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F. No. AERA/20010/ MYTP/Bird/GH/Coimbatore/CP-III/2023-28

आदेश संख्या. 29/2023-24

Order No. 29/2023-24



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण  
Airports Economic Regulatory Authority of India

मैसर्स बर्ड एयरपोर्ट सर्विसेज (कोयम्बतूर) प्राइवेट लिमिटेड (बी.ए.एस.सी.पी.एल.) द्वारा कोयम्बतूर इंटरनेशनल एयरपोर्ट पर ग्राउंड हैंडलिंग सेवाओं के लिए प्रथम नियंत्रण अवधि (वित्त वर्ष 2023-24 से वित्त वर्ष 2027-28) के लिए टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF  
DETERMINATION OF TARIFF FOR GROUND HANDLING SERVICES FOR  
BIRD AIRPORT SERVICES (COIMBATORE) PRIVATE LIMITED (BASCPL) AT  
COIMBATORE INTERNATIONAL AIRPORT, COIMBATORE  
FOR THE FIRST CONTROL PERIOD  
(FY 2023-24 TO FY 2027-28)

जारी करने की तारीख : 15.12.2023

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ऐरा बिल्डिंग/AERA Building  
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**List of Abbreviations:**

AERA / Authority	Airports Economic Regulatory Authority of India
AIASL	AI Airport Services Limited
ATM	Air Traffic Movement
ATP	Annual Tariff Proposal
BASCPL	Bird Airport Services (Coimbatore) Pvt. Ltd.
BCAS	Bureau of Civil Aviation Security
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
GGIPL	Globe Ground India Pvt. Ltd.
GHA	Ground Handling Agencies
GHS	Ground Handling Services
GSE	Ground Support Equipment
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
Y-o-Y	Year on Year



## **CHAPTER 1: INTRODUCTION**

- 1.1 Airports Authority of India (Airport Operator) issued the Letter of Intent to Award (LOIA) dated 10.09.2021 in favour of M/s Globe Ground India Pvt. Ltd. (GGIPL) for providing Ground Handling Services at the Coimbatore International Airport.

In accordance with clause 5 of Letter of Intent (LOIA) dated 10.09.2021, a Special Purpose Vehicle (SPV) namely Bird Airport Services (Coimbatore) Pvt. Ltd. (BASCPL) was incorporated on 05.11.2021, for providing Ground Handling Services (GHS) at Coimbatore International Airport. The Concession Agreement was signed between M/s BASCPL (SPV) and Airports Authority of India (AAI) for a period of 10 years from Commercial Operations Date (COD) i.e., w.e.f. 20.05.2022. The aforesaid concession may be further extended by one year, at the sole discretion of AAI.

- 1.2 The shareholding structure of M/s BASCPL (SPV) is tabulated below:

**Table-1: Shareholding Structure of M/s BASCPL:**

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>
M/s Globe Ground India Private Limited	4,99,999
Gaurav Bhatia	1
<b>Total</b>	<b>5,00,000</b>

- 1.3 M/s BASCPL has obtained the security clearance from Bureau of Civil Aviation Security (BCAS) vide its letter dated 04.04.2022. The security clearance is valid for the period of 5 years, from the date of issue of the security clearance.
- 1.4 M/s BASCPL, vide letter dated 22.08.2023, submitted its MYTP for determination of Tariff in respect of GHS for the First Control Period (i.e., FY 2023-24 to FY 2027-28), along with Annual Tariff proposal (ATP) for the Control Period.
- 1.5 The Authority, considering that the process for determination of regular Tariff for the ISP in respect of its Ground Handling Services at Coimbatore International Airport would take some time, approved Ad-hoc Tariff for the ISP vide Order no. 17/2023-24 dated 16.09.2023, for the period from 20.09.2023 up to 31.03.2024, or, till the determination of the regular Tariff for the service provider at Coimbatore Airport, whichever is earlier.
- 1.6 The Authority carefully examined the MYTP for the First Control Period submitted by M/s BASCPL in respect of Ground Handling Services at Coimbatore International Airport and issued a Consultation Paper No. 16/2023-24 dated 19.10.2023, invited suggestions/ comments from the stakeholders on various proposals of the Authority with the following timelines:
- Date for submission of written comments by Stakeholders: 09.11.2023
  - Date for submission of counter comments by ISP: 16.11.2023
- 1.7 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. 16/2023-24 dated 19.10.2023 and the same were uploaded on the AERA's website vide Public Notice No. 21/2023-24 dated 13.11.2023.



- 1.8 The Authority, in response to Public Notice No. 21/2023-24 dated 13.11.2023, received counter comments from M/s BASCPL on 14.11.2023.
- 1.9 The Authority, after examining the comments of stakeholder i.e., M/s SpiceJet Ltd. and counter comments of the ISP on the above referred CP and after considering other relevant aspects of the case, has finalized this Tariff Order.

**Stakeholders' Comments:**

1.10 **M/s SpiceJet's Comments on the review of Tendering Process (1.2 of the CP):**

*"The Authority is requested to ensure that Airport Operators do not base concession agreements independent service providers solely on the revenue share offered.*

*In addition, the Authority is requested to review and ensure that due process for all Related Party Transactions in connection with award of concession to BASCPL has been followed and approved as per appropriate governance practices."*

1.11 **M/s BASCPL's response to comments of SpiceJet:**

*"This is a Global Practice applied by the regulatory bodies in India. We need to follow the Guidelines and Instructions prescribed by these regulatory bodies.*

*Therefore, SpiceJet should raise this observation with the appropriate forum/regulatory bodies."*

**Authority's Analysis on the Stakeholders' comments regarding review of tendering process:**

- 1.12 As regard to the aspect of awarding Concessions by the Airport Operator on revenue share basis, the Authority observes that Concession Fee/ Revenue Share paid by the ISP to the Airport Operator is in accordance with the Concession Agreement executed between the Service Provider and the Airport Operator. Further, as per regulatory approach of AERA, the royalty paid by the ISPs to the Airport Operators is treated as aeronautical revenues in the hands of Airport Operators; hence, such revenues directly help in subsidizing the Aeronautical Tariffs, levied by the Airport Operators to the Airlines.
- 1.13 So far as the comments of M/s SpiceJet regarding compliance of the provisions pertaining to related party transactions in connection with award of concession by the Airport Operator is concerned, as per the Authority, it is the responsibility of the Airport Operator to ensure compliances of statutory provisions, including the aspects of related party transactions under the Companies Act, 2013, and any statutory obligation mandated in this regard.

