

फा0 सं. पैरा/20010/एम.वाई.टी.पी/सेल्बीनाज/जी.एच/मुम्बई/सी.पी.दो/ 2016-17
भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
ऐरा भवन, प्रशासनिक कॉम्प्लेक्स,
सफदरजंग एयरपोर्ट,
नई दिल्ली -110003

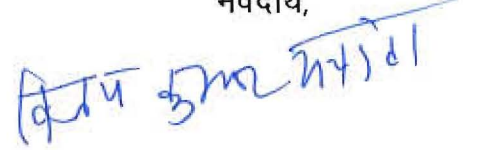
दिनांक : 26 मार्च, 2018

विषय : छत्रपति शिवाजी अंतर्राष्ट्रीय हवाई अड्डा, मुम्बई में ग्राउंड हैंडलिंग सेवाएं प्रदान करने हेतु मैसर्स सेल्बीनाज एअरपोर्ट सर्विसेस इंडिया प्राइवेट लिमिटेड (मैसर्स सेल्बीनाज) के संबंध में द्वितीय नियंत्रण अवधि के लिए बहुवर्ष प्रशुल्क प्रस्ताव (01.04.2016 से 31.03.2021)

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उपर्युक्त विषय पर आदेश सं0 41/2017-18, दिनांक 26.03.2018 सूचना एवं अनुपालन के लिए संलग्न है।

भवदीय,



(वी. के. सचदेवा)
उप महा प्रबंधक (वित्त)

सेवा में,
मैसर्स सेल्बीनाज एअरपोर्ट सर्विसेस इंडिया प्राइवेट लिमिटेड (मैसर्स सेल्बीनाज)
ई 8-3016, लेवल 3, न्यू टी-2,
छत्रपति शिवाजी अंतर्राष्ट्रीय हवाई अड्डा (अंधेरी ईस्ट)
मुम्बई-400 099
(मार्फत : श्री सैम सेनसोज, मुख्य कार्यकारी अधिकारी)

प्रतिलिपि : सचिव, नागर विमानन मंत्रालय, राजीवगांधी भवन, सफदरजंग एयरपोर्ट, नई दिल्ली-110003

Airports Economic Regulatory Authority of India

Order No. 41 /2017-18

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

Date of Issue: 26th March, 2018

Service : Ground Handling Services
Service Provider: M/s Celebi NAS Airport Services India Pvt. Ltd. (Celebi NAS).
Airport : Chhatrapati Shivaji International Airport, Mumbai.

In the matter of Multi Year Tariff Proposal (MYTP) for the second control period (01.04.2016 to 31.03.2021) and Annual Tariff Proposal (ATP) (T1 to T3) for the second control period (01.04.2016 to 31.03.2021) in respect of M/s Celebi NAS Airport Services India Pvt. Ltd.. (M/s Celebi NAS) for providing ground handling services at Chhatrapati Shivaji International Airport, Mumbai.

1. The Authority vide its Multi-Year Tariff Order (MYTO) No. 16/2011-12 dated 17.10.2011, decided to adopt '**Light Touch Approach**' for determination of the tariffs for the first control period in respect of M/s Celebi NAS the ground handling service was assessed as "Material but Competitive". The Authority vide its Order no. 33/2012-13 dated 21.01.2013 has determined tariff for the 1st tariff year (TY 2011-12 (T1)) and 2nd Tariff year of the 1st control period at Chhatrapati Shivaji International Airport, Mumbai. Subsequently, the Authority also determined the annual tariffs for M/s Celebi NAS vide its Order No. 11/2013-14 dated 01.06.2013 for the 3rd tariff year, the Authority vide its Order NO.16/2014-15 dated 13.06.2015 and Order No. 38/2015-16 dated 04.11.2015, has also determined for the 4th and 5th tariff year of the 1st control period respectively.
2. Since the Multiyear tariff order for the 1st control period expired on 31-03-2016, the Authority vide it's Order no. 5/2016-17 issued on 12th May, 2016 authorised M/s Celebi NAS to continue to charge the tariffs prevalent on 31-03-2016 for a period of 6 months w.e.f 01-04-2016 or till determination of tariffs for the 2nd control period whichever is earlier. The Authority vide Order no. 11/2016-17 dated 29-09-2016 further extended the continuation of the levy of tariffs prevalent on 31-03-2016 for a period of 6 months w.e.f. 01-10-2016 or till determination of the tariffs for the 2nd control period, whichever is earlier. Again on 31st March 2017 the Authority vide order no. 19/2016-17, authorised M/s Celebi NAS (among other service providers and Airport Operators) to continue to charge the tariffs prevalent on 31-03-2016 for a period of 6 months w.e.f from



