

File No. AERA/20010/MYTP/Celebi/C/Delhi /CP-II/16-17/Vol-I
Airports Economic Regulatory Authority of India

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003.

Date: 12th April, 2019


Public Notice No. 01/2019-20

Sub: Comments/Submissions received from stakeholders on Consultation Paper No. 34/2018-19 dated 12.03.2019 in the matter of determination of tariff (s) in respect of M/s Celebi Delhi Cargo Terminal Management India Pvt. Ltd. for providing Cargo Handling services at Cargo Terminal, IGI Airport, New Delhi, for the 4th and 5th tariff year of second control period.

Attention of all concerned is invited to Consultation Paper No. 34/2018-19 dated 12.03.2019 issued by the Authority in the matter of determination of tariff(S) for 4th and 5th Tariff Years (FY 2019-20 & 2020-21) in respect of M/s Celebi Delhi Cargo Terminal Management India Pvt. Ltd. for the second control period (01.04.2016-31.03.2021), vide which the Authority had sought comments from the stakeholders. In response thereof, the Authority has received comments/submissions from the following stakeholders.

Sl. No.	AIRPORT OPERATORS, OIL COMPANIES AND ASSOCIATIONS.
1.	Delhi Customs Clearing Agents Association
2.	Celebi Delhi Cargo Terminal Management India Pvt. Ltd.

The comments / submissions received, as above, are attached for information of all concerned.


Geetha Sahu 12/04/19
AGM (Fin.)
Tel: 24695043

Subject: Re: Reg. - Issue of Consultation Paper No. 34/2018-19 dated 12.03.2019
To: GEETHA SAHU <gita.sahu@aera.gov.in>
Cc: gurvinder singh <aircargos@gmail.com>,
"P.S. Atree" <psatree@gmail.com>

Date: 03/29/19 06:28 PM
From: Dccaa Office <dccaa@dccaa.in>

Dear Madam,

This has reference to the above Consultation Paper in which CELEBI has proposed increase in Cargo Handling Tariff of 30% and 17% for the Year 2019-20 and 2020-21.

2. In this context, we would like to draw your kind attention to the deliberations made during the course of Stakeholders meeting conducted by CELEBI on 01.10.2018 and 29.10.2018 wherein we have objected to the above exorbitant increase in tariff rates as the trade is already burdened with the increasing costs of transaction in every field of business and the increase proposed by CELEBI will further burden the industries in the present competitive market trends in India and all over the world. Moreover, the tariff for cargo handling charges being charged by CELEBI at IGI Airport, Delhi, are not being charged by any Custodians of Airport across India.

3. It is also pertinent to mention here that the Government of India has/is taking many initiatives for reducing transaction cost of the Trade at large which includes reduction in Dwell Time in clearance of import/export cargo; paperless work and so many other schemes for fast clearance of goods.

4. Therefore, we suggest that a conscious decision relating to increase in Cargo Handling Service charges by CELEBI may be taken so that the importers/exporters and trade are not over burdened due to the exorbitant hike proposed by CELEBI.

Thanks & Regards.

Gurvinder Singh
Hony. Secretary
Delhi Customs Clearing Agents Association

On Tue, Mar 12, 2019 at 5:00 PM GEETHA SAHU <gita.sahu@aera.gov.in> wrote:

Sir,

I am directed to inform you that the Authority has issued the Consultation Paper No. 34/2018-19 dated 12.03.2019 in the matter of the Annual Tariff Proposal for Tariff Year 4 and Tariff Year 5 (01.04.2019-20 to 01.04.2020-21) of the second control period (01.04.2016-31.03.2021) of M/s Celebi Delhi Cargo Terminal Management India Pvt. Ltd. for providing Cargo Handling services at Cargo Terminal, IGI Airport, New Delhi.

The last date for submission of written comments is **01.04.2019**. The above CP is available on AERA website for your kind perusal.

Thanks & Regards.

Geetha Sahu
AGM (F)
AERA

Ref No: CELEBI/DEL/CEO/2019/03/190

Dated: 18th March, 2019

To,
The Chairman,
Airports Economic Regulatory Authority of India (AERA),
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110003

Subject: Request for tariff order for FY 2019-20 and FY 2020-21 of Çelebi Delhi Cargo Terminal Management India Private Limited (Celebi) and the Consultation Paper No. 34 /2018-19 published by AERA dated 12th Mar'19 in this regard.

Dear Sir,

We would like to thank your good office for considering and taking up our request / proposal for tariff order for FY 2019-20 and FY 2020-21.

However, the rate mentioned in the Consultation Paper for FY 19-20 is 10% as against 30% requested by us and 15% agreed by trade bodies including DCCAA and ACAAI. Since Cargo is under soft touch approach, we would pray that the rate increase which is agreed by the trade bodies may be considered.

We would like to highlight few points in this regard:

1. Our tariff rates were low in the past considering the investment made by us. This has led to lower recovery of revenue leading to average of net profit margin of 3.8% in last 7 years showing financial stress. Also, since inception (Nov'09) the Company has been able to declare only 5% dividend to its shareholders.
2. Celebi is fully committed to provide seamless experience to users of the cargo terminal. To do so, Celebi has infused significant capital investment to renovate and modernize the complete infrastructure of the terminal in the past and has brought several state-of-the art equipment. We had earlier mentioned that Celebi has planned investment of INR 115 Cr in the current control period (2017 - 2021) excluding any increase in security deposit. This will increase by another INR 26 Cr as the Automated Storage and Retrieval System (ASRS) – INR 34 Crores mentioned earlier, is now likely to go up to INR 60 Cr and the project is in active stage of finalization (within a month).

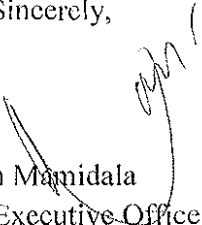
3. No return on Security Deposit since inception (INR 178 Cr – April 2019). Our earnest request is to consider adequate return on security deposit as this amount is conforming from RFP process of Cargo Concession and is integral part of the Concession Agreement. Hence this huge amount cannot be treated as a no return investment, which is surely causing huge financial stress and loss to the company.

4. Please note that there is a change in CISF regulation which may lead to increase in cost for Celebi as we might require deploying at least 60 additional security staff at the city side access control due to change in CISF policy at the airport. The cost of this additional deployment is close to INR 2 Crs per annum, which has not been considered in our request for increase in tariff rates.

Considering all the major points we would request you to kindly consider at least 15% and 10% increase in tariff for FY 19-20 and FY 20-21 respectively, which has also been agreed to by the relevant trade bodies.

Thanking you for your kind consideration.

Yours Sincerely,


Ramesh Mamidala
(Chief Executive Officer)