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## **CHAPTER 2: PRINCIPLES FOR DETERMINATION OF THE TARIFF FOR THE 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:**

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

$$\begin{aligned} \text{The Materiality Index for Coimbatore Airport} &= 1947/420772 \\ &= 0.46\% \end{aligned}$$

The percentage share of Coimbatore International Airport for FY 2019-20 (pre Covid Year) in respect of International Aircraft Movements is 0.46%, which is less than 5% Materiality Index (MI<sub>G</sub>) for the subject regulated service. Hence, the Regulated Service is deemed ‘Not Material’ in respect of the ISP for the First Control Period, at Coimbatore International Airport.

- 2.3 As per the information furnished by M/s BASCPL in Form F1 (b) on Competition Assessment, M/s AI Airport Services Limited (AIASL) is also rendering similar services at Coimbatore 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 undertaken following 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 reasonability 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 proposal have been sought from the service provider, from time to time.



- 2.6 As per clause 11.2 of the CGF Guidelines, the Annual Tariff Proposal (ATP) is required to be submitted in the manner and form provided in AI 8.2 of Appendix-I to the Guidelines and should be supported by the following:
- Evidence of Consultation with Stakeholders;
  - Evidence of User Agreement(s), if any, between the Service Provider and the User of Regulated Service(s) clearly indicating the Tariff proposed by the Service Provider.
- 2.7 M/s BASCPL had submitted all the documents as stated in Para 2.6 above, except minutes of Stakeholders' Consultation meeting, as the stakeholders' consultation meeting was not conducted by the ISP.
- 2.8 In view of the above, the ISP was directed to hold the consultation meeting with the Stakeholders within the two weeks of issuance of this Consultation Paper. Further, the ISP was advised to share the relevant information pertaining to its MYTP, including details of proposed Tariff for Ground Handling Services etc., with the stakeholders and submit the minutes of meeting to the Authority, accordingly.
- 2.9 Subsequent to the directions of the Authority, M/s BASCPL conducted the Stakeholders' Consultation Meeting on 03<sup>rd</sup> November 2023 but the meeting was eventually called off due to non-participation by stakeholders.

**Stakeholders' Comments:**

- 2.10 The Authority received no comments/ views from any of the stakeholders in respect of methodology of Tariff determination for M/s BASCPL pertaining to the First Control Period.

**Authority's Decision regarding Principles for Determination of the Tariff in respect of M/s BASCPL:**

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

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

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

3.1 Actual Aircraft Traffic (No. of Landings) handled at Coimbatore International Airport, Coimbatore from FY 2019-20 to FY 2022-23 is given below:

**Table 2: Actual Aircraft Traffic handled at Coimbatore International Airport during FY 2019-20 to FY 2022-23**

Year	Total number of Landing at Coimbatore International Airport			Y-o-Y % increase		
	Domestic	International	Total	Domestic	International	Total
2019-20	10,178	974	11,152	-	-	-
2020-21	3,947	125	4,072	-61%	-89%	-63%
2021-22	5,209	301	5,510	32%	141%	35%
2022-23	8,182	639	8,821	57%	112%	60%

3.2 Projected Aircraft Traffic (flights to be handled by the ISP) for the First Control Period (FY 2023-24 to FY 2027-28) as submitted by M/s BASCPL is given below in Table 3.

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

Year	Aircraft Traffic (Flights to be handled) by M/s BASCPL during the First Control Period			Y-o-Y % increase		
	Domestic (No. of Landings)	International (No. of Landings)	Total	Domestic	International	Total
2022-23 <sup>#</sup>	788	221	1009	-	-	-
2023-24	790	260	1050	0%	18%	4%
2024-25	830	273	1103	5%	5%	5%
2025-26	872	287	1159	5%	5%	5%
2026-27	916	301	1217	5%	5%	5%
2027-28	962	316	1278	5%	5%	5%
<b>TOTAL<sup>*</sup></b>	<b>4370</b>	<b>1437</b>	<b>5807</b>			

<sup>#</sup> Annualized figure of FY 2022-23

<sup>\*</sup> Total for the Control Period



**Authority's Examination at Consultation Stage:**

- 3.3 The ISP started its commercial operations with effect from 20.05.2022 and had operated partially during the FY 2022-23. The Authority, for the purpose of determination of regular Tariff, had considered the FY 2023-24 as the first tariff year and FY 2027-28 as the fifth tariff year of the First Control Period, in respect of M/s BASCPL at Coimbatore airport.
- 3.4 The Authority observed that the projected aircraft traffic (flights to be handled by the ISP) showed a modest increase of 4% in FY 2023-24, as compared to the annualized figures of the previous financial year (FY 2022-23). Thereafter, the ISP, had projected an increase of 5% on Y-o-Y basis in respect of the domestic & international flights from the FY 2024-25 onward, in the First Control Period.
- 3.5 The Authority noted that market share of M/s BASCPL, based on the Aircraft Traffic proposed to be handled by the ISP during FY 2023-24 as compared with the actual aircraft traffic handled at Coimbatore International Airport in FY 2022-23, comes to around 12%.
- 3.6 As per the statistics available at AAI website, the total Aircraft Traffic (Domestic and International) at Coimbatore International Airport during the FY 2022-23 had reached approximately to 80% of the actual aircraft traffic handled by the airport in Pre Covid year (FY 2019-20).
- 3.7 The Authority noted that the ISP is new entrant at the Coimbatore Airport and it will take some time for the ISP to expand its business at the airport. Further, taking into account the market competition due to presence of other Ground Handling Agency (AIASL) at the Coimbatore International Airport, the aircraft traffic volumes (flights to be handled) projected by the ISP for the First Control Period (FY 2023-24 to FY 2027-28) is reasonable. Accordingly, the Authority proposed to consider Aircraft Traffic projections (flights to be handled by the ISP) as submitted by M/s BASCPL for the First Control Period, as per the Table 3 above.

**Stakeholders' Comments:**

- 3.8 The Authority received no comments/ views from stakeholders in respect of Aircraft Traffic volumes projected by M/s BASCPL for the First Control Period.

**Authority's Analysis on Stakeholder's comments regarding Aircraft Traffic Volume (Flights to be handled) for the First Control Period:**

- 3.9 The Authority, subsequent to consultation process has again reviewed the total Aircraft Traffic at Coimbatore International Airport and observed that during the period from April 2023 to October 2023, the total Aircraft Traffic (Domestic + International) at Coimbatore airport has increased by 5.5% as compared to the corresponding period of FY 2022-23.
- 3.10 In view of the above, the Authority decides to consider projected aircraft traffic (Flights to be handled by the ISP) for the First Control Period as submitted by the ISP (as per Table 3).