- 01.04.2017 or till determination of tariff for the 2nd control period whichever is earlier. The Authority has issued a further order on 29th Sept 2017 (Order no. 12/2017-18), authorizing M/s Celebi NAS (among other service providers and Airport Operators) to continue levy of the tariffs for a further period of 6 months w.e.f. 01-10-2017 or till determination of tariffs for the 2nd control period whichever is earlier.
3. M/s Celebi NAS submitted their Multi Year Tariff Proposal (MYTP) for the second control period commencing on 01.04.2016 and the Annual Tariff Proposal (ATP) for the first tariff year (FY.2016-17) and 2nd tariff year (FY.2017-18) of the second control period (01.04.2016 to 31.03.2021) for determination of tariffs for the ground handling services provided at Chhatarpati Shivaji International Airport, Mumbai. M/s Celebi NAS proposed for an increase in the domestic passenger aircraft category C, in the range of 140% to 141%.
 4. As per Clause 3.1 of the 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], the Authority shall follow a three stage process for determining its approach to the regulation of regulated service:-
 - a) Materiality Assessment;
 - b) Competition Assessment;
 - c) Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated service.
 5. In respect of the regulated service(s) provided for ground handling services aircraft, passengers and cargo at an airport, the Authority considers that materiality of the service is linked to the international aircraft movement at the major airport. The materiality shall be assessed based on international aircraft movement at the major airport as a percentage of total international aircraft movements at all major airports, in terms of clause 4.4 of the guidelines [The Airports Economic Regulatory Authority of India (Terms and Condition for determination of Tariff for Services provided for Cargo facility, Ground Handling and supply of Fuel to aircraft) Guidelines, 2011] the ground handling materiality index for Chhatarpati Shivaji International Airport, Mumbai (as per the AAI ground handling statistics for FY.2014-15) is **22.42%** which is more than **5%** Materiality Index thresholds limit fixed for ground handling service. Hence the service is deemed '**material**'.
 6. As per AERA order no.15/2016-17 dated 10th February 2017, there must be 3 or more service providers, including Air India subsidiaries/Joint Ventures, in a major airport in order to consider the service as competitive. At Chhatarpati Shivaji International Airport, Mumbai, M/s AIATSL and BWFS are providing ground handling services at Chhatarpati Shivaji International Airport, Mumbai along with M/s Celebi NAS. As there is competition for ground handling services, the service provided by M/s Celebi NAS at Chhatarpati Shivaji International Airport, Mumbai falls under the category of '**competitive**'.
 7. As per Clause 11.2 of the CGF Guidelines, 2011 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:



- a. Form B –Submission of ATP
- b. Form 14(b)-Proposed Tariff Card
- c. Details of consultation with stakeholders
- d. Evidence of User Agreements clearly indicating the Tariff proposed by the Service Provider.

M/s Celebi NAS has submitted Form B, Form 14(b) and User Agreements with their Annual Tariff Proposal (ATP) for the 1st tariff year (FY 2016-17) and 2nd tariff year (FY 2017-18) of the 2nd control period, evidence of Stakeholder meeting has not been submitted.

- 7.1 The Authority considered the submissions made by M/s Celebi NAS and issued the Consultation Paper No. 42/2017-18 dated 24.01.2018 proposing the following for stakeholder consultation:
 - 7.2 Ground Handling Service being provided by M/s Celebi NAS is “Material and competitive”. Therefore the Authority proposes to adopt ‘Light Touch Approach’ for determination of tariffs for the 2nd control period w.e.f. 01.04.2016 to 31.03.2016.
 - 7.3 Since the FY 2016-17 is over, allow the continuation of the tariff as on 31.03.2016 in the year 2016 (T1).
 - 7.4 As only about 2 months are remaining in the FY 2017-18 (t2), allow the continuation of the tariff as on 31.03.2016 in the year 2017-18(T2).
 - 7.5 Considering the profitability of M/s Celebi NAS, it is proposed not to allow any increase in the tariff for the FY 2018-19 (T3) and allow the continuation of the tariff as on 31.03.2016 in the year 2018-19 (T3) also.
 - 7.6 With respect to bridge mounted tariff equipment services, the tariff proposed for the remaining year of FY 2017-18 (T2) and for FY 2018-19.
8. In response to the aforesaid Consultation Paper, the following comments have been received from Business Aircraft Operators Association (BAOA).
- 8.1 AERA has adopted ‘light touch approach’ for deciding the aeronautical tariff for Celebi NAS at CSIA Mumbai due to service deemed as ‘material and competitive’. However, there is a lack of reasonability in charges being proposed at the airport due to no transparent and documented process of stakeholder’s consultation. This situation doesn’t conform to provision of ‘competition laws’ and the latest GH Policy of the GOI (Please refer para 3 (d) of the Gazette of India F. No. AV-24011/8/2017-AAI-MoCA dated 15 December 2017).
 - 8.2 The ‘service provider’ has also not conducted any stakeholder’s consultation, which is critically important to ensuring reasonableness of tariff in ‘light touch approach’.
 - 8.3 In view of AERA’s observation at para 4.4 of CP 42/2017-18, it is required to rationalise GH charges through a transparent process of stakeholders consultations and objective feedback.



