

A. BACKGROUND

1. On 14.02.2017, Airports Regulatory Authority to be called as "Authority" had issued the File. No. AERA/ 20010/ MYTP/ CHIAL/ CP-II/2016-17 (Consultation Paper No.3/2016-17) in respect of determination of aeronautical tariff of Chandigarh International Airport Limited (CHIAL), who has been developing, maintaining and operating the airport. The Authority held its stakeholder consultation meeting on 02 March 2017, seeking a detailed written submission from its stakeholder by 07 March 2017.

2. Member airlines of FIA were duly present during the meeting and raised objections on various issues pertaining to the Consultation Paper No.3/2016-17. In addition to sharing their views/inputs during the meeting, a request for an extension of two weeks was also sought from the Authority towards the written submission but was declined by the Authority. To which, FIA e-mailed to the Authority its letter dt: 02 March 2017 and also hand delivered the same on 03 March 2017 seeking an extension of two weeks from the date of submission. Till today, which is the date of submission (07 March 2017), FIA is not in receipt of any communication from the Authority on its request for extension.

3. Under this time constraint and uncertainty of acceptance to our request, FIA on behalf of its member airlines submits its preliminary objections to the Consultation Paper No.3/2016-17 without any prejudice and craving to submit any additional submission as and when required.

4. At the outset, it is noteworthy that the Authority is under a bounden duty to determine the tariff in terms of:-

(a) Statutory provisions laid under the of the Airports Economic Regulatory Authority of India, Act, 2008 ("**AERA Act**");

(b) AERA (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011 ("**AERA Guidelines**");

(c) '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**"); and

(d) Regulatory jurisprudence and settled principles of law creating a level playing field to foster competition, plurality and private investments in the civil aviation sector.

B. CONTEXT OF THE CONSULTATION

5. To assist the Authority in appreciating these submissions on the CP Nos. 3 of 2016-17 ("CP"), FIA would like to state that the present submissions are without prejudice to our right and contentions, reserving FIA's right to submit additional submissions/objections at later stage and subject to the following: -

(a) In para 3.1 and 3.2 of the CP, the CHIAL has submitted its MYTP submissions for the first control period along with auxiliary submissions dated 02.11.2016 and 25.11.2016 and additional justifications/ clarifications dated 24.11.2016, 30.11.2016, 01.12.2016, 03.12.2016, 05.12.2016, 09.12.2016 and 22.12.2016 and 10.01.2017. Further, CHIAL in its submission has included details for capital expenditure, revenue and operating expenditure along with growth rate estimates and the basis for such estimations. FIA would like to request that the above mentioned MYTP submissions may be made available to the stakeholders for perusal and comments so as to enable for FIA to submit requisite and consolidated observations / comments to the present CP.

(b) All requisite agreements for executed between CHIAL and AAI / MoCA for operations, management, development and control of the airport may be made available to the stakeholders for their perusal in order to submit requisite and consolidated observations / comments to the present CP.

(c) FIA vide its letter dated 2 March, 2017 had sort an extension for two week to submit its observations / comments to the present CP. It is to be considered that in the absence of any supporting documents as mentioned above, FIA is not in position to study the present CP in its right context and spirit. The same is a violation of the principal of natural justice and fair play which is the paramount principal of any regulatory decision by any Regulator.

6. Pursuant to the enactment of the AERA Act, the Authority has been established to perform the functions vested under the AERA Act including Section 13 of the Act, which includes determination of tariff for aeronautical services, viz. -

(a) Section 2(a) of the AERA Act defines aeronautical services.

(b) Section 13 (1)(a) of the AERA Act provides that the tariff for such aeronautical services at a major airport is to be determined by the Authority after taking into consideration various factors, being:-

- (i) The capital expenditure incurred and timely investment in improvement of airport facilities;
- (ii) The service provided, its quality and other relevant factors;
- (iii) The cost for improving efficiency;
- (iv) Economic and viable operation of major airports;
- (v) Revenue received from services other than the aeronautical services;
- (vi) The concession offered by the Central Government in any agreement or memorandum of understanding or otherwise;
- (vii) Any other factor which may be relevant for the purposes of the AERA Act.

