

Airports Economic Regulatory Authority of India

Order No. 29/2015-16

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110003**

**Date of Order: 21st August, 2015
Date of Issue: 28th August, 2015**

**Service: Ground Handling Services
Service provider: M/s Cambata Aviation Pvt. Ltd. (Cambata)
Airport: Chennai International Airport (CIA), Chennai.**

Determination of tariff for the Fifth (2015-16) tariff year of the first control period.

This Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [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] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period.

2. Accordingly, the Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Cambata Aviation Pvt. Ltd. (Cambata) for the first control period commencing 01.04.2011 in respect of Ground Handling Services at Chennai International Airport (CIA), Chennai. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) No. 31/2011-12 dated 05.12.2011 wherein, inter-alia, it was decided that the service provided for ground handling services, is "material but competitive", hence "light touch approach" be adopted for determination of tariff for the 1st Control period. Pursuant to issue of above, the Authority considered the Annual Tariff Proposal (ATP) for the first, second third and fourth tariff years and after due stakeholder consultation, determined the tariffs vide ATO(s) no. Order No. 18/2013-14 dated 21.06.2013 for the 1st and 2nd tariff years, Order No. 29/2013-14 dated 25.07.2013 for 3rd tariff year and Order No. 19/2014-15 dated 26.02.2015 for 4th tariff year respectively.

3. Cambata vide letter dated 24.06.2015 and 13.07.2015 submitted ATP for the tariff year 2015-16 and Annual Compliance statements for tariff year 2011-12, 2012-13 and 2013-14 duly certified by an independent auditor. However, copy of audited final accounts and user agreements have not been submitted by Cambata.

4. Cambata further submitted that:

"1. ...As per the agreement signed with all airlines our tariffs are quoted in USD and for ATP purposes the same have converted to INR at the average rate of 1 USD=INR 64.

2. The tariff given above are inclusive of royalties payable to Airport Operators."



5. The Authority, vide letter dated 23.07.2015 requested Cambata to furnish the justification for increase proposed in the 5th tariff year by 03.08.2015 failing which it was informed that the Authority shall approve continuation of existing tariffs upto 31.03.2016 i.e. for the remaining period of 1st Control Period. However, there has been no response from Cambata till date.

6. The Authority noted the following:

- (i) Cambata has not submitted justification for increase proposed in the fifth tariff year till date.
- (ii) Less than one year is left for completion of the 1st Control Period, which is set to expire on 31.03.2016 and process for determination of tariff involving stakeholder consultation will take approx. 2-3 months and thus benefits of revised tariff may be available for less than 6 months from the date of order.

ORDER

7. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) Cambata Aviation Pvt. Ltd. would continue to levy tariffs in respect of Ground Handling Services at Chennai International Airport (CIA), Chennai for the remaining period of the current control period at the same level as was approved vide Authority's Order No. 19/2014-15 dated 26.02.2015 for the fourth tariff year. **(Annexure - I).**
- (ii) Cambata Aviation Pvt. Ltd. may submit the MYTP and ATP for the 2nd Control Period well in time as per the Guidelines by incorporating the actual financials of 2014-2015.

By the Order of and in the
Name of the Authority

Alok Shekhar
(Alok Shekhar)
Secretary

To,

Cambata Aviation Pvt. Ltd.,
T9 & 9A, 3rd Floor,
Vasant Square Mall,
Vasant Kunj,
New Delhi – 110070

(Through: Shri Bharani Kumar, Chief Financial Officer)



Maximum Tariffs Rate for Ground Handling Operation (FY 2014-15) w.e.f 01.04.2014

S.No.	Aircraft Types	Tariff Per Turnaround Flt.		Applicable Discount/ Surchages	Aiprot Royalty
		IN US \$	IN NR		
1	A330	1,500	90,000	N/A	Inclusive
2	B777-F	1,750	1,05,000	N/A	Inclusive
3	A300-F	1,500	90,000	N/A	Inclusive
4	B747-F	1,300	78,000	N/A	Inclusive

Notes :

- 1) Please note that as per the agreement signed with all airlines, our tariffs are quoted in USD and for ATP purposes the same have been converted to INR at the average rate of 1 USD=INR 60
- 2) The tariff given above are inclusive of royalty payable to the airport operator as per details given above.

Maximum Tariffs Rate for Cargo Handling Services (Back Office Function) (FY 2014-15) w.e.f 01.04.2014

S.No.	Aircraft Types	Delivery Order	
		Fees per MAWB	
		IN	NR
1	A330		1,000
2	B777/A300		1,350