8.4 While comparing the tariff rate of M/s Celebi NAS and M/s Air India at para 3.3, it has been observed that variation in the tariff rates of M/s Celebi NAS and M/s Air India is in the range of 2% to 115%. This should be elaborated with specific examples to further ensure rationalisation of GH charges at the airport.

8.5 Finally, it is the time AERA disallows levying of royalty / revenue share at all public airports. In this regard, please refer BAOA letter Ref. NO. BAOA/AERA/01/2017-18 dt. 01 May 2017 sent in response to AERA CP 08/2016-17.

9. In response to the above comments of M/s BAOA, M/s Celebi NAS has submitted their responses which are stated below.

9.1 Celebi NAS responses (vide letter dated 28.02.2018).

9.1.1 We have executed agreements with our customer airlines for providing ground handling services at Chhatrapati Shivaji International Airport (CSIA). We have already shared the copies of such agreements for your kind perusal. Ceiling rates fixed are as per the approval given by AERA, for the services rendered at CSIA.

With regard to stakeholder's consultation, we would like to reiterate that we receive regular feedback from our customer airlines and any issue/ grievances/ suggestion as raised by them are addressed by us on timely basis and as of today there are no unresolved issues from their end. It is important to mention that all the concerns raised by the stakeholders are duly addressed in the best possible and timely manner on a continuous basis and we are serving the stakeholders' interests on a continuous basis.

So far as the issue regarding reasonability of charges is concerned, it is submitted that in the Consultation Paper, it is proposed that there would be no increase in the tariff for FY 2018-19, and the tariff as fixed vide order dated 31.03.2016 would continue in the year 2018-19 also, therefore it is inconceivable as to how this can be considered unreasonable, especially in light of the fact that there is increase in the labour and other related costs to the Service Provider.

9.1.2 We have given comments in second para of comments no (i) and the same is reiterated and may be read as a response to comment no. (ii).

9.1.3 Vide para 4.4 of CO 42/2017 Authority has already decided to not increase the tariff for three consecutive years, i.e. the tariff as fixed as on 31.03.2016 has been decided to continue in 2018-19, therefore this observation also



appears to have been raised only for the sake of raising the same and has no basis whatsoever. The current ceiling rates are applicable since the last two (2) years.

- 9.1.4 Please find below table of comparison, based on the information provided in CP 42/2017-18, it is noted that under only one category Celebi rates are higher by a nominal 2.3% from that of AIATSL. For all other categories Celebi rates are lesser than AIATSL rates ranging from 7.4% to 49.3%.

International – Passenger Aircraft

Category	Celebi-nas-INR	AIATS L- INR	%Increase/ (Decrease)	Remarks
C (S)	64,010	N.A	N.A	
C	1,06,760	1,19,777	-10.9%	
D	1,75,340	1,71,457	2.3%	AIATSL price is of Average of (235521+107250+171600)
E	2,06,080	2,22,508	-7.4%	AIATSL price is of Average of (235521+260403+171600)

International – Freighter Aircraft

Category	Celebi-nas-INR	AIATSL - INR	% increase/ (Decrease)	Remarks
C	88,010	N.A	N.A	
D	1,54,530	3,05,019	-49.3%	AIATSL price is of Average of (291720+331617+291720)
E	1,81,970	2,01,086	-9.5%	AIATSL price is of Average of (147833+291720+163705*)
F	2,47,570	N.A	N.A	

Note: Average price considered for AIATSL wherever it has multi pricing within the category.

This comment is not required to be responded by Celebi NAS, but we would like to add that such expenses are a genuine cost to work at an airport and is a prevalent practice worldwide.

