

Airports Economic Regulatory Authority of India

Order No. 37/2018-19

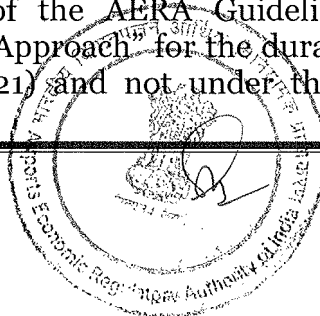
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110003

Date of Order: 04th January, 2019

Service : Ground Handling Services
Service provider : M/s Celebi Airport India Pvt. Ltd.,
Airport : Cochin International Airport, Cochin.

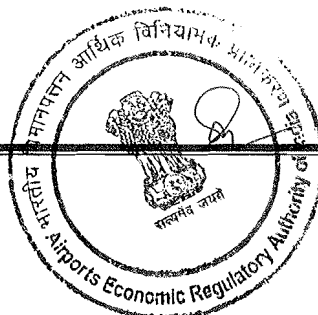
In the matter of Multi Year Tariff Proposal and Annual Tariff Proposal (FY.2017-18 to FY. 2020-21) for the Second Control Period in respect of M/s Celebi Airport India Pvt. Ltd. for providing Ground Handling Services at Cochin International Airport.

1. M/s Celebi Ground Handling Delhi Pvt Ltd is one of the Ground Handling agencies appointed by "Cochin International Airport Ltd" for carrying out Ground Handling (GH) services at Cochin International Airport, Cochin. M/s Celebi has started their operations/ground handling services from January, 2018 at Cochin International Airport. The name of the company has changed to "Celebi Airports India Private Limited" w.e.f 15 March, 2018.
2. M/s Celebi submitted their MYTP/ATP on 06th March, 2018 for the period FY 2017-18 to FY 2020-21 of the Second Control period. M/s Celebi also submitted the consolidated Balance Sheet and Profit and loss account for FY 2016-17 and FY 2017-18 and Annual Compliance Statement (ACS) for the FY 2017-18.
3. 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 Aircraft) Guidelines, 2011] provide that the Authority shall assess materiality, competitiveness, reasonableness of user agreement to decide its approach towards tariff determination of any concerned service provider.
4. The Authority considered the submissions made by M/s Celebi and issued the Consultation Paper No. 21/2018-19 dated 12.10.2018 proposed the following for stakeholder consultation:
 - (i) The service for Ground handling being provided by M/s Celebi at Cochin Airport, Cochin is "**Material but competitive**" and hence in accordance to the provisions of Chapter V of the AERA Guidelines the tariff will be determined under "Light Touch Approach" for the duration of Second Control Period (01.04.2016 to 31.03.2021) and not under the Price Cap/Cost Plus



approach for determination of tariffs for the 2nd control period and accordingly proposes to issue the MYTO for the 2nd control period.

- (ii) It is proposed to allow M/s Celebi to levy the tariff for FY 2017-18 in line with their submission. The Authority also proposes the tariff for FY 2018-19 to FY 2020-21 in line with submission made by M/s Celebi Airport Services India Pvt. Ltd.
 - (iii) Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied over and above the approved tariff.
 - (iv) M/s Celebi should not exceed the tariff charges for its Non-Schedule Operations as approved by AERA for its schedule operations for similar class of aircraft. Celebi should not handle any other ICAO Category aircraft for schedule/non-schedule airlines other than the mentioned code in the proposed tariff card.
5. As per Clause 11.2 of the Guidelines, the ATP is required to be submitted in the manner and form provided in AI. 8.1 of Appendix I to the Guidelines and should be supported by the following documents:
- (i) Form B –Submission of ATP
 - (ii) Form 14(b)-Proposed Tariff Card
 - (iii) Details of consultation with stakeholders
 - (iv) Evidence of User Agreements clearly indicating the Tariff proposed by the Service Provider.
6. The Authority observed that M/s Celebi has submitted Form B, Form 14(b) with their Annual Tariff Proposal for the second control period from FY.2017-18 to FY 2020-21. M/s Celebi also submitted copy of the Concession Agreement with Airport Operator Cochin, CIAL, as well as copies of User Agreements. However, M/s Celebi did not submit any evidence of Stakeholder Consultation.
7. The Authority further observed that the turnover/profit % earned in FY 2017-18 is -33% and Return on Average RAB for 2017-18 is -19% . Authority also observes that proposed tariff of M/s Celebi for FY 2017-18 is around 5 % higher than to its competitor (M/s BWFSIPL). M/s Celebi has not proposed any increase in tariff for FY 2018-19 and FY 2019-20, however proposed around 3% increase in FY 2020-21.
8. In response to the consultation paper Cochin International Airport Limited (Airport operator) has submitted their comment and appreciate the proposal of the Authority. Other stakeholders' have not submitted any comments, hence, the Authority presumes that they have no objection to the proposal.

