

फा. सं. ऐरा/20010/एमवाईटीपी/इंडोथाई/जीएच/अमृतसर /सीपी-III/2022-27

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

आदेश संख्या 25/2023-24

Order No. 25/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

मैसर्स इंडोथाई अमृतसर प्राइवेट लिमिटेड (आई.टी.ए.पी.एल.) द्वारा श्री गुरु राम दासजी अंतर्राष्ट्रीय हवाईअड्डा, अमृतसर में प्रदान की 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 IN RESPECT OF THE
GROUND HANDLING SERVICES FOR M/s INDOTHAI AMRITSAR PRIVATE LIMITED
(ITAPL) AT SRI GURU RAM DAS JEE INTERNATIONAL AIRPORT, AMRITSAR
FOR THE FIRST CONTROL PERIOD (FY 2022-23 TO FY 2026-27)

जारी करने की तारीख : 16.11.2023

Date of Issue: 16.11.2023

ऐरा बिल्डिंग /AERA Building
प्रशासनिक परिसर /Administrative Complex
सफदरजंग हवाईअड्डा /Safdarjung Airport
नई दिल्ली / New Delhi – 110003



TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION	5
CHAPTER 2: PRINCIPLES FOR DETERMINATION OF THE TARIFF FOR AERONAUTICAL SERVICES	7
CHAPTER 3: AIRCRAFT TRAFFIC (FLIGHTS TO BE HANDLED).....	10
CHAPTER 4: CAPITAL EXPENDITURE (CAPEX).....	13
CHAPTER 5: OPERATING EXPENDITURE AND PROJECTED PROFITABILITY	16
CHAPTER 6: ANNUAL TARIFF PROPOSAL.....	22
CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS.....	27
CHAPTER 8: ORDER.....	28
ANNEXURE I: TARIFF RATE CARD FOR M/s ITAPL IN RESPECT OF DOMESTIC & INTERNATIONAL SCHEDULED FLIGHTS FOR THE FIRST CONTROL PERIOD AT AMRITSAR AIRPORT APPROVED BY AERA	28
ANNEXURE II: TARIFF RATE CARD FOR M/s ITAPL IN RESPECT OF INTERNATIONAL "NON-SCHEDULED & GENERAL AVIATION FLIGHTS" FOR THE FIRST CONTROL PERIOD AT AMRITSAR AIRPORT APPROVED BY AERA	30
ANNEXURE III: ITEM WISE CHARGES FOR DOMESTIC AND INTERNATIONAL FLIGHTS FOR M/s ITAPL IN RESPECT OF GROUND HANDLING SERVICES AT AMRITSAR AIRPORT FOR THE FIRST CONTROL PERIOD APPROVED BY AERA.....	31

भा.वि.आ.वि.प्रा.

AERA



LIST OF TABLES

Table No.	Particulars	Page No.
1	Shareholding Structure of M/s ITAPL	5
2	Actual Aircraft Traffic handled at Amritsar International Airport during FY 2018-19 to FY 2022-23	10
3	Projected Aircraft Traffic (Flights to be handled by the ISP) submitted by M/s ITAPL for the First Control Period	10
4	Projected Capital Expenditure submitted by M/s ITAPL for the First Control Period	13
5	Breakup of the Capital Expenditure as submitted by M/s ITAPL for the First Control Period	13
6	Revenue, Operating Expenditure and Profitability projected by M/s ITAPL for the First Control Period	16
7	Year on Year Percentage (%) increase in the Revenue and Operation & Maintenance Expenditure during the First Control Period	17
8	Proposed Tariff Rates for Scheduled Flights submitted by M/s ITAPL for the First Control Period	22
9	YoY Percentage (%) increase in the Tariff Rates on YoY basis for the different categories of Scheduled Flights in respect of the First Control Period	23
10	Proposed Tariff Rates for Non-Scheduled Flights submitted by M/s ITAPL for the First Control Period	24

भा.वि.आ.वि.प्रा.

AERA



List of Abbreviations:

AERA/ Authority	Airports Economic Regulatory Authority of India
AAI	Airports Authority of India
AIASL	AI Airport Services Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
CAPEX	Capital Expenditure
COD	Commercial Operations Date
CGF	Cargo Facility, Ground Handling & Supply of Fuel to the Aircraft
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
GHA	Ground Handling Agencies
GHS	Ground Handling Services
ITAPL	IndoThai Amritsar Private Limited
INR/₹	Indian Rupees
ISP	Independent Service Provider
LOIA	Letter of Intent to Award
MoM	Minutes of Meeting
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
SPV	Special Purpose Vehicle
YoY	Year on Year



CHAPTER 1: INTRODUCTION

- 1.1 M/s IndoThai Amritsar Pvt. Ltd. (ITAPL) vide letter dated 24.09.2021 informed the Authority that M/s IndoThai Airport Management Services Pvt. Ltd. had been selected through RFP selection process by Airports Authority of India (AAI) for providing Ground Handling Services at Sri Guru Ram Das Jee International Airport, Amritsar, for a period of 10 years from the Commercial Operations Date (“COD”), subject to an extension by a year at the sole discretion of AAI. In accordance of clause 5 of Letter of Intent to Award (LOIA) dated 19.02.2021, a Special Purpose Vehicle (SPV) “ITAPL” was incorporated on 24.03.2021 for providing Ground Handling Services (GHS) at Amritsar International Airport.
- 1.2 The shareholding structure of the M/s ITAPL (SPV) is tabulated below:

Table-1: Shareholding Structure of M/s ITAPL:

Name of Shareholder	No. of Equity Shares	Equity Holding (%)
M/s IndoThai Airport Management Services Pvt. Ltd.	9900	99%
Shyam Sundar Malani	100	1%
Total	10,000	100%

- 1.3 Subsequently, M/s ITAPL, vide letter dated 18.05.2022, submitted copies of Certificate of Incorporation of SPV and Security Clearance given by Bureau of Civil Aviation (BCAS). ISP vide above referred letter requested the Authority to allow them to charge the same Tariff, as approved by AERA for the other Ground Handling Service Provider at Amritsar Airport namely, AI Airport Services Limited (earlier known as Air India Airport Services Limited), on ad-hoc basis. Thereafter, M/s ITAPL vide letter dated 10.08.2022 submitted a copy of Concession Agreement dated 08.08.2022, executed between AAI & M/s ITAPL.
- 1.4 The Authority noted that SPV “ITAPL” has obtained the security clearance from BCAS vide its letter dated 12.05.2022, valid for a period of 5 years, from the date of issue of security clearance.
- 1.5 Considering the request of M/s ITAPL, the Authority, vide Order No. 17/2022-23 dated 18.08.2022 allowed M/s ITAPL to levy the prevailing tariff for Ground Handling Services as applicable to AI Airport Services Ltd. at Sri Guru Ram Das Jee International Airport, Amritsar, on ad-hoc basis, w.e.f. 22.08.2022 to 31.03.2023.