10. In response to the CP No. 42/2017-18 dated 24.01.2018, the comments from M/s Celebi NAS has also been received which are stated below.
 - 10.1 Annexure IV. D – Price list of Bridge Mounted Equipment Service – PCA (per 5 hour in INR) should be PCA (per hour in INR).
 - 10.2 This is in reference to clause 4.4 of the Consultation Paper, it was proposed that the current tariffs should be valid for FY 2018-19 as well which means no price hike for consecutive four years. Considering the above we hereby request that the price for FY 2018-19 should be considered after we file Annual Tariff Proposal (ATP) for FY 2018-19 which will be submitted shortly.

Authority's examination of the Stakeholder comments & responses of M/s Celebi NAS to these and M/s Celebi NAS own comments:

The Authority noted that there is no increase proposed in charges up to FY 2018-19 compared to those prevailing as on 31.03.2016 and thus the charges may not be considered as unreasonable. Also as AIATSL & BWFS are other Ground Handlers operating in CSI Airport, Mumbai, there is competition. The Authority noted that M/s Celebi NAS has submitted copies of agreements with Customer Airlines and confirmed that no issues raised by airlines are pending resolution. The Authority has noted that the profit margin of M/s Celebi NAS in recent years is in the range of 10-15 % and not excessive. As regards comparison of tariff rates of M/s Celebi NAS with that of M/s AIATSL, as explained by M/s Celebi NAS, if we consider average rates of AIATSL (where it has multiple pricing within a category) Celebi NAS' rates are higher by 2.3% in only one category and it is lower in all other categories by 49%. Even if we consider multiple rates, the variance range is (-) 115% to (+) 65% and not 2% to 115% as inadvertently mentioned in the CP.

The Authority has taken note of the responses given by M/s Celebi NAS to the points raised by BAOA and Celebi NAS. The Authority decides to continue the existing tariff for FY 2017-18 as mentioned in the CP. The existing tariff applicable for 2017-18, as proposed in CP, will be applicable for 2018-19 also as the FY 2017-18 is also nearing end. And profit margin of the company during recent years, is reasonable. Further, Celebi NAS has to conduct stakeholder consultation meeting with users in future, before filing of MYTP.

ORDER

Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1) (a) of The Airport Economic Regulatory Authority of India Act, 2008 hereby orders that:

Order No. 41/2017-18 dated 26.03.2018



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- (i) The services provided by M/s Celebi NAS, at Chhatrapati Shivaji International Airport, Mumbai is "material and competitive". Hence "Light Touch Approach" for determination of tariff for the 2nd control period w.e.f 01-04-2016 is adopted.
- (ii) As the financial year 2016-17 (T1) is already over, Celebi NAS is allowed to continue the levy of tariff existing as on 31-03-2016 for the 1st year (2016-17) of 2nd control period.
- (iii) The Tariff for the 2nd Tariff year (01.04.2017 to 31.03.2018) from the date of issue of this Order to 31.03.2018 and 3rd Tariff year (01.04.2018-31.03.2019) of the 2nd control period for Ground Handling services provided by M/s Celebi NAS Airport Services India Pvt. Ltd. Mumbai at Chhatrapati Shivaji International Airport is determined which is enclosed as **Annexure-I**.
- (iv) M/s Celebi NAS to ensure that the charges for both scheduled and non-scheduled flight will be same for 'similar class of aircraft'.
- (v) Tariff determined as above will be maximum tariff to be charged from the users of the ground handling service. No other charges to be levied over and above the approved tariff.
- (vi) M/S Celebi NAS should hold stake holder consultation meeting with the users before they file any further MYTP for the remaining period of 2nd control period.

By the order of & in the name of the Authority

सत्यमेव जयते


(Puja Jindal)
Secretary

To,

M/s Celebi NAS Airport Services India Pvt. Ltd.,
E8-3016, Level 3, New T2,
Chhatrapati Shivaji International Airport,
Andheri (East),
Mumbai- 400 099
(Through: Mr. Cem Sensoz, Chief Executive Officer)

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



Annexure-I

Tariff Card for Ground Handling Services for FY 2016-17, 2017-18, 2018-19 (T1 to T3)		
Celebi Nas Airport Service India Pvt. Ltd. CSIA, Mumbai		
Aircraft Type/Category (ICAO Code Type)	Tariff Heading	Conditions of Tariff- INR (Ceiling Price)
		Maximum Tariff
Intenrational - Passenger Aircraft		
C (S)	Comprehensive	64010
	Ramp	48010
C	Comprehensive	106760
	Ramp	79900
D	Comprehensive	175340
	Ramp	140590
E	Comprehensive	206080
	Ramp	165390
F	Comprehensive	288040
	Ramp	225170
International -Freighter Aircraft		
C	Ramp	88010
D	Ramp	154530
E	Ramp	181970
F	Ramp	247570
Domestic- Passenger Aircraft		
C	Comprehensive	12340
	Ramp	8690
E	Comprehensive	65380
	Ramp	43550

Note:-

- 1 All the Charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.
- 2 Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule 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 levied as and when applicable.



