

[F. No. AERA/20010/MYTP/Bhadra/GH/Kolkata/CP-II/2016-17]

Airports Economic Regulatory Authority of India

Order No. 20/2017-18

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

Date of Issue: 21.11.2017

Service : Ground Handling Services.
Service provider : M/s Bhadra International (India) Pvt. Ltd.
Airport : Netaji Subhas Chandra Bose International (NSCBI) Airport, Kolkata.

In the matter of Multi Year Tariff Proposal for the 2nd control period (01.04.2016 To 31.03.2021) and Annual Tariff Proposal Tariff Year 1 (01.04.2016 To 31.03.2017) and Tariff Year 2 (01.04.2017 To 31.03.2018) of M/s Bhadra International (India) PVT. LTD. (M/s Bhadra) for providing Ground Handling Services at Netaji Subhas Chandra Bose International (NSCBI) Airport, Kolkata.

1. The Authority vide its MYTO Order No. 30/2011-12 dated 28.11.2011, decided to adopt 'Light Touch Approach' in respect of the M/s Bhadra for Ground Handling services at NSCBI Airport for determination of tariffs for the first control period. Subsequently, order was issued for T2 (1st control Period) vide Order No.27/2012-13 dated 29.10.2012 and for T3 (1st control period) vide Order No. 7/2013-14 dated 26.04.2013. The tariffs applicable on 31.03.2014 are continuing till date. The Authority vide its Order No.50/2015-16 dated 31.03.2016 allowed the AOs/ISPs to continue the levy of tariffs existing as on 31.03.2016 up to 30.09.2016 or till the determination of tariffs for the second control period, whichever is earlier. The Authority vide its Order No. 11/2016-17 dated 29.09.2016 extended the levy of tariffs as on 31.03.2016 up to 31.03.2017 or till the determination of tariffs for the second control period, whichever is earlier. The Authority vide its Order No. 19/2016-17 dated 31.03.2017 further extended the levy of tariffs as on 31.03.2016 up to 30.09.2017 or till the determination of tariffs for the second control period, whichever is earlier. The Authority vide its Order No. 12/2017-18 dated 29.09.2017 further extended the tariffs existing as on 31.03.2016, for a period of six months w.e.f. 01.10.2017 or till determination of tariffs for the Second Control Period whichever is earlier.



2. M/s Bhadra has submitted the MYTP for the 2nd control period and ATP for 1st and 2nd tariff year of the 2nd control period, proposing an increase in the upper limit of tariffs. The increase in domestic maximum tariff rates ranges from 8% to 117% and the maximum tariff increase for international flights ranges from 1.5% to 32%. M/s Bhadra has also provided the Annual Compliance Statements (ACS) for the first control period.
3. a. As per Clause 4 .4 of the CGF Guidelines, 2011 for the regulated service(s) provided for Ground Handling facility at the major airports, the percentage share of Ground Handling for NSCBI Airport, Kolkata is **4.92** which is less than **5%** Materiality Index (MIg) for the above subject service. Hence the regulated service is deemed '**Non-material**'.
- b. AERA on provisions of the National Civil Aviation Policy (NCAP- 2016), vide Order No. 15/2016-17 dated 12th Jan,2017 decided to consider three (3) Ground Handling Agencies (GHA) including Air India's subsidiary/JV for competition assessment at all major airports. M/s AIATSL is also operating in NSCBI Airport and the ground handling services being provided by M/s Bhadra stands "**Non-Competitive**"
- c. As per Clause 3.2 of the Guidelines, when such regulated service is deemed 'Non-material', the Authority shall determine tariff(s) for the service provider(s) based on a 'Light Touch Approach' for the duration of the Control Period. Accordingly, the regulated service being provided by M/s Bhadra at NSCBI Airport, Kolkata is '**Non-material**' and shall come under the '**Light Touch Approach**' for tariff determination.
4. The Authority considered the submissions made by M/s Bhadra and issued the Consultation Paper No. 21/2017-18 dated 08.09.2017 wherein, the Authority proposed that the service provider may continue/maintain tariff for the first and second tariff year (FY 2016-17 & FY 2017-18) at the same level as approved by AERA vide its order No. 07/2013-14 dated 26.04.2013 since the service provider is charging users at rates which are much lower than the rates determined by AERA for the first control period as effective up to 31.03.2014 and also continuing till date. The Authority requested written evidence based feedback, comments and suggestions from stakeholders on the above proposal latest by 29.09.2017. No comments have been received from stakeholders.
5. Now the Authority observed that since, almost 9 months has passed in FY2017-18 and to maintain the continuity in levy of tariff, the Authority decided to allow M/s Bhadra to charge the tariff at the same level as approved by AERA vide its order No. 07/2013-14 dated 26.04.2013 for the residual period of FY 2017-18 to 31.03.2019 i.e. from the issue of this order to 31.03.2019 for its Ground Handling Services.