Subsequently, ad-hoc tariff in respect of the M/s ITAPL has been extended up to 31.03.2024 by the Authority vide following orders:

- (i) Order No. 42/2022-23 dated 23.03.2023 – extended the ad hoc tariff (as on 31.03.2023) w.e.f. 01.04.2023 up to 30.09.2023; and
- (ii) Order No. 20/2023-24 dated 27.09.2023 – further extended the ad hoc tariff (as on 30.09.2023) for the period from 01.10.2023 up to 31.03.2024, or, till the determination of regular tariff by the Authority for the ISP, whichever is earlier.



- 1.6 The ISP, vide letter dated 13.06.2023 submitted its Multi Year Tariff Proposal (MYTP) in respect of the First Control Period, for the determination of the regular Tariff in respect of Ground Handling Services being provided by the service provider at Amritsar International Airport. The Authority during the initial review of the MYTP observed some shortcomings/information gaps; accordingly, various clarifications / additional details were sought from the ISP. After regular follow-up & based on the AERA observations, the ISP submitted the revised MYTP for the First Control Period (FY 2022-23 to FY 2026-27) on 19.08.2023.
- 1.7 The Authority carefully examined the MYTP for the First Control Period submitted by M/s ITAPL in respect of Ground Handling services at Amritsar International Airport and issued its Consultation Paper No. 12/2023-24 dated 06.09.2023, inviting suggestions/comments from the stakeholders on the Consultation Paper with the following timelines:
- Date for submission of written comments by Stakeholders: 27.09.2023
 - Date for submission of counter comments by ISP: 04.10.2023
- 1.8 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. 12/2023-24 and the same were uploaded on the AERA's website vide Public Notice No. 14/2023-24 dated 29.09.2023.
- 1.9 The Authority, in response to Public Notice No. 14/2023-24 dated 29.09.2023, received counter comments from M/s ITAPL on 02.10.2023.
- 1.10 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.

भा.वि.आ.वि.प्रा.

AERA



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

- 2.1 The Authority, vide 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 CGF 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:

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

$$\begin{aligned} \text{The Materiality Index for Amritsar Airport} &= 4692/420772 \\ &= 1.12\% \end{aligned}$$

The percentage share of Amritsar International Airport for FY 2019-20 (pre-Covid year) in respect of International Aircraft Movements is 1.12%, which is less than 5% Materiality Index (MI_G) for the subject regulated service. Hence, the Regulated Service is deemed ‘**Not Material**’ for the First Control Period, at Amritsar International Airport, as per clause 4.4 (ii) of the Guidelines.

- 2.3 As per the information furnished by M/s ITAPL in Form F1 (b) on competition Assessment, M/s AI Airport Services Limited (AIASL) is also rendering similar services at Amritsar 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 The tariff determination exercise for the ISP in the instant proposal is being done under the “Light Touch Approach”. However, it is pertinent to mention that even under the Light Touch Approach, the Authority examines the various regulatory building blocks & underlying assumptions/ basis thereof, including projected Revenues, CAPEX, OPEX, Traffic Volumes, etc. considered by the ISP, so as to assess the reasonableness of various projections, including tariff proposed by the service provider. Accordingly, in accordance with CGF Guidelines (Clause 11.3), wherever required, necessary clarifications/ additional details etc., related to pertinent aspects of the proposals are sought from the service providers.



2.6 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:

- a) Documented evidence that consultation with the stakeholders have been undertaken;
- b) 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.

2.7 The Authority noted that M/s ITAPL submitted the Annual Tariff Proposal (ATP) along with its MYTP. The ISP conducted stakeholders' consultation meetings on 6th March, 2023 and had submitted Minutes of the Meetings (MoM) to the Authority.

It was observed from MoM that only one stakeholder i.e., the representative of Batika Air participated in the above referred Meeting. From the MoM, it was not clear whether all the stakeholders were invited for the consultation meeting and relevant information pertaining to MYTP, including tariff proposed for the Control Period by the ISP, was shared with the stakeholders.

2.8 In view of the above, the ISP was advised to hold the stakeholders' consultation meeting again and share the relevant information pertaining to the MYTP, including details of proposed Tariff for ground handling services, etc. to the stakeholders, well in advance of scheduled date of meeting, so as to enable the stakeholders to participate in the consultation process in a meaningful manner. Further, the ISP was advised to submit the minutes of meeting to the Authority, accordingly.

Stakeholders' Comments

2.9 **Stakeholders' Consultation Meeting** (Refer 2.7 & 2.8 of CP):

"We appreciate AERA's advice to IATPL to hold the stakeholders' consultation meeting again so as to enable the stakeholders to participate in the consultation process a meaningful manner. Such meeting should have been concluded before the CP had been published."

2.10 **M/s ITAPL response to comments of M/s SpiceJet**

"We do hereby agree to hold a stakeholder' consultation meeting again in compliance of AERA regulations."

Authority's analysis on the Stakeholders' comments regarding Stakeholders' Consultation Meeting:

2.11 Subsequent to issuance of the CP, the ISP conducted stakeholders' consultation meeting again on 03.10.2023, as per the directions as stated under para 2.8 above, and, has submitted the minutes of the meeting to the Authority, vide email dated 18.10.2023. As per the minutes of the meeting, the representative of Qatar Airways, M/s SpiceJet Ltd., Vistara Airlines, Scoot Air, Air India Express, Air India and Malindo Air participated in the referred consultation meeting. The Authority, from



the MoM, observes that none of the stakeholders raised any issue relating to the tariff proposed by the ISP for the First Control Period.

2.12 **Authority's decision regarding Methodology of Tariff Determination for M/s ITAPL:**

Based on the material before it and its analysis, the Authority decides to consider the Tariff determination exercise for M/s ITAPL, in respect of Ground Handling Services being provided by the ISP at Sri Guru Ram Dass Jee International Airport, Amritsar under the '**Light Touch Approach**' for the First Control Period, as the regulated service is deemed '**Not Material**'.



