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F. No. AERA/20010/ MYTP/IndoThai/GH/Guwahati/CP-III/2022-27

आदेश संख्या 22/2023-24

Order No. 22/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण  
Airports Economic Regulatory Authority of India

मैसर्स जीसेक-इंडो-थाई ग्राउंड हैंडलिंग प्राइवेट लिमिटेड (जीसेक-इंडो-थाई) द्वारा लोकप्रिय गोपीनाथ बोरदोलोई अंतर्राष्ट्रीय हवाईअड्डा, गुवाहाटी पर दी जाने वाली ग्राउंड हैंडलिंग सेवाओं के लिए प्रथम नियंत्रण अवधि (वित्त वर्ष 2022-23 से वित्त वर्ष 2026-27) के लिए टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF  
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES TO BE PROVIDED BY  
M/s GSEC-INDO-THAI GROUND HANDLING PRIVATE LIMITED (GSEC-INDO-THAI) AT  
LOKPRIYA GOPINATH BORDOLOI INTERNATIONAL AIRPORT, GUWAHATI  
FOR THE FIRST CONTROL PERIOD  
(FY 2022-23 TO FY 2026-27)

जारी करने की तारीख : 14.11.2023

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**List of Abbreviations:**

AERA / Authority	Airports Economic Regulatory Authority of India
AIASL	AI Airport Services Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
CAPEX	Capital Expenditure
GSEC-Indo-Thai	GSEC-Indo-Thai Ground Handling Private Limited
COD	Commercial Operations Date
CGF	Cargo Facility, Ground Handling & Supply of Fuel to the Aircraft
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
GHA	Ground Handling Agencies
GHS	Ground Handling Services
INR/ ₹	Indian Rupees
ISP	Independent Service Provider
ITAMSPL	IndoThai Airport Management Services Pvt. Ltd.
GIAL	Guwahati International Airport Limited
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
P&L	Profit & Loss
SPC	Special Purpose Company
YoY	Year on Year



## CHAPTER 1: INTRODUCTION

- 1.1 M/s IndoThai Airport Management Services Pvt. Ltd. (ITAMSPL), vide its letter dated 21.01.2022, informed the Authority that the Consortium led by M/s IndoThai Management Services Private Limited had been awarded the contract for providing Ground Handling Services at Lokpriya Gopinath Bordoloi international Airport, Guwahati by Guwahati International Airport Limited (Airport Operator), vide its Letter of Award (LOA) dated 05.01.2022.
- 1.2 The Authority notes the Letter of Award dated 05.01.2022, inter-alia, stipulates that M/s ITAMSPL was required to form Special Purpose Company (SPC) within 15 days from issuance of LOA. Accordingly, M/s GSEC-Indo-Thai Ground Handling Private Limited (GSEC-Indo-Thai), SPC, was incorporated on 14.01.2022.
- 1.3 Subsequently, the Airport Operator issued letter dated 08.06.2022 to M/s GSEC-Indo-Thai Ground Handling Private Limited (GSEC-Indo-Thai), inter-alia, stipulating certain compliances on the part of the SPC for undertaking the Ground Handling Services at the Guwahati International Airport. These compliances include security clearance from BCAS and tariff approval from the Regulatory Authority.
- 1.4 The shareholding structure of the M/s GSEC-Indo-Thai, as informed by the ISP, is tabulated as below:

**Table-1: Shareholding Structure of M/s GSEC-Indo-Thai:**

Name of Shareholder	No. of Equity Shares	Equity Holding (%)
M/s IndoThai Airport Management Services Private Limited	26960	50.81
GSEC Limited	26000	49.00
Shyam Sunder Malani	100	0.19
<b>Total</b>	<b>53060</b>	<b>100.00</b>

- 1.5 M/s GSEC-Indo-Thai Ground Handling Private Limited was granted security clearance vide Bureau of Civil Aviation letter dated 27.10.2022, which is valid for a period of five years from the date of issuance of security clearance.
- 1.6 A License Agreement dated 13.02.2023 had been executed between Guwahati International Airport Limited and M/s GSEC-Indo-Thai Ground Handling Private Limited in respect of the aforesaid concession for a period of five years, from the commencement operation date.
- 1.7 The Authority notes that following clauses of the License Agreement:

*“C. IndoThai Airport Management Service Private Limited, the Lead Member of the consortium GSEC Indo Thai Airport Ground Handling Private Limited i.e., Licensee has emerged as the selected bidder in response to Request for Proposal dated 12<sup>th</sup> November, 2021. Accordingly, Airport Operator has issued Letter of Award dated 5<sup>th</sup> January, 2022 (LOA) in favour of the Lead Member with the mandate to incorporate the consortium within 15 days thereof. Further, as per LOA the Lead Member is also mandated to ensure the uninterrupted Ground Handling Services until the consortium obtains security permission and approval of tariff from relevant regulatory/government authority.*”

*D. Further, during the pendency of necessary security permission and approval of tariff from relevant regulatory/government authority in favour of the Licensee, the Lead Member has undertaken the commencement of Ground Handling Services effective from 4<sup>th</sup> February, 2022 (commencement date).”*

1.8 Upon receipt of request from M/s IndoThai Airport Management Services Pvt. Ltd., vide its letter dated 21.01.2022, the Authority, vide its Order No. 37/2021-22 dated 01.02.2022, allowed M/s IndoThai Airport Management Services Pvt. Ltd. to levy and collect, on ad-hoc basis, tariff for Ground Handling Services at Guwahati International Airport w.e.f. 01.02.2022 to 31.03.2022, or, till the determination of regular ground handling tariff, whichever is earlier. Subsequently, ad-hoc tariff has been extended up to 31.03.2024 by the Authority vide following orders:

- (i) Order No. 46/2021-22 dated 17.03.2022 – extended the ad hoc tariff up to 30.09.2022;
- (ii) Order No. 24/2022-23 dated 23.09.2022 – extended the ad hoc tariff up to 31.03.2023;
- (iii) Order No. 42/2022-23 dated 23.03.2023 – extended the ad hoc tariff up to 30.09.2023 and
- (iv) Order No. 20/2023-24 dated 27.09.2023 – extended the ad hoc tariff up to 31.03.2024.

1.9 As per the provisions of 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 (CGF Guidelines), M/s GSEC-Indo-Thai submitted the Multi Year Tariff Proposal (‘MYTP’) on 05.06.2023 for determination of Tariff for providing Ground Handling Services at Guwahati International Airport, for the First Control Period.

1.10 The Authority carefully examined the MYTP for the First control Period submitted by M/s GSEC-Indo-Thai in respect of Ground Handling services at Guwahati International Airport and issued Consultation Paper No. 09/2023-24 dated 17.08.2023, 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: 08.09.2023
- Date for submission of counter comments by ISP: 15.09.2023

1.11 The Authority received comments from the stakeholder namely, M/s SpiceJet Ltd. on the various proposals of the Authority contained in the Consultation Paper No. 09/2023-24 dated 17.08.2023 and the same were uploaded on the AERA’s website vide Public Notice No. 12/2023-24 dated 12.09.2023.

1.12 The Authority, in response to Public Notice No. 12/2023-24 dated 12.09.2023, received counter comments from M/s GSEC-Indo-Thai on 15.09.2023.

1.13 The Authority, after examining the comments of stakeholder i.e., M/s SpiceJet Ltd, counter comments of the ISP on the above referred CP and after considering all the relevant aspects of the case, has finalized this Tariff Order.



## Stakeholders' Comments

### 1.14 M/s SpiceJet's Comments on the review of Tendering Process: (License Agreements 1.2 of the CP)

"Authority may kindly note that "guiding principles issued by the International Civil Aviation Organization (ICAO) on charges for Airports and Air Navigation Services (ICAO DoC 9082), which lays down the main purpose of economic oversight which is to achieve a balance between the interest of Airports and the Airport Users. This policy document categorically specifies "that caution be exercised when attempting to compensate for shortfalls in revenue considering its effects of increased charges on aircraft operators and end users." The said policy document also emphasizes on balancing the interests of airports on one hand and aircraft operators, end users on the other, in view of the importance of the air transport system to States. This should be applied particularly during periods of economic difficulty. Therefore, the policy document recommends that States encourage increased cooperation between airports and aircraft operators to ensure that the economic difficulties facing them all are shared in a reasonable manner."

Sir, as this is particularly a period of economic difficulty for airlines, AERA is humbly requested to ensure that Airport Operator does not take the decision to award concession agreements solely on the revenue share being offered. Basing decisions solely on highest revenue share being offered breeds inefficiencies and tends to disproportionately increase the cost, as envisioned in the above-mentioned guiding principle."

### M/s GSEC-Indo-Thai's response to M/s SpiceJet's Comments:

- 1.15 "This is not in the scope of Ground Handling Agency (GHA), only the concerned Authority can comment."

### Authority's analysis on the Stakeholders' comments regarding review of tendering process:

- 1.16 The Authority notes the comments of M/s SpiceJet regarding economic oversight of Airports and ANS services as per ICAO's Guiding Principles (ICAO doc 9082) and award of concession by airport operator on revenue sharing basis.