6. ORDER

Upon careful consideration of material available on record, as well as submissions made by the stakeholders, the Authority, in exercise of powers conferred by Section 13(1)(a) of the AERA Act, 2008 hereby states that:

- (i) The services Provided by M/s Bhadra International (India) Pvt. Ltd. (M/s Bhadra) the Ground Handling Service Provider at Netaji Subhas Chandra Bose International (NSCBI) Airport, Kolkata is "Non-material". Hence the Authority has adopted a "Light touch" approach for determination of tariff for the 2nd Control Period (FY 2016-17 to FY 2020-21).
- (ii) The Authority has decided to allow M/s Bhadra to continue to levy tariffs as determined vide AERA Order No. 07/2013-14 dated 26.04.2013 for FY 2016-17, FY 2017-18 and FY 2018-19 of the Second Control Period as in **Annexure-I**.
- (iii) As regards to the Non-Scheduled operations of scheduled operators, the tariff charged by M/s Bhadra should not exceed the tariff charges as approved by AERA for its scheduled operations for similar class of aircraft.
- (iv) Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied by M/s Bhadra over and above the approved tariff.

By the Order of and in the
Name of the Authority

भा.वि.आ.वि.प्रा.


(Puja Jindal)
Secretary

AERA

To
M/s Bhadra International India Limited,
B-4/62, Safdarjung Enclave,
New Delhi-110029.
(Through: Shri Prem Bajaj, Chairman and Managing Director).



Annual Tariff of M/s Bhadra for Ground Handling Services for the FY 2016-17,2017-18, 2018-19 of the Second Control Period at NSCBI Airport,Kolkata.

Tariff Heading	Conditions of Tariff
A-International	Maximum Tariff per Flight (INR)
a-Passenger Flights	
A320(Narrow Body)	1,25,208
A300/310	1,55,100
Wide Body(747/777)	2,02,100
Freighter	2,11,500
B-Domestic	
a-Passenger Flights	
Learjet,Jetstream,DH6,C560	12,600
YAK40,CL60,F50,F27,F28,C750,AN24,ATR42,ATR72,HS748,HS125,DA90,G2 to GB,TU124,TU134,CRJ,EM4, CV580, BAC111, BE2	20,250
AN8,AN12,B737-100/200,IL18,DC9,MD82,F70,F100	36,000
A320,A321,B727,B737-500 to 800,C130, MD83/87/88/90, TU154, TU104	45,000
B757,TU204,B707,C106	45,000
A310,A300,A330,B767,IL62,IL76,DC8,787-3	54,000
A340,B777,DC10,IL86,IL96,MD11,L1011,B747,AN124	99,000
Freighter A310	74,730
Freighter ATR	21,620

Note:

- 1) All the charges mentioned above include the prevailing concession fee, royalty, airport levy charged by the Airports Operator.
- 2) Tariff determined as above will be maximum tariff to be charged from the users including Non Scheduled Operators (NSOP) for the same type of Aircraft for the ground handling service. No other charges to be levied over and above the approved tariff.
- 3) All the charges mentioned above are excluding statutory taxes and other levies as and when applicable.