7. 'Determination' by the Authority:

(a) Section 13(1)(a) of the AERA Act requires the Authority to 'determine' the tariff for aeronautical services. Any 'determination' by a statutory authority must clearly show the application of mind and analysis carried out by the Authority. However, in the present case, the Authority has proposed to allow various expenditures like Operating Expenditure, General Capital Expenditure, Tariff Rate Card, etc. merely on the basis of GBIAL's submissions and but has failed to provide any justification of its own or analysis for the same. In this regard judgment of the Hon'ble Supreme Court in the case of **Ashok Leyland Ltd. vs. State of Tamil Nadu & Anr. reported as (2004) 3 SCC 1 (FB)(at Paragraph No. 94)** is noteworthy. Hon'ble Supreme Court has held that the word 'Determination' must also be given its full effect to, which pre-supposes application of mind and expression of the conclusion. It connotes the official determination and not a mere opinion or finding. The Hon'ble Telecom Dispute Settlement Appellate Tribunal ("TDSAT") has also held that determination requires application of mind in the Judgment dated 16.12.2010 in Appeal No. 3(C) of 2010 titled as **ZEE Turner Ltd. vs. TRAI & Ors. (at Paragraph No. 150)**.

(b) Section 13(1)(4)(c) of the AERA Act mandates that any decision by the Authority must be fully documented and explained.

8. To the dismay of the Stakeholders (including airlines), the Authority vide the present Consultation Paper has *simplicitor* accepted CHIAL's claims without conducting its own independent financial study and prudence check or commissioning experts.

9. It is regrettable that the Authority in the year 2012 i.e. at the time of issuance of DIAL Tariff Order (No.3/2012-13) had decided to commission its own experts has failed to do so till now.

C. ISSUEWISE SUBMISSIONS

I. Re. Authority ought to follow Single Till Model for determination of Aeronautical Tariff

10. Hybrid till is followed, which is in contravention to AERA tariff guidelines. In this context, the following facts are noteworthy:

11. It is noteworthy that in a matter pending adjudication before the Hon'ble Airports Economic Regulatory Authority Appellate Tribunal ("**AERAAT**"), MoCA had submitted by way of its Counter-Affidavit that the Authority is an independent regulator and suggestions of Government of India/ MoCA are not legally binding on it. Further, it has submitted that MoCA has no role to play with respect to determination of aeronautical tariff. The Authority being a party to the said matter is aware of the contents of MoCA's Counter Affidavit in the said matter.

12. It is submitted that Single Till is premised on the following legal framework being:

(a) Section 13(1)(a)(v) of AERA Act envisages that while determining tariff for aeronautical services, the Authority shall take into consideration revenue received from services other than the aeronautical services.

(b) Clause 4.2 of AERA Guidelines recognizes Single Till approach which sets out the following components on the basis of which ARR will be calculated:-

- (i) Fair Rate of Return applied to the Regulatory Asset Base
- (ii) Operation & Maintenance Expenditure
- (iii) Depreciation
- (iv) Taxation
- (v) **Revenues from services other than aeronautical services**

(c) AERA in its Single Till Order has held that "*Single Till is most appropriate for the economic regulation of major airports in India*".

13. It is submitted that determination of aeronautical tariff warrants a comprehensive evaluation of the economic model and realities of the airport – both capital and revenue elements. CHIAL's approach of Hybrid Till deserves to be discarded.

14. In the Single Till Order, Authority has strongly made a case in favor of the determination of tariff on the basis of 'Single Till'. It is noteworthy that the Authority in its *inter alia* Single Till Order has:

(a) Comprehensively evaluated the economic model and realities of the airport – both capital and revenue elements.

(b) Taken into account the legislative intent behind Section 13(1)(a)(v) of the AERA Act.

(c) Concluded that the Single Till is the most appropriate for the economic regulation of major airports in India.

(d) The criteria for determining tariff after taking into account standards followed by several international airports (United Kingdom, Australia, Ireland and South Africa) and prescribed by ICAO.

15. The Authority in its AERA Guidelines (Clause 4.3) has followed the Single Till approach while laying down the procedure for determination of ARR for Regulated Services. In this respect, the matter must be dealt with by the Authority considering the ratio pronounced by the Constitutional Bench in the Hon'ble Supreme Court Judgment in PTC vs. CERC reported as (2010) 4 SCC 603 (*please ref: Paragraph Nos. 58 to 64 at Page Nos. 639 to 641*). wherein it is specifically stated that regulation under an enactment/statute, as a part of regulatory framework, intervenes and even overrides the existing contracts between the regulated entities inasmuch as it casts a statutory obligation on the regulated entities to align their existing and future contracts with the said regulations.

