



**Airports Economic Regulatory Authority of India**

**TO CONSIDER THE MULTI YEAR TARIFF PROPOSAL AND ANNUAL TARIFF PROPOSAL (FY.2018-19 to FY.2020-21) FOR THE SECOND CONTROL PERIOD IN RESPECT OF M/s CELEBI AIRPORT SERVICES INDIA PRIVATE LIMITED FOR PROVIDING GROUND HANDLING SERVICES AT KEMPEGOWDA INTERNATIONAL AIRPORT, BENGALURU.**

**New Delhi: 09<sup>th</sup> October, 2018**

**AERA Building  
Administrative Complex  
Safdarjung Airport.  
New Delhi.**

## **1. Brief Background:**

- 1.1 M/s Celebi Airport Services India Pvt. Ltd. (M/s Celebi) is one of the Ground Handling agencies appointed by Bangalore International Airport Ltd. (BIAL) for carrying out Ground Handling (GH) at Kempegowda International Airport, Bangalore vide Agreement dated 02.05.2018.
- 1.2 M/s Celebi is a new entrant in Ground Handling service at KIA, Bengaluru and had submitted their MYTP/ ATP for FY 2018-19 to 2020-21 of second control period vide letter dated 14<sup>th</sup> June, 2018.

## **2. Principles for Determination of Aeronautical Tariff under “Light Touch Approach”.**

- 2.1 The Authority vide its Order No. 12/2010-11 dated 10.01.2011 and Direction No. 04/2010-11 issued on 10.01.2011 finalized its approach in the matter of Regulatory Philosophy and Approach in Economic Regulation of the Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft at the major airports and issued 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 the Aircraft) Guidelines, 2011 (“ the Guidelines”).
- 2.2 In accordance, to above mentioned AERA Guidelines and Directions the following procedure is followed:

### **a) Stage 1: Materiality:**

$$\text{Materiality Index (MIg)} = \frac{\text{Int. Aircraft Movement at Bangalore Airport}}{\text{Total Intl.Aircraft Movement at major airports}} \times 100$$

The materiality index at Bangalore Airport = 20845/330467

$$= 6.31\%$$

The percentage share of Ground Handling for KIA, Bangalore for the FY 2014-15 is 6.31% which is more than 5% Materiality Index (MIg) for the above subject service. Hence the regulated service is deemed as ‘**material**’ for the second control period.

- b) Stage 2: **Competition:** AERA on provisions of the National Civil Aviation Policy (NCAP- 2016), vide Order No. 15/2016-17 dated 12<sup>th</sup> Jan,2017 decided to consider three (3) Ground Handling Agencies (GHA) including Air India’s subsidiary/JV for competition assessment at all major airports. As per the information furnished by Celebi in Form F1(b) on competition Assessment, M/s Globe Ground Industries (GGI) and M/s AISATS are other service providers rendering similar service at Bangalore International Airport. Hence in the instance case, there are three Ground Handling service providers including Celebi, and therefore the service is deemed ‘**Competitive**’.

- i) Stage 3: **Reasonableness of existing User Agreement(s):** M/s Celebi has not submitted the valid User Agreements for Bangalore Airport.

- 2.3 M/s Celebi has submitted the copy of complete Concession Agreement with BIAL.
- 2.4 M/s Celebi has not submitted any documentary evidence of conducting the stakeholder consultation with the users on the proposed ATP for FY 2018-19 to 2020-21.

