Consultation Paper No. 8/2013-14



Airports Economic Regulatory Authority of India

Annual Tariff Proposal submitted by Cambata Aviation Private Limited for Ground Handling Services at IGI Airport, New Delhi.

New Delhi: 16th May, 2013

AERA Building Administrative Complex Safdarjung Airport New Delhi – 110 003 The Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by M/s Cambata Aviation Private Limited (Cambata) for the first control period commencing w.e.f 01.04.2011, in respect of the tariff for the services provided for ground handling services at IGI Airport, New Delhi and after due stakeholder Consultation issued Multi Year Tariff Order (MYTO) No. 35/2011-12 dated 14.03.2012, ordering that the ground handling services rendered by Cambata at IGI Airport, New Delhi, is "material but competitive" and hence the Authority will adopt a 'light touch approach' for determination of tariff for the first control period w.e.f. 01.04.2011. Thereafter the Authority, vide Order No. 39/2012-13 dated 19.02.2013, determined the tariffs for the first and second tariff years (2011-12 to 2012-13) of the first control period accordingly.

- 2.1 As per Clause 7.4 of the Authority's Guidelines [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], after issuance of the MYTO, the service provider shall submit to the Authority its Annual Tariff Proposals (ATPs), provided that an ATP shall be submitted at least 75 days prior to the start of the Tariff Year. As per the clause 11.2 of the Guidelines, ATP is required to be submitted in the form and manner as provided in Appendix AI.8.2 wherein it is mentioned that the ATP should be supported by:
 - Form B and Form F14(b),
 - Details of consultation with stakeholders
 - Evidence of User Agreements clearly indicating the Tariff (s) proposed by the service Provider.
- 2.2 Cambata, have now submitted their ATP for third tariff year (i.e. 2013-14). Cambata have submitted Form B and Form 14 (b) ATP for Ground Handling Operations and Cargo Documentation Services for rendering ground handling services at IGI Airport, New Delhi. In the conditions of tariff [Form 14 (b), for third tariff year for ground handling services and cargo documentation services, Cambata has mentioned the following:
 - "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 IUSD = INR 56.
 - 2. Our tariffs given above are inclusive of royalties payable to Airport Operators."
- 3. The Authority has carefully considered the ATP submitted by M/s Cambata Aviation Private Limited and decided to make the following proposal for stakeholder consultation:
 - (i) The Tariff for Ground Handling Services Provided by M/s Cambata Aviation Private Limited at IGI Airport, New Delhi for the third tariff year (w.e.f. 01.04.2013 to 31.03.2014) of the first control period may be tentatively decided to be determined, as per INR rates, as at **Annexure-I**, which will be maximum rates.

- (ii) The charges for cargo back office functions, being performed by Cambata are tentatively decided to be determined, as per the INR rates, as contained in **Annexure-II**, which will be maximum rates.
- 4. In accordance with the provisions of Section 13(4) of the AERA Act, 2008, the proposal contained in para 3 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed as **Annexure-III**. For removal of doubts; it is clarified that the contents of this Consultation Paper may not be construed as any or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.
- 5. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 3 above, <u>latest by</u> **30.05.2013** at the following address:

Capt. Kapil Chaudhary
Secretary
Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: kapil.chaudhary@aera.gov.in

Tel: 011-24695040 Fax: 011-24695039

> Yashwant S.Bhave Chairperson

CAMBATA AVIATION PVT LTD DELHI

GROUND HANDLING OPERATIONS

Form F14 (b) - Annual Tariff Proposal for Tariff Year-3 (2013-14)						
Aircraft Type	Per Tur	naround	Discount/Surcharge			
	(IN USD)	(IN INR)				
	Maximum	Maximum				
A-310	2750	148,500	NIL			
A-320	1700	91,800	NIL			
A-321	1700	91,800	NIL			
A-330	3300	178,200	NIL			
A-340	3200	172,800	NIL			
B-737	1725	93,150	NIL			
B-767	1725	93,150	NIL			
B-777	3200	172,800	NIL			
B-777F	2800	151,200	NIL			
B747-F	2800	151,200	NIL			
A-310-F	2500	135,000	NIL			
MD11-F	2500	135,000	NIL			
A300F	2500	135,000	NIL			
B757	1400	75,600	NIL			

Notes:

Our tariffs given above are inclusive of royalties payable to Airport Operators. s are quoted in USD and for ATP purposes USD has been converted @ 1USD= INR54

CAMBATA AVIATION PVT LTD DELHI

CARGO OPERATIONS- CARGO DOCUMENTATION SERVICES

Form F14 (b) - Annual Tariff Proposal for Tariff Year-3 (2013-14)					
Aircraft Type	Per Tur	Discount/Surcharge			
	(IN USD)	(IN INR)			
	Maximum	Maximum			
A-310	200	10,800	NIL		
A-320	250	13,500	NIL		
A-321	275	14,850	NIL		
A-330	375	20,250	NIL		
A-340	400	21,600	NIL		
B-737	250	13,500	NIL		
B-767	350	18,900	NIL		
B-777	375	20,250	NIL		
B-777F	500	27,000	NIL		
B747-F	450	24,300	NIL		
A-310-F	450	24,300	NIL		
MD11-F	500	27,000	NIL		
A300-600	450	24,300	NIL		
A300F	475	25,650	NIL		
B757	450	24,300	NIL		
Delivery Order Charges		1,500	Per Master AWB		
Delivery Order Charges		1,200	Per House AWB		

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 1USD= INR 56
- 2. Our tariffs given above are inclusive of royalties payable to Airport Operators.

ANNEXURE - III



CAMBATA AVIATION PVT. LTD.

Corp. Off.: T9 & 9A, 3rd Floor, Vasant Square Mall, Vasant Kunj, New Delhi-110070 Phone: +91-11-40000260-264

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF OF:

M/S. CAMBATA AVIATION PRIVATE LTD- DELHI BRANCH

- I P. Bharani Kumar aged 46 years resident of Delhi- India acting in my official capacity as Chief Financial Officer in M/s. Cambata Aviation Private Ltd having its registered office at T 9/9A, Vasant Square Mall, Vasant Kunj, New Delhi-110 070 do hereby state and affirm as under that:
 - 1. That I am duly authorized to act for and on behalf of M/s. Cambata Aviation Private Ltd in the matter of making this submission before the Airports Economic regulatory Authority of India, New Delhi ('the Authority');
 - 2. I am competent to make this submission before the Authority;
 - 3. I am making this submission in my official capacity and the facts stated herein are based on official records;
 - 4. The contents of this submission which include inter alia
 - (I) Estimated Maximum Allowed Yield per unit and the proposed detailed breakup of Tariff(s) (in context to Estimated Maximum Allowed Yield per unit where determined by the Authority) where the Authority has specified a price cap approach for the duration of the Control Period, pursuant to clause 3.2:

OR

Proposed detailed break-up of Tariffs(s) based on clause 11.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2 and

(II) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.

P. Bharani Kumar

Chief Financial Officer.

Place: New Delhi Date: 29th March 2013