In this regard, the Authority observes that ICAO Guiding Principles for charges for Airport Services, encourage States to incorporate four key principles of non-discrimination, cost relatedness, transparency and consultation with users. It is stated that the Authority's Regulatory Approach for Economic Oversight of Airports, relating to Tariff determination of Aeronautical Services at Major Airports, is in compliance with ICAO's above said Guiding Principles for charges for Airport Services and is in accordance with the mandate given to the Authority under the AERA Act, 2008.

- 1.17 With regard to the aspect of awarding Concessions by the Airport Operator on Revenue Share basis, the Authority observes that Concession Fee/ Revenue Share paid by the ISP to Airport Operator is in accordance with the Concession Agreement executed between the Service Provider and the Airport Operator. The Authority is of the view that bidding process to award such contracts, based on which ISP pays Revenue Share to Airport Operator, is a non-regulatory issue and such matters may be dealt between the stakeholders at the appropriate forum. Further, as per the regulatory approach of the AERA, the royalty paid by the ISPs to the Airport Operators is 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.

## CHAPTER 2: PRINCIPLES FOR DETERMINATION OF THE TARIFF FOR AERONAUTICAL SERVICES

- 2.1 The Authority, vide its Order No. 12/2010-11 dated 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 (“CGF Guidelines”), vide its Direction No. 04/2010-11 dated 10.01.2011.
- 2.2 In accordance with above mentioned AERA Guidelines, the following procedure is adopted for the determination of the Materiality Index of Regulated Service, as per clause 4.4 of the Guidelines:

### MATERIALITY ASSESSMENT:

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

$$\begin{aligned} \text{The Materiality Index for Guwahati Airport} &= 1000/420772 \\ &= 0.24\% \end{aligned}$$

The percentage share of Guwahati International Airport for FY 2019-20 (Pre-Covid Year) in respect of International Aircraft Movements is 0.24%, which is less than 5% Materiality Index (MI<sub>G</sub>) for the subject regulated service. Hence, the Regulated Service is deemed ‘**Not Material**’ for the First Control Period at Guwahati International Airport, as per clause 4.4 (ii) of the Guidelines.

- 2.3 As per the information furnished by M/s GSEC-Indo-Thai in Form F1 (b) on competition Assessment, M/s AI Airport Services Limited (AIASL) is also rendering similar services at Guwahati International Airport.
- 2.4 As per Clause 3.2 (i) of the CGF 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 the proposal shall be supported by the following:
- Documented evidence that consultation with the stakeholders have been undertaken;
  - Evidence of User Agreement(s), if any, between the Service Provider and the User of Regulated Service(s) clearly indicating the Tariff(s) that are proposed by the Service Provider.
- 2.6 The Authority noted that M/s GSEC-Indo-Thai has submitted the Annual Tariff Proposal (ATP) along with its MYTP. The ISP conducted stakeholders’ consultation meetings on 5<sup>th</sup> June, 2023 and has submitted minutes of meeting to the Authority. From the minutes of meeting, it was observed that the representatives of AIX Connect Private Limited and SNV Aviation Private Limited participated in the above referred meeting.

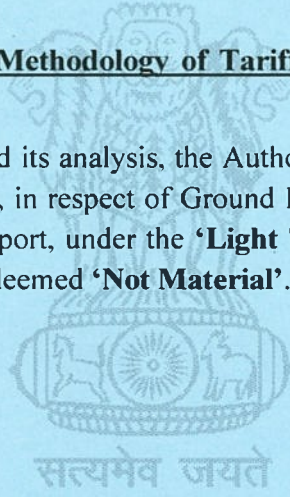


2.7 The Authority noted from minutes of meeting referred above (5<sup>th</sup> June, 2023), that the ISP merely informed the stakeholders about receipt requisite regulatory approvals by it for commencement of operations. Therefore, the ISP was advised to conduct stakeholders' consultation meeting again, sharing all the relevant details of its MYTP proposal, including Tariff proposed for the First Control Period, and submit minutes of meeting to the Authority accordingly.

Subsequent to issuance of CP, as directed by AERA, the ISP conducted stakeholders' consultation meeting again on 26.08.2023 and has submitted the minutes of meeting to the Authority vide email dated 10.10.2023. As per the minutes of meeting, the representative of AIX Connect, Akasa Air and Druk Air participated in the referred consultation meeting. The Authority, from the minutes of meeting, observes that none of the stakeholders raised any issue relating to the tariff proposed by the ISP for the First Control Period.

2.8 **Authority's decision regarding Methodology of Tariff Determination for M/s GSEC-Indo-Thai:**

Based on the material before it and its analysis, the Authority considered the Tariff determination exercise for M/s GSEC-Indo-Thai, in respect of Ground Handling Services to be provided by the ISP at Guwahati International Airport, under the '**Light Touch Approach**' for the First Control Period, as the regulated service is deemed '**Not Material**'.



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

#### M/s GSEC-Indo-Thai submission on Projected Aircraft Traffic for the First Control Period as part of MYTP

3.1 Actual Aircraft Traffic (No. of Landings) handled at Guwahati International Airport, from FY 2018-19 to FY 2022-23 is given below:

**Table 2: Actual Aircraft Traffic handled at Guwahati International Airport during FY 2018-19 to FY 2022-23.**

Year	Total number of Landings at Guwahati International Airport			Y-o-Y % increase		
	Domestic	International	Total	Domestic	International	Total
2018-19	24923	321	25244	--	--	--
2019-20	22270	500	22870	-11%	56%	-10%
2020-21	11711	10	11721	-47%	-98%	-48%
2021-22	16782	4	16786	43%	-60%	43%
2022-23	22851	104	22955	36%	2500%	37%

3.2 Projected Aircraft Traffic (flights to be handled by the ISP) for the First Control Period submitted by M/s GSEC-Indo-Thai is given below in Table 3.

**Table 3: Projected Aircraft Traffic (Flights to be handled by the ISP) submitted by M/s GSEC-Indo-Thai for the FY 2023-24 to FY 2025-26.**

Year	Flights to be handled by M/s GSEC-Indo-Thai for the First Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic	International		Domestic	International	Total
2023-24	6000	99	6099	-	-	-
2024-25	6300	104	6404	5%	5%	5%
2025-26	6615	109	6724	5%	5%	5%
<b>TOTAL (FY 2023-24 to FY 2025-26)</b>	<b>18915</b>	<b>312</b>	<b>19227</b>			

#### Authority's Examination of the Projected Aircraft Traffic (Flights to be handled) for the First Control Period at Consultation Stage:

3.3 The Authority noted that the License Agreement, inter-alia, mandates M/s IndoThai Airport Management Services Pvt. Ltd. to ensure the uninterrupted Ground Handling Services at Guwahati International Airport, during the pendency of necessary clearances/approvals in respect of M/s GSEC-Indo-Thai. Accordingly, M/s ITAMSPL (parent company) has been providing the ground handling services at Guwahati International Airport with effect from 04.02.2022.

3.4 The Authority noted that the SPC i.e., M/s GSEC-Indo-Thai has considered FY 2021-22 to 2025-26 as its First Control Period and has submitted its MYTP accordingly. Since the commencement of services started with effect from 04.02.2022 and in view of Airport Operator's Third Control Period

starting with FY 2022-23, the Authority considered it prudent to treat FY 2022-23 as the First Tariff Year and FY 2026-27 as the fifth/last Tariff Year of the Control Period (FY 2022-23 to FY 2026-27) in respect of M/s GSEC-Indo-Thai. Accordingly, vide email dated 22.06.2023, M/s GSEC-Indo-Thai was requested to furnish the actual traffic handled by M/s ITAMSPL from 01.02.2022 till 31.03.2023 and projected traffic for the tariff year 2026-27 along with relevant details. Accordingly, M/s GSEC-Indo-Thai, vide email dated 14.07.2023, has, inter-alia, furnished the details of actual traffic, handled by M/s ITAMSPL, for the FY 2022-23, as under:

Year	Flights handled by M/s IndoThai Airport Management Services Pvt. Ltd.
2022-23	403

3.5 M/s GSEC-Indo-Thai also submitted the following traffic projections for the year 2026-27:

Year	Flights to be handled by M/s GSEC-Indo-Thai	
	Domestic (No. of Landings)	International (No. of Landings)
2026-27	6945	115

3.6 After taking into account the submissions as brought out under Paras 3.3 and 3.4 above, the projected traffic to be handled by the service provider for the First Control Period is given below:

**Table 4: Projected Aircraft Traffic (Flights to be handled by ISP) submitted by M/s GSEC-Indo-Thai for the First Control Period.**

Year	Flights to be handled by M/s GSEC-Indo-Thai for the First Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic	International		Domestic	International	Total
2022-23*	403	-	403	-	-	-
2023-24	6000	99	6099	-	-	-
2024-25	6300	104	6404	5%	5%	5%
2025-26	6615	109	6724	5%	5%	5%
2026-27	6945	115	7060	5%	5%	5%
<b>TOTAL (FY 2022-23 to FY 2026-27)</b>	<b>25940</b>	<b>750</b>	<b>26690</b>			

\*Actual traffic handled by M/s IndoThai Airport Terminal Management Services Pvt. Ltd. (Lead Member of the SPC)

3.7 With regard to the actual traffic handled during the year FY 2022-23, ISP has clarified that only non-scheduled domestic operations (including State Government operated aircrafts) were handled by the parent company (i.e., M/s ITAMSPL) during the FY 2022-23 and the projections for the FY 2023-24 and onwards are premised on the aspect that they are handling 15 turnaround flights per day besides

NSOP, Vistara Airlines and State Governments flights. On the basis of justification given by the ISP for the projection in the FY 2023-24, the aircraft traffic projected to be handled during FY 2023-24 seems to be reasonable. The Authority observed that the actual traffic handled during the FY 2022-23 is miniscule as compared to subsequent year i.e., FY 2023-24 and it may not be appropriate to compare projected aircraft traffic of FY 2023-24 with actual traffic handled in FY 2022-23. Accordingly, FY 2023-24 has been taken as a base year for year-on-year comparison. Hence, year on year comparison in the above Table No. 4 above has been shown against FYs 2024-25, 2025-26 and 2026-27. The Authority also observed that M/s GSEC-Indo-Thai has projected an increase of 5% in aircraft traffic in FY 2024-25, FY 2025-26 and FY 2026-27, as compared to previous years.