भा.वि.आ.वि.प्रा.
AERA



CHAPTER 3: AIRCRAFT TRAFFIC (FLIGHTS TO BE HANDLED)

M/s ITAPL submission on Projected Aircraft Traffic for the First Control Period

3.1 Actual Aircraft Traffic (No. of Landings) handled at Sri Guru Ram Dass Jee International Airport, Amritsar from FY 2018-19 to FY 2022-23 is given below:

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

Year	Total number of Landings at the Amritsar International Airport			Y-o-Y % increase		
	Domestic	International	Total	Domestic	International	Total
2018-19	6240	2713	8953	--	--	--
2019-20	6195	2346	8541	-1%	-14%	-5%
2020-21	3200	809	4008	-48%	-66%	-53%
2021-22	5391	1361	6752	68%	68%	68%
2022-23	7468	2293	9761	39%	68%	45%

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

Table 3: Projected Aircraft Traffic (Flights to be handled by the ISP) submitted by M/s ITAPL for the First Control Period

Year	Flights to be handled by M/s ITAPL for the First Control Period		Total (No. of Landings)	Y-o-Y % increase		
	Domestic	International		Domestic	International	Total
2022-23	124	52	176	-	-	-
2023-24	1540	323	1863	-	-	-
2024-25	1620	342	1962	5%	6%	5%
2025-26	1700	360	2060	5%	5%	5%
2026-27	1790	380	2170	5%	6%	5%
TOTAL	6774	1457	8231			



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 M/s ITAPL, in its MYTP had considered FY 2021-22 as first tariff year & FY 2025-26 as last tariff year of the First Control Period and based its MYTP projections pertaining to CAPEX, OPEX, Traffic Volumes etc. accordingly. As the ISP started its commercial operations during FY 2022-23 (with effect from 29.08.2022), 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 First Control Period (FY 2022-23 to FY 2026-27) for the M/s ITAPL. Accordingly, the ISP was advised to revise its MYTP submission, including Traffic Volumes projected for the First Control Period.
- 3.4 M/s ITAPL, vide email dated 19.08.2023 submitted its revised aircraft traffic figures for the First Control Period (FY 2022-23 to FY 2026-27).
- 3.5 The Authority observed that the projected aircraft traffic (flights to be handled by the ISP) shows significant increase in FY 2023-24 as compared with the actual traffic handled by the ISP in FY 2022-23. In this regard, M/s ITAPL vide email dated 22.08.2023 clarified that FY 2022-23 was their first year of operations at Amritsar Airport and the airlines operating at the airport were already having a contract with other Ground Handling Agency, moreover they had operated for just 7 months during the year, w.e.f. 29.08.2022, which resulted in lower turnaround (flights handled) in FY 2022-23 as compared to succeeding year. As the ISP operated partially during the FY 2022-23, the traffic volume figures for FY 2022-23 are miniscule as compared to subsequent year i.e., FY 2023-24. It may not be appropriate to compare projected aircraft traffic of FY 2023-24 with actual traffic handled in FY 2022-23. Accordingly, the FY 2023-24 has been taken as a base year for comparison of aircraft traffic volumes on year-on-year basis.
- 3.6 The Authority noted that M/s ITAPL from FY 2024-25 onward projected Y-o-Y increase of 5% in the total number of flights to be handled, during the remaining tariff years of the Control Period.
- 3.7 As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Amritsar International Airport for the FY 2022-23 had surpassed the actual Aircraft Traffic volume of pre-Covid period (FY 2019-20) at this Airport (Reference Table 2 above).
- The Authority also noted that based on the total aircraft traffic i.e., 1863 flights (Domestic & International flights) projected to be handled during the FY 2023-24, as compared to the actual total aircraft traffic handled by the Amritsar International Airport in FY 2022-23 i.e., 9761 number of landings (Domestic and International flights), the ISP is expected to have a market share of around 19% in FY 2023-24 at Amritsar Airport.
- 3.8 The Authority noted that the M/s ITAPL commenced its commercial operations in the middle of FY 2022-23 and it will take some time for the ISP to expand its customer base at the airport. Further, taking into account the market competition due to presence of other ground handling agency at the Amritsar Airport, the aircraft traffic volumes (flights to be handled) projected by the ISP for FY 2023-24 to FY 2026-27 seems reasonable. Accordingly, the Authority proposed to consider Aircraft Traffic projections (flights to be handled by the ISP) as submitted by the M/s ITAPL for the last four



tariff years (i.e., FYs 2023-24 to FY 2026-27) of the First Control Period as given in Table 3 above.

Stakeholders' Comments

3.9 The Authority received no comments/ views from stakeholders in respect of the projected Aircraft Traffic Volume (flights to be handled) for the First Control Period.

3.10 **Authority's decision regarding projected Aircraft Traffic Volumes (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 the last four tariff years (i.e. FY 2023-24 to 2026-27) of the First Control Period as per the Table 3 above.



CHAPTER 4: CAPITAL EXPENDITURE (CAPEX)

M/s ITAPL 's Submission on Capital Expenditure for the First Control Period

4.1 M/s ITAPL projected a total Capital Expenditure (CAPEX) of ₹ 4069.10 Lakhs for the First Control Period. The 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 4: Projected Capital Expenditure submitted by M/s ITAPL for the First Control Period

Particulars	(₹ in Lakhs)					
	2022-23*	2023-24	2024-25	2025-26	2026-27	Total
Ground Handling Equipment	1887.85	687.50	217.00	374.60	230.00	3396.95
Vehicles	260.00	170.00	160.00	15.00	10.00	615.00
Furniture and Fittings	-	20.00	5.00	2.15	5.00	32.15
Office Equipment	-	10.00	5.00	5.00	5.00	25.00
Total	2147.85	887.50	387.00	396.75	250.00	4069.10

*Actual CAPEX incurred in FY 2022-23.

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

Table 5: Breakup of the Capital Expenditure as submitted by M/s ITAPL for the First Control Period

Sl. no.	Particulars	Cost/ Unit (₹ in lakhs)	2022-23		2023-24		2024-25		2025-26		2026-27		Total
			Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	
			I. Ground Handling Equipment:										
	Push Back - Medium	90.00	1	90.00	1	90.00	0	0.00	1	90.00	0	0.00	270.00
	Push Back - Heavy	350.00	1	350.00	0	0.00	0	0.00	0	0.00	0	0.00	350.00
	Towbar	7.50	4	30.00	0	0.00	2	15.00	2	15.00	1	7.50	67.50
	MDL	375.00	1	375.00	0	0.00	0	0.00	0	0.00	0	0.00	375.00
	LDL	235.00	2	470.00	0	0.00	0	0.00	0	0.00	0	0.00	470.00
	Tugs	25.00	0	0.00	1	25.00	0	0.00	1	25.00	1	25.00	75.00
	Electric Baggage Tractors	35.00	6	210.00	0	0.00	2	70.00	1	35.00	0	0.00	315.00
	Air Cooler Unit - 110 Ton	137.00	0	0.00	1	137.00	0	0.00	0	0.00	0	0.00	137.00
	Ground Power Unit - 90 KVA	36.00	1	36.00	1	36.00	0	0.00	0	0.00	1	36.00	108.00
	Air start unit - 300 ppm	113.00	1	113.00	1	113.00	0	0.00	0	0.00	0	0.00	226.00