16. The fundamental reasoning behind 'Single Till' approach is that if the consumers/passengers are offered cheaper air-fares on account of lower airport charges, the volume of passengers is bound to increase leading to more foot-fall and probability of higher non-aeronautical revenue. The benefit of such non aeronautical revenue should be passed on to consumers/passengers and that can be assured only by way of lower aeronautical charges. It is a productive chain reaction which needs to be taken into account by the Authority.

17. FIA therefore submits as under:

(a) Single Till Model ought to be applied to ALL the airports regulated by the Authority regardless of whether it is a public or private airport or works under the PPP model and in spite of the concession agreements as the same is mandated by the statute.

(b) Single Till is in the public interest and will not hurt the investor's interest and given the economic and aviation growth that is projected for India, Fair Rate of Return (FRoR) alone will be enough to ensure continued investor's interest.

(c) MoCA's view(s) with respect to any issue at best can be considered as that of a Stakeholder and by no means are binding to Authority's exercise of determination of aeronautical tariff as is admitted by MoCA itself before the AERAAT.

18. In view of the above, it is submitted without prejudice that determination of aeronautical tariff on Hybrid Till basis for the first control period would set the tone and precedent for determination of aeronautical tariff in subsequent control periods contrary to the applicable legal framework. Thus, it is submitted that Authority should discard the option of determination of aeronautical tariff on Hybrid Till and follow Single Till scrupulously.

II. Re. Determination of RAB

19. The Authority has provided, in Clause 7.7 of the Single Till Order and Clause 5.2.4 of AERA Guidelines, that it will make an adjustment in respect of any land associated with an asset excluded from the scope of RAB by reducing from RAB the value of such land being the higher of (i) prevailing market value of such land, or (ii) book value of such land. In this case, the total project cost of Rs 926/- crores was considered by CHIAL as RAB, out of which, Rs 453 crores pertains to procurement of land from Punjab & Haryana government. FIA during the stakeholder consultation meeting on 02 March 2017 objected to the inclusion of land cost in RAB stating that it is the primary social responsibility of the elected government to provide the land for development of airport as ultimately the government will reap the benefit coming out of the successful operations of the airport. FIA also quoted the example of the Goa airport, where the land cost was not considered while fixing up the tariff.

20. In this case, no independent assessment by AERA has been done for RAB and allocation of RAB between Aero and Non Aero has not been done either.

- 21.** All the building blocks (including operational cost, Non aero revenue) are subject to True Up - No incentive for operator to control costs.
- 22.** The Authority in para 5.9 and 5.10 of the CP No.3/2016-17 has noted that after excluding costs pertaining to CISF/ Security from the cost of terminal building, cost per sq.m. as mentioned above will further reduce to ₹65,602. This is within a reasonable range of the normative cost level of ₹65,000 as prescribed by the Authority. Therefore the Authority has proposed to accept the cost of Terminal Building as submitted by CHIAL.
- So far as the Apron and Taxiways are concerned, the cost per sq.m. works out to ₹5,077 including earthwork cost. This is within a reasonable range of the normative cost of ₹4,700 prescribed by the Authority. Therefore the Authority has proposed to accept the cost of Apron and Taxiway as submitted by CHIAL.
- 23.** It is submitted that although under the Normative Approach to Building Block in Economic Regulation of major Airports dated 06 June 2016, Authority has determined RAB of the project cost ceiling with respect to the Terminal Building as ₹65,000 per sq.m and ₹4,700 per sq.m. for Taxiway/ Apron.
- 24.** However, in the present CP the determination of RAB project cost ceiling is without any reason or explanation and even in the account of failure of submission of supporting document. The decision of the Authority to accept the cost of terminal building, apron and taxiway as submitted by CHIAL is contrary to the Authority's Normative Capital Cost Order. Further, no explanation is given for the decision of Authority about 'within the reasonable range of the normative cost level'. Authority even failed any justification or reasons or study to justify its decision to accept the cost of the terminal building, apron and taxiway as submitted by CHIAL.
- 25.** The Normative Capital Cost Order cannot be treated as a benchmark in absence of any document, study and proof of the actual cost incurred towards terminal building, apron and taxiway by CHIAL.
- 26.** It is to be noted that para 2.4 of the CP categorically stated that AAI completed the construction of the new integrated terminal building and handed it over to CHIAL on 01 September 2015. CHIAL started its operations from 19 October 2015.
- Therefore, in view of the same no expenditure is incurred by CHIAL to complete the construction of the terminal building.