### **3. Authority's Examination on the proposal.**

- 3.1 The services rendered by M/s Celebi for providing Ground Handling facility at Bangalore Airport are aeronautical services in terms of section 2(a) of the Airports Economic Regulatory Authority of India Act, 2008 (Act) and under section 13 (1)(a) of the Act, the Authority is required to determine tariff for aeronautical services.
- 3.2 The Ground handling services provided by M/s Celebi Airport Services India Pvt. Ltd. at Kempegowda International Airport, Bangalore is **“Material but Competitive”**. Therefore the Authority proposes to adopt **‘Light Touch Approach’** for determination of tariffs for the FY- 2018-19 to FY- 2020-21 of 2<sup>nd</sup> control period.
- 3.3 M/s Celebi has submitted the ATP for FY 2018-19 to FY2020-21 (**Annexure I**). M/s Celebi has also submitted the consolidated Balance Sheet and Profit and Loss Account for the FY- 2017-18. The profit for the FY 2017-18 is Rs. 11.42 crores compare to Rs.8.33 crores for FY 2016-17.
- 3.4 The Authority observed that the tariff proposed by M/s Celebi for FY 2018-19 and FY 2019-20 is lower than the rates approved for AISATS and GGI who are providing similar service at KIA, Bengaluru. M/s Celebi proposed a further increase in tariff for FY 2020-21 by 5%. M/s Celebi has started the operation at KIA, Bengaluru recently and no data is available for validating the 5% increase in tariff sought by M/s Celebi, hence, the Authority proposes the same tariff for FY 2018-19 to FY 2020-21.
- 3.5 The Authority observed that M/s Celebi has proposed different charges for Indian carriers and international carriers for similar services. However, the Authority is of the view that there should not be discrimination in tariff as the services provided to both domestic carriers and international carriers are the same.

### **4. Proposal**

The Authority, after careful consideration of the MYTP and ATP for FY 2018-19 to 2020-21, makes the following proposal for stakeholder consultation:

- 4.1 The service for Ground handling being provided by M/s Celebi Airport Services India Pvt. Ltd. at Kempegowda International Airport, Bangalore is **“Material but Competitive”**. Therefore the Authority proposes to adopt **‘Light Touch Approach’** for determination of tariffs for the FY- 2018-19 to FY- 2020-21 of 2<sup>nd</sup> control period.
- 4.2 The Authority proposes the tariff for FY 2018-19 to FY 2020-21 in line with submission made by M/s Celebi Airport Services India Pvt. Ltd for FY 2018-19. The proposed tariff card is attached as **“Annexure II”**.

- 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 The Authority proposes same Tariff charges for both International Carriers and the Domestic Carriers for international operations.
5. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 4 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed as annexures to the consultation paper. For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response here to and by making such decision fully documented and explained in terms of the provisions of the Act.
6. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, latest by **30.10.2018** at the following address:

**Secretary,  
Airports Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi- 110003  
Email: [puja.jindal@nic.in](mailto:puja.jindal@nic.in)  
Tel: 011-24695042  
Fax: 011-24695039**

**(S. Machendranathan)  
Chairperson**

## Form 14(b) - Price List

ICAO Code	International Passenger Flights - FY 2018-19								
	Domestic Carriers						International Carriers		
	Without Equipments			With Equipments			Passenger	Ramp	Full
	Passenger	Ramp	Full	Passenger	Ramp	Full			
B	3,500	4,000	7,500	3,500	5,600	9,100	3,500	6,500	10,000
C	6,000	8,500	14,500	6,000	11,900	17,900	22,000	44,000	66,000
D	21,000	30,000	51,000	21,000	42,000	63,000	27,000	65,000	92,000
E	27,000	40,000	67,000	31,000	56,000	87,000	35,000	75,000	110,000
F	39,000	50,000	89,000	39,000	70,000	109,000	39,000	100,000	139,000

ICAO Code	Domestic Passenger Flights - FY 2018-19					
	Without Equipments			With Equipments		
	Passenger	Ramp	Full	Passenger	Ramp	Full
B	3,500	4,000	7,500	3,500	5,600	9,100
C	6,000	8,500	14,500	20,300	11,900	32,200
D	21,000	30,000	51,000	27,000	42,000	69,000
E	27,000	40,000	67,000	31,000	56,000	87,000
F						

ICAO Code	International Freighter Flights		
	FY 2018-19		
	Passenger	Ramp	Full
B	N.A	7,150	N.A
C	N.A	48,400	N.A
D	N.A	71,500	N.A
E	N.A	82,500	N.A
F	N.A	110,000	N.A

ICAO Code	Domestic Freighter Flights		
	FY 2018-19		
	Passenger	Ramp	Full
B		7,800	N.A
C		52,800	N.A
D		78,000	N.A
E		90,000	N.A
F		120,000	N.A

Note: The above price is excluding of Government taxes & duties such as Goods & Service Tax (GST) etc