- 3.8 As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Lokpriya Gopinath Bordoloi International Airport, Guwahati in the FY 2022-23 had surpassed the Aircraft Traffic of pre-Covid period (FY 2019-20) at this Airport (Reference Table 2 above).

The Authority also noted that the ISP projected 6099 flights (both Domestic and International flights) to be handled during the FY 2023-24, which is approx. 26% of the actual number of flight landings at the Guwahati International Airport for the FY 2022-23 (22955 landings). Accordingly, the ISP is expected to have a market share of around 26% in FY 2023-24 at Guwahati Airport.

- 3.9 Considering the actual aircraft traffic handled at Guwahati International Airport, and taking into account other relevant aspects, aircraft traffic projected by the ISP for the First Control Period seems to be reasonable. Accordingly, the Authority proposed to consider Traffic projections (flights to be handled) as submitted by M/s GSEC-Indo-Thai for the last four tariff years (i.e., FYs 2023-24, 24-25, 25-26 and 26-27) for the First Control Period as given in Table 4 above.

#### **Stakeholders' comments**

##### **M/s SpiceJet comments on projected Aircraft Traffic** (3.1 & 3.2 of the CP):

- 3.10 *"It is submitted that while predicting Aircraft Traffic, it may be noted that recent post COVID -19 trends may not show similar trends in the future after normalization of operations, and thus should not be linearly extrapolated for projecting future volumes.*

*Thus, it is submitted that at this point in time, it may not be realistic to assess the Aircraft Traffic and therefore it is requested that Authority may rationalize and true up the actual volumes during the 2nd Control Period, when a clearer picture emerges.*

*In addition, as this airport has the potential for high traffic volumes due to its strategic location and popular vacation destination and center point for connection to seven sisters states from all over the world, we request AERA to conduct an independent expert study for Aircraft Traffic projections, in accordance with the Airport Economic Regulatory Authority of India Act, 2008 (AERA Act)."*

##### **M/s GSEC-Indo-Thai's response to M/s SpiceJet's Comments:**

- 3.11 *"The SPV partner of GSEC-Indo-Thai Ground Handling Private Limited (GSEC-Indo-Thai) is IndoThai Airport Management Services Private Limited (IndoThai) and IndoThai has been concessionaire and been operating at Northern India Airport since 2011 and while projecting the Aircraft Traffic has taken a realistic view considering the present operation being carried out by IndoThai at Guwahati Airport.*

*The observation of Spicejet Ltd. is factually incorrect."*

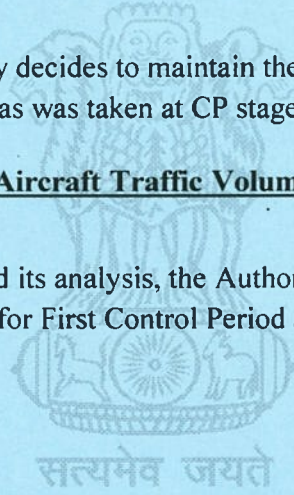


**Authority's analysis on the Stakeholders' comments regarding projected Aircraft Traffic Volumes:**

- 3.12 The Authority noted the comments of the M/s SpiceJet & ISP's response thereon. As regard to the aspect of true up of projected aircraft traffic (flights to be handled by the ISP) at the time of Second Control Period, it is apprised that the Regulated Service (Ground Handling Services) at Guwahati Airport, in respect of the First Control Period of the ISP, is deemed 'Not Material' (Reference Para 2.8 of this Tariff Order) and tariff determination process for the ISP has accordingly been dealt under the 'Light Touch Approach', where the concept of True-Up is not applicable. However, it is informed that the Authority has done the required due-diligence while proposing Aircraft Traffic (flights to be handled) for the First Control Period, at CP stage.
- 3.13 In respect of the M/s SpiceJet's suggestion regarding independent study on aircraft traffic projections in accordance with AERA Act 2008, the Authority may conduct independent study on the same at an appropriate time, if required.
- 3.14 In view of the above, the Authority decides to maintain the same view on the projected aircraft traffic (flights to be handled by the ISP), as was taken at CP stage.

3.15 **Authority's decision regarding Aircraft Traffic Volume (Flights to be handled by the ISP) for the First Control Period:**

Based on the material before it and its analysis, the Authority decides to consider the Aircraft Traffic (Flights to be handled by the ISP) for First Control Period as given in Table 4 above.



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## CHAPTER 4: CAPITAL EXPENDITURE (CAPEX)

### M/s GSEC-Indo-Thai's Submission on Capital Expenditure for the First Control Period.

- 4.1 M/s GSEC-Indo-Thai projected a total Capital Expenditure (CAPEX) of ₹ 2217.50 Lakhs for the First Control Period, as part of its MYTP submissions. Projected CAPEX is proposed to be incurred during FY 2023-24 to FY 2026-27. The year-wise Capital Expenditure projected by ISP is given below:

**Table 5: Projected Capital Expenditure submitted by M/s GSEC-Indo-Thai for the First Control Period**

Particulars	(₹ in Lakhs)					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Ground Handling Equipment	336.80	1,052.10	213.60	147.35	105.30	1518.35
Vehicles	260.00	180.00	170.00	170.00	100.00	620.00
Furniture and Fitting	10.00	20.00	5.00	2.15	2.00	29.15
Office Equipment	15.00	30.00	10.00	5.00	5.00	50.00
<b>Total</b>	<b>621.80</b>	<b>1,282.10*</b>	<b>398.60</b>	<b>324.50</b>	<b>212.30</b>	<b>2217.50</b>

\* Including Rs. 621.80 lakhs incurred during FY 2022-23.

- 4.2 M/s IndoThai Airport Management incurred capex of Rs. 621.80 lakhs during the FY 2022-23, against the total proposed Capex of Rs. 2217.50 lakhs for the Control Period. The Capex incurred by the parent company during the FY 2022-23 will be transferred to M/s GSEC-Indo-Thai and has been considered as part of the Capex plan for FY 2023-24 (Rs. 1282.10 lakhs).

- 4.3 As part of MYTP, the ISP also provided detailed bifurcation of the proposed CAPEX for the First Control Period as under:

**Table 6: Breakup of Capital Expenditure as submitted by M/s GSEC-Indo-Thai for the First Control Period**

Sl. no	Particulars	Cost/ Unit (₹ in lakhs)	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		Total
			Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	
			<b>1. Ground Handling Equipment:</b>								
	Push Back - Light	50.00	1	50.00	0	0.00	0	0.00	0	0.00	50.00
	Push Back - Medium	90.00	2	180.00	1	90.00	1	90.00	0	0.00	360.00
	Towbar	7.50	6	45.00	2	15.00	2	15.00	1	7.50	82.50
	Tugs	25.00	4	100.00	1	25.00	0	0.00	1	25.00	150.00
	Air Cooler Unit - 110 Ton	130.00	1	130.00	0	0.00	0	0.00	0	0.00	130.00
	Ground Power Unit - 90 KVA	36.00	4	144.00	0	0.00	0	0.00	0	0.00	144.00
	Air start unit - 300 ppm	113.00	1	113.00	0	0.00	0	0.00	0	0.00	113.00

Conveyor belt-Electrical (Motorised)	35.00	1	35.00	0	0.00	0	0.00	0	0.00	35.00
Conveyor belt towable	8.00	4	32.00	2	16.00	0	0.00	2	16.00	64.00
Towable Pax Step ladder	8.00	6	48.00	2	16.00	0	0.00	1	8.00	72.00
Lavatory truck - Motorised	20.00	2	40.00	0	0.00	0	0.00	0	0.00	40.00
Water truck - Motorised	20.00	2	40.00	0	0.00	0	0.00	1	20.00	60.00
Towable toilet cart WITH MOTOR	4.00	1	4.00	1	4.00	2	8.00	1	4.00	20.00
Towable water cart WITH MOTOR	4.00	1	4.00	1	4.00	2	8.00	1	4.00	20.00
Vacuum Cleaner	0.50	10	5.00	4	2.00	4	2.00	4	2.00	11.00
Baggage Trolley - Open	0.50	20	10.00	20	10.00	4	2.00	2	1.00	23.00
Baggage Trolley - Covered	0.65	60	39.00	40	26.00	17	11.05	10	6.50	82.55
Ambulift Towable	12.00	1	12.00		0.00	0	0.00	0	0.00	12.00
Fire Extinguisher TROLLEY	0.15	4	0.60	4	0.60	2	0.30	2	0.30	1.80
TRESTLE/LADDER	2.00	2	4.00	-	0.00	0	0.00	1	2.00	6.00
Wheelchairs	0.20	50	10.00	25	5.00	30	6.00	20	4.00	25.00
FUEL BOWSER	1.50	1	1.50	-	0.00		0.00		0.00	1.50
Miscellaneous			5.00		0.00		5.00		5.00	15.00
<b>Total</b>			<b>1052.10</b>		<b>213.60</b>		<b>147.35</b>		<b>105.30</b>	<b>1518.35</b>
<b>2. Vehicles:</b>										
Bus/coaches	80.00	6	160.00	2	160.00	2	160.00	1	80.00	560.00
car/Jeeps	10.00	4	20.00	1	10.00	1	10.00	2	20.00	60.00
<b>Total</b>			<b>180.00</b>		<b>170.00</b>		<b>170.00</b>		<b>100.00</b>	<b>620.00</b>
<b>3. Furniture &amp; Fittings</b>			20.00		5.00		2.15		2.00	29.15
<b>4. Office Equipment</b>			30.00		10.00		5.00		5.00	50.00
<b>GRAND TOTAL</b>			<b>1282.10</b>		<b>398.60</b>		<b>324.50</b>		<b>212.30</b>	<b>2217.50</b>

