

Airports Economic Regulatory Authority of India

Order No. 36/2018-19

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

Date of Order: 18th December, 2018

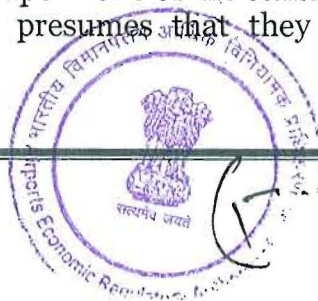
Service : **Ground Handling Services**
Service provider : **M/s Celebi Airport India Pvt. Ltd.,**
Airport : **Kannur International Airport, Kannur.**

In the matter of Multi Year Tariff Proposal (FY 2018-19 to 2020-21) and Annual Tariff Proposal (FY.2018-19 to FY.2020-21) for the first control period in respect of M/s Celebi Airport Services India Private Limited for providing Ground Handling Services at Kannur International Airport, Kannur.

1. M/s Celebi Airport India Pvt Ltd is one of the Ground Handling agencies appointed by "Kannur International Airport Ltd" for carrying out Ground Handling (GH) services at Kannur International Airport. Kannur International Airport is a new Greenfield airport and started operation from 9th December, 2018.
2. M/s Celebi submitted their MYTP/ATP on 14th June, 2018 for the period FY 2018-19 to FY 2020-21 of the first Control period. M/s Celebi also submitted the consolidated Balance Sheet and Profit and loss account for 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. 25/2018-19 dated 20.11.2018 proposed the following for stakeholder consultation:
 - 4.1 The service for Ground handling being provided by M/s Celebi Airport Services India Pvt. Ltd. at Kannur International Airport, Kannur, is **"Not Material and Not Competitive"**. Therefore the Authority proposes to adopt **'Light Touch Approach'** for determination of tariffs for the FY- 2018-19 to FY- 2020-21 of 1st control period.
 - 4.2 The Authority proposes tariff for FY 2018-19 to FY 2019-20 in line with submission made by M/s Celebi Airport Services India Pvt. Ltd for FY 2018-19.



- 4.3 Tariff proposed as above will be maximum tariff to be charged. No other charge is to be levied over and above the proposed tariff.
- 4.4 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.
- 4.5 M/s Celebi shall file the Annual tariff proposal (ATP) well in advance for FYs 2020-21 onwards.
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 first control period from FY.2018-19 to FY 2020-21. M/s Celebi has also submitted copy of the Concession Agreement with Airport Operator Kannur, KIAL, but M/s Celebi has not submitted copies of User Agreements and also has not submitted any documentary evidence of Stakeholder Consultation.
7. The Authority further observed that no data is available for comparison of tariff rate at Kannur Airport as it commenced operation from 9th December, 2018. Cochin is the nearest similar Greenfield airport and the tariff proposed by M/s Celebi for FY 2018-19 and FY 2019-20 is 5% more than the rates approved by the Authority for M/s Bird Worldwide Flight Services (India) Private Limited for similar services at Cochin International Airport. M/s Celebi proposed a further increase in tariff for FY 2020-21 by 3% over the rate proposed for FY 2019-20 for Kannur Airport. However, M/s Celebi has not submitted any documents for validating the 3% increase for FY 2020-21. Hence, the Authority proposes to adopt the same tariff for 2 years period i.e. FY2018-19 to FY 2019-20 as proposed by M/s Celebi. The Authority further is of the view that the agency will have sufficient data and records in the year 2018-19 and 2019-20 and accordingly agency will be in a position to file ATP for FY 2020-21, FY 2021-22 and FY 2022-23 based on trend and traffic statistic for FY 2018-19 and FY 2019-20.
8. The control period for M/s Celebi at Kannur Airport will be same as the control period fixed for Airport operator, so control period for M/s Celebi at Kannur Airport will be 1st control period from FY2018-19 to FY 2022-23.
9. In response to the consultation paper none of the stakeholders has submitted their comment hence, the Authority presumes that they have no objection to the proposal.



ORDER

10. Upon careful consideration of material available on record, as well as submissions made by M/s Celebi, the Authority, in exercise of powers conferred under Section 13(1) (a) of the AERA Act, 2008 hereby orders that:

- a. The Ground Handling Service being provided by M/s Celebi at Kannur Airport is **"Not Material and Not 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 First Control Period.
- b. The Authority in view of the foregoing, decides to approve the tariff from FY 2018-19 to FY 2019-20 of the first control period in line with the submission made by M/s Celebi Airport Services India Pvt Ltd as per the tariff card attached as **"Annexure I"**.
- c. M/s Celebi shall file the Annual tariff proposal (ATP) for FYs 2020-21 to FY 2022-23 well in advance.
- d. 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.'*
- e. Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied over and above the approved tariff.
- f. M/s Celebi should submit the Annual Compliance Statement (ACS) for FY 2018-19 to FY 2019-20 well in time as per AERA guidelines.

Order issued in the Name of the Authority

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AERA

(Ramendra Pratap Shukla)
Deputy Chief

(18-12-2018)

To

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)



Annexure - I

M/s Celebi Airport Services India Pvt LIMITED Kannur Airport
proposed rates for the FY 2018-19, FY 2019-20 AND FY 2020-21

FY 2018-19				FY 2019-20	
Aircraft Type/Category ICAO	Tariff Heading	Passenger aircraft		Passenger Aircraft	
		International	Domestic	International	Domestic
B	Comprehensive	99,300	15,800	99,300	15,800
	Ramp	79,500	12,700	79,500	12,700
C	Comprehensive	165,400	36,800	165,400	36,800
	Ramp	132,400	29,500	132,400	29,500
D	Comprehensive	271,300	59,200	271,300	59,200
	Ramp	217,100	47,400	217,100	47,400
E	Comprehensive	317,600	110,300	317,600	110,300
	Ramp	254,100	88,300	254,100	88,300

FY 2018-19				FY 2019-20	
Aircraft Type/Category (ICAO)	Tariff Heading	Freighter Aircraft		Freighter Aircraft	
		International	Domestic	International	Domestic
C	Ramp	119,100	78,800	119,100	78,800
D	Ramp	211,700	94,500	211,700	94,500
E	Ramp	251,400	115,500	251,400	115,500

