

**File No. AERA/20010/MYTP/Cambata/GH/Chennai/2011-12**

**Consultation Paper No. 31 /2012-13**



**Airports Economic Regulatory Authority of India**

**Annual Tariff Proposal submitted by Cambata  
Aviation Pvt. Ltd for Providing Ground Handling  
Services at Chennai International Airport,  
Chennai**

**New Delhi: 26<sup>th</sup> November, 2012**

**AERA Building  
Administrative Complex  
Safdarjung Airport  
New Delhi – 110 003**

The Authority had considered the Multi-Year Tariff Proposal, for the first control period submitted by Cambata Aviation Pvt. Ltd (Cambata) in respect of their ground handling services provided at Chennai International Airport, Chennai. After due stake holder consultation, the Authority issued a Multi-Year Tariff Order (MYTO) No. 31/2011-12 dated 05.12.2011 ordering that:

- (i) The services provided for ground handling facility by Cambata at Chennai International Airport, is **“material but competitive”**. Hence the Authority will **adopt a “light touch approach” for determination of tariff** for the 1st Control Period w.e.f. 01.04.2011.
- (ii) Cambata Aviation Pvt Ltd may submit its Annual Tariff Proposal for the first tariff year of the first control period for the consideration of the Authority within a period of 75 days of the issue of this Order in accordance with the Guidelines.

2. As per clause A.I.8.2., of the Appendix to 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, the Service Provider(s) shall submit, for the consideration of the Authority, an ATP for review of Tariff(s) to be charged in the following Tariff Year on a Control Period, in the specified Form B and Form F14 (b). The Tariff(s), as proposed by the Service Provider in the Annual Tariff Proposal, shall be on non-discriminatory basis, with reference to conditions of Tariff(s), volume of the discount, rationale behind giving the discount and such other factors as may be relevant.

3. Cambata submitted the Annual Tariff Proposal (ATP) for the first tariff year and second tariff year of the first Control Period for the ground handling services provided at Chennai International Airport, with proposed tariff-rate card.

4. Cambata further submitted that;

*“As per the agreement signed with all airlines our tariffs are quoted in USD and for ATP purpose the same have been converted to INR @1 USD = INR -50 and INR -56 respectively for the years 2011-12 and 2012-13. Our tariffs given as per ATP are inclusive of royalties payable to Airport Operators as per the Agreement.*

*....All the tariff for provision various services are fixed and agreed upon with each airline and clearly documented in the SGHA entered into with airline. The contracts signed are generally for a period of three years and only very few airlines contracts consists of an increase in tariff clause each year that too no exceeding by 5% and in most of the cases the tariff are fixed in USD for three years.*

*For ATP purposes, we have considered the maximum rate which we have been charging an airline under a particular category of an aircraft and confident that our tariff will not go beyond the tariff given in the ATP for the first year and second year. Since, the rates have already been fixed and agreed upon with each airline and will not exceed the maximum tariff given as per ATP for the first and second tariff year, we were of the opinion that a separate consultation once again with the stakeholder on the tariffs*

*proposed as per ATP does not warrant which will result in duplication of work.”*

5.1 Cambata made further submissions for ATP for the years 2011-12 and 2012-13 showing separately the Ground Handling and Cargo tariffs for Chennai airport.

5.2 Cambata made a separate submission on Cargo back office functions performed by them at airports. According to Cambata, carrying Back Office functions forms part of original Ground Handling contracts, the tariffs of which are agreed with each airline based on services offered for Cargo Back Office functions. It has also been stated that Cambata is permitted to perform only back office function relating to cargo while physical cargo handling is actually done by cargo terminal operators.

6. Cambata in its ATPs have mentioned maximum rates in USD as well as in INR and stated that as per agreement signed with all airlines their tariff quoted in USD and for ATP purposes the same have been converted to INR at the average rate of 1 US\$= INR 56. Further, it is stated that the rates will not exceed the maximum tariff given as per ATP for the first and second tariff year.