Tariff Card for Ground Handling Services for FY 2016-17, 2017-18, 2018-19 (T1 to T3)						
Celebi Nas Airport Service India Pvt. Ltd. CSIA, Mumbai						
Price List for Corporate Aviation						
A. Handling Rates						
Aircraft MTOW (Maximum take-off weight)	Maximum Tariff					
	Domestic Flights			International Flights		
	Mumbai Based Operators	Non Mumbai Based Operators	Indian Registered		Foreign Registered	
	INR	INR	USD	INR**	USD	INR**
0-5000	12600	14000	463	28706	631	39122
5001-10000	17500	21000	924	57288	1051	65162
10001-20000	28000	35000	1813	112406	1891	117242
20001-30000	30800	39200	1953	121086	2031	125922
30001-40000	43400	49000	2031	125922	2240	138880
40001-50000	47600	53200	2100	138200	2451	151962
50001-70000	53200	58800	2240	138880	2660	164920
70001and above	105000	105000	3291	204042	3291	204042

** The rates have been converted into INR with estimated exchange rate of 1 USD =INR 62, however billing will be on USD or INR equivalent to USD at the rate applicable on the date of service.

Note:-

- 1 All the Charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.
- 2 Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule 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 levied as and when applicable.



**Tariff Card for Ground Handling Services for FY 2016-17, 2017-18, 2018-19
(T1 to T3)**

Celebi Nas Airport Service India Pvt. Ltd. CSIA, Mumbai

Price List for Corporate Aviation

B. Cleaning Rates

Aircraft MTOW (Maximum take-off weight)	Exterior	Interior	Deep	Carpet Shampoo	Steel Polish
0-5000	5600	4200	5250	16800	33600
5001-10000	5600	4200	5250	16800	33600
10001-20000	8400	6300	7870	16800	33600
20001-30000	12600	10500	13130	16800	44800
30001-40000	16800	14000	17510	16800	44800
40001-50000	21000	16800	21000	22400	56000
50001-70000	23800	21000	26250	22400	56000
70001 and above	28000	23800	29750	33600	56000

Note:

- 1 All the Charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.
Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule Operators
- 2 (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 levied as and when applicable.



Tariff Card for Ground Handling Services for FY 2016-17, 2017-18, 2018-19 (T1 to T3)	
Celebi Nas Airport Service India Pvt. Ltd. CSIA, Mumbai	
Price List for Corporate Aviation	
C. Transportation Rates	
Vehicle	2016-17 Per turnaround (INR)
Mercedes/Audi	14,000
Teana/Accord	7,000
Innova	4,200
13 Seater Bus	10,080
21 Seater bus	14,000
Bolero	4,200
Scorpio	7,000

Note:

1 All the Charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.

2 Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule 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 levied as and when applicable.



Tariff Card for Ground Handling Services for FY 2016-17, 2017-18, 2018-19 (T1 to T3)					
Celebi NAS Airport Services India Pvt. Ltd., CSIA, Mumbai					
D. Price list for Bridge mounted equipment services					
	Service	FEGP (per hour in INR)*		PCA (per hour in INR)*	
Domestic	Code C		2500		3750
	Code D		3000		4000
	Code E		3500		4250
International	Code C	Single Cable	5750	60T	5850
		Double Cable	6950	90T	6525
	Code D	Single Cable	5750	90T	6525
		Double Cable	6950		
	Code E	Single Cable	5750	90T	6525
		Double Cable	6950		
	Code F	Single Cable	5750	90T	6525
		Double Cable	6950	120T	7525
					120T for A380 Series

*FEGP- Fixed Electric Ground Power

PCA - Pre-Conditioned Aircool

Note:-

1 All the Charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.

2 Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule 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 levied as and when applicable.



Tariff Card for Cargo Handling Services for FY 2016-17, 2017-18, 2018-19 (T1 to T3)		
Celebi NAS Airport Services India Pvt. Ltd., CSIA, Mumbai		
Price list of Cargo Handling services		
Services	Unit of Billing	Rate in INR
Supervision & Documentation	Per kilo	0.78
Carting and Palletisation	Per kilo	4.25

Note:

1 All the Charges mentioned above include the prevailing concession fee, rolyalty, airport levy charged by the Airport Operator.

2 Tariff determined as above will be maximum tariff to be charged from the users including Non-Schedule 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 levied as and when applicable.

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AERA