 | 16500 | 6732 | 10098 | 16830 | 6867 | 10300 | 17167 | 7004 | 10506 | 17510 |
| CODE D | 10400 | 15600 | 26000 | 10400 | 15600 | 26000 | 10608 | 15912 | 26520 | 10820 | 16230 | 27050 | 11037 | 16555 | 27591 |
| CODE E | 21800 | 32700 | 54500 | 21800 | 32700 | 54500 | 22236 | 33354 | 55590 | 22681 | 34021 | 56702 | 23134 | 34702 | 57836 |
| CODE F | 38400 | 57600 | 96000 | 38400 | 57600 | 96000 | 39168 | 58752 | 97920 | 39951 | 59927 | 99878 | 40750 | 61126 | 101876 |
| International Passenger Flight | | | | | | | | | | | | | | | |
| CODE B | 16977 | 25466 | 42443 | 16977 | 25466 | 42443 | 43292 | 25975 | 43292 | 17663 | 26495 | 44158 | 18105 | 27157 | 45262 |
| CODE C | 39879 | 59819 | 99698 | 39879 | 59819 | 99698 | 101692 | 61015 | 101692 | 41490 | 62235 | 103726 | 42528 | 63791 | 106319 |
| CODE D | 59924 | 89886 | 149810 | 59924 | 89886 | 149810 | 152806 | 91684 | 152806 | 62345 | 93517 | 155862 | 63904 | 95855 | 159759 |
| CODE E | 81235 | 121853 | 203088 | 81235 | 121853 | 203088 | 207150 | 124290 | 207150 | 84517 | 126776 | 211293 | 86630 | 129945 | 216575 |
| CODE F | 101069 | 151604 | 252673 | 101069 | 151604 | 252673 | 257726 | 154636 | 257726 | 105152 | 157729 | 262881 | 107781 | 161672 | 269453 |
| Domestic Freight Flight | | | | | | | | | | | | | | | |
| CODE C | NA | 54000 | NA | NA | 54000 | NA | NA | 55080 | NA | NA | 56182 | NA | NA | 57586 | NA |
| CODE D | NA | 94000 | NA | NA | 94000 | NA | NA | 95880 | NA | NA | 97798 | NA | NA | 100243 | NA |
| CODE E | NA | 113000 | NA | NA | 113000 | NA | NA | 115260 | NA | NA | 117565 | NA | NA | 120504 | NA |
| CODE F | NA | 154000 | NA | NA | 154000 | NA | NA | 157080 | NA | NA | 160222 | NA | NA | 164227 | NA |
| International Freight Flight | | | | | | | | | | | | | | | |
| CODE C | NA | 140315 | NA | NA | 140315 | NA | NA | 143121 | NA | NA | 145984 | NA | NA | 149633 | NA |
| CODE D | NA | 154030 | NA | NA | 154030 | NA | NA | 157111 | NA | NA | 160253 | NA | NA | 164259 | NA |
| CODE E | NA | 205725 | NA | NA | 205725 | NA | NA | 209840 | NA | NA | 214036 | NA | NA | 219387 | NA |
| CODE F | NA | 302785 | NA | NA | 302785 | NA | NA | 308841 | NA | NA | 315018 | NA | NA | 322893 | NA |

Tariff for Domestic Flights includes Domestic Non Schedule Flights.*Notes:**

- Above Tariff Rates are excluding all applicable taxes.
- 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 rate as on 15th of the month will be applicable for the second fortnight.



ANNEXURE-II**APPROVED TARIFF CARD FOR M/S GLOBEGROUND INDIA PRIVATE LIMITED PROVIDING
GROUND HANDLING SERVICES AT RGIA, HYDERABAD**

Maximum rates to be levied for International Non-Schedule Flights in respect of Ground Handling Services for the Third Control Period (FY 2021-22 to FY 2025-26)

