

**Letter No. - GAL/Cargo/AERA / 2025-26/133**

**Date – 29<sup>th</sup> Dec'2025**

To,

Director (P&S, Tariff)  
 Airports Economic Regulatory Authority of India (AERA),  
 Udaan Bhawan, Third Floor,  
 Safdarjung Airport,  
 New Delhi – 110003

**Sub:** Submission of the counter comments to Federation of Freight Forwarders Association in India (FFFAI) comments

**Reference:** Consultation Paper no 05/2025-26 dated 28.11.2025

Dear Sir,

We write with reference to the comments by The Air Cargo Agents Association of India (ACCA) in the matter of determination of Tariff for Cargo Handling Services at Manohar International Airport, Mopa, Goa (GOX) for the first control period. The Authority in the consultation paper has directed to submit the counter comments to the consultation paper latest by 29<sup>th</sup> December 2025.

We hereby submit our counter comments for your kind consideration:-

S. No.	FFFAI's Comments	GGAC's Counter Comments
1	Monitoring and Review of Approved CAPEX for Tariff Determination	AERA already has mechanisms for CAPEX verification during tariff determination and annual performance reviews. Introducing additional monitoring may increase regulatory burden and delay tariff finalization. It may be perused that the major portion of capital expenditure has been completed and put to use. AERA has already done the due diligence which is reflected in Consultation Paper.
2	Excessive Year-on-Year Escalation in Proposed Cargo Tariffs vis-à-vis Industry Benchmarks	GOX airport operate under PPP model which differ significantly from government-operated airports managed by AAICLAS. These differences in operational structure, investment obligations, and service delivery standards necessitate a distinct pricing framework for cargo handling. Further, high attrition of the Blue collared and skilled & trained manpower costs increase year on year to the CTOs. Justification for the proposed Tariff are as below: <b>GOX Facility &amp; Services Overview</b>

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		<ul style="list-style-type: none"> <li>• <b>Area Details</b> - GOX Mopa Cargo Terminal has a total area of 10,000 sq. m with Truck parking and other facilities.</li> <li>• <b>Freighter Handling</b> - GOX supports full-fledged freighter operations, handling A321F freighters with MDL/LDL offload capability.</li> <li>• <b>Infrastructure Details</b> <ul style="list-style-type: none"> <li>○ GOX features multiple temperature-controlled zones (2–8 °C &amp; 15–25 °C)</li> <li>○ Availability of Dedicated pharma storage</li> <li>○ Strong rooms facility with biometric access</li> <li>○ Availability of DG storage</li> <li>○ ULD breakdown zones and calibrated floor scales.</li> <li>○ Green Equipments (4 Forklifts, 1 tug, 1 tractor, 14 HPTs etc.) for handling of Cargo</li> <li>○ Dedicated Car/Truck parking facility</li> </ul> </li> <li>• <b>Modern IT &amp; Technological Facility</b> – Availability of ERP, ACCS, Web based facilities, HHTs for cargo scanning</li> <li>• <b>Regulated Terminal Facilities</b> – RA3 certified Terminal having availability of Customs, Plant Quarantine, Drug Controller etc.</li> <li>• <b>GDP Certified Terminal</b> for specialization in handling Pharma Shipments</li> <li>• <b>Skilled &amp; Trained Manpower</b> - Expertise in handling pharma, perishables, e-commerce, PO mail, aquamarine, and Defence goods, with transshipment and bonded trucking capabilities</li> <li>• <b>Operational Efficiency</b> – Quick Turnaround, faster Cargo Processing, Transshipment facilities, dual view X-ray machines, efficient ULD breakdown, storage &amp; clearance via state-of-the-art cargo handling platform.</li> </ul> <p>These factors demonstrate how <b>GOX</b> stands out with modern infrastructure, scalability, advanced cargo handling (especially freighters and cold-chain), and optimized logistics connectivity—delivering a substantial strategic advantage over <b>AAICLAS airport's legacy cargo setup</b>.</p> <p>The proposed YoY tariff increases at Mopa are necessary to ensure cost recovery and operational viability for a low-</p>