Conveyor belt- Electrical (Motorized)	35.00	0	0.00	1	35.00	0	0.00	1	35.00	0	0.00	70.00
Conveyor belt towable	8.00	0	0.00	3	24.00	3	24.00	1	8.00	1	8.00	64.00
Pax step Motorized wide body	42.00	0	0.00	2	84.00	1	42.00	0	0.00	1	42.00	168.00
Towable Pax Step ladder	8.00	8	64.00	4	32.00	3	24.00	2	16.00	0	0.00	136.00
Lavatory truck - Motorized	20.00	1	20.00	0	0.00	0	0.00	1	20.00	1	20.00	60.00
Water truck - Motorized	20.00	1	20.00	0	0.00	0	0.00	1	20.00	1	20.00	60.00
Towable toilet cart with motor	4.00	1	4.00	0	0.00	1	4.00	2	8.00	1	4.00	20.00
Towable water cart with motor	4.00	1	4.00	0	0.00	1	4.00	2	8.00	1	4.00	20.00
Vacuum Cleaner	0.50	4	2.00	4	2.00	4	2.00	4	2.00	5	2.50	10.50
Pallet Dolly	2.00	16	32.00	14	28.00	0	0.00	10	20.00	5	10.00	90.00
Container Dolly	2.00	14	28.00	16	32.00	16	32.00	5	10.00	5	10.00	112.00
Baggage Trolley - Open	0.50	10	5.00	15	7.50	0	0.00	25	12.50	20	10.00	35.00
Baggage Trolley - Covered	0.65	26	16.90	26	16.90	0	0.00	50	32.50	25	16.25	82.55
Ambulift Towable	12.00	0	0.00	1	12.00	0	0.00	0	0.00	0	0.00	12.00
Fire Extinguisher Trolley	0.15	3	0.45	4	0.60	0	0.00	4	0.60	5	0.75	2.40
Trestle/ Ladder	2.00	3	6.00	0	0.00	0	0.00	1	2.00	2	4.00	12.00
Wheelchairs	0.20	50	10.00	30	6.00	0	0.00	50	10.00	25	5.00	31.00
Fuel Bowser	1.50	1	1.50	1	1.50	0	0.00	0	0.00	0	0.00	3.00
Miscellaneous			0.00		5.00		0.00		5.00		5.00	15.00
Total			1887.85		687.50		217.00		374.60		230.00	3396.95
2. Vehicles:												
Bus/coaches	80.00	3	240.00	2	160.00	2	160.00	-	5.00	0	0.00	565.00
car/Jeeps	10.00	2	20.00	1	10.00			1	10.00	1	10.00	50.00
Total			260.00		170.00		160.00		15.00		10.00	615.00
3. Furniture & Fittings			0.00		20.00		5.00		2.15	0	0.00	32.15
4. Office Equipment			0.00		10.00		5.00		5.00	0	0.00	25.00
GRAND TOTAL			2147.85		887.50		387.00		396.75		250.00	4069.10

Authority's Examination of the CAPEX proposed by the ISP at CP Stage:

4.3 The Authority noted that the ISP had already incurred a major portion of the CAPEX proposed for the Control Period, during the FY 2022-23. Further, out of the total projected CAPEX (₹ 4069.10 lakhs) for the Control Period, M/s ITAPL proposed major proportion of the projected CAPEX on the Ground Handling Equipment (₹ 3396.95 lakhs) and on the procurement of vehicles (₹ 615 lakhs).

- 4.4 The ISP, vide email dated 19.08.2023 stated that they have proposed the CAPEX, considering operational requirements at the Amritsar Airport during the Control Period.
- 4.5 As regard to CAPEX pertaining to the FY 2022-23, the Authority sought the supporting documents towards the actual Capex incurred during the referred financial year. In response thereto, M/s ITAPL vide email dated 19.08.2023 shared copies of invoices in respect of the major equipment purchased during the FY 2022-23.
- 4.6 The Authority observed that the CAPEX proposed by the service provider at the Amritsar airport mainly pertains to the Ground Handling Equipment, vehicles etc., which are considered essential for smooth ground handling operations at the Airport.

Further, the concession agreement also mandated the procurement & maintenance of Ground Handling Equipment and Ground Handling Facilities by the concessionaire (ISP), in accordance with the minimum quality standards, to ensure the timely provision of ground handling services during the term of concession agreement.

- 4.7 The Authority, in view of the above, proposed to consider the projected CAPEX for the First Control Period as submitted by the ISP (Table 4).
- 4.8 The Authority, in respect of the CAPEX proposed for the First Control Period, noted that the ISP would be eligible to claim GST Input Tax Credits (ITC) on various movable assets etc. In this regard, the ISP vide email dated 29.08.2023 confirmed that they are availing ITC on Capital Items, wherever available, as per the GST Law.

Stakeholders' Comments

- 4.9 The Authority received no comments/ views from stakeholders in respect of the projected CAPEX for the First Control Period.

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

- 4.10 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 4.



CHAPTER 5: OPERATING EXPENDITURE AND PROJECTED PROFITABILITY

M/s ITAPL's submission on the 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(s) including expenditure incurred on security operating costs, other mandated operating costs and statutory operating costs.

5.2 Operation and Maintenance Expenditures of M/s ITAPL for its Ground Handling operations at Amritsar 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 for the First Control Period (FY 2022-23 to FY 2026-27) by the ISP is as under:

Table 6: Revenue, Operating Expenditure and Profitability projected by M/s ITAPL for the First Control Period

Particulars	(₹ in Lakhs)					
	2022-23*	2023-24	2024-25	2025-26	2026-27	TOTAL
Revenue from Regulated Services (A)	161.56	947.56	1045.76	1149.77	1269.40	4574.05
Operating Expenditure (OPEX)						
Payroll Cost (i)	63.80	438.69	460.62	483.65	507.84	1954.60
Repair and Maintenance Costs (ii)	4.61	49.00	51.45	54.02	56.72	215.80
Concession Fee (iii)	258.48	336.02	268.82	215.06	172.04	1250.42
Utilities & Outsourcing (iv)	0.24	1.59	1.67	1.76	1.84	7.11
Administrative & General Expenses (v)	46.60	125.15	131.46	138.08	145.05	586.34
Total OPEX (i+ii+iii+iv+v) = (B)	373.73	950.46	914.02	892.57	883.50	4014.28
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (A-B)	-212.17	-2.89	131.74	257.20	385.91	559.78
Depreciation and Amortization	214.79	282.06	292.55	302.97	297.67	1390.04
Interest & Finance Charges	334.27	524.00	634.00	741.00	814.00	3047.27
Profit Before Tax (PBT)	-761.23	-808.95	-794.81	-786.77	-725.77	-3877.53
Provision for Tax [#]	0.00	0.00	0.00	0.00	0.00	0.00
Profit After Tax (PAT)	-761.23	-808.95	-794.81	-786.77	-725.77	-3877.53

*Actual figures for 6 months.

