[F.No. AERA /20010/AAI-C/2010-11]

<u>Airports Economic Regulatory Authority of India</u>

Order No. 11/2010-11

AERA Building, Administrative Complex, Safdarjung Airport, New Delhi – 110 003

Date of Order: 4th January, 2011 Date of Issue: 5th January, 2011

In the matter of Airport Authority of India's proposal for revision of Cargo Tariff at Chennai and Kolkata Airports

Airports Authority of India (AAI), vide their proposal dated 18.05.2010, sought a revision in tariff in respect of its Cargo handling units at Chennai and Kolkata airports. Chennai and Kolkata airports are "major airports" as defined under Section 2(i) of the AERA Act, 2008. Further, any service provided for the cargo facility at an airport is an "aeronautical service" as defined under Section 2(a) (v) of the Act. Hence, the proposal for revision of the cargo rates at Chennai & Kolkata airport was submitted for the approval of the Authority in terms of Section 13(1)(a) of the Act.

- 2.1 AAI has been levying Terminal Storage and Processing (TSP) charges and Demurrage Charges as per the schedule of charges issued in this regard. The existing rates of TSP and Demurrage Charges were last revised vide AAI's letter No. Cargo/1351/17/2007/pt.431-445 dated 02.04.2008 and were effective from 07.04.2008 upto 31.03.2010.
- 2.2 AAI has submitted that they have been undertaking a process of user consultation with Apex trade bodies, local cargo clearing and forwarding agents whenever such cargo rates had to be revised. In respect of the instant proposal also, AAI has undertaken two such meetings with stakeholders wherein the scope of functions, cargo traffic trends/forecasting, feedback mechanism of AAI, value addition to the cargo services by AAI since the last revision, initiatives taken by AAI for augmentation of infrastructure at the Cargo units at these airports etc. were highlighted during the presentation made at the two stakeholders meetings.
- 2.3 AAI had proposed an increase of 10% each year for the period 2010-11 and 2011-12, keeping in view the investment in improvement of cargo terminal to the tune of Rs.79 crores in the last 2 years and further estimated investment of Rs.160 crores (approximately) in 2010-11 in the cargo facilities at these two airports.
- 2.4 Guided by the approach of the Authority in the Consultation Paper No.03/2009-10, AAI submitted that they initiated a consultation process with the stakeholders at local and national level to revise the schedule of cargo charges w.e.f 01.04.2010 at Chennai and Kolkata Airports.

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- 2.5.1 The first meeting with stakeholders was convened on 19.03.2010 with AAI proposing an increase of 10% each year for 2010-11 and 2011-12. AAI justified the increase in view of the investments made to the tune of Rs.79 crores at the subject airports in the last 2 years (2008-09 & 2009-10); the investment proposed to be made at these airports (to the tune of Rs.160 crores) as also the increase in operating costs. The meeting was attended only by the Federation of Freight Forwarders Association of India (FFFAI), Mumbai and the Kolkata Customs House Agents (KCHA). The Air Cargo Agents Association of India (ACAAI) and Chennai Customs House Agents Association, did not attend the meeting and expressed that these charges have to be decided by the Airports Economic Regulatory Authority and not by AAI.
- 2.5.2 Since AAI wanted a wider participation, a second meeting was convened on 16.04.2010 which was attended by the Federation of Indian Export Organisation (FIEO), FFFAI and KCHA. As per the minutes of the meeting dated 19.04.2010 a 5% increase in the schedule of charges each year of the two year agreement period i.e., 2010-11 & 2011-12 was agreed to between AAI and the Apex trade Bodies.
- 2.5.3 AAI in their proposal stated that as a consensus had emerged between the AAI and the stakeholders to enhance the existing tariff by 5% for the year 2010-11 & 2011-12, the Authority may accord its approval for the revision of the charges at Chennai Airport (to the extent AAI is custodian) and Kolkata Airport.
- 3.1 AAI's proposal was considered by the Authority in its 13th meeting held on 26.08.2010. The Authority noted that the approach in respect of cargo services has not yet been finalised and any determination at this stage could only be on an ad hoc basis only. The proposal submitted by AAI was bereft of requisite financial details and the stakeholder consultation appeared to be incomplete in as much as one of the important stakeholders ACAAI did not participate in the meeting. ACAAI vide letter dated 10.08.2010, had also requested the Authority that while examining the request of the AAI for revision of charges, AAI should be asked to enhance its infrastructure as well as services offered to the trade and other factors justifying the revision. ASSOCHAM also, vide letter dated 07.09.10, has stated that they agree with the views of the ACAAI and requested that any revision without a corresponding improvement in infrastructure facilities will increase the transaction cost of the industry.
- 3.2 In view of the position stated in para 3.1 above, the Authority decided to return the proposal to AAI with an advice to await the finalisation of the approach of the Authority in respect of regulation of cargo service where such services are provided by the airport operator. However, in case there were compelling reasons for seeking revision on an immediate basis, a fresh proposal with detailed financial justification could be submitted for the consideration of the Authority.
- 4.1 AAI, vide letter dated 07.09.2010, re-submitted that proposal requesting that the same may be reconsidered for the reasons that the rate of increase of inflation in 2009-10 based on CPI, was 12.95% against proposed revision of 5% and the subject revision is based on the consensus reached in the meeting with FFAAI and FIEO.
- 4.2 As the details furnished by AAI vide letter dated 07.09.2010, were insufficient, AAI were requested to furnish the airportwise details of the expenditure incurred for improvement of cargo terminals at the Chennai and Kolkata airports alongwith details of the operational expenditure.



