

**[F.No. AERA/20010/MYTP/Cambata/GH/Chennai/2011-2012 /Vol-I]
Airports Economic Regulatory Authority of India**

Order No. 19/2014-15

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

Date of Order: 10th Feb, 2015

Date of Issue: 26th Feb, 2015

In the matter of Annual Tariff Proposal submitted by M/s Cambata Aviation Pvt. Ltd. for Fourth Tariff Year of the first control period for providing Ground Handling Services and Cargo Handling Services (Back Office Functions) at Chennai International Airport, Chennai.

This Authority, vide Direction No. 4/2010-11 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). M/s Cambata Aviation Pvt. Ltd., (Cambata) submitted their Multi Year Tariff Proposal (MYTP) for first control period commencing 01.04.2011 in respect of the tariff for the ground handling services provided at Chennai International Airport, Chennai. The Authority considered the submissions made by Cambata and after due stakeholder consultation vide Consultation Paper No. 18/2011-12 dated 26.09.2011, the Authority issued Multi-Year Tariff Order (MYTO) No. 31/2011-12, dated 05.12.2011 vide which it ordered that:

(a) *"It shall adopt a "light touch approach" for the Ground Handling Services provided by Cambata Aviation Pvt. Ltd.(Cambata) at Chennai International Airport, Chennai for the first control period starting w.e.f 01.04.2011.*

(b) *This order of determination of tariff for ground handling services- currently being provided by Cambata at Chennai airport, is being issued under and in accordance with the provisions of AERA Act and will, in no way, be construed as modifying/altering the provisions of any agreement/arrangement etc. that Cambata may have with AAI or any other Authority/Government etc. The instant determination permits Cambata to only charge/levy certain tariffs for ground handling services provided by it at Chennai airport, and does not confer any rights/claims whatsoever on Cambata for appointment as service provider for providing any services at Chennai airport. Further, for this purpose, this order will not affect the rights of any party in this manner".*

2. Subsequently, the Authority considered the Annual Tariff Proposal (ATP) for the first, second and third tariff years and after due stakeholder consultation,



determined the tariffs vide ATO(s) No. 18/2013-14 dated 21.06.2013 and 29/2013-14 dated 25.07.2013.

3. Thereafter, Cambata, vide their letter dated 20.3.2014 and 21.07.2014, submitted their ATP for the fourth tariff year (F.Y. 2014-15) of the first control period. The Authority considered this ATP and issued Consultation Paper No. 10/2014-15 on 31.10.2014 for stakeholders' consultation. Cambata, vide submission dated 05.01.2015, also forwarded Annual Compliance Statement relating to Ground Handling Services at Chennai Airport for the tariff years 2011-12, 2012-13 and 2013-14.

4.1 In response to this Consultation Paper, the comments from Airline Allied Services Limited (Alliance Air) and Bhadra International (India) Pvt Ltd (Bhadra) have been received.

4.2 Alliance Air vide their letter dated 14.11.2014, in response to above Consultation Paper, informed this Authority that:

"... Airline Allied Services Ltd (AASL) is neither operating to Chennai at present, or has any immediate plan to operate to Chennai. As such, we have no comment to offer in this regard please."

4.3 Bhadra International India pvt. Limited had vide their letter dated 13.11.2014, on the above said Consultation Paper, submitted that :

"In Terms of the Airports Authority of India (general Management, Entry for Ground handling services), Regulations, 2007 a carrier may get their ground handling services at Metropolitan Airports, namely at Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad, by engaging the services of following only:-

- 1) Airports Authority of India or its joint Venture Company*
- 2) Subsidiary companies of the national carrier, that is National Aviation Company of India Limited or its joint ventures specialised in ground handling services on the basis of revenue sharing with the Authority.*
- 3) Any other ground handling service provider selected through competitive bidding on revenue sharing basis, subject to security clearance by the Central Government and observance of performance standards.*

In the tendering process invited by AAI, Cambata Aviation Private Limited had neither participated nor were short listed and neither selected by AAI for rendering ground handling services at any of the Airports-including Chennai Airport and as such they come under the category of non-entitled entities (that is not an authorised or approved ground handlers).

In view of the above, we submit that Cambata Aviation Pvt. Limited, are not eligible to provide the services at AAI Airports, should not be allowed to continue to render ground handling services at Chennai Airport and hence approving their rates for the fourth tariff year (2014-15) by AERA will be ultra vires."




5. The Authority noted the submissions of Cambata/comments of stakeholders and also that Annual compliance statement has been submitted by Cambata. The Authority however observed that Annual Accounts submitted by Cambata are not audited & advised that hence forth the ISPs should submit the audited annual accounts to the Authority. The Authority further noted that the status of Cambata's contract at Chennai airport is subjudice in view of pendency of legal disposal of the case and thus there is no legal bar in approving the tariffs of Cambata.

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

- i. Tariff for the fourth tariff year (w.e.f. 01.04.2014 to 31.03.2015) submitted Cambata Aviation Pvt. Ltd., for providing ground handling and cargo handling services (back office functions) at Chennai International Airport, Chennai are determined as at **Annexure – I**.
- ii. These tariffs will be maximum tariff. However, it may be noted that mere determination of tariffs based on a particular tariff proposal should not be treated by anyone as a grant of permission to provide ground handling service in any manner.

**By the Order of and in the
Name of the Authority**


(Alok Shekhar)
Secretary

To,

**M/s Cambata Aviation Pvt. Ltd,
T9 & 9A, 3rd Floor, Vasant Square Mall, Vasant Kunj,
New Delhi-110070**

(Through Shri P.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/ Surcharges	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