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		<p>volume airport with significant fixed costs. Unlike major hubs, smaller airports cannot rely on scale to offset expenses. A uniform cap of 2–3% is impractical, as infrastructure investments and traffic potential vary widely across airports. The escalation is therefore a calibrated measure to maintain yield and support future growth.</p> <p>The proposed tariff is decided to ensure financial viability for a greenfield airport like Mopa, which faces high fixed costs and low initial traffic during the ramp-up phase.</p> <p>Further, ad-hoc Tariffs were kept low in the initial year, with a staggered increase in five years. This approach is cost-reflective, accounting for capital recovery and operational obligations, while avoiding sudden shocks to stakeholders. Comparing these tariffs with mature airports is inappropriate, as Mopa requires an aggressive yet phased cost recovery strategy to remain viable. CPI-based escalation alone does not capture traffic risk and capital cost recovery needs; hence, structured increments beyond CPI are justified in the proposed tariff.</p>
3	Multiplicity of Charges Leading to Complexity and Duplication	<p>Tariff is designed user friendly based on the activities performed based on Primary services and other optional services without any duplication and complexity. This has already been explained and addressed to Stakeholders by individual airports in different forums with simplified Tariff. We have already classified services into two clear categories – Primary Services and Optional Services.</p> <p><b>Primary Services:</b> Essential cargo handling activities forming the core tariff.</p> <p><b>Optional Services:</b> Value-added services availed on request. This approach provides clarity, avoids confusion, and enhances predictability for stakeholders.</p>
4	Non-applicability of Cargo Handling Charges on Movement of Empty ULDs	<p>A <b>Unit Load Device (ULD)</b> is a <b>container or pallet</b> used for transporting baggage, cargo, and mail within suitably equipped aircraft. ULDs are <b>secured in the aircraft hold</b> to prevent movement during flight, contributing directly to flight safety. Each ULD is identified with a unique code in accordance with IATA standards, and must be <b>certified by civil aviation authorities</b>, reflecting ICAO's airworthiness and safety mandates.</p> <p><b>Key Characteristics:</b></p>

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		<ul style="list-style-type: none"> <li>• <b>Form:</b> Either an aircraft pallet (typically accompanied by a pallet net) or a container.</li> <li>• <b>Function:</b> Bundles cargo into standardized units that securely lock into aircraft cargo systems.</li> <li>• <b>Certification:</b> Treated as aircraft parts—subject to structural integrity testing and approved to withstand in-flight loads.</li> <li>• <b>Integration:</b> Designed to interface directly with aircraft roller floors and restraining equipment.</li> </ul> <p>Since it is a part of the Aircraft, additional handling of the Inventory management needs to be performed with manpower, equipment and other facilities.</p> <p>Justification regarding applicability of Cargo handling charges for movement of empty ULDs may be referred as under:</p> <ul style="list-style-type: none"> <li>• <b>Resource Utilization and Infrastructure Costs:</b> Movement of empty ULDs between airside and cityside requires deployment of manpower, equipment (such as forklifts, dollies, and towing vehicles), and security screening as per BCAS norms. These activities consume operational resources and occupy terminal infrastructure, which incur costs similar to cargo handling.</li> <li>• <b>Compliance and Security Requirements:</b> Even empty ULDs must undergo mandatory checks and documentation under BCAS and Customs protocols to maintain security integrity. These processes involve regulated handling steps, making them part of the cargo ecosystem and not a free movement.</li> <li>• <b>Industry Benchmarking:</b> At several major airports, charges for ULD movements—whether loaded or empty—are standard practice to recover costs associated with handling, security, and equipment usage. Aligning with this practice ensures uniformity and fairness.</li> </ul> <p>Exempting empty ULD movements would lead to unrecovered costs for services rendered, resulting in cross-</p>