**Authority's Examination of the CAPEX proposed by the ISP for the First Control Period at CP stage:**

- 4.4 The Authority observed that M/s GSEC-Indo-Thai projected significant CAPEX of ₹ 2217.50 lakhs to be incurred during the First Control Period; however, the lead member of the SPC commenced operations just before the first tariff year (FY 2022-23) of the Control Period. In view of this, a clarification was sought from the ISP. In response, ISP vide emails dated 02.08.2023 and 06.08.2023 stated that "the operations started in the parent company on 04.02.2022 on temporary basis as per the agreed terms of the LOI and also as per the requirement of the airport operator and accordingly the company has invested a sum of Rs. 6.21 crores (FY 2022-23) to start operation. The operations are now being shifted to the SPV under consideration, as all the required clearances have been obtained. The equipment required to be transferred/purchased in the SPV and also more equipment are to be inducted hence the above capex of Rs. 12.82 crores (FY 23-24 including Rs. 6.22 crore) has been assumed."
- 4.5 With regard to the aspect of transferring asset to the SPC by the parent company and status of capital expenditure to be incurred during FY 2023-24, ISP, vide email dated 6.08.2023 informed that "out of total capex of Rs. 12.82 crores during the year 2023-24, a sum of Rs. 6.22 crores have already been spent by IndoThai Airport Management Services Private Limited and those assets will be

transferred at cost to the M/s GSEC-Indo-Thai and balance equipment will be purchased in GSEC-Indo-Thai as per operational requirement.” ISP had also shared the copies of invoices of major equipment transferred during the FY 2022-23 by the parent company.

- 4.6 The Authority noted that the CAPEX proposed by the ISP mainly includes procurement of Equipment, Vehicles and other Assets which are considered necessary for smooth commencement of ground handling operations at the airport.
- 4.7 The Authority noted that a significant portion of proposed CAPEX is relating to the Assets already procurement/ under procurement by the holding company, which will be transferred by the parent company to SPC for its proposed operations at the Guwahati airport. Considering that SPC is yet to commence its commercial operations at Guwahati airport and from the submissions of M/s GSEC-Indo-Thai, it transpires that formal transfer of Assets in favour of SPC is yet to be done; accordingly, the Authority decides to review the aspect of the Transfer of Assets by parent company in favour of SPC, cost of the Assets, etc., before issuance of the Tariff Order.

As regard to transfer of assets procured by the parent company in favour of SPC, the ISP vide email dated 11.10.2023 informed that the referred assets will be transferred in the name of M/s GSEC-Indo-Thai, after the commencement of operations.

- 4.8 The Authority also noted that the ISP, out of the total CAPEX projected for the Control Period, proposed major portion of CAPEX to be incurred in the FY 2023-24 (which includes Capex incurred during FY 2022-23) itself. Further, out of total CAPEX for FY 2023-24, M/s GSEC-Indo-Thai projected ₹1052.10 lakhs for Ground Handling Equipment and ₹180.00 lakhs for vehicles, ₹20.00 lakhs for furniture and fittings and ₹30.00 lakhs for miscellaneous items.
- 4.9 The Authority, based on its examination, observed that M/s GSEC-Indo-Thai proposed necessary CAPEX, for the Assets which are essential for the smooth conduct of business operations. The Authority, therefore, proposed to consider the CAPEX for the First Control Period as per Table-5 above.

#### **Stakeholders' Comments**

- 4.10 **M/s SpiceJet comments on deferment of the proposed CAPEX** [Stoppage of non-safety/security related capital expenditure (Refer 3.6, 4.1, 4.2 & 4.4 and Table 4, 5 & 6 of the CP):

*“Taking into account the actual traffic handled by lead member of SPV GSEC Indo Thai on its commencement year (2022-23) of operation at this airport (being 403 flights), the projected increase by GSEC Indo Thai for FY 2023-24 is 1413 % (being projected at 6099 flights) which is quite high. We request AERA to carry out an independent study on it. and the actual traffic It is likely that it would take some time for the airport and GSEC Indo Thai to reach higher traffic levels, and thus it is unlikely that all the Capex equipment as proposed would be required, unless as a replacement for damaged/worn-out equipment, which in itself is unlikely to happen in the First Control Period itself. In order to support the airlines to continue and sustain its operations, all non-essential CAPEX proposed by GSEC Indo Thai should be put on hold/deferred to the Second Control Period, unless deemed critical from a safety or security compliance perspective.*

*Without prejudice to the above, in case GSEC Indo Thai wants to make capital expenditure, then it should be at no additional expense to the airlines until the project is completed and put to use. Similarly, if any proposed Capex projects can be deferred from the First Control Period to the second Control Period, same should be considered by AERA.”*





**4.11 M/s GSEC-Indo-Thai's response to M/s SpiceJet's Comments regarding deferment of CAPEX:**

*"GSEC-Indo-Thai is obliged to keep safety of passenger and Aircraft and for that it will have to procure equipment and make capital expenditure. This is also required by both domestic and international carriers.*

*Moreover, it may please be noted that before award of contract by any Airline, a Ground Handler has to undergo intensive Audit procedure as lead down by airline and strength and all types of equipment is a must.*

*Considering above, GSEC-Indo-Thai has planned its capital expenditure very cautiously and it will have to procure equipment for providing services to airlines."*

**Authority's analysis on the Stakeholders' comments regarding the projected Capital Expenditure for the First Control Period:**

- 4.12 The Authority notes the comments of M/s SpiceJet Ltd., in context of the proposed CAPEX, wherein the Stakeholder has submitted that the projected aircraft traffic volume for FY 2023-24 as compared to previous year (FY 2022-23) is quite high. As per the stakeholder, it is likely to take some time for the ISP to achieve the projected aircraft traffic volumes; hence, the requirement of higher CAPEX based on the projected higher aircraft traffic volumes may not be required during the First Control Period.

In this regard, it is pertinent to mention that irrespective of level of operations (aircraft traffic volume), the ISPs are required to have necessary Ground Handling Equipment, allied facilities/ infrastructure in order to undertake ground handling operations in an efficient manner. Further, the Authority from the ISP's submission observes that customers i.e. airlines, before signing the agreements with the service providers, inspect the inventory of ground handling equipment etc. in possession of the ground handling agency; accordingly, the ISPs are required to maintain the necessary ground handling equipment etc. as per the Standard Operating Procedure/ Concession Agreement.

In addition, the service provider being a new entrant at Guwahati Airport, had handled relatively less aircraft volume in FY 2022-23 as compared to projected aircraft traffic for the FY 2023-24. Considering the likely increase in the aircraft traffic at Guwahati Airport; the service provider has considered higher traffic volume (flights to be handled) for the FY 2023-24 onward.

With respect to the comment of M/s SpiceJet regarding deferment of non-essential CAPEX, the Authority notes that M/s GSEC-Indo-Thai has adequately responded on the points raised by the stakeholder. As regard to the suggestion of the stakeholder regarding independent study on the aircraft traffic, as already indicated in the Chapter 3, the Authority may conduct independent study at an appropriate time, if required.

- 4.13 It is noteworthy to mention that the parent company i.e. M/s ITAMPL in order to provide uninterrupted Ground Handling Services to the users, in accordance with the Concession Agreement with the Airport Operator, has already incurred a CAPEX amounting to ₹ 621.80 lakhs, mainly on ground handling equipment which will be transferred to the ISP. In this regard, the ISP vide email dated 01.09.2023 submitted a copy of MOU dated 01.02.2023 entered into with its parent company, which inter-alia, stipulate the terms and conditions regarding procurement of ground handling equipment etc., including transfer of equipment at their cost prices. Further, the ISP vide email dated 11.10.2023 confirmed that the assets purchased in the parent company shall be transferred on start of operation in the name of SPV M/s GSEC-Indo-Thai Ground Handling Pvt. Ltd.

- 4.14 Considering that SPC is a new entrant at Guwahati Airport & taking over Ground Handling Operations from its parent company i.e., M/s ITAMSPL, it is essential for the new service provider to incur the necessary CAPEX in order to ensure smooth conduct of Ground Handling Operations at the airport and to provide quality services to the users.