[#]Nil Tax Liability due to projected losses in all tariff 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 7 below:

Table 7: Year on Year percentage (%) increase in the Revenue and Operation & Maintenance Expenditure during the First Control Period

Particulars	2023-24*	2024-25	2025-26	2026-27
Revenue from Regulated Services	193%	10%	10%	10%
Payroll Costs	244%	5%	5%	5%
Repair and Maintenance Costs	432%	5%	5%	5%
Concession Fee	-35%	-20%	-20%	-20%
Utilities & Outsourcing Costs	228%	5%	5%	5%
Administrative & General Expenses	33%	5%	5%	5%

*% increase over the annualized expenses of FY 2022-23

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

a) Payroll Cost: The Authority noted that the ISP projected Y-o-Y increase of 5% in Payroll Costs from FY 2024-25 onward.

The Authority noted that the ISP projected a significant increase in payroll costs in FY 2023-24 when compared with FY 2022-23. In this regard, the Authority noted that the ISP commenced its operation in the middle of FY 2022-23 (w.e.f. 29.08.2022) and had handled a minuscule traffic volume as compared to FY 2023-24, where an increase of 958% in Aircraft Traffic (flights to be handled) has been projected. The Authority is aware that the significant proportion of the payroll costs of the ISP is directly linked with the level of the ground handling operations (aircraft traffic handled); as there is huge projected increase in the aircraft traffic to be handled during the FY 2023-24, accordingly higher payroll costs have been projected for the FY 2023-24. Considering the above, the projected increase in payroll costs in the FY 2023-24 appears reasonable.

The Authority noted that projected increase in payroll expenses factors-in the impact of additional manpower required to meet the projected growth in aircraft traffic. Considering the impact of periodic increase in minimum wages, 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 noted that ISP considered Y-o-Y increase of 5% for all the tariff years, except FY 2023-24, where annual increase in R & M Expenses is apparently very high. However, on close examination, it is observed that projected R&M



Expenses for FY 2023-24 are appearing higher because of low expense base in FY 2022-23; as the ISP operated for few months only and had handled just 176 flights during its first year of operations (FY 2022-23). Further, as per the ISP equipment acquired in the FY 2022-23 were new and it required preventive maintenance only, resulting in nominal repair and maintenance expenses amounting just ₹ 4.61 lakhs. However, during FY 2023-24, the ISP is expecting huge increase in the level of operations (1863 nos. of flights projected to be handled as against just 176 flights handled during previous year). With the projected steep increase in traffic volumes to be handled, higher wear & tear of equipment is expected, requiring higher repairs & maintenance of equipment and other facilities in FY 2023-24.

The Authority noted that overall repair and maintenance costs as % to Opening RAB is ranging between 2.08% to 2.53% during FY 2023-24 to FY 2026-27, as tabulated hereunder:

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Opening RAB (₹ in lakhs)	1933.07	2538.51	2632.96	2726.74
Repair and Maintenance Costs	49.00	51.45	54.02	56.72
% of Opening RAB	2.53%	2.03%	2.05%	2.08%

The Authority considered that in order to provide uninterrupted and better services to users, it is imperative to keep required ground handling equipment and allied facilities in good working conditions all the times. In view of the above and considering the impact of annual general inflation, including annual increase in labour component of the Repair & Maintenance Costs, the projected R&M Expenses for the First Control Period is reasonable.

c) Concession Fees: The Authority noted from the concession agreement executed between AAI and M/s ITAPL that the ISP is required to pay concession fee as per the following:

- 3% of the Actual Gross Revenue from Scheduled Domestic Passenger Flight(s).
- 15% of the Actual Gross Revenue from Users other than Scheduled Domestic Passenger Flight(s) and RCS Flight(s).
- 0% for RCS Flights.

The Authority further noted from the concession agreement that the concessionaire (ISP) is required to pay 'premium', which is maximum of 'Minimum Annual Guarantee (MAG)' and the 'revenue share' as stated above. In the first year, Concessionaire will pay maximum of Revenue Share or MAG quoted at the time of bid. From the second year onwards, MAG for Concessionaire will be 80% of the previous year's premium.

d) Utilities and Outsourcing Costs: The Authority observed that M/s ITAPL has proposed a Y-o-Y increase of 5% in Utilities and Outsourcing Costs during the First Control Period. The Utility & Outsourcing costs primarily consist of electricity expenses and water charges and the increase in these expenses is linked with the projected increase in the level of flight handling.

The Authority noted that YoY 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 for the First Control Period by the ISP is reasonable.

- e) **Administrative & General Expenditure:** The Authority observed that the ISP considered a Y-o-Y increase of 5% in the Administrative and General Expenditure for all the tariff years of the Control period, except for FY 2023-24, where projected increase in expenses is 166% over the previous year.

As regard to projected increase in expenses in FY 2023-24, the Authority observed that out of the projected total Administrative & General Expenses for the FY 2023-24 (Rs. 586.34 lakhs), an amount of Rs. 293.05 lakhs have been earmarked as 'Lease Rent', which is approx. 50% 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 proposed lease rent during FY 2023-24. In response, the ISP vide email dated 19.08.2023 has clarified that this lease rent is towards paved/unpaved space taken on lease from the Airport Operator for parking of ground handling equipment and the ISP (vide email dated 29.08.2023) further clarified that they require large space to park additional equipment proposed to be procured in FY 2023-24, resulting into higher lease/ land rent during the FY 2023-24, and is the major factor for the projected increase in Admin. & General Expenses during FY 2023-24. In addition, it is observed that transportation expenses are another major head of expenses under the Admin. & General Expenses. These expenses, as per the ISP, are incurred in connection with transportation of equipment sent for annual maintenance/repairs and movement of goods, consumables like uniforms, stationery, etc.

The Authority, taking note of the clarifications submitted by the ISP and taking into account the projected increase in aircraft traffic and the impact of general inflation, considered the Y-o-Y increase projected by ISP in respect of Administrative and General Expenses for the First Control Period as 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 ITAPL likely to have positive EBITDA during last three year of the First Control Period. Further, the projected EBIT of the ISP in the last tariff year (FY 2026-27) is positive and it is covering the depreciation. M/s ITAPL, in context of the projected negative profitability during the Control Period, vide email dated 19.08.2023 stated as under:

“It may please be noted that the contract is Awarded by AAI for a period of 10 years and is MAG reduction formula. In view of the same we have to pay higher MAG during the initial year and thereby in 3 years it will come in line with actual operation and company will start earning profit thereafter and the same is evident from the MYTP proposal. Furthermore, it may also be noted that the company has invested its own fund through its parent company and majority of the interest is being paid to the parent company. Hence payment of interest should not be considered as loss.”