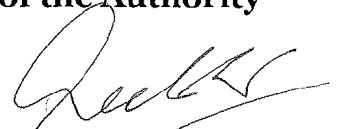


ORDER

9. Upon careful consideration of material available on record, as well as submissions made by M/s Celebi, the Authority, in exercise of powers conferred by Section 13(1) (a) of the AERA Act, 2008 hereby orders that:
- The Ground Handling Service being provided by M/s Celebi at Cochin Airport, is "Material but Competitive" and hence in accordance with the provisions of Chapter V of the AERA Guidelines the tariff is determined under "**Light Touch Approach**" for the 2nd Second Control Period.
 - In view of the foregoing, the Authority decides to approve the tariff from FY 2017-18 (January 2018 to march 2018) to FY 2019-20 for the second control period in line with the submission made by M/s Celebi Airport Services India Pvt Ltd continue with existing tariff and allow 3% increase in tariff (rounded off to the nearest hundred rupees) on all Aircraft type/category in FY 2020-21 over FY 2019-20, (existing tariff) considering the revenue requirement of M/s Celebi Airport Service India Pvt Ltd as per the tariff card attached as "**Annexure I**".
 - The tariff charges for Non-Scheduled Operations provided by M/s Celebi should not exceed the tariff charges approved by AERA for its Scheduled Operations for 'similar class of aircraft.'
 - Tariff determined as above will be maximum tariff to be charged. No other charged is to be levied over and above the approved tariff.
 - M/s Celebi should submit the Annual Compliance Statement (ACS) for FY 2018-19 to FY 2019-20 well in time as per guidelines.

Order issued in the Name of the Authority

भा.वि.आ.वि.प्रा.



(Geetha Sahu)
AGM (Fin)

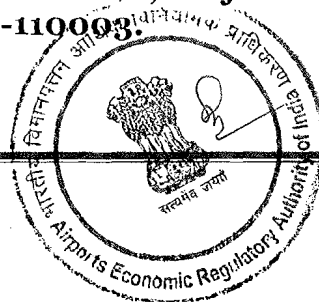
To,

AERA

M/s Celebi Airport Service India Pvt. Ltd.,
Room no - CE-01, Import Building-II,
Cargo Terminal, IGI Airport,
New Delhi -100 037.

(Through: Shri Cem Sensoz, CEO)

Copy to: Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan,
Safdarjung Airport New Delhi-110003.



Annexure-1

M/s Celebi Airport India Private Limited

Maximum rates of Tariff charges for ground handling services at Cochin International Airport Limited (CIAL) for second control period i.e Tariff years FY 2017-18 to FY 2020-21

FY 2017-18				FY 2018-19		FY 2019-20		FY 2020-21	
Aircraft Type/Category ICAO	Tariff Heading	Passenger Aircraft		Passenger aircraft		Passenger Aircraft		Passenger Aircraft	
		International	Domestic	International	Domestic	International	Domestic	International	Domestic
B1	Comprehensive	N.A	5300	N.A	5300	N.A	5300	N.A	5500
	Ramp	N.A	4300	N.A	4300	N.A	4300	N.A	4400
B	Comprehensive	99300	15800	99300	15800	99300	15800	102300	16300
	Ramp	79500	12700	79500	12700	79500	12700	81900	13100
C1	Comprehensive	99300	21000	99300	21000	99300	21000	102300	21600
	Ramp	79500	16800	79500	16800	79500	16800	81900	17300
C	Comprehensive	165400	36800	165400	36800	165400	36800	170400	37900
	Ramp	132400	29500	132400	29500	132400	29500	136400	30400
D	Comprehensive	271300	59200	271300	59200	271300	59200	279400	61000
	Ramp	217300	47400	217100	47400	217100	47400	223600	48800
E	Comprehensive	317600	110300	317600	110300	317600	110300	327100	113600
	Ramp	254100	88300	254100	88300	254100	88300	261700	90900

FY 2017-18				Fy 2018-19		FY 2019-20		FY 2020-21	
Aircraft Type/Category (CAO code types)	Tariff Heading	Freighter Aircraft		Freighter Aircraft		Freighter Aircraft		Freighter Aircraft	
		International	Domestic	International	Domestic	International	Domestic	International	Domestic
C1	Ramp	N.A	47300	N.A	47300	N.A	47300	N.A	48700
C	Ramp	119100	78800	119100	78800	119100	78800	122700	81200
D	Ramp	211700	94500	211700	94500	211700	94500	218100	97300
E	Ramp	251400	115500	251400	115500	251400	115500	258900	119000