II. Re. Fare Rate of Return FRoR

27. Authority in table 23, has accepted the historical and projected summary of capital structure of CHIAL in totality. Since, the equity shareholders of CHIAL is AAI, GMADA and HUDA which admittedly falls under the definition of State under Article 12 of Constitution of India, therefore the cost of equity at 14% pa for State is unreasonable and without any justification. CHIAL and its shareholders being a State are under the Constitutional obligation to cater the public interest and not commercial interest. Therefore, cost of equity of 14% pa is very high and are arbitrary.

28. Further, CHIAL and its shareholders being a State cannot reclude themselves for not availing debt but instead relied on the equity to the tune of Rs 926.6 crores as actual equity for FY 2015-16. There is a deliberate attempt on the part of CHIAL and its shareholders not to avail debt but rely on equity to bring the FRoR at a higher rate. Admittedly the facility of debt by CHIAL and its shareholders is much easier than a private entity. Therefore the proposal to consider the cost of equity at 14% pa and FRoR at 14% pa for CHIAL.

III. Re. CHIAL's failure to file business plan for airport

29. CHIAL has not submitted its business plan for airport for the first control period or for the development of the airport with Authority or in public domain till date.

IV. Re. Traffic projections submitted by CHIAL has been accepted by the Authority without conducting any independent study

30. The airport operator is required to submit traffic forecasts as part of the MYTP submissions and that the Authority reserves the right to review such forecast assumptions, methodologies and processes and to determine the final forecast to be used for the determination of tariffs.

31. As per the present CP, CHIAL had submitted traffic projection as requested by the Authority. The Authority found that the final traffic projections of CHIAL are more or less in line with its own assessment. Therefore, it has accepted the projections of CHAL in the present CP without conducting any independent study. The Authority should note the fact that CAGR for last 5 years of domestic passenger traffic is 17.6%. given the fact that Delhi and Mumbai airports have reached saturation level and which might lead to healthy diversion of traffic to CHIAL. It is to be noted that the traffic forecast is the base for determining ARR and UDF. In view of the lower traffic forecast as assessed by the Authority, the UDF will go up.

Further the admitted growth in passenger traffic at CHIAL from FY08 till FY16 as shown in table 39 of the present CP clearly depicts that the Authority's determination of growth of passenger traffic at 12% pa for domestic passengers and 5% of international passenger is incorrect.

V. Re. Regulatory Period and Recovery of ARR ought to be determined prospectively

32. In the present CP, the Authority had tentatively decided the tariff for the 5 years' control period starting from 01.04.2016 which is likely to come into effect from 01.4.2017.

33. It is submitted that in determining the tariff in the year 2017 for the control period of 01.04.2016 to 31.03.2021, the Authority will be compressing the recoverable period of legitimate 60 months to merely 48 months.

34. The Authority is overlooking that the CHIAL has caused inordinate delay in submitting its tariff proposals (thereafter revising the proposal from time to time) and relevant information for determination of aeronautical tariff which is apparent from Para 3.1 of the CP. Any deliberate delay on the part of CHIAL is unacceptable as it would increase the operational expenditure of the airlines and render its operations economically unviable. It is noteworthy that airlines cannot recover such past-cost from its passengers who have travelled in the period gone by.

35. It is settled position of law that future consumers cannot be burdened with additional costs as there is no reason as why they should bear the brunt. Such quick-fix attitude is not acceptable. As such, the approach in the present CP does not appear to deal with the present economic realities and interests of consumers while proposing the tariff in its present form. Authority being a creature of statute is under a duty to balance the interest of all the stakeholders and consumers, which it is mandated to do under the AERA Act. Authority's proposal for tariff determination for the period of 5 years and compressing the recovery in 4 years is imprudent and detrimental to the interests of Stakeholders including the airlines and the passengers.