- 5.7 The Authority, in view of the above analysis and considering the additional details/ clarifications submitted by the ISP, proposed to consider the projected OPEX for the Control Period as submitted by the ISP.

Stakeholders' Comments

5.8 **M/s SpiceJet's comments regarding Operating Expenditure:**

(Refer Para 4.2, 5.3 and Table 5 & 6)

"It may please be noted that cost incurred by ITAPL 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 Capital & Operational expenditure by ITAPL not related to safety or security."

5.9 **M/s ITAPL' counter comments on the comments of M/s SpiceJet:**

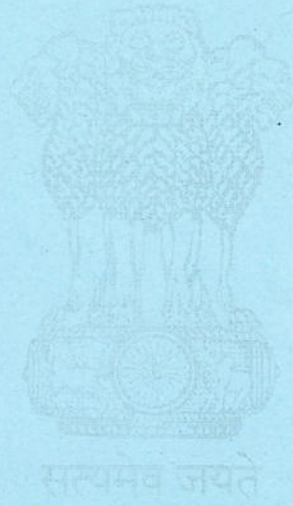
"ITAPL is obliged to keep safety of passenger and Aircraft and for that it will have to procure equipment and make capital expenditure. This is also required by both domestic and international carriers. Moreover, it may please be noted that before award of contract by any Airline, a Ground Handler has to undergo intensive Audit procedure as lead down by airline and strength and all types of equipment is a must. Furthermore, it may also be noted that Operating Expenditure have been projected at a very base level and are increasing with the increased volume and considering Inflation also. Considering above, ITAPL has planned its capital expenditure and operational very cautiously."

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

- 5.10 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). Some of the components of OPEX are linked to the level of ground handling operations (Aircraft Traffic handling) and service quality levels agreed upon in the user agreements between the service providers and the airlines; accordingly, with the projected increase in the Aircraft Traffic, the corresponding expenses (linked with the level of ground handling operations) on flight handling will also increase. Hence, considering the projected increase in Aircraft Traffic and taking into account the impact of general inflation, the revenue and operating expenses will also increase on the similar lines. Therefore, the Y-o-Y increase proposed by M/s ITAPL in the OPEX projected for the First Control Period appears reasonable.
- 5.11 With respect to the comment of M/s SpiceJet regarding to put on hold any increase in CAPEX, the Authority notes that M/s ITAPL has adequately responded on the points raised by the stakeholder. Further, it is noted from the submission of ISP that the client airlines before signing the agreements with the service provider for ground handling services, inspect the level of inventory of ground handling equipment etc. held by the service provider; accordingly, ISP is required to maintain the necessary ground handling equipment etc., which requires CAPEX spend.

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

5.12 Based on the available material and its analysis, the Authority decides to consider the OPEX for the First Control Period as per Table 6.



CHAPTER 6: ANNUAL TARIFF PROPOSAL

M/s ITAPL submissions on Annual Tariff Proposal for the First Control Period

6.1 M/s ITAPL submitted its Tariff proposal for Ground Handling Services (GHS) in respect of Scheduled Flights at Amritsar International Airport, for the First Control Period (FY 2022-23 to FY 2026-27), as given in Table below:

Table 8: Proposed Tariff Rates for Scheduled Flights submitted by M/s ITAPL for the First Control Period

(Rates in ₹)

(A) Passenger Flights												
	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
Domestic Passenger Flight												
Code B	6531	9796	16327	6857	10286	17143	7200	10800	18000	7560	11340	18900
Code C	8708	13062	21770	9143	13715	22858	9600	14400	24000	10080	15120	25200
Code D	10885	16327	27212	11429	17143	28572	12000	18000	30000	12600	18900	31500
Code E	26123	39185	65309	27429	41144	68573	28800	43200	72000	30240	45360	75600
Code F	52247	78370	130617	54858	82287	137146	57600	86400	144000	60480	90720	151200
International Passenger Flight												
Code B	21225	49526	70751	22286	52001	74287	23400	54600	78000	24570	57330	81900
Code C	31566	73654	105220	33144	77335	110478	34800	81200	116000	36540	85260	121800
Code D	38097	88892	126989	40001	93335	133336	42000	98000	140000	44100	102900	147000
Code E	48982	114290	163272	51430	120002	171432	54000	126000	180000	56700	132300	189000
Code F	55512	129529	185041	58287	136003	194290	61200	142800	204000	64260	149940	214200
(B) Cargo Flights												
Domestic Cargo Flight												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	39911			41906			44000			46200		
Code C	54424			57144			60000			63000		
Code D	145131			152384			160000			168000		
Code E	190484			200004			210000			220500		
Code F	226766			238100			250000			262500		
International Cargo Flight												
Code B	65309			68573			72000			75600		
Code C	159644			167622			176000			184800		
Code D	181413			190480			200000			210000		
Code E	199554			209528			220000			231000		
Code F	232209			243814			256000			268800		



6.2 M/s ITAPL proposed the following % increase in the Tariff Rates on YoY basis, for the Scheduled Flights at Amritsar International Airport, as stated in the table below:

Table 9: Y-o-Y Percentage (%) increase in the Tariff Rates on YoY basis, for the different categories of Scheduled Flights in respect of the First Control Period

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

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



Table 10: Proposed Tariff Rates for Non-Scheduled Flights submitted by M/s ITAPL for the First Control Period

(Rates in ₹)

A/C Category	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27	
	Domestic	International	Domestic	International	Domestic	International	Domestic	International
Maximum Take-Off Weight (MTOW)								
Helicopter	8123	13321	8550	14022	9000	14760	9450	15498
≤6000	12184	27382	12825	28823	13500	30340	14175	31857
>6001 - 12000	16696	37003	17575	38950	18500	41000	19425	43050
>12001 - 25000	27075	42553	28500	44793	30000	47150	31500	49508
>25001 - 40000	40613	64754	42750	68163	45000	71750	47250	75338
>40001 - 70000	54150	81406	57000	85690	60000	90200	63000	94710
>70001 - 100000	88445	109157	93100	114903	98000	120950	102900	126998
> 100001 - 150000	112813	162811	118750	171380	125000	180400	131250	189420
> 150001 & above	135375	185013	142500	194750	150000	205000	157500	215250

Authority's Examination of the Tariff Proposal for the Ground Handling Services by the ISP 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 9*).
- 6.5 The Authority also noted that M/s ITAPL proposed a separate Tariff Rate card for the Non-Scheduled Flights and proposed an increase of 5% YoY basis from FY 2024-25 onward (*Table 10*).
- 6.6 The Authority, taking note of projected Aircraft Traffic and projected increase in Operating Expenditure proposed by the ISP, due to factors like increase in number of manpower to cater to increasing aircraft volumes, annual increase in salaries and wages, general inflation etc., is of the view that the ISP requires a minimum level of revenues to cover up the increase in the Operating Costs. Considering the above, the 5% YoY increase in Tariff Rates proposed by the ISP from FY 2024-25 onward appears reasonable.
- It is pertinent to mention that even with the proposed tariff increase, the ISP as per its projected profitability statement is likely to suffer losses throughout the Control Period.
- 6.7 The Authority is of the view that the Tariff for Domestic 'Non-Scheduled and General Aviation Flights' 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 Flights' 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 15th of the month will be applicable for the second fortnight.