APPROVED TARIFF CARD WILL BE EFFECTIVE FROM 1st JANUARY, 2022

(Rates in INR)

| Maximum Take-off Weight (MTOW) | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|--------------------------------|----------|----------|----------|----------|----------|
| Upto 07 tons | 44,464 | 44,464 | 46,688 | 49,022 | 51,473 |
| 07 - 10 tons | 68,357 | 68,357 | 71,775 | 75,364 | 79,132 |
| 10 - 20 tons | 78,321 | 78,321 | 82,238 | 86,349 | 90,667 |
| 20-30 tons | 94,286 | 94,286 | 99,000 | 1,03,950 | 1,09,148 |
| 30 - 40 tons | 1,00,714 | 1,00,714 | 1,05,750 | 1,11,038 | 1,16,589 |
| 40 - 50 tons | 1,09,714 | 1,09,714 | 1,15,200 | 1,20,960 | 1,27,008 |
| 50 - 100 tons | 1,49,143 | 1,49,143 | 1,56,600 | 1,64,430 | 1,72,652 |
| 100 - 200 tons | 4,05,321 | 4,05,321 | 4,25,588 | 4,46,867 | 4,69,210 |
| 200 - 300 tons | 5,37,321 | 5,37,321 | 5,64,188 | 5,92,397 | 6,22,017 |
| Above 300 tons | 6,14,786 | 6,14,786 | 6,45,525 | 6,77,801 | 7,11,691 |

Notes:

- Above Tariff Rates are excluding all applicable taxes.
- 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 rate as on 15th of the month will be applicable for the second fortnight.



ANNEXURE-III**APPROVED TARIFF CARD FOR M/S GLOBEGROUND INDIA PRIVATE LIMITED PROVIDING
GROUND HANDLING SERVICES AT RGIA, HYDERABAD**

**Maximum rates to be levied for Additional Service Charges for Domestic and International Flights
in respect of Ground handling Services for the Third Control Period (FY 2021-22 to FY 2025-26)**

APPROVED TARIFF CARD WILL BE EFFECTIVE FROM 1st JANUARY, 2022

(Rates in INR)

| ANNEX B SECTIONS | EQUIPMENTS | REMARKS | | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 |
|---------------------|---------------------------------|--|-------------------|------------|------------|------------|------------|------------|
| 3.4.1(a) | Air Conditioner unit (ACU) | Narrow Body | Per Hour | 21,214 | 21,214 | 22,275 | 23,389 | 24,558 |
| | | Wide Body | Per Hour | 31,286 | 31,286 | 32,850 | 34,493 | 36,217 |
| 3.7.1(a) | Air Start Unit (ASU) | Narrow Body | Per start | 24,429 | 24,429 | 25,650 | 26,933 | 28,279 |
| | | Wide Body | Per start | 26,786 | 26,786 | 28,125 | 29,531 | 31,008 |
| 2.1.3(a)6 | Ambulift | | Per Usage | 53,571 | 53,571 | 56,250 | 59,063 | 62,016 |
| 3.6.3(a) | Conveyor belt loader | (non-operational use) | Per hour | 11,143 | 11,143 | 11,700 | 12,285 | 12,899 |
| 3.6.2(a)2 | Crew Bus | (non-operational use) | Trip (Two Way) | 11,786 | 11,786 | 12,375 | 12,994 | 13,643 |
| | | | Trip (one way) | 6,429 | 6,429 | 6,750 | 7,088 | 7,442 |
| 3.3.3(a) | Ground Power Unit (GPU) | 90 KVA | Per Hour | 12,857 | 12,857 | 13,500 | 14,175 | 14,884 |
| | | 140 KVA | Per Hour | 17,893 | 17,893 | 18,788 | 19,727 | 20,713 |
| 3.6.3(a) | Lower Deck Loader (LDL) | (non-operational use) | Per Hour | 49,179 | 49,179 | 51,638 | 54,219 | 56,930 |
| 3.6.3(a)/X | Main Deck Loader (MDL) | (non-operational use) | Per Hour | 66,964 | 66,964 | 70,313 | 73,828 | 77,520 |
| 3.6.2(a)1 | Passenger Bus | (non-operational use) | Trip (One Way) | 16,607 | 16,607 | 17,438 | 18,309 | 19,225 |
| 3.9.3(a) | Push Back (Tow Bar included) | (1 free with flight handling) | per push | 30,536 | 30,536 | 32,063 | 33,666 | 35,349 |
| 3.6.1(a) | Step Ladder (remote bay) | (2.5 Hr free with flight handling)) | Per Hour | 17,893 | 17,893 | 18,788 | 19,727 | 20,713 |
| 3.3.2(e)/X | Tail stand (B747) | | Per Usage | 26,786 | 26,786 | 28,125 | 29,531 | 31,008 |
| 3.3.2(e)/Y | Aircraft tethering | | Per Usage | 26,786 | 26,786 | 28,125 | 29,531 | 31,008 |
| 3.9.3(b) | Tow Inter Stand | | Per Tow | 43,821 | 43,821 | 46,013 | 48,313 | 50,729 |
| 3.6.5(a)/Y | Fork Lift 5 Ton | (non-operational use) | Per Hour | 20,143 | 20,143 | 21,150 | 22,208 | 23,318 |
| 3.6.5(a)/Z | Fork Lift 12 Ton | (non-operational use) | Per Hour | 24,536 | 24,536 | 25,763 | 27,051 | 28,403 |
| 3.3.3(a)/X | Hook on power | at aerobridge bay | per flight | 1,821 | 1,821 | 1,913 | 2,008 | 2,109 |
| 3.12.1(a) | Toilet service | (1 svc free with flight handling)) | per service | 17,893 | 17,893 | 18,788 | 19,727 | 20,713 |
| 3.13.1(a) | Water service | (1 svc free with flight handling)) | per service | 17,893 | 17,893 | 18,788 | 19,727 | 20,713 |