7. It has been observed that statedly Cambata is providing some back office functions in respect of cargo at Chennai Airport, however, charges for the same are included as part of Ground Handling agreements. Further, the cargo service at Chennai International airport is “**material & competitive**”. AAI as well as Air India are also providing cargo service. Hence, the ATP submitted by Cambata is being considered for services being provided by them at Chennai airport.

8. The Authority has carefully considered the proposal submitted by Cambata for Ground Handling services being provided at Chennai Airport and decided to make the following proposal for stakeholder consultation:

- (i). The Annual Tariff for Ground Handling Service provided by Cambata at Chennai Airport for the first tariff year (F.Y 2011-2012) and second tariff year (FY 2012-2013) of the first control period may be tentatively decided to be determined as per the INR rates as at **Annexure I**, which will be the maximum rates.
- (ii). The charges for cargo back office function, being performed by Cambata are tentatively decided to be determined as per the INR rates as contained in **Annexure I**, which will be the maximum rate.

9. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 8 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 II**. For removal of doubts; it is clarified that the contents of this Consultation Paper may not be construed as any Order 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.

10. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 7 above, **latest by 10.12.2012** 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: 011-24695042  
Fax: 011-24695039**

**Yashwant S. Bhave  
Chairperson**

CAMBATA AVIATION PVT LTD  
CHENNAI

**Form F14 (b) - Annual Tariff Proposal for Tariff Year- 1 (2011-12)**

GROUND HANDLING SERVICES			
Aircraft Type	Maximum		Discount/Surcharge
	(IN USD)	(IN INR)	
B777	1800	90,000	NIL
B777-(F)	2000	100,000	NIL
A330-200	2300	115,000	NIL
B747F	4400	220,000	NIL
A330	2500	125,000	NIL
A300-(F)	2550	127,500	NIL
B747-200-(F)	5300	265,000	NIL

CARGO DOCUMENTATION SERVICES	
A/c Type	DO fees- per MAWB (in Rs.)
A330	725
AB300F	725
B-747/767	950

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 at the average rate of 1 USD=INR 50
2. Our tariffs given above are inclusive of royalties payable to Airport Operators.
3. Under Cargo Services we issue only Deliver Orders on behalf of airlines



CAMBATA AVIATION PVT LTD  
CHENNAI

**Form F14 (b) - Annual Tariff Proposal for Tariff Year-2 (2012-13)**

**GROUND HANDLING SERVICES**

Aircraft Type	Maximum		Discount/Surcharge
	(IN USD)	(IN INR)	
B777	1800	100,800	NIL
B777-(F)	2000	112,000	NIL
A330-200	2300	128,800	NIL
B747F	4400	246,400	NIL
A330	2500	140,000	NIL
A300-(F)	2550	142,800	NIL
B747-200-(F)	5300	296,800	NIL

CARGO DOCUMENTATION SERVICES	
A/c Type	DO fees- per MAWB (in Rs.)
A330	800
AB300F	800
B-747/767	1050

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 at the average rate of 1 USD=INR 56
2. Our tariffs given above are inclusive of royalties payable to Airport Operators.
3. Under Cargo Services we issue only Deliver Orders on behalf of airlines





# Annexure - II

## CAMBATA AVIATION PVT. LTD.

Corp. Off. : T9 & 9A, 3rd Floor, Vasant Square Mall, Vasant Kunj,  
New Delhi-110070 Phone : +91-11-40000260-265

28<sup>th</sup> June 2012

**Shri C.V. Deepak**  
Airports Economic Regulatory Authority of India  
AERA Building, Safdarjung Airport  
New Delhi.

Dear Mr. Deepak,

**Sub:- Annual Tariff Proposal for the year 2012-13 (Tariff Year-2) relating to Chennai Station.**

Please find attached the ATP for the Tariff Year-2 relating to Chennai Station and in this connection we wish to make the following submissions.