In view of the foregoing, the Authority decides to consider the CAPEX proposed for the First Control Period as submitted by the ISP (Table 5).

**Authority's decision regarding CAPEX for the First Control Period**

4.15 Based on the material before it and its analysis, the Authority decides to consider the projected CAPEX for the First Control Period as per Table 5.



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## CHAPTER 5: OPERATING EXPENDITURE AND PROJECTED PROFITABILITY

### M/s GSEC-Indo-Thai's Submission on Operating Expenditure for the First Control Period

- 5.1 As provided in Clause 9.4 of the CGF Guidelines, the Operation and Maintenance (O&M) Expenditure shall include all expenditures incurred by the Service Provider including expenditure incurred on security operating costs, other mandated operating costs and statutory operating costs.
- 5.2 Operation and Maintenance Expenditures of M/s GSEC-Indo-Thai for its Ground Handling operations at Guwahati International Airport, have been broadly categorized as under:
- a) Payroll Cost;
  - b) Repair and Maintenance Costs;
  - c) Concession Fee;
  - d) Utilities & Outsourcing, and
  - e) Administrative and General Expenses.
- 5.3 As per the MYTP submission, Revenue, Operating Expenditure (OPEX) and Profitability projected by the ISP for the First Control Period (FY 2022-23 to FY 2026-27) is as under:

**Table 7: Revenue, Operating Expenditure and Profitability projected by M/s GSEC-Indo-Thai for the First Control Period.**

Particulars	2022-23 <sup>#</sup>	2023-24	2024-25	2025-26	2026-27	TOTAL (FY 22-23 to FY 26-27)
<b>Revenue from Regulated Services (A)</b>	125.56	1663.94	1829.39	2009.19	2187.02	7815.10
<b>Operating Expenditure (OPEX)</b>						
Payroll Cost (i)	72.92	929.00	980.00	1028.00	1079.40	4089.32
Repair and Maintenance Costs (ii)	4.00	57.00	60.00	63.00	66.00	250.00
Concession Fee (iii)	38.97	515.94	568.39	624.19	678.73	2426.22
Other Outflows	0.00	1.00	1.00	1.00	1.10	4.10
Utilities & Outsourcing (iv)	0.17	3.00	3.00	3.00	3.33	12.50
Administrative & General Expenses (v)	77.00	110.00	116.00	122.00	127.68	552.68
<b>Total OPEX (i+ii+iii+iv+v) = (B)</b>	<b>193.06</b>	<b>1615.94</b>	<b>1728.39</b>	<b>1841.19</b>	<b>1956.14</b>	<b>7334.72</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (A-B)</b>	<b>-67.50</b>	<b>48.00</b>	<b>101.00</b>	<b>167.99</b>	<b>230.87</b>	<b>480.36</b>
Depreciation and Amortization	62.18	128.00	155.00	172.00	176.00	693.18
<b>Earnings before Int. and Taxation (EBIT)</b>	<b>-129.68</b>	<b>-80.00</b>	<b>-54.00</b>	<b>-4.01</b>	<b>54.87</b>	<b>-212.82</b>
Interest & Finance Charges	92.64	214.00	274.00	331.00	389.65	1301.29
<b>Profit Before Tax (PBT)</b>	<b>-222.32</b>	<b>-294.00</b>	<b>-328.00</b>	<b>-335.01</b>	<b>-334.78</b>	<b>-1514.11</b>
Provision for Tax*	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit After Tax (PAT)</b>	<b>-222.32</b>	<b>-294.00</b>	<b>-328.00</b>	<b>-335.01</b>	<b>-334.78</b>	<b>-1514.11</b>

<sup>#</sup>Actual financials of M/s ITAMSP (parent company)

\*Nil Tax Liability due to losses in all years of the Control Period.

**Authority's Examination on the OPEX proposed by the ISP at CP stage:**

5.4 The Authority analyzed the Operating Expenditure provided in Form F3 (P&L) of the MYTP for the First Control Period and observes following Y-o-Y% increase in Revenue & OPEX considered by the ISP as per Table below:

**Table 8: Year on Year Percentage (%) increase in the Revenue and Operation & Maintenance Expenditure during the First Control Period**

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
Revenue from Regulated Services (A)	10%	10%	10%
Payroll Costs	5.5%	4.9%	5%
Repair and Maintenance Costs	5.3%	5%	4.8%
Concession Fee	10%	10%	10%
Utilities & Outsourcing	0%	0%	11%
Administrative & General Expenses	5.5%	5.2%	4.7%

5.5 The Authority's examination of Y-o-Y % growth considered by the M/s GSEC-Indo-Thai for the projected OPEX from FY 2023-24 onward is given in the following paras:

a) **Payroll Cost:** The Authority noted that the ISP projected Y-o-Y increase of 5.5%, 4.9% and 5% for the FY 2024-25, 2025-26 and 2026-27 respectively, in Payroll Costs for the Control Period.

With regard to the aspect of huge variation in the payroll costs pertaining to FY 2023-24 vis-à-vis FY 2022-23, ISP informed that "Ground Handling activity is labour intensive industry and major component is labour during the year 2022-23. They have majorly handled NSOP operation for which they did not require huge manpower, whereas from FY 2023-24, they are providing services to domestic and international airlines as such they have hired huge trained manpower for providing quality service". The Authority, while noting the above submission of the ISP and considering to be the increase in projected traffic handled by the ISP during FY 2023-24 vis-à-vis FY 2022-23, as submitted by ISP and brought out under para 3.7 above, is conscious of the fact the projected increase in traffic volume would entail increase in man power requirement of the ISP.

The Authority noted that projected increase in payroll expenses considered by M/s GSEC-Indo-Thai is commensurate with the projected increase in aircraft traffic and 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 and annual salary increments and related increase in statutory component like EPF etc., the Authority noted that YoY increase projected by the ISP in Payroll expenses for the First Control Period is reasonable.

b) **Repairs and Maintenance Costs:** The Authority observed that M/s GSEC-Indo-Thai had projected Y-o-Y increase of 5.3%, 5% and 4.8% for FY 2024-25, 2025-26 and 2026-27, respectively, in R&M expenses for the Control Period. The Authority noted that overall Repair and Maintenance cost as % to Opening RAB is very nominal during the Control Period.

Particulars (₹ in lakhs)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Opening RAB	NIL	1154.00	1398.00	1550.00
Repair and Maintenance Costs	57.00	60.00	63.00	66.00
% of Opening RAB	-	5.2%	4.5%	4.3%



Considering the impact of annual inflation, including annual increase in labour component of Repair & Maintenance Costs, the Authority notes that projected R&M expenses for the First Control Period is reasonable.

- c) **Concession Fees:** The Authority noted from the concession agreement executed between JIAL and M/s GSEC-Indo-Thai that the ISP is required to pay concession fee @45% of its Gross Revenue. In respect of concession fee projection, the Authority notes that the increase therein is in line with the increase in projected revenue.
- d) **Utilities and Outsourcing Costs:** The Authority noted that M/s GSEC-Indo-Thai proposed an increase of 11% in last tariff year (FY 2026-27) of the First Control Period. ISP also submitted that “*considering inflation rate of 6 to 7% a year, they have considered an increase of 11% on the fifth year only whereas kept all other years to be the same utility charges*”. The Authority observed that Utility & Outsourcing costs consist of electricity expenses and water charges. These expenses are directly linked with the number of flights to be handled.

The Authority noted that increase projected in Utility & Outsourcing costs is commensurate with the projected increase in aircraft traffic and revenue for the control period. Considering the above, the Utility & Outsourcing costs projected by the ISP for the Control Period seems reasonable.

- e) **Administrative & General Expenditure:** The Authority noted that the YoY increase of 5.3%, 5% and 4.8% for FY 2024-25, 2025-26 and 2026-27 respectively has been considered by M/s GSEC-Indo-Thai in the Administrative and General Expenditure for the Control Period.

The Authority observed that out of ₹ 110 lakhs projected as total Administrative & General Expenses for the FY 2023-24, an amount of ₹ 74 lakhs has been earmarked as ‘Lease Rent’, which is approx. 67% of the total Administrative & General Expenses and similar trend continues for rest of the tariff years during the control period. Accordingly, a clarification was sought from the ISP regarding the aspect of lease rent. In response, it has been clarified by the ISP that this lease rent is towards paved/ unpaved land taken on lease from the Airport Operator for parking of the equipment.

The Authority noted that considering the increase in aircraft traffic and taking into account impact of general inflation, the Y-o-Y increase projected by ISP in respect of Administrative and General Expenses for the First Control Period seems reasonable.

- 5.6 The Authority also noted that as per the projected profitability statement for the First Control Period (Table no. 6) that M/s GSEC-Indo-Thai likely to have positive EBITDA during FY 2023-24, 2024-25, 2025-26 and 2026-27. ISP also submitted that “*Ground Handling business is capital intensive and huge capex is involved; however, EBITDA is positive, i.e., Rs. 5.47 crores for Guwahati for the last four years of the Control Period. Considering the same, they are not making losses in any tariff years*. The Authority observed that even after taking into account EBITDA for the first tariff year i.e., FY 2022-23 (-67.50 lakhs), the projected EBITDA of the ISP is positive in the last four tariff years (i.e., FY 2023-24 to FY 2026-27)”. In continuation of the above, the ISP vide email dated 10.08.2023 stated that they will take effective measures to reduce their cost and increase the revenue in order to improve the overall profitability.