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		subsidization by other users, which is inconsistent with AERA guidelines.																											
5	Non-admissibility of Customs Deployment / MOT Charges as a Pass-through to Users	<p>Customs deployment at the cargo terminal is a <b>statutory requirement</b> under the Customs Act, ensuring compliance, security, and facilitation of trade. This involves real costs such as dedicated workspace, utilities, IT systems, and Merchant Overtime Charges (MOT) for extended hours beyond normal duty. These costs are <b>not covered under TSP charges</b>, which relate only to cargo processing and storage. Passing these costs on actuals ensures transparency and avoids cross-subsidization, in line with AERA's cost causation principle.</p> <p>Further, <b>Customs Master Guidelines (Ref: HCCAR, 2009)</b> stipulate that cost recovery charges for Customs staff apply to custodians unless they are exempted by specific orders. Importantly, <b>eligibility for exemption is linked to operational thresholds</b>—once cargo operations reach approximately <b>35,000 AWBs and 12,000 MT annually</b>, Customs may grant cost recovery exemption. If Customs exempts these charges upon achieving the prescribed threshold, we will also discontinue charging users under this head.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center; font-size: small;">Table 29.3: Eligibility criterion for various facilities to apply for exemption from payment of Cost Recovery Charges</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #2c3e50; color: white;">Facility</th> <th style="background-color: #2c3e50; color: white;">Criterion - I (Volume/Value of Cargo/flights handled in a year)</th> <th style="background-color: #2c3e50; color: white;">Criterion - II (Number of Documents/Passengers handled in a year)</th> </tr> </thead> <tbody> <tr> <td>Sea Port</td> <td>6 lakh metric tons</td> <td>3000 Documents</td> </tr> <tr> <td>Air Cargo Complex</td> <td>12,000 metric tons</td> <td>35,000 Documents</td> </tr> <tr> <td>Courier Terminal</td> <td>1.5 lakh packages</td> <td>20,000 Documents</td> </tr> <tr> <td>Diamond Plaza</td> <td>Rs. 15,000 Cr</td> <td>12,000 Documents</td> </tr> <tr> <td>ICD (both export &amp; import)</td> <td>7200 TEUs</td> <td>7200 Documents</td> </tr> <tr> <td>ICD (only export)</td> <td>3600</td> <td>3600 Documents</td> </tr> <tr> <td>CFS</td> <td>1200 TEUs</td> <td>1200 Documents</td> </tr> <tr> <td>Airport</td> <td>3500 flights</td> <td>3 lakhs Passengers</td> </tr> </tbody> </table> </div> <p><b>Summary:</b> Customs deployment is mandatory and resource intensive. Levying charges on actuals ensures fairness and compliance, while providing flexibility to remove charges once Customs grants exemption as per Master Guidelines.</p>	Facility	Criterion - I (Volume/Value of Cargo/flights handled in a year)	Criterion - II (Number of Documents/Passengers handled in a year)	Sea Port	6 lakh metric tons	3000 Documents	Air Cargo Complex	12,000 metric tons	35,000 Documents	Courier Terminal	1.5 lakh packages	20,000 Documents	Diamond Plaza	Rs. 15,000 Cr	12,000 Documents	ICD (both export & import)	7200 TEUs	7200 Documents	ICD (only export)	3600	3600 Documents	CFS	1200 TEUs	1200 Documents	Airport	3500 flights	3 lakhs Passengers
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6	Air Freight Station	GAL has asked for BUP charges - Export as per the Consultation paper (page 68) referred below:																											