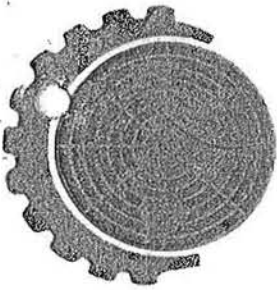
1. We hereby enclose copies of the Standard Ground Handling Agreements (first/last) page entered into with our airline customers as part of ATP.
2. Please note that as per the agreement signed with all airlines our tariffs are quoted in USD and for ATP purposes the same have been converted to INR @ 1 USD= INR 56
3. Our tariffs given as per ATP are inclusive of royalties payable to Airport Operators as per the agreements signed.
4. We do hereby confirm that we will not charge any airline over and above the rates given as per ATP filed with AERA for the tariff year 12-13.
5. We also enclose Form- 14(b) giving the details of maximum Tariff that will be charged for the year 12-13- ATP (2012-13) and also the relevant declaration.

Thank you

Yours truly

.....  
**Bharani Kumar**  
Chief Financial Officer.





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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- CHENNAI 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 break-up 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

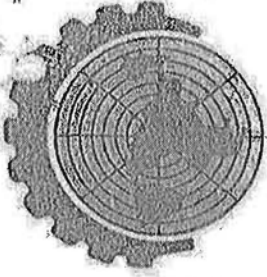
(II) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.

.....  
**Bharani Kumar**  
**Chief Financial Officer.**

Place: New Delhi

Date: 28<sup>th</sup> June 2012





# CAMBATA AVIATION PVT. LTD.

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New Delhi-110070 Phone : +91-11-40000260-64

23<sup>rd</sup> July 2012

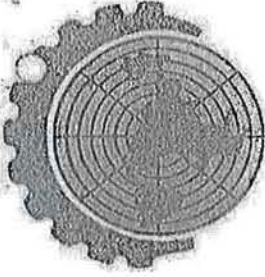
Shri C.V. Deepak  
Airports Economic Regulatory Authority of India  
AERA Building, Safdarjung Airport, New Delhi.

Dear Mr. Deepak,

Sub:- Annual Tariff Proposal for the year 2011-12 (Tariff Year-1) relating to New Delhi, Mumbai, Pune, Ahmedabad and Chennai Stations.

With reference to the above please find attached the ATP for the First Tariff year -1 (2011-12) for all five stations where Cambata operates. Further we would like to bring to the attention of AERA certain key points in connection with our business operations and tariffs.

- a. Cambata is the only Ground Handler who got an approval from the Customs Authorities under "Serve from India Scheme" whereby Cambata is entitled to import various equipment's from abroad for its operations at the airports at concessional customs duty @3%. This approval has been given to Cambata on the backdrop of earning substantial foreign exchange (deemed) through Ground Handling and Cargo Handling operations at various airports by Cambata. One of the conditions to be met for getting customs duty concession is such that the tariffs are to be quoted in foreign currency which Cambata have been doing for a very long time. A copy of the communication received from Customs Authorities and also Reserve Bank of India in this connection is enclosed herewith.
- b. Cambata has been following the procedure for several decades to quote its tariffs to all airlines for rendering GH and Cargo Handling services in USD. The USD rate quoted is converted into INR as per the exchange rate prevailing on the last working day of each month and an invoice is raised on each airline in INR plus applicable taxes. The invoices are sent to respective airlines offices in India and the payments are received in INR only. This procedure of quoting tariffs in USD and raising of invoice in INR is very clearly documented and agreed with each airline as per the agreements signed with them and a sample agreement/invoice is enclosed herewith for reference.
- c. There is no much change in tariffs quoted in USD for performing GH/Cargo Handling operations for the year 2011-12 and 2012-13 of all stations. However for ATP purposes the conversion rate of 1 USD has been taken @ INR-50 and INR -56 respectively for the years 2011-12 and 2012-13.



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- d. Please note that all our tariffs have been fixed for each airline as per the terms of contract entered into with them. The tariffs will vary between airlines for performing similar type of services for same type of aircrafts as the tariffs are decided and agreed upon based on various business decision like volumes, long standing relationship with us etc., Further the tariffs considered for ATP purposes includes all types of GH/Cargo Handling services rendered to an airline including provision of Ground Power Units, Ambulifts, Air Cooling Units, toilet/water carts etc.,
- e. As explained above all the tariffs for provision of various services are fixed and agreed upon with each airline and clearly documented in the SGHA entered into with airline. The contracts signed are generally for a period of three years and only very few airlines contracts consists of an increase in tariff clause each year that too not exceeding by 5% and in most of the cases the tariffs are fixed in USD for three years. For ATP purposes we have considered the maximum rate which we have been charging an airline under a particular category of an aircraft and confident that our tariffs will not go beyond the tariffs given in the ATP for the first and second year. Since the rates have already been fixed and agreed upon with each airline and will not exceed the maximum tariff given as per ATP for the first and second tariff year we were of the opinion that a separate consultation once again with the stakeholder on the tariffs proposed as per ATP doesn't warrant which will result in duplication of work.