- AAI, vide their communication dated 24.09.2010 submitted the details and stated that the last revision of cargo charges was done in year 2007-08. Since then, AAI has invested Rs. 165 crores and Rs.96 crores at the cargo centers at Chennai airport and Kolkata airport, respectively. The operating expenditure has increased by more than 12.43% during 2009-10 over 2008-09 at Chennai Airport and by 11.32% for the corresponding period at Kolkata airport, against which 5% increase only has been requested. However, AAI did not furnish the expenditure figures pertaining to Cargo Terminals of Chennai and Kolkata airports and the figures furnished were for the entire airport.
- 4.4 The Authority, vide letter no. AERA/20010/AAI-C/2010-11/1179 dated 08.10.2010, requested AAI, to furnish specific details of expenditure (opex and capex) at the Cargo Units of Kolkata and Chennai Airport to process the request for 5% revision in AAI schedule of charges for cargo handling services at each airport. AAI, vide letter dated 18.10.2010, submitted that they were unable to provide separate accounts for cargo units at these airports as they do not maintain separate accounts for cargo services at these airports and that the figures are maintained for the airport as a whole. AAI reiterated its request for considering their proposal based on the grounds already indicated, i.e., increase in expenditure, investments made at the Cargo Units at these airports, revision requested lesser than the rate of inflation prevailing during 2009-10, based on CPI. It was also highlighted that as per existing practice the revision is due w.e.f. 1.4.2010 and therefore, delay in approval would result in further loss of revenues to AAI.
- 5. The Authority has, in the meantime, decided its approach to economic regulation, of services provided by the independent service providers, inter-alia, for cargo facility at major airports (Order No. 05/2010-11 dated 30.7.2010). The said Order also specifically states that the approach for airport operators, in respect of such services will be set out separately. In other words the Authority's approach to economic regulation of services provided for cargo facility, wherever such services are provided by the airport operator, is still to be decided.
- 6.1 The Authority in its 22nd Meeting held on 04.11.2010 considered in detail the proposal of AAI and noted that:
 - a) The Authority's approach in respect of Cargo Services wherever such services are provided by the airport operator itself, has not yet been finalized. Therefore, any determination at this stage would have to be on an ad hoc basis only.
 - b) AAI has been charging uniform rates for Cargo Services at its airports. Such rates have been fixed by them, in the past, after stakeholder consultation. In the present case also AAI has proposed revision in charges broadly in accordance with the past practice.
 - c) AAI has invested Rs. 165 crores and Rs. 96 crores at Chennai airport and Kolkata airport respectively. The operating expenditure (for entire airport including cargo units) has increased by more than 12.43% during 2009-10 over 2008-09 at Chennai airport and by 11.32% for the same period at Kolkata airport, against which 5% increase only has been requested.
 - d) The actual operating expenses at Chennai Airport for year 2008-09 and 2009-10 are Rs. 192.91 crores and Rs. 216.88 crores, respectively and at