6.9 Further, M/s ITAPL should ensure compliance towards Standardization of Ground Handling Equipment at Amritsar International Airport 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 rates for the First Control Period:

6.10 "We kindly request that the approved Tariff Rates for ITAPL do not exceed the rates as approved by the Authority for M/s Air India Airport Services Limited (AIASL) for similar services being rendered by them at Amritsar for the relevant periods."

M/s ITAPL's response on the comments of M/s SpiceJet Ltd:

6.11 "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:

6.12 As regard to the comments of M/s SpiceJet on the proposed increase in Tariff, the Authority notes the counter comments of M/s ITAPL that the actual Tariff charged to the airlines would be different from the ceiling Tariff Rates approved by the Authority, based on the negotiation with the airlines.

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

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

6.13 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:

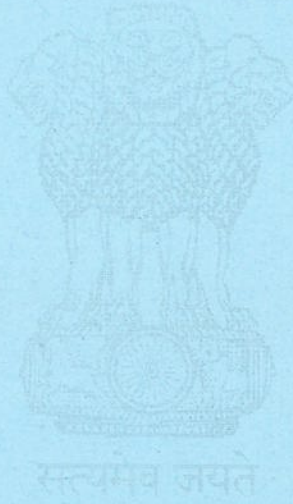
The Authority decides the following Tariff structure and Annual Tariff Proposal for the First Control Period:

6.14 To consider the Tariff Rates for Ground Handling Services provided by M/s ITAPL at Amritsar International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Flights' and Item-wise Tariff Rate Card for Domestic and International Flights, for the First Control Period, as per **Annexures (I, II & III)**.

6.15 The Tariff for Domestic 'Non-Scheduled and General Aviation Flights' shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).



- 6.16 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.
- 6.17 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.
- 6.18 M/s ITAPL shall ensure compliance towards Standardization of Ground Handling Equipment at Amritsar 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.



AMRITSAR
AIRPORT
REGULATORY
AUTHORITY



CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The below-mentioned summary provides the Authority's decisions relating to relevant chapters regarding the Tariff determination process for M/s ITAPL, providing Ground Handling Services at Amritsar International Airport:

Chapter	Para	Summary of Authority's Decisions	Page No.
Chapter No.2	2.12	The Authority decides to consider the Tariff determination exercise for M/s ITAPL, in respect of Ground Handling Services being provided by the ISP at Sri Guru Ram Das Jee International Airport, Amritsar under the ' Light Touch Approach ' for the First Control Period, as the regulated service is deemed ' Not Material '.	9
Chapter No. 3	3.10	The Authority decides to consider the Aircraft Traffic (Flights to be handled by the ISP) for the last four tariff years (i.e. FY 2023-24 to 2026-27) of the First Control Period as per the Table 3.	12
Chapter No. 4	4.10	The Authority decides to consider the projected CAPEX for the First Control Period as per Table 4.	15
Chapter No. 5	5.12	The Authority decides to consider the OPEX for the First Control Period as per Table 6.	21
Chapter No. 6	6.14	The Authority decides to consider the Tariff Rates for Ground Handling Services provided by M/s ITAPL at Amritsar International Airport in respect of Scheduled Flights, International 'Non-Scheduled & General Aviation Flights' and Item-wise Tariff Rate Card for Domestic and International Flights, for the First Control Period, as per the Annexures (I, II & III) .	25
	6.15	The Authority decides that the Tariff for Domestic 'Non-Scheduled and General Aviation Flights', shall not exceed the approved Tariff(s) for relevant Domestic Scheduled Flights for similar class of Aircraft(s).	
	6.16	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.	26
	6.17	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.	
6.18	The Authority decides that M/s ITAPL shall ensure compliance towards Standardization of Ground Handling Equipment at Amritsar 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.		

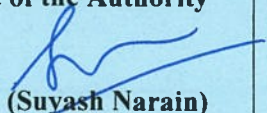


CHAPTER 8: ORDER

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

- (i) The Regulated Service i.e., the Ground Handling Services provided by M/s IndoThai Amritsar Pvt. Ltd. (ITAPL) at the Sri Guru Ram Das Jee International Airport, Amritsar is deemed as “**Not Material**”. The Authority, therefore, decides to adopt ‘**Light Touch Approach**’ for the determination of the Tariff, in respect of the Ground Handling Services, for the First Control Period (FY 2022-23 to FY 2026-27).
- (ii) The Authority decides that the Tariff Rates indicated in **Annexures (I, II & III)** shall be the 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 15th of the month will be applicable for the second fortnight.
- (v) The Tariff determined herein above is excluding of applicable taxes, if any.
- (vi) M/s ITAPL shall maintain the separate accounts for its Ground Handling Operations at the Amritsar 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) This 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


(Suyash Narain)
Secretary

To

Vikash Ladia, Director
M/s IndoThai Amritsar Private Limited
H. No. 773, Gali Brahmपुरi Kot Khalsa, Block Verka,
Post Office Khalsa College, Amritsar - 143001

Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110003
2. Chairman, AAI, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110003
3. Shri V.K. Seth, Airport Director, AAI, Sri Guru Ram Dass Jee International Airport Amritsar, Punjab - 143101



**TARIFF RATE CARD APPROVED BY AERA
FOR M/s INDOTHAI AMRITSAR PRIVATE LIMITED AT AMRITSAR AIRPORT
IN RESPECT OF DOMESTIC* & INTERNATIONAL SCHEDULED FLIGHTS
FOR THE FIRST CONTROL PERIOD (FY 2022-23 to FY 2026-27)**

Revised Tariff for Ground Handling Services is effective from 20.11.2023

(Rates in ₹)