## Stakeholders' Comments

### M/s SpiceJet comments regarding projected OPEX

#### 5.7 Abolishment of Royalty Charges/ Concession Fee (5.2, 5.5 (c) and Table 7 and 8 of the CP):

*“Any attempt to award the contracts by the airport operator on highest revenue share basis should be discouraged as it breeds inefficiencies and tends to disproportionately increase the cost. It is general perception that service providers have no incentive to reduce their expenses, as most of any such increase would be passed on to the airlines/stakeholders through the tariff determination mechanism process and indirectly airlines would be forced to bear 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.*

*As you are aware, 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. These charges are mostly passed on to the airlines by the airport operator or other services providers. 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. Sometimes it is argued by the airport operators that ‘Royalty’ on ‘Aero Revenues’ helps in subsidizing the aero charges for the airlines, however royalty in ‘Non-Aero Revenues’ hits the airlines directly without any benefit.*

*In view of the above, we urge AERA to take measures to abolish such royalty which may be included in any of the cost items.”*

#### 5.8 Operating Expenditure – Drastic Cost Cutting (Refer 5.2, 5.3, 5.5 and Table 7 & 8 of CP):

*“It may be noted that across various industries, instead of cost escalations, all the costs have been renegotiated downwards substantially. It may also be noted that cost incurred by GSEC Indo Thai impacts the airlines, as such cost is passed through or borne mostly by the airlines. In order to ensure that there is no adverse impact/increase in the tariff, we request AERA to kindly put on hold any increase in operational expenditure by GSEC Indo Thai not related to safety or security.”*

### M/s GSEC-Indo-Thai's response to M/s SpiceJet's Comments:

#### 5.9 Abolishment of Royalty charges/Concession Fees:

*“The Royalty charges are as per Open Tender floated by the airport operator and same has to be honored.”*

#### 5.10 Operational Expenditure - Drastic Cost Cutting:

*“Repair and Maintenance Costs: During the year 2022-23 we have procured equipment new equipment and such the cost of Repair and Maintenance were negligible but after one year of operation machines/ equipment / etc. are required to be put under yearly maintenance and such the cost during 2023-24 seems to be high but after that it has been maintained at 5% of the total revenue of the company.*

*In view of the same Operating Expenditure are increasing with the increased volume and considering Inflation also.”*

**Authority's analysis on the Stakeholders' comments regarding the projected OPEX for the First Control Period:**

- 5.11 As regard to the comments of M/s SpiceJet pertaining to abolishment of royalty charges and M/s GSEC-Indo-Thai's response thereon, 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. Further, 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. Moreover, the Authority considers that bidding process, based on which the Royalty Charges/ Concession Fee is levied on to the ISPs by the Airport Operators, is a non-regulatory issue. Such matters may be dealt among the Stakeholders at appropriate forums.
- 5.12 As far as the issue relating to Royalty payable by the ISPs to Airport Operators on the Non-Aero Services, raised by the stakeholder, it is informed that levy of Royalty Charges/ Revenue Share on the Concessions pertaining to the 'Non-Aero Services' is outside the ambit of AERA. Hence, such issues may be discussed mutually between the concerned Stakeholders.
- 5.13 The Authority, at CP stage had examined the various components of OPEX as projected by the ISP for the First Control Period (Refer para 5.4 to 5.6). Further, some of the components of OPEX are linked to the level of operations (Aircraft Traffic); accordingly, with the projected increase in the Aircraft Traffic, the corresponding expenses on flight handling will also increase. Hence, considering the projected increase in Aircraft Traffic and the impact of general inflation, the revenue and operating expenses will also increase on similar lines. Therefore, the YoY increase projected by M/s GSEC-Indo-Thai in OPEX is reasonable.
- 5.14 In view of the above, the Authority decides to maintain the same view on the OPEX projection for the First Control Period, as was taken at CP stage.

**Authority's decision regarding Operation and Maintenance Expenses for the First Control Period:**

- 5.15 Based on the available facts and its analysis, the Authority decides to consider the OPEX for the First Control Period as per Table 7.

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**CHAPTER 6: ANNUAL TARIFF PROPOSAL**

**M/s GSEC-Indo-Thai submissions on Annual Tariff Proposal for the First Control Period as part of MYTP**

6.1 M/s GSEC-Indo-Thai submitted a Tariff proposal for Ground Handling Services in respect of Scheduled Flights at Guwahati International Airport for the First Control Period (FY 2022-23 to FY 2026-27) as given in Table below:

**Table 9: Proposed Tariff Rates for Scheduled Flights submitted by M/s GSEC-Indo-Thai for the First Control Period**

(Rates in ₹)

<b>(A) Passenger Flights</b>												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
<b>Domestic Passenger Flight</b>												
Code B	5198	7798	12996	5472	8208	13680	5760	8640	14400	6080	9120	15200
Code C	6931	10397	17328	7296	10944	18240	7680	11520	19200	8080	12120	20200
Code D	8664	12996	21660	9120	13680	22800	9600	14400	24000	10120	15180	25300
Code E	20794	31190	51984	21888	32832	54720	23040	34560	57600	24240	36360	60600
Code F	41587	62381	103968	43776	65664	109440	46080	69120	115200	48520	72780	121300
<b>International Passenger Flight</b>												
Code B	21101	49236	70337	22212	51827	74039	23381	54555	77936	24600	57400	82000
Code C	21660	50540	72200	22800	53200	76000	24000	56000	80000	25260	58940	84200
Code D	26858	62670	89528	28272	65968	94240	29760	69440	99200	31320	73080	104400
Code E	35522	82886	118408	37392	87248	124640	39360	91840	131200	41430	96670	138100
Code F	40721	95015	135736	42864	100016	142880	45120	105280	150400	47520	110880	158400
<b>(B) Cargo Flights</b>												
<b>Domestic Cargo Flight</b>												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	39710			41800			44000			46200		
Code C	54150			57000			60000			63000		
Code D	144400			152000			160000			168000		
Code E	189525			199500			210000			220500		
Code F	225625			237500			250000			262500		
<b>International Cargo Flight</b>												
Code B	64980			68400			72000			75600		
Code C	158840			167200			176000			184800		
Code D	180500			190000			200000			210000		
Code E	198550			209000			220000			231000		
Code F	231040			243200			256000			268800		

6.2 M/s GSEC-Indo-Thai considered the following % increase in the Tariff Rates for the Scheduled Flights at Guwahati International Airport as stated in the table below:





**Table 10: YoY Percentage (%) Change in Tariff Rats for the different Category of Scheduled Flights for the First Control Period**

<b>(A) Passenger Flights</b>												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
<b>Domestic Passenger Flight</b>												
Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code C	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code D	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code E	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code F	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>International Passenger Flight</b>												
Code B	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code C	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code D	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code E	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Code F	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>(B) Cargo Flights</b>												
<b>Domestic Cargo Flight</b>												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	5%			5%			5%			5%		
Code C	5%			5%			5%			5%		
Code D	5%			5%			5%			5%		
Code E	5%			5%			5%			5%		
Code F	5%			5%			5%			5%		
<b>International Cargo Flight</b>												
Code B	5%			5%			5%			5%		
Code C	5%			5%			5%			5%		
Code D	5%			5%			5%			5%		
Code E	5%			5%			5%			5%		
Code F	5%			5%			5%			5%		

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

**Table 11: Proposed Tariff Rates for Non-Scheduled Flights submitted by GSEC-Indo-Thai for the First Control Period**

	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27	
A/C Category	Domestic	International	Domestic	International	Domestic	International	Domestic	International
<b>MTOW</b>								
Helicopter	7446	13321	7838	14022	8250	14760	8663	15498
0- 6000	11191	27382	11780	28823	12400	30340	13020	31857
6001 - 12000	15568	37003	16388	38950	17250	41000	18113	43050
12001 - 25000	24819	42553	26125	44793	27500	47150	28875	49508
25001 - 40000	37228	64754	39188	68163	41250	71750	48313	75338
40001 - 70000	47968	81406	50493	85690	53150	90200	55807	94710
70001 - 100000	81225	109157	85500	114903	90000	120950	94500	126998
100001 - 150000	112813	162811	118750	171380	125000	180400	131250	189420
Above 150001	135375	185013	142500	194750	150000	205000	157500	215250

**Authority’s Examination regarding the tariff proposed at CP stage:**

- 6.4 The Authority noted that in the case of Scheduled Flights (Domestic and International), the ISP proposed 5% YoY increase in Tariff Rates from FY 2024-25 onward (*Table 10*).
- 6.5 The Authority also noted that M/s GSEC-Indo-Thai has proposed a separate Tariff Rate card for Non-Scheduled Flights and proposed an increase of 5% YoY basis from FY 2024-25 onward (*Table 11*).
- 6.6 The Authority, taking into consideration Aircraft Traffic projected by the ISP for the Control Period and projected increase in Operating Expenditure, due to factors like increase in number of manpower, annual increase in salary and wages, general inflation etc., noted that ISP requires minimum level of revenues to cover up the Operating Costs and get reasonable return on its investments.

It is pertinent to mention that as per profitability projected by the ISP for the Control Period (Table 7), even with the proposed tariff rates with Y-o-Y escalations therein, the ISP is likely to incur losses throughout the Control Period. In view of above, the Authority considered 5% increase in Tariff Rates proposed by the ISP on YoY basis from FY 2024-25 onward as reasonable.