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

- 3.11 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 First Control Period (FY 2023-24 to 2027-28) as per Table 3.



## CHAPTER 4: CAPITAL EXPENDITURE

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

4.1 M/s BASCPL projected a total Capital Expenditure (CAPEX) of ₹ 109.51 Lakhs for the First Control Period. The entire CAPEX is proposed to be incurred during FY 2023-24 (first tariff year). The category-wise Capital Expenditure projected by ISP is given below:

**Table 4: Projected Capital Expenditure submitted by M/s BASCPL for the First Control Period**

(₹ in Lakhs)

Particulars	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Ground Handling Equipment	80.69	-	-	-	-	80.69
Vehicles	15.10	-	-	-	-	15.10
Furniture and Fixtures	4.38	-	-	-	-	4.38
Office Equipment	9.35	-	-	-	-	9.35
<b>Total</b>	<b>109.51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>109.51</b>

4.2 The ISP also provided detailed bifurcation of the proposed CAPEX for the FY 2023-24 as under.

**Table 5: Breakup of proposed Capital Expenditure for the FY 2023-24 as submitted by M/s BASCPL**

(₹ in Lakhs)

Sl. No.	Particulars	Cost/ Unit	Qty:	Amount
1.	<b>Ground Handling Equipment:</b>			
	Towbar Universal	3.99	1	3.99
	Passenger Step - 2200-5300mm height	9.74	1	9.74
	Toilet servicing Cart - Lift pressure 0.25-0.35 Mpa., Flow rate 120L/min	10.04	1	10.04
	Water Servicing Cart - Lift pressure 0.25-0.35 Mpa., Flow rate 120L/min	11.00	1	11.00
	Ambulift - Lift 2000-4400 mm	22.72	1	22.72
	Baggage trolleys	1.80	10	18.00
	Chocks (12), Marshalling torches (10 pairs*5), Head set (2), By Pass pin for A320/B737 (2), Safety cones (12), Vacuum cleaners (3), Firex(2)	5.20	1	5.20
	<b>Total</b>			<b>80.69</b>
2.	<b>Vehicles:</b>			
	Vehicles – GSE Maintenance	7.55	2	15.10
	<b>Total</b>			<b>15.10</b>
3.	<b>Furniture &amp; Fixtures</b>	0.125	35	<b>4.38</b>

4.	<b>Office Equipment</b>			
	Laser jet Black & White Printer	0.20	2	0.40
	Laptop	0.55	5	2.75
	Desktop	0.40	5	2.00
	Mobile Phone	0.10	2	0.20
	Office New Cabins Set Up / Modification	2.00	2	4.00
	<b>Total</b>			<b>9.35</b>
	<b>GRAND TOTAL</b>			<b>109.51</b>

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

**Stage:**

- 4.3 The Authority noted that M/s BASCPL is a new entrant at Coimbatore International Airport and providing ground handling services at the airport since 20.05.2022 (COD). From the Form F9 of the MYTP relating to Regulatory Asset Base (RAB), the Authority noted that the ISP had an opening RAB of ₹ 317.00 lakhs only (in respect of assets capitalized during FY 2022-23). Further, the capital expenditure proposed by the ISP for the Control Period amounts to ₹ 109.51 lakhs only. The Authority enquired about the reasons of the low CAPEX from M/s BASCPL and the ISP, vide its email dated 22.09.2023 submitted that they propose to hire some of the Ground Handling Equipment on need basis.
- 4.4 As regard to CAPEX pertaining to the FY 2022-23, which is forming part of the ISP's Opening RAB, the Authority sought the supporting documents towards the actual CAPEX incurred during the referred financial year. In response thereto, M/s BASCPL vide email dated 22.09.2023 shared copies of invoices in respect of the major equipment purchased during the FY 2022-23.
- 4.5 The Authority observed that the CAPEX proposed by the service provider at the Coimbatore International airport mainly pertains to the ground handling equipment, vehicles etc., which are considered essential for smooth ground handling operations at the Airport.
- 4.6 Further, the concession agreement also mandates the procurement & maintenance of Ground Handling Equipment and 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 Considering that M/s BASCPL proposed a modest CAPEX of ₹ 109.51 lakhs only for the Control Period and the projected CAPEX is essential for the smooth ground handling operations at the airport; accordingly, the Authority had proposed to consider the CAPEX projected by the ISP for the First Control Period, as per the Table 4.

**Stakeholders' Comments:**

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



**Authority's Analysis on Stakeholder's comments regarding CAPEX for the First Control Period:**

- 4.9 In view of the above, the Authority decides to maintain the same view on the projected CAPEX, as was taken at the Consultation Stage.

**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.



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## CHAPTER 5: OPERATING EXPENDITURE AND PROJECTED PROFITABILITY

### M/s BASCPL's Submission on Operating Expenditure for the First Control Period

- 5.1 As provided in Clause 9.4 of the CGF Guidelines, the Operation and Maintenance (O&M) Expenditure shall include all expenditures incurred by the Service Provider(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 BASCPL for its Ground Handling operations at Coimbatore International Airport, have been broadly categorized as under:
- a) Payroll Cost;
  - b) Administrative & General Expenses;
  - c) Repair and Maintenance Costs;
  - d) Utilities & Outsourcing, and
  - e) Concession Fee
- 5.3 As per the MYTP submission, Revenue, Operating Expenditure (OPEX) and Profitability projected for the First Control Period (FY 2023-24 to FY 2027-28) by the ISP is as under:

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

(₹ in Lakhs)						
Particulars	2023-24	2024-25	2025-26	2026-27	2027-28	TOTAL
Revenue from Regulated Services (A)	300.04	337.21	379.22	425.90	478.54	1920.91
Revenue from Non-Regulated services (B)	-	-	-	-	-	-
<b>Total Revenue from the Services (A+B) = (C)</b>	<b>300.04</b>	<b>337.21</b>	<b>379.22</b>	<b>425.90</b>	<b>478.54</b>	<b>1920.91</b>
<b>Operating Expenditure (OPEX)</b>						
Payroll Cost (i)	288.17	311.22	336.12	363.01	392.05	1690.57
Administrative & General Expenses (ii)	59.39	63.56	68.07	72.91	78.15	342.08
Repair and Maintenance Costs (iii)	6.43	6.76	7.09	7.45	7.82	35.55
Utilities & Outsourcing (iv)	4.92	5.35	5.82	6.34	6.90	29.33
Concession Fee (v)	101.60	81.28	65.02	52.02	45.45	345.37
<b>Total OPEX (i+ii+iii+iv+v) = (D)</b>	<b>460.51</b>	<b>468.17</b>	<b>482.12</b>	<b>501.73</b>	<b>530.37</b>	<b>2442.90</b>
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (C-D)	-160.46	-130.95	-102.90	-75.82	-51.83	-521.99
Depreciation and Amortization	33.10	33.10	33.10	33.10	33.10	165.50
Interest & Finance Charges	48.03	57.79	69.34	80.62	87.52	343.30
<b>Profit Before Tax (PBT)</b>	<b>-241.59</b>	<b>-221.84</b>	<b>-205.34</b>	<b>-189.54</b>	<b>-172.44</b>	<b>-1030.75</b>
Provision for Tax <sup>#</sup>	-	-	-	-	-	-
<b>Profit After Tax (PAT)</b>	<b>-241.59</b>	<b>-221.84</b>	<b>-205.34</b>	<b>-189.54</b>	<b>-172.44</b>	<b>-1030.75</b>

<sup>#</sup> Nil Tax Liability due to projected losses in all the tariff years of the Control Period.



**Authority's Examination of OPEX projected for the Control Period at Consultation Stage:**

5.4 The Authority analyzed the Operating Expenditure provided in Form F3 (P&L) of the MYTP for the First Control Period and observed following Y-o-Y % increase in Revenue & OPEX considered by the ISP, as per Table 7 below:

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

Particulars	2024-25	2025-26	2026-27	2027-28
Revenue	12.39%	12.46%	12.31%	12.36%
Payroll Costs	8.00%	8.00%	8.00%	8.00%
Repair and Maintenance Expenses	5.00%	5.00%	5.00%	5.00%
Concession Fee	-20.00%	-20.00%	-20.00%	-12.62%
Utilities & Outsourcing Costs	8.77%	8.87%	8.80%	8.89%
Administrative & General Expenses	7.03%	7.09%	7.12%	7.18%

5.5 The Authority's examination of Y-o-Y % growth considered by M/s BASCPL for the projected OPEX from FY 2024-25 onward is given in the following sections:

a) **Payroll Cost:** The Authority observed that the ISP projected Y-o-Y increase of 8% in Payroll Costs from FY 2024-25 onward during the First Control Period.

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

b) **Repairs and Maintenance Costs:** The Authority noted that ISP considered Y-o-Y increase of 5% for all the tariff years. The Authority considered that in order to provide uninterrupted and better services to users, it is imperative to keep requisite 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 Fee:** The Authority noted from the concession agreement executed between AAI and M/s BASCPL 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 MAG quoted at the time of bid. From the second year onward, MAG for Concessionaire will be 80% of the previous year's premium. As per the ISP, MAG during the first four years of the Control Period is expected to be higher than the 'Revenue Share' (calculated as per the clause no. 7.1.1 of the agreement), hence the 'premium' payable to the airport operator has been considered based on the MAG figures. However, for the last tariff year, the premium (concession fee) has been considered based on the expected Revenue Share (which is expected to be more than 80% of previous year's MAG).

- d) **Utilities and Outsourcing Costs:** The Authority observed that M/s BASCPL had proposed a Y-o-Y increase in utilities & outsourcing costs ranging between 8.77% to 8.89%, for the First Control Period. The Utility & Outsourcing costs primarily consist of electricity expenses and water charges and the increase in these expenses are linked with the level of flight handling. The Authority noted that Y-o-Y increase projected in Utility & Outsourcing Costs is commensurate with the projected increase in aircraft traffic and revenue for the Control Period. Considering the above, and taking into account the impact of annual general inflation, 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 had considered a Y-o-Y increase of 7% approx. in the Administrative and General Expenditure for all the tariff years of the Control Period.

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. 59.39 lakhs), an amount of Rs. 23.32 lakhs have been earmarked for 'Lease Rent', which is approx. 40% of the total Administrative & General Expenses and similar trend continues for rest of the tariff years during the Control Period. Accordingly, a copy of the 'Lease/Rent Agreement' was sought from the ISP. In response, the ISP vide email dated 22.09.2023 has provided the copies of lease/rent agreements between AAI and M/s BASCPL in respect of Space/ Land allotted by the airport operator. As per the ISP, the lease/ rent is to be increased @ 7.5% on Y-o-Y basis.

Apart from the Lease/Rent, the other major components of admin. & general expenses include, expenses relating to Traveling & conveyance, marketing & publicity, insurance, audit fees, equipment hire charges.

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, considers the Y-o-Y increase projected by ISP in respect of Administrative and General Expenses for the First Control Period as reasonable.

- 5.6 As per the projected profitability statement for the First Control Period (Table no. 6) submitted by the ISP, the Authority noted that M/s BASCPL is likely to suffer losses throughout the First Control Period. The Authority sought the clarification from the ISP in respect of projected losses for the Control Period & viability of their business at the airport. M/s BASCPL, in its email dated 22.09.2023 replied that "they are hopeful that the kind of growth Indian Aviation Industry is witnessing at other airports, some positive growth will happen at Coimbatore international Airport also."





- 5.7 The Authority expected the ISP to focus on improving its market share at the airport and to bring in efficiency in operating expenses to improve its profitability at the Coimbatore airport.
- 5.8 The Authority, in view of the above analysis and considering the additional details/clarifications submitted by M/s BASCPL, proposed to consider the projected OPEX for the Control Period as submitted by the ISP.