VI. Re. Authority is statutorily mandated to scrutinize the claims of CHIAL

36. It is submitted that the Authority is statutorily mandated under Sections 13 and 14 of the AERA Act to scrutinize each claim/projection of the Airport operator/service provider (in the present case CHIAL) instead of merely accepting such claims. If required, the Authority can even engage consultants or experts to perform such exercise on its behalf.

However, simply accepting the claims/projections of CHIAL reflects casual approach of the Authority without any independent scrutiny of CHIAL's submission and documents economic assessment, analysis and opinion. It is noteworthy that in the present CP, Authority has proposed to accept most of the claims/forecast of CHIAL with respect to:

- (a) Determination of RAB in project cost ceiling
- (b) Determination of RAB including addition to RAB during the control period
- (c) Determination of FRoR
- (d) Allocation of Expenditure
- (c) Future Capital Expenditure of CHIAL to be capitalized during review period
- (d) Operating Expenditure
- (e) Traffic Projections
- (f) Assessment of Non-aeronautical revenue
- (g) Independent assessment to determine efficient operating cost

VII. Re. Levy of User Development Fee at CHIAL has no statutory basis

37. In the present CP, Authority had proposed to allow UDF on embarking passengers based on the para 12 which is proposed tariff by CHIAL

38. It is to be noted that Clause 6.8.5 of AERA Guidelines in no uncertain terms provides that UDF is a revenue enhancing measure to allow FRoR to the Airport Operator. It is not clear as on what basis the Authority has proposed to levy UDF at CHIAL for the purpose to cater the shortfall between the ARR and the projected aeronautical revenue during the control period.

39. It is submitted that Authority is bound under Section 13(4)(c) of the AERA Act to fully document and explain its decision. The Authority must explain the reason of allowing levy of UDF by CHIAL.

40. It is noteworthy that the Hon'ble Supreme Court in the judgment of Consumer Online Foundation vs. Union of India & Others reported as (2011) 5 SCC 360 has categorically noted that there can be no contractual relationship between the passengers embarking at an airport and the airport operator with regard to the up-gradation, expansion or development of the airport which is to be funded or financed by charges being levied on the passengers.

Those passengers who embark at the airport after the airport is upgraded, expanded or developed will only avail the facilities and services of the upgraded, expanded and developed airport. Similarly, there can be no contractual relationship between the airport operator and passengers embarking at an airport for establishment of a new airport in lieu of the existing airport or establishment of a private airport in lieu of the existing airport. Thus, it is submitted that in the absence of such contractual relationship, the liability of the embarking passengers to pay UDF has to be based on a statutory provision. At this juncture, it is to be noted that UDF has no statutory foundation and at CHIAL has been levied and further proposed to be levied on the basis to cater the shortfall between the ARR and the projected aeronautical revenue during the control period.

41. In fact, the UDF which is being levied at the CHIAL to cater the shortfall between the ARR and the projected aeronautical revenue during the control period is in the nature of cess or tax. It is settled position of law that any levy or compulsory exaction which is in the nature of tax/cess cannot be levied without a statutory foundation/charging section, as laid down in a catena of judgements by the Hon'ble Supreme Court. It is submitted that no tax, fee or any compulsory charge can be imposed by any bye-law, rule or regulation unless the statute under which the subordinate legislation is made specifically authorises the imposition. There is no room for intendment.

42. It is also noteworthy that UDF is recovered from each traveling passenger through the air-ticket as a component of the price of such air-ticket and the same is payable by the airlines to the airport operator (CHIAL in the present case). It is reiterated that any increase on fees payable directly by passengers ultimately affects the interests of airlines.

It is submitted that any passenger is concerned with the total cost of his travelling and not with the specific break-up of charges. Such enhancement in the cost of the air-ticket not only works as a deterrent for the prospective traveler but also reduces the ability of the airlines to recover its costs and thus, affecting the business interests *inter alia* of airlines and aviation industry.

VIII. Re. CHIAL's monopolistic approach and 'Doctrine of Essential Facilities'

43. It is submitted that under the competition law, an enterprise is under an obligation to extend its essential infrastructural facility at a reasonable cost.