Thank you

Yours truly

**Bharani Kumar**  
Chief Financial Officer







भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in



FE.CO.EPD. 24422-121.28.003/2009-10

March 31, 2010

The Director  
Cambata Aviation Pvt Ltd.  
Hangar No. 3A  
Juhu Aerodrome  
Mumbai - 400 054

Dear Sir,

**Clarification on nature of receipt from  
foreign airlines - para 9.53 (iv) of  
Foreign Trade Policy - 2009-2014**

Please refer to your letter dated March 4, 2010 on the captioned subject.

In this connection we clarify that when payments which have been received in foreign exchange or which would have been otherwise received in foreign exchange but paid in Indian Rupees out of the amount remittable to the overseas principal or are out of the remittances to be sent by the overseas buyer, would be considered as 'deemed to be received in foreign exchange and deemed to be earned in foreign exchange'.

Yours faithfully,

*A.A. Ambekar*

(Ms. A.A. Ambekar)  
p. Chief General Manager-in-Charge

भारतीय रिज़र्व बैंक, नवीय मार्ग, केंद्रीय कार्यालय भवन, राष्ट्रीय प्रशासनिक कॉम्प्लेक्स, पो.बी.डी. 1055 मुंबई - 400 001, भारत  
फोन : के.बी. - (91-22) 2260 1000, 2260 1002 अथवा सी.बी. - (91-22) 2260 3000, ए.ए.ए.ओ. फोन : caminfo@rbi.org.in  
फैक्स : के.बी. - (91-22) 2261 0630 अथवा सी.बी. - (91-22) 2260 4935  
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दूरभाष : के.बी. - (91-22) 2260 1000, 2260 1002 अथवा सी.बी. - (91-22) 2260 3000, ए.ए.ए.ओ. फोन : caminfo@rbi.org.in  
फैक्स : के.बी. - (91-22) 2261 0630, अथवा सी.बी. - (91-22) 2260 4935



**CHARGE RATES:**

For the services specified in sub-paragraph 1.1(A), and based on the scheduled arrival and departure times, the following rates will apply. All charges are inclusive of concession fee payable to the airport operator and exclusive of Taxes required by local law, having direct relation to the handling services provided to the Carrier under this agreement and will be levied additionally, if applicable:

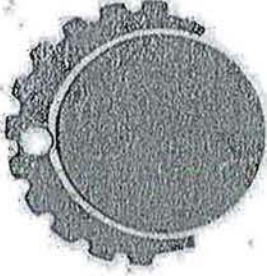
AIRCRAFT TYPE	TURNAROUND
B767/A310	US\$ 2,300
B757	US\$ 1,650
A300F	US\$ 2,100

- 1.2 Handling in case of technical landing for other than commercial purposes will be charged at 50% of the above rates, provided that a physical change of load is not involved.
- 1.3 Handling in case of return to ramp will not be charged extra, provided that a physical change of load is not involved.
- 1.4 Handling in case of return to ramp involving a physical change of load will be charged as for handling in case of technical landing in accordance with sub-paragraph 1.2 of this Annex B.
- 1.5 No extra charge will be made for providing the services to the Carrier's off schedule operation, ground interruption and/or overnight off schedule operation provided that the services can be covered by existing shift personnel. Any additional work resulting in additional costs must be pre-approved by the Carrier's local representative, in default of which acceptance of service shall be deemed approval of such additional costs.
- 1.6 No extra charges will be made for providing the service at night, Saturday, Sunday or legal holidays.
- 1.7 Cancellations within 6 hours of flight STA will be charged at 50% of the above rates.
- 1.8 Extra staff requested for special needs by the Carrier will be charged at the rate shown below in paragraph 2.1.