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		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Build-up-Pallet (BUP) – Rs. Per Unit</th> <th style="background-color: #003366; color: white;">FY24-25</th> <th style="background-color: #003366; color: white;">FY25-26</th> <th style="background-color: #003366; color: white;">FY26-27</th> <th style="background-color: #003366; color: white;">FY27-28</th> <th style="background-color: #003366; color: white;">FY28-29</th> </tr> </thead> <tbody> <tr> <td>General Cargo</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>BUP Charge (up to LD3)</td> <td style="text-align: center;">1495</td> <td style="text-align: center;">1495</td> <td style="text-align: center;">1719</td> <td style="text-align: center;">1977</td> <td style="text-align: center;">2274</td> </tr> <tr> <td>BUP Charge (above LD3 –lower deck pallet)</td> <td style="text-align: center;">2990</td> <td style="text-align: center;">2990</td> <td style="text-align: center;">3439</td> <td style="text-align: center;">3955</td> <td style="text-align: center;">4548</td> </tr> <tr> <td>BUP Charge (above LD3 –main deck pallet)</td> <td style="text-align: center;">4485</td> <td style="text-align: center;">4485</td> <td style="text-align: center;">5158</td> <td style="text-align: center;">5932</td> <td style="text-align: center;">6822</td> </tr> </tbody> </table> <p>The BUP charges in Query 6 are not correct as they are referred to Imports BUP handling.  In terms of Import, the reasons for charges may be summarized due to the following factors:</p> <p><b>Import Handling Complexity</b> Import cargo requires extensive activities such as location and storage, preparation for customs examination, and compliance checks. With a free time allowance of 48 hours, the operational workload for imports is significantly higher, justifying higher charges.</p> <p><b>Dutiable Nature and Custodian Accountability</b> Imports are subject to customs duties, placing greater responsibility on the custodian to ensure accurate revenue realization for the exchequer. This includes maintaining bond deposits and adhering to strict regulatory obligations.</p> <p><b>Pre-Delivery Operational Intensity</b> Import processes involve multiple steps prior to cargo delivery, including documentation, security checks, and coordination with customs authorities, increasing operational complexity for custodians.</p> <p><b>Airline vs. Export Handling Responsibilities</b> For imports, airlines primarily offload cargo, whereas exports demand additional activities such as X-ray screening, segregation, build-up, storage, and dispatch to airside ground handling agents. These tasks require skilled manpower and meticulous documentation.</p> <p><b>Rising Manpower Costs and Attrition</b> High attrition rates among blue-collar and skilled personnel, coupled with the need for continuous training, result in escalating labour costs year-on-year for Cargo Terminal Operators (CTOs).</p> <p>We are ok with the above charges to facilitate Trade.</p>	Build-up-Pallet (BUP) – Rs. Per Unit	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	General Cargo						BUP Charge (up to LD3)	1495	1495	1719	1977	2274	BUP Charge (above LD3 –lower deck pallet)	2990	2990	3439	3955	4548	BUP Charge (above LD3 –main deck pallet)	4485	4485	5158	5932	6822
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7	Additional Points for Consideration of AERA	There are no specific charges of AFS, proposed by GAL in the Tariff proposal mentioned.
8	Conclusion	<p>The proposed tariff framework is designed to ensure financial sustainability of cargo operations at a new airport while maintaining regulatory compliance.</p> <p>Rationalization beyond current proposals may compromise cost recovery and service quality, impacting long-term viability.</p> <p>AERA's approach balances user interests with operator obligations under the concession agreement.</p>

Thanking you,  
 Yours Sincerely,  
 For GMR Goa Air Cargo Logistics (A division of GMR Airports Limited)

**Rajesh  
 Kumar Arora**

Digitally signed by Rajesh Kumar Arora  
 DN: c=IN, o=Personal, postalCode=110001,  
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 23.8.20-1ca8b7ba947c1e1d30e6d1e7f110a6d  
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 Date: 2025.11.29 14:46:24 +05'30'

Rajesh Arora  
 President & CEO  
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- 1) The proposed tariff hikes are excessive and disproportionate, especially when compared to existing GMR and AAICLAS rates.**

#### **GGAC Response**

GOX airport operate under PPP model which differ significantly from government-operated airports managed by AAICLAS. These differences in operational structure, investment obligations, and service delivery standards necessitate a distinct pricing framework for cargo handling charges. The key differentiation factors are outlined below:

- **Area Details** - GOX Mopa Cargo Terminal has a total area of 10,000 sq. m with Truck parking and other facilities.
- **Freighter Handling** - GOX supports full-fledged freighter operations, handling A321F / IL76 freighters with MDL/LDL load/offload capability.
- **Infrastructure Details**
  - GOX features multiple temperature-controlled zones (2–8 °C & 15–25 °C)
  - Availability of Dedicated pharma storage

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  - ULD breakdown zones and calibrated floor scales.
  - Adequate Green Equipments (4 Forklifts, 1 tug, 1 tractor, 14 HPTs etc.) for handling Cargo service delivery
  - Canteen Facility
  - Dedicated Car/Truck parking facility
- **Modern IT & Technological Facility** – Availability of ERP, ACCS, Web based facilities, HHTs for cargo scanning
  - **Regulated Terminal Facilities** – RA3 certified Terminal having availability of Customs, Plant Quarantine, Drug Controller etc.
  - **GDP Certified Terminal** for specialization in handling Pharma Shipments
  - **Skilled & Trained Manpower** - Expertise in handling pharma, perishables, e-commerce, PO mail, aquamarine, and Defence goods, with transshipment and bonded trucking capabilities
  - **Operational Efficiency** – Quick Turnaround, Faster Cargo Processing, Transshipment facilities, dual view X-ray machines, efficient ULD breakdown, storage & clearance via state-of-the-art cargo handling platform.