CHIAL's control over Airport renders it a monopolist having control over 'essential infrastructural facility' of the airport in the city Chandigarh. The requirement of access to essential facility was first articulated by the Supreme Court of United States of America in United States vs. Terminal Railroad Assn, reported as 224 U.S. 383 (1912)¹. Under the principles of access to essential facility, the following four factors must be proven:-

- (a) Control of the essential facility by a monopolist;
- (b) A competitor's inability practically or reasonably to duplicate the essential facility;
- (c) The denial of the use of the essential facility to a competitor; and
- (d) The feasibility of providing the essential facility to competitors.

44. It is submitted that to seek access to essential facility, the asset in question also must not be available from other sources or capable of duplication by the firm seeking access. Reliance is placed on the case of Apartment Source of Pennsylvania vs. Philadelphia Newspapers, reported as 1999 WL 191649. In view of the foregoing judicial precedents, it is submitted that CHIAL assumes the position of a monopolist since it exercises control over the Airport which is a crucial infrastructural facility for a city like Chandigarh due to its financial and economic significance at both national and international levels. Airport is an essential facility, and thus, per this doctrine, the monopolist should not be allowed to charge an exorbitant price for accessing its facility.

45. It is submitted that such enormous hike in tariff by a monopolist CHIAL may be viewed as 'abuse of its dominance' and accordingly liable under section 4 of the Competition Act, 2002 ("**Competition Act**").

The Competition Act promulgates the "economic development of the country" by establishment of a Commission to, amongst other things, protect the interests of the consumers. Levy of such exponential charges by a monopolist is clearly against consumer interests, and thus, is against the basic premise of competition law in India.

D ADDITIONAL SUBMISSION

46. In addition to the above submissions, it is respectfully submitted that airlines and consequently, passengers will have to bear the burden of increase in Aeronautical Tariffs as proposed by CHIAL and the Authority.

It is noteworthy that Airlines and passengers must not be burdened with any tariff to be collected to fund the capital investments of a private concessionaire.

47. The Authority is aware that airlines have been going through difficult times with high prices of crude oil. Increase in aeronautical tariff as proposed by the Authority will erode airlines capabilities to increase fares to sustain its operational capabilities. It is submitted that it would be unfair to allow such increase to fund the gap of the private airport operator especially after the privatization has taken place. Any additional funding gap should be bridged through debt-financing, subsidy by Government, or additional equity. It seems that increase in aeronautical tariff is a means to avoid any of the said options to burden the passengers.

48. It is pertinent to note that the Authority must also take into account the difficulties being faced by the airlines and passengers before granting levies to the airport operators. Considering the fragile financials of the Airlines, UDF will inhibit Airlines' ability to raise fares. As Airlines have suffered losses significantly in the last two years due to high ATF and recent depreciation of the rupee, there is a need for Airlines to raise fares to recoup the past losses, rather than fund the Airport development program which is the responsibility of the airport operator. CHIAL by way of its present proposal is acting to the detriment to airlines and the passengers.

49. FIA reiterates its submission that there is a critical relationship between passenger traffic and growth of the civil aviation sector. What would benefit both the airport operator as well as the airlines is a reasonable and transparent passenger tariff, both direct and indirect – since then the airlines will be able to attract more passengers and the airports would benefit both through higher collection of aeronautical charges as also enhanced non-aeronautical revenue at the airports. In FIA's view, the airport should be regarded as a single business as its aeronautical and non-aeronautical revenues are intertwined.

50. It is submitted that order passed by an administrative authority, affecting the rights of parties, must be a speaking order supported with reasons. It is well settled position of law that:

- (a)** Reasons ought to be recorded even by a quasi-judicial authority.
- (b)** Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.
- (c)** Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.
- (d)** Insistence on reason is a requirement for both accountability and transparency.
- (e)** Reasons in support of decisions must be cogent, clear and succinct.
- (f)** A pretence of reasons or 'rubber-stamp reasons' is not to be equated with a valid decision making process.
- (g)** Requirement of giving reasons is virtually a part of 'Due Process'.

51. In view of the foregoing submissions, it is submitted that the Authority ought to pass reasoned order on issues *inter-alia* like 'bifurcation of assets and expenditure' 'allowance of operating expenditure', 'allowance of future capital expenditure', etc.

52. In view of the above, it is respectfully prayed that the Authority keeps in mind the interests of the airlines and civil aviation sector before finalizing any decisions regarding increase in Aeronautical Tariffs and other charges. CHIAL's proposal, if accepted, will have cascading impact on the airlines and consequently, on the civil aviation industry.