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## Form 14(b) - Price List

ICAO Code	International Passenger Flights - FY 2019-20								
	Domestic Carriers						International Carriers		
	Without Equipments			With Equipments			Passenger	Ramp	Full
	Passenger	Ramp	Full	Passenger	Ramp	Full			
B	3,500	4,000	7,500	3,500	5,600	9,100	3,500	6,500	10,000
C	6,000	8,500	14,500	6,000	11,900	17,900	22,000	44,000	66,000
D	21,000	30,000	51,000	21,000	42,000	63,000	27,000	65,000	92,000
E	27,000	40,000	67,000	31,000	56,000	87,000	35,000	75,000	110,000
F	39,000	50,000	89,000	39,000	70,000	109,000	39,000	100,000	139,000

ICAO Code	Domestic Passenger Flights - FY 2019-20					
	Without Equipments			With Equipments		
	Passenger	Ramp	Full	Passenger	Ramp	Full
B	3,500	4,000	7,500	3,500	5,600	9,100
C	6,000	8,500	14,500	20,300	11,900	32,200
D	21,000	30,000	51,000	27,000	42,000	69,000
E	27,000	40,000	67,000	31,000	56,000	87,000
F						

ICAO Code	International Freighter Flights		
	FY 2019-20		
	Passenger	Ramp	Full
B	N.A	7,150	N.A
C	N.A	48,400	N.A
D	N.A	71,500	N.A
E	N.A	82,500	N.A
F			

ICAO Code	Domestic Freighter Flights		
	FY 2019-20		
	Passenger	Ramp	Full
B	0	7,800	N.A
C	0	52,800	N.A
D	0	78,000	N.A
E	0	90,000	N.A
F			

Note: The above price is excluding of Government taxes & duties such as Goods & Service Tax (GST) etc.






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## Form 14(b) - Price List

ICAO Code	International Passenger Flights - FY 2020-21								
	Domestic Carriers						International Carriers		
	Without Equipments			With Equipments			Passenger	Ramp	Full
	Passenger	Ramp	Full	Passenger	Ramp	Full			
B	3,675	4,200	7,875	3,675	5,880	9,555	3,675	6,825	10,500
C	6,300	8,325	15,225	6,300	12,495	18,795	23,100	46,200	69,300
D	22,050	31,500	53,550	22,050	44,100	66,150	28,350	68,250	96,600
E	28,350	42,000	70,350	32,550	58,800	91,350	36,750	78,750	115,500
F	40,950	52,500	93,450	40,950	73,500	114,450	40,950	105,000	145,950

ICAO Code	Domestic Passenger Flights - FY 2020-21					
	Without Equipments			With Equipments		
	Passenger	Ramp	Full	Passenger	Ramp	Full
B	3,675	4,200	7,875	3,675	5,880	9,555
C	6,300	8,925	15,225	21,315	12,495	33,810
D	22,050	31,500	53,550	28,350	44,100	72,450
E	28,350	42,000	70,350	32,550	58,800	91,350
F						

ICAO Code	International Freighter Flights		
	FY 2020-21		
	Passenger	Ramp	Full
B	N.A	7,508	N.A
C	N.A	50,820	N.A
D	N.A	75,075	N.A
E	N.A	86,625	N.A
F			

ICAO Code	Domestic Freighter Flights		
	FY 2018-19		
	Passenger	Ramp	Full
B	0	8,190	N.A
C	0	55,440	N.A
D	0	81,500	N.A
E	0	94,500	N.A
F			

Note: The above price is excluding of Government taxes & duties such as Goods & Service Tax (GST) etc



## Annexure-II

### M/s Celebi Airport Services India Pvt. Ltd. (M/s Celebi) at KIA, Bengaluru Tariff for FY 2018-19 to FY 2020-21

ICAO Code	International Passenger Flights - FY 2018-19 to FY 2020-21					
	Without Equipments			With Equipments		
	Passenger	Ramp	Full	Passenger	Ramp	Full
B	3,500	4,000	7,500	3,500	5,600	9,100
C	6,000	8,500	14,500	6,000	11,900	17,900
D	21,000	30,000	51,000	21,000	42,000	63,000
E	27,000	40,000	67,000	31,000	56,000	87,000
F	39,000	50,000	89,000	39,000	70,000	109,000

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	Without Equipments			With Equipments		
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B	3,500	4,000	7,500	3,500	5,600	9,100
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C		52,800	N.A
D		78,000	N.A
E		90,000	N.A
F *		120,000	N.A

\* Proposed for FY 2018-19 only.

Note: The above price is excluding of Government taxes & duties such as Goods & Service Tax (GST) etc.