These factors demonstrate how **GOX** stands out with modern infrastructure, scalability, advanced cargo handling (especially freighters and cold-chain), and optimized logistics connectivity—delivering a substantial strategic advantage over **AAICLAS airports’ legacy cargo setup**. Below is a comparative analysis of GOX vs AAICLAS (GOI) airport facilities.

**Comparison: GOX (Mopa, North Goa) vs GOI (Dabolim, South Goa) Cargo Terminal**

Features	GOX	GOI
<b>Cargo Infrastructure (Dedicated Commodity Focussed)</b>	Pharma, perishables, e-commerce, aquamarine, defence, PO mail	Traditional belly cargo market
<b>Infra &amp; Transshipment Facilities</b>	Road connectivity NH66, Cargo eco-system with state of the art facilities	Basic infra without major upgraded facilities, connectivity
<b>Tech &amp; Handling Equipment</b>	Floor mounted scales, lift-and-run workstations, transshipment storage, ULD handling	Basic AAI cargo infrastructure without any ancillary facilities

<b>Specialized Zones</b>	<ul style="list-style-type: none"> <li>- Temperature zones: 2–8°C &amp; 15–25°C</li> <li>- Dedicated pharma cold storage</li> <li>- Strong room; biometric access</li> <li>- DG room; vulnerable cargo storage; ULD breakdown areas</li> </ul>	Basic Standard handling without storage spaces for specialized cargo
<b>Freighter Capability</b>	Supports full freighter operations (A321F / IL76), first operation of 22 Tons MDL/LDL offloading equipments available	Primarily belly cargo via passenger flights; no regular freighter ops

These factors demonstrate how **GOX** stands out with modern infrastructure, scalability, advanced cargo handling (especially freighters and cold-chain), and optimized logistics connectivity —delivering a substantial strategic advantage over **GOI’s legacy cargo setup**.

2. **CP appears to cover only Cargo Charges, whereas typically both Aeronautical and Cargo tariffs are included.**

**GGAC Response**

**Aeronautical charges** pertain to services such as landing, parking, and ground handling by the Airport operators whereas **cargo tariffs** cover charges related to Terminal Service Provider (TSP) services, X-ray screening, and cargo handling. These two categories are distinct in nature, and the tariff proposal submitted by GOX exclusively comprises **cargo-related charges only**.

3. **Comparative analysis with AAICLAS shows GMR’s proposed rates are significantly higher across all categories (refer Tables A–E).**

**GGAC Response**

The difference in the proposed rates are attributable to several value-driven factors that enhance service quality, operational efficiency, and compliance with global standards.

**Superior Infrastructure & Technology**

GMR has invested heavily in **modern cargo terminals**, automated handling systems, advanced X-ray screening, and temperature-controlled facilities. These upgrades ensure faster processing, improved security, and compliance with international best practices.

**Enhanced Service Quality & Reliability.**

GMR offers **specialized handling for pharma, perishables, and high-value cargo**, along with integrated digital tracking and real-time visibility. These premium services reduce transit risks and improve supply chain reliability.

**Higher Compliance & Security Standards** Private airports like GMR adhere to stringent **DGCA, BCAS, and international security norms**, requiring advanced screening equipment and trained personnel, which adds to operational costs but ensures safety and regulatory compliance.

**Operational Efficiency & Faster Turnaround** GMR’s infrastructure and process automation enable **quicker cargo clearance**, reducing dwell time and improving overall logistics efficiency—critical for time-sensitive shipments.

The proposed tariff is decided to ensure financial viability for a greenfield airport like Mopa, which faces high fixed costs and low initial traffic during the ramp-up phase.