**Stakeholders' Comments:**

- 5.9 **M/s SpiceJet's Comments on the Abolishment of Royalty Charges/ Concession Fee (Refer Table 6 & 7 of the CP):**

*"We urge the Authority to take measures to abolish royalty which may be included in any of the cost items, making it a burden on the airlines, thus leading to higher air fares and lower traffic. It may be pertinent to note that market access fee by any name or description is not practiced in most of the global economies, including European Union, Australia etc."*

- 5.10 **M/s SpiceJet's comments on Projected Traffic and Projected OPEX (Table 3 & Table 7 of the CP):**

*"The Traffic to be handled by BASCPL has been projected to increase Y-o-Y between 4% to 5%. However, the OPEX is projected to increase Y-o-Y between 5 to 9%, which is double of the projected percentage increase in traffic, which appears to be a divergence. Authority is requested to kindly review the same. It may please be noted that cost incurred by BASCPL 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 the Authority to kindly put on hold any increase in operational expenditure by BASCPL not related to safety or security."*

- 5.11 **M/s BASCPL's response to SpiceJet's comments regarding Abolishment of Royalty Charges/Concession Fee:**

*"Here again, the observations made by SpiceJet Ltd. is nowhere close to reality on ground. It is more than 15 years that the Airports Authority of India (AAI) is continuously privatizing Indian airports. All these Airport Concessions carry revenue share. Such private appointees (as Airport Operator for a defined concession period), further issue concessions on the basic parameters of AAI. As a result, ground handling concessions also attract concession fees. This method is prevalent at all airports in India, be it under AAI or a concessioned Airport Operator. The revenues earned by airport operators are reviewed by AERA to ascertain that the Airport charges are meeting AERA guidelines.*

*Therefore, concession fees paid by airlines to a ground handling agency is revenue of the airport operator, contributing in lowering of other airport charges, paid by the airlines to the airport operator. In a hypothetical situation, if the concession fees is nil, the airport charges will be higher than the airport charges payable by the airlines in the other situation where concession fees is applied on ground handling charges.*



*In a nutshell, the royalty on the Ground Handling Services is considered as Aero Revenue for the Airport Operator and hence it directly helps to reduce other Aero charges which the airport operator recovers from the airlines."*

5.12 **M/s BASCPL's response to SpiceJet's comments regarding Projected Traffic and Projected OPEX:**

*"We have projected the traffic based on our best estimates of the situation. Please note that we are a ground handling company of proven track record. We are providing ground handling services at major airports in India since last 12 years and have sufficient control over our operational expenditure.*

- a. *For better clarity, we seek more details from SpiceJet about the specific expense(s) is higher by what % and in their view, what should be the correct cost level as per SpiceJet.*
- b. *We have highlighted this fact while replying on other MYTPs, SpiceJet has the option choosing any GHA out of 2 GHAs working at CIA. In addition, SpiceJet has the option of doing Self-Handling. However, since SpiceJet is aware of real cost levels, they have chosen to use one GHA to perform this function."*

**Authority's Analysis on Stakeholder's comments regarding OPEX for the First Control Period:**

5.13 As regard to the comments of M/s SpiceJet pertaining to abolishment of concession fee and M/s BASCPL's response thereon, the Authority notes that the Concession Fee paid by the ISP to the Airport Operator is as per the Concession Agreement, executed between the Service Provider and the Airport Operator. Further, as per the regulatory approach of the AERA, the concession fee paid by the ISPs to the Airport Operators are treated as aeronautical revenues in the hands of Airport Operators; hence, such revenues directly help in subsidizing the aeronautical Tariffs, levied by the Airport Operators to the Airlines.

5.14 Further, the Authority also notes the comments of M/s SpiceJet regarding Y-o-Y (%) increase in the OPEX for the Control Period projected by the ISP. Considering the projected increase in aircraft traffic and the impact of annual general inflation, the projected Y-o-Y (%) increase in OPEX (ranging between 5% to 9%) considered by the ISP seems reasonable.

5.15 In view of the foregoing, the Authority decides to maintain the same view on the OPEX projection for the First Control Period, as was taken at CP stage.

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

5.16 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 BASCPL submissions on Annual Tariff Proposal for the First Control

6.1 M/s BASCPL submitted a Tariff proposal for the Ground Handling Services pertaining to Scheduled Flights at Coimbatore International Airport, Coimbatore, for the First Control Period, as per Table given below:

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

(Rates in ₹)

<b>(A) Passenger Flights</b>															
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
Code	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
<b>Domestic Passenger Flight</b>															
Code B	6930	16170	23100	7415	17302	24717	7934	18513	26447	8489	19809	28298	9083	21196	30279
Code C	10320	24080	34400	11042	25766	36808	11815	27570	39385	12642	29500	42142	13527	31565	45092
Code D	15510	36190	51700	16596	38723	55319	17758	41434	59191	19001	44334	63334	20331	47437	67767
<b>International Passenger Flight</b>															
Code B	30930	72170	103100	33095	77222	110317	35412	82628	118039	37891	88412	126302	40543	94601	135143
Code C	42960	100240	143200	45967	107257	153224	49185	114765	163950	52628	122799	175427	56312	131395	187707
Code D	60150	140350	200500	64361	150175	214535	68866	160687	229552	73687	171935	245621	78845	183970	262814
Code E	81000	189000	270000	86670	202230	288900	92737	216386	309123	99229	231533	330762	106175	247740	353915
<b>(B) Cargo Flights</b>															
<b>Domestic Cargo Flight</b>															
Code C	N/A	N/A	72300	N/A	N/A	77361	N/A	N/A	82776	N/A	N/A	88570	N/A	N/A	94770
Code D	N/A	N/A	128300	N/A	N/A	137281	N/A	N/A	146891	N/A	N/A	157173	N/A	N/A	168175
<b>International Cargo Flight</b>															
Code C	N/A	N/A	120300	N/A	N/A	128721	N/A	N/A	137731	N/A	N/A	147372	N/A	N/A	157688
Code D	N/A	N/A	204400	N/A	N/A	218708	N/A	N/A	234018	N/A	N/A	250399	N/A	N/A	267927



6.2 M/s BASCPL has considered the following Y-o-Y (%) increase in the Tariff Rates for the Scheduled Flights, at the Coimbatore International Airport, for the First Control Period, as stated in the table given below:

**Table 9: Y-o-Y Percentage (%) increase in the Tariff rates for different categories of Scheduled Flights in respect of the First Control Period**

<b>(A) Passenger Flights</b>												
	FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
Code	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
<b>Domestic Passenger Flight</b>												
Code B	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code C	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code D	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
<b>International Passenger Flight</b>												
Code B	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code C	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code D	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Code E	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
<b>(B) Cargo Flights</b>												
<b>Domestic Cargo Flight</b>												
Code C	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
Code D	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
<b>International Cargo Flight</b>												
Code C	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%
Code D	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%	N/A	N/A	7%