**PARAGRAPH 2 - ADDITIONAL SERVICES & CHARGES**

2.1 All services not included in paragraph 1 of this Annex B will be charged for at the following rates prevailing at the date on which the service(s) are provided:

SERVICE	QUANTITY	PRICE
GPU (3.3.3)	Per hour or part thereof	US\$ 110
Air Condition Unit (3.4.1)	Per hour of part thereof	US\$ 190
Air Start (3.7.1)	Per start	US\$ 127
Extra Pushback (3.9.3)(a)	Per service	US\$ 210
Handling of passengers with reduced mobility (2.1.3)(2)	Per 1 passenger (6 included in turnaround)	US\$ 12
Ambulift (2.1.3)(6)	Per service	US\$ 160
Aircraft Towing (3.9.3)(b)	Per tow	US\$ 235
ULD Storage	Per LD3 per day (storage of 15 included in turnaround)	US\$ 6



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27<sup>th</sup> August 2012

Ms. Kapila Chowdhary  
Secretary, Airports Economic Regulatory Authority of India  
AERA Building, Safdarjung Airport, New Delhi.

Dear Ms. Kapila Chowdhary

This is further to the discussions we had regarding filing of MYTP/ATP of Cambata Aviation Pvt Ltd Showing separately the GH/Cargo operations tariffs. please find attached the following.

- a. A write up on Cargo back office functions performed by Cambata in all airports except for pune.
- b. ATP for the years 2011-12 and 2012-13 for Delhi, Mumbai, Chennai and Ahmedabad stations showing separately GH and Cargo Tariffs.

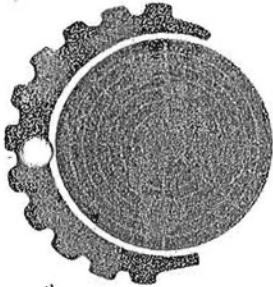
Since lot of information has to be compiled for preparing MYTP for four stations showing separately the GH / Cargo income the same is in the process and will be filed with AERA shortly.

If any further information is required please do contact us.

Thank you

P. Bharani Kumar  
Chief Financial Officer





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27<sup>th</sup> August 2012

**Ms. Kapila Chowdhary**  
Secretary, Airports Economic Regulatory Authority of India  
AERA Building, Safdarjung Airport, New Delhi.

Dear Ms. Kapila Chowdhary

This is further to the meeting we had on the above subject please find below a write up on the services being rendered by us on the Cargo Operations.

**Background:**

Cambata is basically engaged in providing GH services to various international carriers and as forming part of GH services package we also do certain cargo back office functions which forms part of the original GH contracts. Further tariffs are agreed with each airline based on the services offered for the Cargo back office functions.

**Cargo Documentation:**

Cambata handles all documentation work relating to Export/Import of Cargo like,

1. Filing of Export /Import General Manifests with customs authorities (EGM/IGM)
2. Segregation and distribution of documents
3. Issue of Deliver Order to agents in case of imports,
4. Collect DO charges and deposit into airlines bank accounts,
5. Issue of CAN (Cargo Arrival Notice) to agents/consignees in case of imports.

**Export Carting:**

1. Acceptance of Cargo on behalf of airlines relating to Export after agents clearing the customs formalities.
2. Verifying all the documents relating to Export Cargo.
3. Provide Manpower/Equipment's for moving the Cargo inside the cargo terminal, provide necessary assistance for screening the Cargo.
4. After Screening the cargo unitize the same and build pallets.
5. Send FFM messages to airlines offices
6. Update all data's in the airline systems.
7. Move the pallets to aircrafts which forms part of the GH functions.

Kindly note that we are permitted to perform only back office functions relating to Cargo and the physical cargo handling is actually done by cargo terminal operators like MIAL in Mumbai, Celebi in Delhi, Bhadra International in Chennai etc.,

We further wish to inform you that we perform back office functions relating to Cargo at Mumbai, Chennai, Delhi and Ahmedabad Airports only except for Pune.

Thank you

**P. Bharani Kumar**  
Chief Financial Officer