- 6.7 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**.
- 6.8 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.9 Further, M/s GSEC-Indo-Thai should ensure compliance towards Standardization of Ground Handling Equipment at Lokpriya Gopinath Bordoloi International Airport, Guwahati 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 comments on Tariff proposed for the First Control Period**

6.10 Annexure III of the CP

*“It is noted that the proposed tariffs are exorbitantly high for international flights as compared to the recent consultation paper of GSEC Indo-Thai for Jaipur, the comparative tariffs of a few items are exhibited below as illustrations. It is also noted that in several places in the Annexure, the Units are either erroneous (as in the case of Blue and White collared staff—the Unit rates are mentioned as hourly rates, instead of the Unit being an 8-hour rate) or not specific. Please note that these are as examples only for one year (2023-24), while there may be several cases across the various years and category of Units/items. Authority is requested to kindly conduct a thorough review of the proposed Units and Tariffs before arriving at a decision, please.”*

*All figs in Rs.*

S. No.	Services	Station	Service Provider	Unit	International
1	Air Conditioning Unit (NB)	GAU	GSEC IndoThai	Per Hour	15,000

2	Air Conditioning Unit (NB)	JAI	GSEC IndoThai	Per Hour	11,100
3	Air Conditioning Unit (WB)	GAU	GSEC IndoThai	Per Hour	25,000
4	Air Conditioning Unit (WB)	JAI	GSEC IndoThai	Per Hour	18,750
5	Air Starter Unit (NB)	GAU	GSEC IndoThai	Per Hour	15,000
6	Air Starter Unit (NB)	JAI	GSEC IndoThai	Per Hour	7,500
7	Air Starter Unit (WB)	GAU	GSEC IndoThai	Per Hour	25,000
8	Air Starter Unit (WB)	JAI	GSEC IndoThai	Per Hour	18,750
9	Blue Collar Staff	GAU	GSEC IndoThai	Per Staff per hour	800
10	Blue Collar Staff	JAI	GSEC IndoThai	Per Staff per hour	400
11	White Collar Staff	GAU	GSEC IndoThai	Per Staff per hour	1,200
12	White Collar Staff	JAI	GSEC IndoThai	Per Staff per hour	600

*It may be particularly noted that while it is mentioned that the rates in Annexure III are the maximum rates that may be charged, it is not been explained or reasoned by the Authority why the maximum rates should be allowed to be higher than other comparable airports."*

6.11 Refer 6.1, 6.5, 6.8, 6.11, 6.12; 6.13, 6.14 and Table 9, 10 & 11 of the CP

*"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 in the back drop of COVID-19, looming recessionary fears as well as recent collapse of an airline, which may be in part due to high tariffs.*

*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.*

*In the given circumstances, it is humbly submitted that it is imperative that AERA does not take any steps, including by way of approving the proposed high tariffs, during the First Control Period, which would precipitate further adverse financial impact on the airlines. In this regard, we also humbly request AERA to not implement any Y-O-Y increase in tariffs during the First Control Period and defer any increase in the same to the subsequent control period, given the scenario described above."*

**M/s GSEC-Indo-Thai's response on the comments of M/s SpiceJet Ltd:**

6.12 *It may please be noted that Tariff is proposed on the volume of flights to be handled by any GHA at a particular Airport.*



Furthermore, it may please be noted that this is the maxim price approved by AERA. An airline is always welcome to negotiate with us while giving us opportunity to serve them.

**Authority's analysis regarding Tariff rates for Ground Handling Services for the First Control Period:**

- 6.13 The Authority notes the comments of M/s SpiceJet regarding high tariff rates proposed for few of the Item-wise services, as compared to tariff for similar services at other comparable airports. In this regard, the Authority is of the view that it is not appropriate to compare tariff rates between the airports, as each airport is unique in itself and has different level of aircraft traffic, CAPEX, OPEX etc., which has direct bearing on the tariff of services.

The Stakeholder in its comments has compared item-wise charges in respect of some of the Ground Handling Services pertaining to international flights at Jaipur Airport with the proposed tariff for such services at Guwahati Airport. It is pertinent to mention that as per AAI statistics, Jaipur Airport had handled the total of 2945 international aircraft movements in FY 2022-23, which is far more than the 208 international aircraft movements handled at Guwahati Airport. From the above, it can be seen that the Jaipur Airport had handled 1416% more international aircraft traffic as compared to international aircraft traffic handled at Guwahati Airport (FY 2022-23). Further, it is also important to note that irrespective of level of operations, the ISPs are required to maintain inventory of requisite Ground Handling Equipment in order to ensure smooth Ground Handling Operations at the airport, which in case of low aircraft volumes, leads to higher per unit service charges. In addition, the services offered under the rate card for the item-wise charges are optional in nature and its charges vary from airport to airport.

- 6.14 As regard to the M/s SpiceJet's request to the Authority to reduce the proposed increase in Tariff rates, the Authority, in this regard notes the counter comments of M/s GSEC-Indo-Thai that the actual Tariff that will be charged to the airlines, would be different from the ceiling Tariff Rates approved by the Authority, based on the negotiation with the airlines depending on the services required.

Further, taking into account the investments made/ projected by the ISP on Ground Handling Equipment and allied facilities/ infrastructure and factoring-in the periodic increase in the minimum wages/ annual increments, impact of general inflation on operating expenditure, M/s GSEC-Indo-Thai requires minimum level of revenues to cover up the projected operating expenses and to generate reasonable returns.

It is worth mentioning that as per the profitability statement (Table-6) submitted by the ISP, the Service Provider is expected to incur losses throughout the Control Period, even after considering the proposed tariff increase.

- 6.15 In view of the above, the Authority decides to consider the Tariff in respect of the Ground Handling Services for the First Control Period, as per **Annexures (I, II & III)**.

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

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

- 6.16 To consider the Tariff Rates for Ground Handling Services provided by GSEC-Indo-Thai at Guwahati International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Operations' and Item-wise Tariff Rate Card for Non-Scheduled Operators, for the First Control Period as per **Annexures (I, II & III)**.



- 6.17 The Tariff for Domestic 'Non-Scheduled and General Aviation Operations' shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).
- 6.18 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<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.19 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.
- 6.20 M/s GSEC-Indo-Thai shall ensure compliance towards Standardization of Ground Handling Equipment at Guwahati International Airport in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-240 11/10/2021-AAI-MOCA dated 27.10.2022.



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## CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The below-mentioned summary provides the Authority's decisions relating to relevant chapters regarding the Tariff determination for M/s GSEC-Indo-Thai, in respect of their proposed Ground Handling Services at Guwahati International Airport:

Chapter	Para	Summary of Authority's Decisions	Page No.
Chapter No.2	2.8	The Authority decides to consider the Tariff determination exercise for M/s GSEC-Indo-Thai, in respect of Ground Handling Services to be provided by the ISP at Guwahati International Airport, under the 'Light Touch Approach' for the First Control Period, as the regulated service is deemed 'Not Material'.	9
Chapter No. 3	3.15	The Authority decides to consider the Aircraft Traffic (Flights to be handled by the ISP) for First Control Period as given in Table 4.	13
Chapter No. 4	4.15	The Authority decides to consider the projected CAPEX for the First Control Period as per Table 5.	18
Chapter No. 5	5.15	The Authority decides to consider the OPEX for the First Control Period as per Table 7.	23
Chapter No. 6	6.16	The Authority decides to consider the Tariff Rates for Ground Handling Services provided by GSEC-Indo-Thai at Guwahati International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Operations' and Item-wise Tariff Rate Card for Non-Scheduled Operators, for the First Control Period, as per Annexures (I, II & III).	28
	6.17	The Authority decides that the Tariff for Domestic 'Non-Scheduled and General Aviation Operations' shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).	29
	6.18	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 15th of the month will be applicable for the second fortnight.	
	6.19	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.	
	6.20	The Authority decides that M/s GSEC-Indo-Thai shall ensure compliance towards Standardization of Ground Handling Equipment at Guwahati International Airport in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-240 11/10/2021-AAI-MOCA dated 27.10.2022.	



## CHAPTER 8: ORDER

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

- (i) The Ground Handling Services to be provided by M/s GSEC-Indo-Thai Ground Handling Private Limited at Lokpriya Gopinath Bordoloi International Airport, Guwahati, are **“Not Material”**. Therefore, the Authority decides to adopt **‘Light Touch Approach’** for the determination of Tariff in respect of the First Control Period (FY 2023-24 to FY 2027-28).
- (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 Flights’, 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 15<sup>th</sup> 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 GSEC-Indo-Thai shall maintain the separate accounts for its Ground Handling Operations at Guwahati 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 **20.11.2023**.
- (viii) The Airport Operator shall ensure the compliance of this Order.

By the Order of and in the name of the Authority

भा.वि.आ.वि.प्रा.