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

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

A/C Category	FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28	
	Domestic	International	Domestic	International	Domestic	International	Domestic	International	Domestic	International
0-5000	26,905	51,521	28,788	55,127	30,803	58,986	32,959	63,115	35,266	67,533
5001-10000	34,347	94,454	36,751	101,066	39,324	108,141	42,077	115,711	45,022	123,811
10001-20000	41,789	150,269	44,714	160,788	47,844	172,043	51,193	184,086	54,777	196,972
20001-35000	70,411	171,735	75,340	183,756	80,614	196,619	86,257	210,382	92,295	225,109
35001-40000	72,129	193,202	77,178	206,726	82,580	221,197	88,361	236,681	94,546	253,249
40001-50000	72,129	214,669	77,178	229,696	82,580	245,775	88,361	262,979	94,546	281,388
50001-100000	97,317	279,070	104,129	298,605	111,418	319,507	119,217	341,872	127,562	365,803
100001-200000	257,986	528,086	276,045	565,052	295,368	604,606	316,044	646,928	338,167	692,213



200001- 300000	589,683	622,540	630,961	666,118	675,128	712,746	722,387	762,638	772,954	816,023
300001 and above	707,619	751,341	757,152	803,935	810,153	860,210	866,864	920,425	927,544	984,855

**Authority's Examination regarding the Tariff proposed for the First Control Period at Consultation Stage:**

- 6.4 The Authority noted that in the case of Scheduled Flights (Domestic and International), the ISP had proposed 7% Y-o-Y increase in Tariff Rates from FY 2024-25 onward (Table 9).
- 6.5 The Authority also noted that M/s BASCPL had proposed a separate Tariff Rate card for Non-Scheduled Flights and had proposed an increase of 7% Y-o-Y basis from FY 2024-25 onward (Table 10).
- 6.6 Taking note of projected increase in the Aircraft Traffic (flights to be handled by the ISP) and increase in Operating Expenditure on Y-o-Y basis, due to factors like increase in number of manpower to cater to increasing aircraft volumes, annual increase in salaries and wages, general inflation etc.; The Authority is of the view that the ISP requires minimum level of revenue to cover up the increase in the Operating Costs. In light of the above, the 7% Y-o-Y increase in Tariff Rates proposed by the ISP from FY 2024-25 onward during the First Control Period is reasonable.
- 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 proposes 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 15<sup>th</sup> of the month will be applicable for the second fortnight.
- 6.9 Further, M/s BASCPL should ensure compliance towards Standardization of Ground Handling Equipment at Coimbatore 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:**

- 6.10 **M/s SpiceJet's comments on Tariff Rates for the First Control Period (Refer table 8,9 & 10 and Annexure I, II, III of the CP):**

*"It is noted that the some of the proposed tariffs are excessively high as compared the Tariffs for similar services in recent consultation papers, like of GSEC Indo-Thai at Jaipur and Guwahati, e.g., Air Conditioning Units and Air Starter Unit. Authority is requested to kindly conduct a thorough review of the proposed Tariffs for similar services at comparable airports before arriving at a decision. It is requested that the maximum rates of BASCPL should not be allowed to be higher for similar services at than other comparable airports.*

*Thus, it is humbly submitted that the Authority does not take any steps, including by way of approving the proposed high tariffs, during the First Control Period. We also humbly request the Authority to not implement any Y-o-Y increase in tariffs during the First Control Period and defer any increase in*



*the same to the subsequent control period, given the scenario described above.”*

**6.11 M/s BASCPL’s response to comments of SpiceJet:**

*“The observation made are of very generic and lacks the substance to support this observation. SpiceJet has to understand that these rates are maximum rates and SpiceJet has the option of discussing and negotiating. SpiceJet also has the option of choosing another service provider or do self-handling in case negotiated prices are not suitable for them.”*

**Authority’s Analysis regarding Tariff Rates for Ground Handling Services for the First Control Period:**

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

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

The Authority also notes from the counter comments of M/s BASCPL that the Tariff Rates approved by the Authority are the Ceiling User Charges and the actual Charges that would be levied to Users like SpiceJet will be different, based on the negotiations between the Airlines & the ISP.

Further, as there are two service providers rendering Ground Handling Services at Coimbatore International Airport, the market competition among the service providers is expected to ensure reasonable Tariff Rates for the Users.

Furthermore, as per the profitability statement submitted by the BASCPL, the service provider is likely to suffer losses in all the tariff years of the First Control Period, even after considering the proposed Y-o-Y increase in the Tariff Rates (Refer Table-6).

The Authority notes the suggestion of M/s SpiceJet that the Y-o-Y (%) increase in Tariff Rates proposed by the ISP may not be implemented by the AERA during the First Control Period. However, considering the projected CAPEX, OPEX proposed by the ISP for the First Control Period to support ground handling operations as per the requirements of Airlines/ Concession Agreement; as per the Authority, the ISP requires reasonable increase in Tariff Rates on Y-o-Y basis to cover up the projected increase in operating expenditure during the Control Period.

In view of the above, the Authority considers that it is not practically feasible to freeze Tariff Rates for the entire Control Period, as suggested by the stakeholder.

6.13 In light of the above, the Authority decides to consider the Tariff in respect of the Ground Handling Services being rendered by the ISP at the Coimbatore Airport, 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 BASCPL at Coimbatore 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 15<sup>th</sup> 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 to users. No other charge(s) is to be levied over and above the approved Tariff Rates.
- 6.18 M/s BASCPL shall ensure compliance towards Standardization of Ground Handling Equipment at Coimbatore International Airport in accordance with the directives issued by Ministry of Civil Aviation vide its letter no. AV-240 11/10/2021-AAI-MOCA dated 27.10.2022.



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AERA



## CHAPTER 7: SUMMARY OF AUTHORITY'S DECISIONS

The below-mentioned summary provides the Authority's decisions relating to relevant chapters regarding the Tariff determination in respect of the M/s BASCPL, providing Ground Handling Services at Coimbatore International Airport, Coimbatore:

Chapter	Para	Summary of the Authority's Decisions	Page No.
Chapter No.2	2.11	The Authority decides to consider the Tariff determination exercise for M/s BASCPL, in respect of the Ground Handling Services being provided by the ISP at Coimbatore International Airport, Coimbatore under the 'Light Touch Approach' for the First Control Period, as the regulated service is deemed 'Not Material'.	8
Chapter No. 3	3.11	The Authority decides to consider the Aircraft Traffic (Flights to be handled by the ISP) for the First Control Period (FY 2023-24 and 2027-28) as per Table 3.	10
Chapter No. 4	4.10	The Authority decides to consider the projected CAPEX for the First Control Period as per Table 4.	13
Chapter No. 5	5.16	The Authority decides to consider the OPEX for the First Control Period as per Table 6.	18
Chapter No. 6	6.14	The Authority decides to consider the Tariff Rates for Ground Handling Services provided by M/s BASCPL at Coimbatore 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).	23
	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.	
	6.17	The Authority decides that the Tariff Rates indicated in Annexures (I, II & III) shall be maximum Tariff to be charged to users. No other charge(s) is to be levied over and above the approved Tariff Rates.	
	6.18	The Authority decides that M/s BASCPL shall ensure compliance towards Standardization of Ground Handling Equipment at Coimbatore 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 BASCPL, 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 Bird Airport Services Coimbatore Private Limited at the Coimbatore International Airport, Coimbatore 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 2023-24 to FY 2027-28).
- (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(s) is to be levied over and above the approved Tariff Rates.
- (iii) The Authority decides that Tariff for Domestic “Non-Scheduled Flights & General Aviation Flights”, shall not exceed the approved Tariff for relevant Domestic Scheduled Flights for similar class of aircraft(s).
- (iv) The Authority decides that in case of payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.
- (v) The Tariff determined hereinunder is excluding of applicable taxes, if any.
- (vi) M/s BASCPL shall maintain the separate accounts for its Ground Handling Operations at the Coimbatore International Airport, and at the end of each tariff year submit Annual Compliance Statement (ACS), including annual audited statutory accounts, as per AERA CGF Guidelines, 2011 (clause 11.4).
- (vii) This Tariff Order shall be effective from **20.12.2023**.
- (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

**Shri Sundeep Kr. Jain,**  
Chief Commercial Officer,  
M/s Bird Airport Services (Coimbatore) Private Limited,  
Air Cargo Complex,  
Coimbatore International Airport, Coimbatore  
Tamil Nadu – 641014

Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110003
2. Chairman, Airports Authority of India, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110003
3. Airport Director, Coimbatore International Airport, Coimbatore, Tamil Nadu - 641014



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**ANNEXURE I**

**TARIFF RATE CARD APPROVED BY AERA  
FOR M/s BASCPL AT COIMBATORE INTERNATIONAL AIRPORT, COIMBATORE  
IN RESPECT OF DOMESTIC\* & INTERNATIONAL SCHEDULED FLIGHTS  
FOR THE FIRST CONTROL PERIOD (FY 2023-24 to FY 2027-28)**

**Revised Tariff for Ground Handling Services is effective form 20.12.2023**

(Rates in ₹)

<b>(A) Passenger Flights</b>															
	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
Code	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services	Pax	Ramp	Full Services
<b>Domestic Passenger Flight</b>															
Code B	6930	16170	23100	7415	17302	24717	7934	18513	26447	8489	19809	28298	9083	21196	30279
Code C	10320	24080	34400	11042	25766	36808	11815	27570	39385	12642	29500	42142	13527	31565	45092
Code D	15510	36190	51700	16596	38723	55319	17758	41434	59191	19001	44334	63334	20331	47437	67767
<b>International Passenger Flight</b>															
Code B	30930	72170	103100	33095	77222	110317	35412	82628	118039	37891	88412	126302	40543	94601	135143
Code C	42960	100240	143200	45967	107257	153224	49185	114765	163950	52628	122799	175427	56312	131395	187707
Code D	60150	140350	200500	64361	150175	214535	68866	160687	229552	73687	171935	245621	78845	183970	262814
Code E	81000	189000	270000	86670	202230	288900	92737	216386	309123	99229	231533	330762	106175	247740	353915
<b>(B) Cargo Flights</b>															
<b>Domestic Cargo Flight</b>															
Code C	N/A	N/A	72300	N/A	N/A	77361	N/A	N/A	82776	N/A	N/A	88570	N/A	N/A	94770
Code D	N/A	N/A	128300	N/A	N/A	137281	N/A	N/A	146891	N/A	N/A	157173	N/A	N/A	168175
<b>International Cargo Flight</b>															
Code C	N/A	N/A	120300	N/A	N/A	128721	N/A	N/A	137731	N/A	N/A	147372	N/A	N/A	157688
Code D	N/A	N/A	204400	N/A	N/A	218708	N/A	N/A	234018	N/A	N/A	250399	N/A	N/A	267927

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

**Notes:**

- Above Tariff Rates are excluding all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the First fortnight and the rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.



**ANNEXURE II**

**TARIFF RATE CARD APPROVED BY AERA  
FOR M/s BASCPL AT COIMBATORE INTERNATIONAL AIRPORT, COIMBATORE  
IN RESPECT OF INTERNATIONAL "NON-SCHEDULED & GENERAL AVIATION FLIGHTS"  
FOR THE FIRST CONTROL PERIOD (FY 2023-24 to FY 2027-28)**

**Revised Tariff for Ground Handling Services is effective from 20.12.2023**

(Rates in ₹)

A/C Category	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Maximum Take-off Weight (MTOW)</b>					
0-5000	51,521	55,127	58,986	63,115	67,533
5001-10000	94,454	101,066	108,141	115,711	123,811
10001- 20000	150,269	160,788	172,043	184,086	196,972
20001- 35000	171,735	183,756	196,619	210,382	225,109
35001- 40000	193,202	206,726	221,197	236,681	253,249
40001- 50000	214,669	229,696	245,775	262,979	281,388
50001- 100000	279,070	298,605	319,507	341,872	365,803
100001 - 200000	528,086	565,052	604,606	646,928	692,213
200001- 300000	622,540	666,118	712,746	762,638	816,023
300001 and above	751,341	803,935	860,210	920,425	984,855

**Notes:**

- Above Tariff Rates are excluding all applicable taxes.
- Tariff determined shall be the maximum Tariff to be charged. No other charge is to be levied over and above the approved Tariff Rates.
- For payment in foreign currency, the RBI conversion rate as on the last day of the previous month will be applicable for the first fortnight and the rate as on 15<sup>th</sup> of the month will be applicable for the second fortnight.