Passenger/Terminal Side and Manpower related

| ANNEX B SECTIONS | SERVICES | REMARKS | FY 2021- 22 | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 |
|---------------------|-----------------------------------|---------|----------------|------------|------------|------------|------------|
| 2.1.3(a)7/U | Floor Walkers/Welcome staff | 4+4 | 29,036 | 29,036 | 30,488 | 32,012 | 33,612 |

| | | | | | | | | |
|--------------|------------------------------|---------------------------|------------------------|--------|--------|--------|--------|--------|
| 2.1.3(a)7/V | Live Animal Handling | AVIH | per AVI | 1,607 | 1,607 | 1,688 | 1,772 | 1,860 |
| 2.1.3(a)7/W | Manpower (additional - UH) | | per personnel/hr. | 1,393 | 1,393 | 1,463 | 1,536 | 1,612 |
| | Manpower (Executive) | | per personnel/hr. | 2,143 | 2,143 | 2,250 | 2,363 | 2,481 |
| 2.1.3(a)7/X | Porter assisting pax. | at check-in counter | per porter/per flight | 2,571 | 2,571 | 2,700 | 2,835 | 2,977 |
| 3.6.9(a) | Ballast Bags Refill | | Per refill | 4,500 | 4,500 | 4,725 | 4,961 | 5,209 |
| 7.4.3(a) | Security (additional) | per personnel/ T/A flight | per personnel/flight | 4,929 | 4,929 | 5,175 | 5,434 | 5,705 |
| 3.6.10(a)1,2 | Val Handling | | per std. sz. container | 11,143 | 11,143 | 11,700 | 12,285 | 12,899 |
| 3.11.10(a,b) | Waste Disposal | (non-operational use) | | | | | | |
| 2.1.3(a)2 | Wheel Chair WCHR OR WCHS | | per service | 2,893 | 2,893 | 3,038 | 3,189 | 3,349 |
| | WCHC | Cabin Wheel chair | per service | 3,536 | 3,536 | 3,713 | 3,898 | 4,093 |
| 2.1.3(a)1 | Unaccompanied minor handling | | per child | 2,893 | 2,893 | 3,038 | 3,189 | 3,349 |
| 2.1.3(a)2 | Disabled passengers | | per passenger | 2,893 | 2,893 | 3,038 | 3,189 | 3,349 |
| 2.1.3(a)3 | VIPs | | per passenger | 4,500 | 4,500 | 4,725 | 4,961 | 5,209 |
| 2.1.3(a)4 | Transit w/o visa pax | TWOVs | per passenger | 4,500 | 4,500 | 4,725 | 4,961 | 5,209 |
| 2.1.3(a)5 | Deportees | | per passenger | 4,500 | 4,500 | 4,725 | 4,961 | 5,209 |
| | Valet Service | per valet/hour | | 1,607 | 1,607 | 1,688 | 1,772 | 1,860 |

Notes:

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