

**AERA/20010/MYTP/Celebi Nas/GH/Mum/CP-II/2016-17/Vol-II
Airports Economic Regulatory Authority of India**

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110003.**

Date: 27th November, 2019

Public Notice No. 15/2019-20

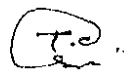
Sub: Comments/Submissions received from stakeholders on the Consultation Paper No. 10/2019-20 dated 30.10.2019 in the matter of determination of Annual Tariff Proposal (ATP) for FY (2019-20) 4th Tariff Year and FY (2020-21) 5th Tariff Year in respect of M/s Celebi Nas Airport Services India Pvt. Ltd. (M/s Celebi Nas) for Providing Ground Handling services at Chhatrapati Shivaji Maharaj International Airport (CSMI), Mumbai.

Attention of all concerned is invited to Consultation Paper No.10/2019-20 dated 30.10.2019 in the matter of determination of Annual Tariff Proposal (ATP) for FY 2019-20 and FY 2020-21 in respect of M/s Celebi Nas Airport Services India Pvt. Ltd. (M/s Celebi Nas) for providing Ground Handling services at Chhatrapati Shivaji Maharaj International Airport (CSMI), Mumbai, vide which the Authority had sought comments from the stakeholders.

2. In response thereof, the Authority has received comments/submissions from the following stakeholder.

Sl. No.	Stakeholders
1.	<u>Mumbai International Airport Limited (MIAL).</u>
2.	<u>M/s Celebi Nas Airport Services India Pvt. Ltd.</u>

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


27/11/19
**Trilok Chand
Manager (Fin.)
Tel: 24695043**

MIAL /VPR / 2019-20 / 12

20th November, 2019

Chairperson,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Sir,

Sub : Comments on ATP in respect of Celebi Nas Airport Services India P Ltd.

Ref : Consultation Paper No. 10/ 2019-20 dated 30th October, 2019

With reference of referred consultation paper, we wish to state as follows:

1. The Authority should note that existing ground handling charges have remained unchanged since April 2015, while all the expenses have moved up, the charges have remained the same.
2. The increase in the expenses claimed by Celebi Nas Airport Services Private Ltd. (Celebi) while submitting their proposal on 15.02.2019 are quite old and the increase in various expenses have further moved up, some of which are as follows:
 - a. Minimum Wages have moved up by 73.28 % (Rs.9500 in April 2015 to Rs.16462 in July 2019) instead of 60.3% claimed by Celebi.
 - b. Increase in fuel cost is 24 % instead of 23.4% considered in the proposal submitted by Celebi. (Rs.55.69 in April 2015 to Rs.69.06 in November, 2019).



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- c. Increase in WPI is 10.89% instead of 8.9% considered in the proposal submitted by Celebi. (110.2 in April 2015 to 122.20 in October, 2019)
3. Authority would also appreciate that there is falling trend in the volumes due to reasons not under control of Celebi. However, they are expected to keep the facilities upgraded at all the times, so that ground handling services are offered in an efficient manner throughout. In case a reasonable increase is not allowed, they would not be able to meet the expectations from them.

In view of abovesaid, we request the Authority to allow the rate increase proposed by Celebi.

Thanking you,

Yours Sincerely

For Mumbai International Airport Ltd.



(Sanjiv Bhargava)

Vice President (Regulatory)



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CIN : U45200MH2006PLC160164

20 Nov, 2019

To;
The Secretary,
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport, New Delhi – 110003

Ref: Consultation Paper No. 10/2019-20

Dear Madam;

This is in reference to the above reference Consultation Paper issued on 31 Oct, 2019 wherein we would like to highlight our concerns that -

As per Para 3.2 – It is mentioned that Celebi NAS is earning average Return on RAB of 31.81% (FY 16-17), 33.33% (FY 17-18) and 34.65% (FY 18-19) whereas the Return on RAB as per the duly submitted ACS in Annexure III is 28.2% (FY 16-17), 22.2% (FY 17-18), and 20.2% (FY18-19). We would like to highlight that the Return on RAB is Pre Tax Return so the Post Tax Return on RAB for FY 16-17, FY 17-18 & FY 18-19 comes to 18.16%, 13.58% and 14.72% respectively as calculated in below table:

	FY 16-17	FY 17-18	FY 18-19
Regulatory Operating Profit (before tax) (1)	432,365,374	586,180,844	693,820,301
Less: Tax (2)	154,213,569	227,577,813	188,986,919
Regulatory Operating Profit (after tax) (3 = 1-2)	278,151,805	358,603,031	504,833,382
Average RAB for the year (4)	1531,566,316	2,640,368,892	3,430,476,423
Return on RAB (3/4) - after tax	18.16%	13.58%	14.72%

As our approved tariffs have remained unchanged since 1April, 2015 i.e more than 4.5 years hence we once again request Authority to consider and approve price hike between 3 – 5% valid till 31 March 2021.

We thank you for your kind consideration.

For **CelebiNAS Airport Services India Pvt. Ltd**


Laxman K Prasad
Chief Financial Officer