  
(Suyash Narain)  
Secretary

To

Vikash Ladia,  
Director  
M/s GSEC-Indo-Thai Ground Handling Private Limited  
484/1, 2<sup>nd</sup> Floor, Gujarat Chamber of Commerce,  
Ranchhodlal Navarangpura, Ahmedabad - 380009

Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110003
2. Chief Airport Officer, Lokpriya Gopinath Bordoloi International Airport, Borjhar, Guwahati, Assam – 781015

**TARIFF RATE CARD FOR M/S GSEC-INDO-THAI GROUND HANDLING PRIVATE LIMITED  
IN RESPECT OF DOMESTIC\* & INTERNATIONAL SCHEDULED FLIGHTS  
APPROVED BY AERA FOR THE FIRST CONTROL PERIOD (FY 2022-23 to FY 2026-27)  
AT LOKPRIYA GOPINATH BORDOLOI INTERNATIONAL AIRPORT, GUWAHATI**

**Revised Tariff Rates for Ground Handling Services is effective from 20.11.2023**

(Rates in ₹)

<b>(A) Passenger Flights</b>												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
<b>Domestic Passenger Flight</b>												
Code B	5198	7798	12996	5472	8208	13680	5760	8640	14400	6080	9120	15200
Code C	6931	10397	17328	7296	10944	18240	7680	11520	19200	8080	12120	20200
Code D	8664	12996	21660	9120	13680	22800	9600	14400	24000	10120	15180	25300
Code E	20794	31190	51984	21888	32832	54720	23040	34560	57600	24240	36360	60600
Code F	41587	62381	103968	43776	65664	109440	46080	69120	115200	48520	72780	121300
<b>International Passenger Flight</b>												
Code B	21101	49236	70337	22212	51827	74039	23381	54555	77936	24600	57400	82000
Code C	21660	50540	72200	22800	53200	76000	24000	56000	80000	25260	58940	84200
Code D	26858	62670	89528	28272	65968	94240	29760	69440	99200	31320	73080	104400
Code E	35522	82886	118408	37392	87248	124640	39360	91840	131200	41430	96670	138100
Code F	40721	95015	135736	42864	100016	142880	45120	105280	150400	47520	110880	158400
<b>(B) Cargo Flights</b>												
<b>Domestic Cargo Flight</b>												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	39710			41800			44000			46200		
Code C	54150			57000			60000			63000		
Code D	144400			152000			160000			168000		
Code E	189525			199500			210000			220500		
Code F	225625			237500			250000			262500		
<b>International Cargo Flight</b>												
Code B	64980			68400			72000			75600		
Code C	158840			167200			176000			184800		
Code D	180500			190000			200000			210000		
Code E	198550			209000			220000			231000		
Code F	231040			243200			256000			268800		

\*Tariff for Domestic Scheduled Flights is also applicable to Domestic 'Non-Scheduled & General Aviation 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 the rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.



**TARIFF RATE CARD FOR M/S GSEC-INDO-THAI GROUND HANDLING PRIVATE LIMITED IN RESPECT OF INTERNATIONAL 'NON-SCHEDULED & GENERAL AVIATION OPERATIONS' APPROVED BY AERA FOR THE FIRST CONTROL PERIOD (FY 2022-23 to FY 2026-27) AT LOKPRIYA GOPINATH BORDOLOI INTERNATIONAL AIRPORT, GUWAHATI**

**Revised Tariff Rates for Ground Handling Services is effective from 20.11.2023**

(Rates in ₹)

Financial Year	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MTOW</b>				
Helicopter	13321	14022	14760	15498
0 - 6000	27382	28823	30340	31857
6001 - 12000	37003	38950	41000	43050
12001 - 25000	42553	44793	47150	49508
25001 - 40000	64754	68163	71750	75338
40001 - 70000	81406	85690	90200	94710
70001 - 100000	109157	114903	120950	126998
100001 - 150000	162811	171380	180400	189420
Above 150001	185013	194750	205000	215250

**Notes:**

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**TARIFF RATE CARD APPROVED BY AERA FOR M/S GSEC-INDO-THAI GROUND HANDLING PRIVATE LIMITED IN RESPECT OF THE GROUND HANDLING SERVICES AT LOKPRIYA GOPINATH BORDOLOI INTERNATIONAL AIRPORT, GUWAHATI FOR THE FIRST CONTROL PERIOD (FY 2022-23 to FY 2026-27)**

**Item-wise Charges in respect of Domestic\* & International Flights**

**Revised Tariff Rates for Ground Handling Services is effective from 20.11.2023**

(Rates in ₹)

Sl. No.	SERVICES	UNIT	For the FY 2023-24		For the FY 2024-25		For the FY 2025-26		For the FY 2026-27	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
1	Air Conditioning Unit (NB)	Per Hour	11,100	15,000	12,210	16,480	13,431	18,000	13,431	18,000
2	Air Conditioning Unit (WB)	Per Hour	18,750	25,000	20,625	27,520	22,700.00	30,400	22,700.00	30,400
3	Air Starter Unit (NB)	Per Start	7,500	15,000	8,250	16,480	9,075.00	18,000	9,075.00	18,000
4	Air Starter Unit (WB)	Per Start	18,750	25,000	20,625	27,520	2,27,400.00	30,400	2,27,400.00	30,400
5	Aircraft Disinfection-Freighter Aircrafts	Per Service	3,000	16,000	3,300	17,600	3,630.00	19,200	3,630.00	19,200
6	Aircraft Disinfection- Pax Aircrafts Code C	Per Service	4,000	8,000	4,400	8,800	4,840.00	9,600	4,840.00	9,600
7	Aircraft Disinfection- Pax Aircrafts Code D/E	Per Service	25,000	32,000	27,500	35,200	30,250.00	38,800	30,250.00	38,800
8	Aircraft Disinfection- Pax Aircrafts Code F	Per Service	-	40,000	-	44,000	-	48,400	-	48,400
9	Aircraft Marshalling	Per Service	1875	2,480	2,050	2,800	2,255.00	3,200	2,255.00	3,200
10	Ambulift	Per flight leg	5000	10,000	5,500	11,040	6,050.00	12,000	6,050.00	12,000
11	Apron Transport (Passenger)	Per Trip	950	1,600	1,050	1,760	1,150.00	2,000	1,150.00	2,000
12	Arrange non-scheduled Crew Hotel Accommodation (HOTAC)	Per flight	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
13	ATC payment services	Per flight	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
14	Baggage ID	Per Service	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
15	Baggage /Cargo cart	Per Hour	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
16	Blue collar staff	Per staff per hour	400	800	450	880	500	2,000	500	2,000
17	Crew Transport	Per Trip	950	1,600	1,045	1,760	1,150	1,600	1,150	1,600
18	Deportee/Inadmissible (INAD) handling	Per passenger	-	1,200	-	1,360	-	1,520	-	1,520
19	Excess Baggage Fee(% of collection)	As per collection	10% of Exp.		10% of Exp.		10% of Exp.		10% of Exp.	
20	Exterior Cleaning - NB	Per Service	52,500	-	57,750	-	63,525	-	63,525	-
21	Exterior Cleaning - WB	Per Service	1,50,000	-	1,65,000	-	1,81,500	-	1,81,500	-
22	Ground Power unit 90KVA	Per Hour	4,700	10,000	5,170	11,040	5,690	12,000	5,690	12,000
23	Ground Power unit 180KVA	Per Hour	9,400	16,800	10,350	18,480	11,400	20,400	11,400	20,400
24	Interior Deep Cleaning - NB	Per Service	5,000	8,000	5,500	8,800	6,050	9,680	6,050	9,680
25	Interior Deep Cleaning - WB	Per Service	15,000	24,000	16,500	26,400	18,150	29,200	18,150	29,200
26	Passenger Step (mobile-NB)	Per Hour	1,375	4,000	1,510	45,200	16,561	4,800	16,561	4,800
27	Passenger Step (mobile-WB)	Per Hour	2,750	8,000	3,025	8,800	3,330	9,680	3,330	9,680
28	Pushback for narrow body aircraft	Per Push	5,000	10,000	5,500	11,200	6,050	12,400	6,050	12,400
29	Pushback for wide body aircraft	Per Push	10,000	20,000	11,000	22,000	12,100	24,400	12,100	24,400
30	Toiler truck	Per Service	1,375	2,400	1,510	2,800	1,660	3,200	1,660	3,200
31	Towing of narrow body aircraft	Per Tow	5,000	10,000	5,500	11,200	6,050	12,400	6,050	12,400
32	Towing of wide body aircraft	Per Tow	10,000	20,000	11,000	22,000	12,100	24,000	12,100	24,000
33	Unaccompanied Minor (UM) Handling	per UM	950.00	1,200	1,045	1,360	1,150	1,600	1,150	1,600
34	Vacuum Cleaner	Per Hour	3,750	4,000	4,125	4,400	4,550	4,800	4,550	4,800
35	VIP Vehicle (Innova range)	Per Trip	10,000	20,000	11,000	22,000	12,100	24,000	12,100	24,000
36	VIP Vehicle (Luxury-Mercedes/BMW/AUDI range)	Per Trip	25,000	40,000	27,500	44,000	30,250	48,400	30,250	48,400
37	Water truck	Per Service	1,375	2,400	1,510	2,640	1,660	2,800	1,660	2,800

38	Wheel chair	Per Service	400	2,400	440	2,640	485	2,800	485	2,800
39	White Collar Staff	Per staff per hour	600	1,200	660	1,360	725	1,600	725	1,600

Dom. = Domestic; Intl. = International

\*Tariff for Domestic Flights is also applicable to Domestic 'Non-Scheduled and General Aviation Flights'.

**Notes:**

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