Further, ad-hoc Tariffs were kept low in the initial year, with a staggered increase in five years. This approach is cost-reflective, accounting for capital recovery and operational obligations, while avoiding sudden shocks to stakeholders. Comparing these tariffs with mature airports is inappropriate, as Mopa requires an aggressive yet phased cost recovery strategy to remain viable. CPI-based escalation alone does not capture traffic risk and capital cost recovery needs; hence, structured increments beyond CPI are justified in the proposed tariff.

4. **Such excessive tariffs will discourage airlines, freight forwarders, and shippers from utilizing GOX as a cargo hub, thereby adversely impacting the airport’s cargo growth and regional trade.**

**GGAC Response**

GOX pricing components are regulated under AERA’s tariff capping framework, whereas airline pricing is market-driven and determined by demand and supply dynamics. From a cargo operator’s perspective, the charges levied on the shipper account for only about ~1% – ~2% of the total logistics cost, while airlines contribute approximately ~98% of the overall charges billed to the customer. The Airlines charges are not capped whereas as per demand, the charges may hike up to 30%-40% case to case basis.

To mention with, below table explains the difference in rates for Airlines and GOX for handling 5 Kg cargo in GOX-DEL / GOX-CCU sector.

<b>Airline Charges</b>	<b>GOX-DEL</b>	<b>GOX-CCU</b>
Tonnage	5 Kg	5 Kg
Airline Charges/Kg	Rs 650	Rs 650



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		<p>The proposed YoY tariff increases at Mopa are necessary to ensure cost recovery and operational viability for a low-volume airport with significant fixed costs. Unlike major hubs, smaller airports cannot rely on scale to offset expenses. A uniform cap of 2–3% is impractical, as infrastructure investments and traffic potential vary widely across airports. The escalation is therefore a calibrated measure to maintain yield and support future growth.</p> <p>The proposed tariff is decided to ensure financial viability for a greenfield airport like Mopa, which faces high fixed costs and low initial traffic during the ramp-up phase.</p> <p>Further, ad-hoc Tariffs were kept low in the initial year, with a staggered increase in five years. This approach is cost-reflective, accounting for capital recovery and operational obligations, while avoiding sudden shocks to stakeholders. Comparing these tariffs with mature airports is inappropriate, as Mopa requires an aggressive yet phased cost recovery strategy to remain viable. CPI-based escalation alone does not capture traffic risk and capital cost recovery needs; hence, structured increments beyond CPI are justified in the proposed tariff.</p>
3	Multiplicity of Charges Leading to Complexity and Duplication	<p>Tariff is designed user friendly based on the activities performed based on Primary services and other optional services without any duplication and complexity. This has already been explained and addressed to Stakeholders by individual airports in different forums with simplified Tariff. We have already classified services into two clear categories – Primary Services and Optional Services.</p> <p><b>Primary Services:</b> Essential cargo handling activities forming the core tariff.</p> <p><b>Optional Services:</b> Value-added services availed on request. This approach provides clarity, avoids confusion, and enhances predictability for stakeholders.</p>
4	Non-applicability of Cargo Handling Charges on Movement of Empty ULDs	<p>A <b>Unit Load Device (ULD)</b> is a <b>container or pallet</b> used for transporting baggage, cargo, and mail within suitably equipped aircraft. ULDs are <b>secured in the aircraft hold</b> to prevent movement during flight, contributing directly to flight safety. Each ULD is identified with a unique code in accordance with IATA standards, and must be <b>certified by civil aviation authorities</b>, reflecting ICAO's airworthiness and safety mandates.</p>