(A) Passenger Flights												
	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
Domestic Passenger Flight												
Code B	6531	9796	16327	6857	10286	17143	7200	10800	18000	7560	11340	18900
Code C	8708	13062	21770	9143	13715	22858	9600	14400	24000	10080	15120	25200
Code D	10885	16327	27212	11429	17143	28572	12000	18000	30000	12600	18900	31500
Code E	26123	39185	65309	27429	41144	68573	28800	43200	72000	30240	45360	75600
Code F	52247	78370	130617	54858	82287	137146	57600	86400	144000	60480	90720	151200
International Passenger Flight												
Code B	21225	49526	70751	22286	52001	74287	23400	54600	78000	24570	57330	81900
Code C	31566	73654	105220	33144	77335	110478	34800	81200	116000	36540	85260	121800
Code D	38097	88892	126989	40001	93335	133336	42000	98000	140000	44100	102900	147000
Code E	48982	114290	163272	51430	120002	171432	54000	126000	180000	56700	132300	189000
Code F	55512	129529	185041	58287	136003	194290	61200	142800	204000	64260	149940	214200
(B) Cargo Flights												
Domestic Cargo Flight												
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27		
	Ramp Services			Ramp Services			Ramp Services			Ramp Services		
Code B	39911			41906			44000			46200		
Code C	54424			57144			60000			63000		
Code D	145131			152384			160000			168000		
Code E	190484			200004			210000			220500		
Code F	226766			238100			250000			262500		
International Cargo Flight												
Code B	65309			68573			72000			75600		
Code C	159644			167622			176000			184800		
Code D	181413			190480			200000			210000		
Code E	199554			209528			220000			231000		
Code F	232209			243814			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 15th of the month will be applicable for the second fortnight.



**TARIFF RATE CARD APPROVED BY AERA
FOR M/s INDOTHAI AMRITSAR PRIVATE LIMITED, AT AMRITSAR AIRPORT
IN RESPECT OF INTERNATIONAL 'NON-SCHEDULED & GENERAL AVIATION FLIGHTS'
FOR THE FIRST CONTROL PERIOD (FY 2022-23 to FY 2026-27)**

Revised Tariff 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
A/C Category				
MTOW				
Helicopter	13321	14022	14760	15498
≤ 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
> 150001 & above	185013	194750	205000	215250

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



ANNEXURE III

**TARIFF RATE CARD APPROVED BY AERA
FOR M/s INDOTHAI AMRITSAR PRIVATE LIMITED AT AMRITSAR AIRPORT
FOR THE FIRST CONTROL PERIOD (FY 2022-23 to FY 2026-27)**

Item-wise Charges for Ground Handling Services in respect of Domestic* & International Flights

Revised Tariff 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	11,655	15,750	12,238	16,538	12,850	17,364
2	Air Conditioning Unit (WB)	Per Hour	18,750	25,000	19,688	26,250	20,672	27,563	21,705	28,941
3	Air Starter Unit (NB)	Per Start	7,500	15,000	7,875	15,750	8,269	16,538	8,682	17,364
4	Air Starter Unit (WB)	Per Start	18,750	25,000	19,688	26,250	20,672	27,563	21,705	28,941
5	Aircraft Disinfection-Freighter Aircrafts	Per Service	3,000	16,000	3,150	16,800	3,308	17,640	3,473	18,522
6	Aircraft Disinfection- Pax Aircrafts Code C	Per Service	4,000	8,000	4,200	8,400	4,410	8,820	4,631	9,261
7	Aircraft Disinfection- Pax Aircrafts Code D/E	Per Service	25,000	32,000	26,250	33,600	27,563	35,280	28,941	37,044
8	Aircraft Disinfection- Pax Aircrafts Code F	Per Service	-	40,000	-	42,000	-	44,100	-	46,305
9	Aircraft Marshalling	Per Service	1,875	2,480	1,969	2,604	2,067	2,734	2,171	2,871
10	Ambulift	Per flight leg	5,000	10,000	5,250	10,500	5,513	11,025	5,788	11,576
11	Apron Transport (Passenger)	Per Trip	950	1,600	998	1,680	1,047	1,764	1,100	1,852
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	420	840	441	882	463	926
17	Crew Transport	Per Trip	950	1600	998	1,680	1,047	1,764	1,100	1,852
18	Deportee/Inadmissible (INAD) handling	Per passenger	-	1200	-	1,260	-	1,323	-	1,389
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	-	55,125	-	57,881	-	60,775	-
21	Exterior Cleaning - WB	Per Service	1,50,000	-	1,57,500	-	1,65,375	-	1,73,644	-
22	Ground Power unit 90KVA	Per Hour	4,700	10,000	4,935	10,500	5,182	11,025	5,441	11,576
23	Ground Power unit 180KVA	Per Hour	9,400	16,800	9,870	17,640	10,364	18,522	10,882	19,448
24	Interior Deep Cleaning - NB	Per Service	5,000	8,000	5,250	8,400	5,513	8,820	5,788	9,261
25	Interior Deep Cleaning - WB	Per Service	15,000	24,000	15,750	25,200	16,538	26,460	17,364	27,783
26	Passenger Step (mobile-NB)	Per Hour	1,375	4,000	1,444	4,200	1,516	4,410	1,592	4,631
27	Passenger Step (mobile-WB)	Per Hour	2,750	8,000	2,888	8,400	3,032	8,820	3,183	9,261
28	Pushback for narrow body aircraft	Per Push	5,000	10,000	5,250	10,500	5,513	11,025	5,788	11,576
29	Pushback for wide body aircraft	Per Push	10,000	20,000	10,500	21,000	11,025	22,050	11,576	23,153
30	Toiler truck	Per Service	1,375	2,400	1,444	2,520	1,516	2,646	1,592	2,778
31	Towing of narrow body aircraft	Per Tow	5,000	10,000	5,250	10,500	5,513	11,025	5,788	11,576
32	Towing of wide body aircraft	Per Tow	10,000	20,000	10,500	21,000	11,025	22,050	11,576	23,153



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.
33	Unaccompanied Minor (UM) Handling	per UM	950	1,200.00	998	1,260	1,047	1,323	1,100	1,389
34	Vacuum Cleaner	Per Hour	3,750	4,000.00	3,938	4,200	4,134	4,410	4,341	4,631
35	VIP Vehicle (Innova range)	Per Trip	10,000	20,000	10,500	21,000	11,025	22,050	11,576	23,153
36	VIP Vehicle (Luxury-Mercedes/BMW/AUDI range)	Per Trip	25,000	40,000	26,250	42,000	27,563	44,100	28,941	46,305
37	Water truck	Per Service	1,375	2,400	1,444	2,520	1,516	2,646	1,592	2,778
38	Wheel chair	Per Service	400	2,400	420	2,520	441	2,646	463	2,778
39	White Collar Staff	Per staff per hour	600	1,200	630	1,260	662	1,323	695	1,389

* Tariff for Domestic Flights is also applicable to Domestic 'Non-Scheduled and General Aviation Flights'.
Dom. = Domestic; Intl. = International

Notes:

- Above Tariff Rates are excluding of all applicable taxes, if any.
- 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 15th of the month will be applicable for the second fortnight.