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**ANNEXURE III**

**ITEMISED TARIFF RATE CARD APPROVED BY AERA  
FOR M/s BASCPL AT COIMBATORE INTERNATIONAL AIRPORT, COIMBATORE  
FOR THE FIRST CONTROL PERIOD (FY 2023-24 to FY 2027-28)**

**Item-wise Charges for Ground Handling Services in respect of Domestic\* & International Flights  
for the First Control Period (FY 2023-24 to FY 2027-28)**

**Revised Tariff is effective from 20.12.2023**

(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		For the FY 2027-28	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
1	Ambulift	Per Usage	10.903	17.233	11.666	18.439	12.483	19.730	13.357	21.111	14.292	22.589
2	Ground Power Unit (GPU) 140 KV	Per Hour	10.903	17.233	11.666	18.439	12.483	19.730	13.357	21.111	14.292	22.589
3	Hook on power	Per flight	872	1,379	933	1,476	998	1,579	1,068	1,690	1,143	1,808
4	Air Conditioner unit (ACU)	Per Hour	20,000	27,298	21,400	29,209	22,898	31,254	24,501	33,442	26,216	35,783
5	Ramp to Flight Deck Communication	Per Turnround	3,490	5,515	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
6	Step Ladder (remote bay) - Narrow Body	Per Hour	5,670	8,961	6,067	9,588	6,492	10,259	6,946	10,977	7,432	11,745
7	Step Ladder (remote bay) - Wide Body	Per Hour	8,460	13,373	9,052	14,309	9,686	15,311	10,364	16,383	11,089	17,530
8	Passenger Bus	Per Trip	6,000	6,204	6,420	6,638	6,869	7,103	7,350	7,600	7,865	8,132
9	Crew Bus	Per Turnround	6,000	5,515	6,420	5,901	6,869	6,314	7,350	6,756	7,865	7,229
10	Conveyor belt loader	Per hour	9,090	14,371	9,726	15,377	10,407	16,453	11,135	17,605	11,914	18,837
11	Marshalling	Per hour	3,500	4,500	3,745	4,815	4,007	5,152	4,287	5,513	4,587	5,899
12	Fork Lift 10 Ton	Per Hour	8,900	14,063	9,523	15,047	10,190	16,100	10,903	17,227	11,666	18,433
13	Fork Lift 5 Tons	Per Hour	6,280	9,926	6,720	10,621	7,190	11,364	7,693	12,159	8,232	13,010
14	Fork Lift 3 Tons	Per Hour	4,536	7,169	4,854	7,671	5,194	8,208	5,558	8,783	5,947	9,398
15	Air Start Unit (ASU)	Per start	15,000	21,369	16,050	22,865	17,174	24,466	18,376	26,179	19,662	28,012
16	Towbar	Per push / tow	3,490	5,515	3,734	5,901	3,995	6,314	4,275	6,756	4,574	7,229
17	Push Back -Narrow Body	per service	10,470	16,544	11,203	17,702	11,987	18,941	12,826	20,267	13,724	21,686
18	Tow Inter Stand - Narrow Body	Per Tow	15,265	24,127	16,334	25,816	17,477	27,623	18,700	29,557	20,009	31,626
19	Wing Walkers	Per turnaround	1,745	2,757	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
20	Toilet service	per service	6,542	10,340	7,000	11,064	7,490	11,838	8,014	12,667	8,575	13,554
21	Water service	per service	5,670	8,961	6,067	9,588	6,492	10,259	6,946	10,977	7,432	11,745
<b>Passenger/ Terminal Side and Manpower related</b>												
22	Unaccompanied minor handling	per child	2,365	3,737	2,531	3,999	2,708	4,279	2,898	4,579	3,101	4,900
23	Wheel Chair Ramp (WCHR) Or Wheel Chair Stretcher (WCHS)	per service	2,355	3,722	2,520	3,983	2,696	4,262	2,885	4,560	3,087	4,879



Sl. No.	SERVICES	UNIT	For the FY 2023-24		For the FY 2024-25		For the FY 2025-26		For the FY 2026-27		For the FY 2027-28	
			Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.	Dom.	Intl.
24	Wheel Chair Cabin (WCHC)	per service	2,620	4,136	2,803	4,426	2,999	4,736	3,209	5,068	3,434	5,423
25	VIPs	per passenger	3,637	5,748	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
26	Transit w/o visa pax	per passenger	3,637	5,748	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
27	Deportees	per passenger	3,637	5,748	3,892	6,150	4,164	6,581	4,455	7,042	4,767	7,535
28	Floor Walkers/Welcoming staff	per personnel/8hrs	1,745	2,757	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
29	Manpower (White collar)	per personnel/8hrs	2,617	4,136	2,800	4,426	2,996	4,736	3,206	5,068	3,430	5,423
30	Manpower (Blue collar)	per personnel/8hrs	1,745	2,757	1,867	2,950	1,998	3,157	2,138	3,378	2,288	3,614
31	Excess Baggage Collection	per flight	10% of collection									
32	Val Handling	per std. sz. container	9,092	14,371	9,728	15,377	10,409	16,453	11,138	17,605	11,918	18,837
33	Ballast Bags Refill	Per refill - per Bag	1,308	2,068	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
34	Interior cleaning (Transit) - Narrow Body	per service	12,210	19,301	13,065	20,652	13,980	22,098	14,959	23,645	16,006	25,300
35	Interior cleaning (Transit) - ATR & like	per service	7,065	11,167	7,560	11,949	8,089	12,785	8,655	13,680	9,261	14,638
36	Deep Cleaning - Narrow Body	per service	17,445	27,574	18,666	29,504	19,973	31,569	21,371	33,779	22,867	36,144
37	Deep Cleaning - ATR & like	per service	10,030	15,855	10,732	16,965	11,483	18,153	12,287	19,424	13,147	20,784
38	Flight Deck cleaning	per service	4,360	6,893	4,665	7,376	4,992	7,892	5,341	8,444	5,715	9,035
39	Waste Disposal	per service	1,220	1,930	1,305	2,065	1,396	2,210	1,494	2,365	1,599	2,531
40	Arrange non-scheduled Crew Hotel accommodation	per service	1,308	2,068	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
41	Arrange for non-scheduled Crew Transportation	per service	1,308	2,068	1,400	2,213	1,498	2,368	1,603	2,534	1,715	2,711
42	Customs, Immigration & Quarantine (C.I.Q.) assistance / Direct crew thru airport facilities	per arr. or dep. clearance	2,617	4,136	2,800	4,426	2,996	4,736	3,206	5,068	3,430	5,423
43	Cargo Supervision services	Per flight	10,012	15,826	10,713	16,934	11,463	18,119	12,265	19,387	13,124	20,744
44	Live Animal Handling	per AVI	1,273	2,012	1,362	2,153	1,457	2,304	1,559	2,465	1,668	2,638

\* Tariff for Domestic Scheduled 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 15<sup>th</sup> of the month will be applicable for the second fortnight.

