

[F. No. AERA/20010/MYTP/Celebi/GH/Hyderabad/CP-II/2019-20] 16857

Airports Economic Regulatory Authority of India

Order No. 03 /2020-21

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

Date of Issue: 13.05.2020.

Service : Ground Handling Services
Service provider : M/s Celebi Airport Services India Private Limited
Airport : Rajiv Gandhi International Airport, Hyderabad

In the matter of the Multi Year Tariff Proposal and Annual Tariff proposal for fourth and fifth tariff year (FY 2019-20 & 2020-21) for the second control period in respect of M/s Celebi Airport Services India Private Limited for providing Ground Handling Services at Rajiv Gandhi International Airport, Hyderabad.

1. M/s Celebi Airport Services India Private Limited (Celebi) is one of the Ground Handling agency appointed by GMR Hyderabad International Airport Limited (GHIAL) for carrying out Ground Handling Service at Rajiv Gandhi International Airport, Hyderabad. M/s Celebi is new entrant at Hyderabad Airport and has entered into a concession agreement on 22nd March, 2019 with GHIAL and commenced its commercial operations of the ground handling services from 1st April, 2019. Duration of the concession agreement is 10 (ten) years from the date of the commencement of the operations.

2. M/s Celebi has submitted its Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP) for fourth and fifth tariff year (FY 2019-20 and FY 2020-21) for determination of tariff for rendering ground handling services at Hyderabad Airport. M/s Celebi has submitted the requisite forms duly filled up, copy of the concession agreement and copies of some user agreements with the airlines etc. In the proposal M/s Celebi has proposed the same rates for both the tariff years. MYTP/ATPs submitted by M/s Celebi have been considered according to second control period as decided in respect of Hyderabad Airport i.e. from 01.04.2016 to 31.03.2021.



3. (a) As per Clause 4.4 of the CGF Guidelines, 2011 for the regulated service(s) provided for Ground Handling facility at the major airports, the percentage share of ground handling at Rajiv Gandhi International Airport, Hyderabad, is 5.56% which is greater than 5% Materiality Index (MIg) for the above subject service. Hence the regulated service is deemed '**material**'.
- (b) M/s M/s Globe Ground India Private Limited and M/s Air India SATS are also providing similar Ground handling services at Hyderabad Airport apart from M/s Celebi, hence in the instant case there are three Ground handling service providers including M/s Celebi at Rajiv Gandhi International Airport, Hyderabad, therefore, service is deemed '**Competitive**'
- (c) As per Clause 3.2 of the Guidelines, when such regulated service is deemed 'material but competitive', the Authority shall determine tariff(s) for the service provider(s) based on a 'Light Touch Approach' for the duration of the Control Period. Accordingly, the regulated service being provided by M/s Celebi at RGI Airport, Hyderabad is 'material but competitive' and shall come under the '**Light Touch Approach**' for tariff determination for the second control period (01.04.2016 to 31.03.2021).
4. The Authority considered the submissions made by M/s Celebi and issued a Consultation Paper No. 20/2019-20 dated 20th February, 2020 wherein, the Authority proposed that –
- a) The service for ground handling being rendered M/s Celebi Airport Services India Private Limited is "Material but Competitive". Therefore the Authority proposes to adopt 'Light Touch Approach' for determination of tariffs for the second control period (01.04.2016 to 31.03.2021).
- b) To allow M/s Celebi Airport Services India Private Limited to levy the same tariffs as proposed by them for fourth and fifth tariff year (for FY 2019-20 & FY 2020-21) as per the tariff card enclosed with the consultation paper and proposed tariff to be applicable prospectively.
5. The Authority requested written evidence based feedback, comments and suggestions from stakeholders on the above proposal latest by 11.03.2020. In response, no comments have been received from any stakeholder.
6. The Authority noted that M/s Celebi has commenced its ground handling services recently at Hyderabad airport from 1st April, 2019. M/s Celebi has proposed the same tariff(s) for 4th and 5th tariff year. As per the projections made in financial statements by Celebi, there is a growth in revenue, profit and volumes. However profit margins are on lower side. The Authority feels that the same rates as proposed by M/s Celebi for 4th and 5th tariff years of the second control period may be considered. The proposed tariff(s) shall be maximum and applicable prospectively.

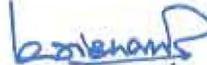


7. ORDER

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

- (i) The Ground Handling service provided by M/s Celebi Airport Services India Private Limited at Rajiv Gandhi International Airport, Hyderabad is "material but competitive"; hence the Authority decided to adopt 'Light Touch Approach' for determination of tariff for the Second Control Period. (FY 2016-17 to FY 2020-21).
- (ii) The Authority decided to allow M/s Celebi Airport Services India Private Limited to levy the same tariffs as proposed by them for 4th tariff year and 5th tariff year (FY 2019-20 and FY 2020-21) of the Second Control Period as per the tariff card enclosed at **Annexure I**.
- (iii) Tariff determined as above will be the maximum tariff to be charged.
- (iv) The levy of tariffs shall be effective from the date of issue of order.
- (v) M/s Celebi Airport Services India Private Limited should not exceed the tariffs for its Non-Schedule Operations as approved by AERA for its schedule operations for similar category of aircraft.

By the Order of and in the
Name of the Authority


(Ram Krishan)
Director (Policy and Statistics)

AERA

To,

M/s Celebi Airport Services India Private limited,
CE-01, Import building 2, International Cargo Terminal, IGI Airport,
New Delhi- 110037 (Through: Shri Cem Sensoz, CEO)

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



Tariff Card

M/s Celebi Airport Services Private Limited-Ground Handling Services at Rajiv Gandhi International Airport, Hyderabad

Maximum Rate to be paid by scheduled/Non-Scheduled Airlines for Ground Handling Services for Fourth and Fifth Tariff Year

(FY 2019-20 and 2020-21) of second control period.

	Ground Handling rates in INR for 4th (FY 2019-20) and 5th (FY 2020-21) Tariff Year		
	Passenger	Ramp	Comprehensive
Domestic Passenger Flight			
CODE B	4,410	10,290	14,700
CODE C	5,820	13,580	
CODE D	8,970	20,930	29,900
CODE E	20,490	47,810	68,300
CODE F	30,240	70,560	100,800
International Passenger Flight			
CODE B	11,730	27,370	39,100
CODE C	27,510	64,190	91,700
CODE D	44,820	104,580	149,400
CODE E	58,710	136,990	195,700
CODE F	81,870	191,030	272,900
Domestic Freighter Flight			
CODE C	N.A	54,000	N.A
CODE D	N.A	94,000	N.A
CODE E	N.A	113,000	N.A
CODE F	N.A	154,000	N.A
International Freighter Flight			
CODE C	N.A	133,000	N.A
CODE D	N.A	160,000	N.A
CODE E	N.A	195,000	N.A
CODE F	N.A	287,000	N.A

Note: Above price is inclusive of concession fees and exclusive of GST as applicable

2. Rates shall be effective from the date of issue of the Order.