S. No.	ACCA's Comments	GGAC's Counter Comments
		<p><b>Key Characteristics:</b></p> <ul style="list-style-type: none"> <li>• <b>Form:</b> Either an aircraft pallet (typically accompanied by a pallet net) or a container.</li> <li>• <b>Function:</b> Bundles cargo into standardized units that securely lock into aircraft cargo systems.</li> <li>• <b>Certification:</b> Treated as aircraft parts—subject to structural integrity testing and approved to withstand in-flight loads.</li> <li>• <b>Integration:</b> Designed to interface directly with aircraft roller floors and restraining equipment.</li> </ul> <p>Since it is a part of the Aircraft, additional handling of the Inventory management needs to be performed with manpower, equipment and other facilities.</p> <p>Justification regarding applicability of Cargo handling charges for movement of empty ULDs may be referred as under:</p> <ul style="list-style-type: none"> <li>• <b>Resource Utilization and Infrastructure Costs:</b> Movement of empty ULDs between airside and cityside requires deployment of manpower, equipment (such as forklifts, dollies, and towing vehicles), and security screening as per BCAS norms. These activities consume operational resources and occupy terminal infrastructure, which incur costs similar to cargo handling.</li> <li>• <b>Compliance and Security Requirements:</b> Even empty ULDs must undergo mandatory checks and documentation under BCAS and Customs protocols to maintain security integrity. These processes involve regulated handling steps, making them part of the cargo ecosystem and not a free movement.</li> <li>• <b>Industry Benchmarking:</b> At several major airports, charges for ULD movements—whether loaded or empty—are standard practice to recover costs associated with handling, security, and equipment usage. Aligning with this practice ensures uniformity and fairness.</li> </ul>

S. No.	ACCA's Comments	GGAC's Counter Comments																											
		Exempting empty ULD movements would lead to unrecovered costs for services rendered, resulting in cross-subsidization by other users, which is inconsistent with AERA guidelines.																											
5	Non-admissibility of Customs Deployment / MOT Charges as a Pass-through to Users	<p>Customs deployment at the cargo terminal is a <b>statutory requirement</b> under the Customs Act, ensuring compliance, security, and facilitation of trade. This involves real costs such as dedicated workspace, utilities, IT systems, and Merchant Overtime Charges (MOT) for extended hours beyond normal duty. These costs are <b>not covered under TSP charges</b>, which relate only to cargo processing and storage. Passing these costs on actuals ensures transparency and avoids cross-subsidization, in line with AERA's cost causation principle.</p> <p>Further, <b>Customs Master Guidelines (Ref: HCCAR, 2009)</b> stipulate that cost recovery charges for Customs staff apply to custodians unless they are exempted by specific orders. Importantly, <b>eligibility for exemption is linked to operational thresholds</b>—once cargo operations reach approximately <b>35,000 AWBs and 12,000 MT annually</b>, Customs may grant cost recovery exemption. If Customs exempts these charges upon achieving the prescribed threshold, we will also discontinue charging users under this head.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center; font-size: small;">Table 29.3: Eligibility criterion for various facilities to apply for exemption from payment of Cost Recovery Charges</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Facility</th> <th style="background-color: #003366; color: white;">Criterion - I (Volume/Value of Cargo/Flights handled in a year)</th> <th style="background-color: #003366; color: white;">Criterion - II (Number of Documents/Passengers handled in a year)</th> </tr> </thead> <tbody> <tr> <td>Sea Port</td> <td>6 lakh metric tons</td> <td>3000 Documents</td> </tr> <tr> <td>Air Cargo Complex</td> <td>12,000 metric tons</td> <td>35,000 Documents</td> </tr> <tr> <td>Courier Terminal</td> <td>1.5 lakh packages</td> <td>20,000 Documents</td> </tr> <tr> <td>Diamond Plaza</td> <td>Rs. 15,000 Cr</td> <td>12,000 Documents</td> </tr> <tr> <td>ICD (both export &amp; import)</td> <td>7200 TEUs</td> <td>7200 Documents</td> </tr> <tr> <td>ICD (only export)</td> <td>3600</td> <td>3600 Documents</td> </tr> <tr> <td>CFS</td> <td>1200 TEUs</td> <td>1200 Documents</td> </tr> <tr> <td>Airport</td> <td>3500 flights</td> <td>3 lakhs Passengers</td> </tr> </tbody> </table> </div> <p><b>Summary:</b> Customs deployment is mandatory and resource intensive. Levying charges on actuals ensures fairness and compliance, while providing flexibility to remove charges once Customs grants exemption as per Master Guidelines.</p>	Facility	Criterion - I (Volume/Value of Cargo/Flights handled in a year)	Criterion - II (Number of Documents/Passengers handled in a year)	Sea Port	6 lakh metric tons	3000 Documents	Air Cargo Complex	12,000 metric tons	35,000 Documents	Courier Terminal	1.5 lakh packages	20,000 Documents	Diamond Plaza	Rs. 15,000 Cr	12,000 Documents	ICD (both export & import)	7200 TEUs	7200 Documents	ICD (only export)	3600	3600 Documents	CFS	1200 TEUs	1200 Documents	Airport	3500 flights	3 lakhs Passengers
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6	Air Freight Station	<p>GAL has asked for BUP charges - Export as per the Consultation paper (page 68) referred below:</p> <table border="1" style="margin: 10px auto;"> <thead> <tr> <th>Build-up-Pallet (BUP) - Rs. Per Unit</th> <th>FY24-25</th> <th>FY25-26</th> <th>FY26-27</th> <th>FY27-28</th> <th>FY28-29</th> </tr> </thead> <tbody> <tr> <td>General Cargo</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>BUP Charge (up to LD3)</td> <td>1495</td> <td>1495</td> <td>1719</td> <td>1977</td> <td>2274</td> </tr> <tr> <td>BUP Charge (above LD3 -lower deck pallet)</td> <td>2990</td> <td>2990</td> <td>3439</td> <td>3955</td> <td>4548</td> </tr> <tr> <td>BUP Charge (above LD3 -main deck pallet)</td> <td>4485</td> <td>4485</td> <td>5158</td> <td>5932</td> <td>6822</td> </tr> </tbody> </table> <p>The BUP charges in Query 6 are not correct as they are referred to Imports BUP handling.  In terms of Import, the reasons for charges may be summarized due to the following factors:</p> <p><b>Import Handling Complexity</b> Import cargo requires extensive activities such as location and storage, preparation for customs examination, and compliance checks. With a free time allowance of 48 hours, the operational workload for imports is significantly higher, justifying higher charges.</p> <p><b>Dutiable Nature and Custodian Accountability</b> Imports are subject to customs duties, placing greater responsibility on the custodian to ensure accurate revenue realization for the exchequer. This includes maintaining bond deposits and adhering to strict regulatory obligations.</p> <p><b>Pre-Delivery Operational Intensity</b> Import processes involve multiple steps prior to cargo delivery, including documentation, security checks, and coordination with customs authorities, increasing operational complexity for custodians.</p> <p><b>Airline vs. Export Handling Responsibilities</b> For imports, airlines primarily offload cargo, whereas exports demand additional activities such as X-ray screening, segregation, build-up, storage, and dispatch to airside ground handling agents. These tasks require skilled manpower and meticulous documentation.</p> <p><b>Rising Manpower Costs and Attrition</b> High attrition rates among blue-collar and skilled personnel, coupled with the</p>	Build-up-Pallet (BUP) - Rs. Per Unit	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	General Cargo						BUP Charge (up to LD3)	1495	1495	1719	1977	2274	BUP Charge (above LD3 -lower deck pallet)	2990	2990	3439	3955	4548	BUP Charge (above LD3 -main deck pallet)	4485	4485	5158	5932	6822
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		<p>need for continuous training, result in escalating labour costs year-on-year for Cargo Terminal Operators (CTOs).</p> <p>We are ok with the above charges to facilitate Trade.</p>
7	Additional Points for Consideration of AERA	There are no specific charges of AFS, proposed by GAL in the Tariff proposal mentioned.
8	Conclusion	<p>The proposed tariff framework is designed to ensure financial sustainability of cargo operations at a new airport while maintaining regulatory compliance.</p> <p>Rationalization beyond current proposals may compromise cost recovery and service quality, impacting long-term viability.</p> <p>AERA's approach balances user interests with operator obligations under the concession agreement.</p>

Thanking you,  
 Yours Sincerely,  
 For GMR Goa Air Cargo Logistics (A division of GMR Airports Limited)

**Rajesh Kumar Arora**  
 Rajesh Arora  
 President & CEO  
 Commercial & Growth

Digitally signed by Rajesh Kumar Arora  
 DN: cn=RA, o=Pinnsack, postalCode=122101,  
 c=Canada, st=Haryana, street=17/1/04 Pinnsack,  
 serial=22, batch=0, c=India,  
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 c=IN, o=GMR, ou=Goa Air Cargo Logistics,  
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