- Kolkata airport it is Rs. 163.77 crores and Rs. 182.31 crores, respectively. However, separate expenditure figures for cargo units at Chennai and Kolkata airports have not been furnished.
- e) At the time of recent case of revision of UDF in respect of Hyderabad airport, based on CSO data, it was ascertained that the WPI has increased @ 5.33% (on CAGR basis) over the period of 5 years (2004-05 to 2009-10). The 5% increase proposed by AAI, is less than the rate ascertained.
- f) The revision of charges has been proposed after holding stakeholder consultation and 5% revision proposed is based on the consensus reached at the meeting with the representatives of FFAAI and FIEO. AAI has stated that ACAAI did not participate in the meeting inspite of the clarifications given to them that AAI will seek approval of this Authority for revision of the rates.
- g) AAI has highlighted that the revision of cargo handling charges is due from 01.04.2010 and any delay in approval will lead to consequential loss of revenue to AAI, since it cannot be implemented with retrospective effect.
- h) At Chennai airport, AAI is not the sole custodian, Air India is a also a competitor. However, at Kolkata airport, AAI is the sole custodian.
- i) AAI has requested that the cargo handling charges be revised @5% at Chennai and Kolkata airport during 2010-11 and 2011-12. It has been proposed that the ad-hoc revision proposed be applicable w.e.f. 01.12.2010 and be reviewed at final tariff determination for Chennai and Kolkata airport.
- 6.2 In view of the above, the Authority decided to propose the approval of revision in the schedule of charges (for TSP and Demurrage charges) at Chennai and Kolkata airports by 5% purely on ad hoc basis, w.e.f 01.12.2010, over the previous year's charges for stakeholder consultation. Accordingly, Consultation Paper No. 10/2010-11 dated 11.11.2010 was issued with 14 days response time soliciting feedback/comments from the stakeholders.
- 6.3 Comments/suggestions have been received from the following parties:
 - a. Airports Authority of India
 - b. Government of West Bengal Transport Department Kolkata
 - c. The Air Cargo Agents Association of India (ACAAI)
 - d. MIAL
 - e. Calcutta Customs House Agents Association(CCHA), through AAI
- 6.4 Details on the comments received from the above stakeholders are given below:
 - a. <u>Airports Authority of India:</u>
 - i. AAI confirmed that the aforesaid Consultation Paper no. 10/2010-11, has been brought to the notice of concerned trade bodies related to the cargo trade.



- ii. AAI has submitted that Stakeholders agreed for upward revision of cargo tariff by 5% for each year over the previous year rates at Kolkata & Chennai airports for FY 2010-11 & 2011-12. Accordingly, AAI proposed to AERA for 5% increase in TSP & Demurrage Charges over the previous year for two financial years i.e. FY 2010-11 and for FY 2011-12. However the instant proposal entails 5% increase in Cargo Tariff for FY 2010-11 only (w.e.f. from 01.12.2010 for 4 months).
- iii. Since the increase in Cargo rates is implemented prospectively and AAI had already suffered revenue loss due to non-implementation of revision in cargo rates from its due date, i.e., 01.04.2010, AAI requested for approval of this Authority for 5% increase in Cargo Tariff for Kolkata & Chennai airports for FY 2011-12 (w.e.f 01.04.2011) over the revised rate of 2010-11, may also be conveyed along with instant proposal to avoid any procedural delay in implementation revised Cargo Rates.
- b. <u>Government of West Bengal</u>: Transport Department, Kolkata, vide letter no. 6018-WT/TR/O/2A-07/2010 dated 25.11.2010 have stated that the State Government have no objection to the proposal for enhancement of the Cargo charges as stated at in the above Consultation Paper.
- c. <u>ACCAI</u>: ACCAI vide its letter dated 23.11.2010 and 26.11.2010 has stated that:
 - i. For the past few decades it has been the practice of AAI to call a few stakeholders, present a proposal for enhancing the tariff and irrespective of the acceptance or otherwise of the participants, AAI proceeds with the revision. Such increases invariably would be implemented with very little notice period and there are instances when the revision was introduced within few days of notifying. It had never been the practice of AAI to circulate detailed and reasoned proposal listing out various heads of operations, type of expenses, investments, ROI, ROC along with justification and quantum of increase.
 - ii. With the creation of AERA, users in general and ACAAI in particular was relieved that the days of such arbitrary and unscientific fixation of tariff are over. Any revision should be scientific and backed with authoritative data. ACAAI further stated that the proposal put forth by AAI is bereft of a serious effort to justify seeking an increase.
 - iii. ACAAI expressed that once a regulatory authority is in place, it curtails the role of the regulated entirely to directly interact with the users on tariff fixation. AAI' responsibility is to submit its proposal to the regulator AERA, the regulator will in turn circulate the proposal to the stakeholders, solicit their views, compile the entire details and call for a joint meeting of all concerned to finalise the revision.



- iv. ACAAI has stated that the proposal of the AAI should be considered based on the factors like investment proposed, expected rate of return, capital investments, return on capital, operating expenses, expansion plans, and impact of expansions etc. Further conditionalalities and performance benchmarks should be integral part of the tariff and there should be accountability factor also on the part of AAI for delay in clearance of cargo.
- v. ACAAI has opposed the 5% revision of schedule of cargo charges at Chennai and Kolkata airports of AAI.
- d. <u>Mumbai International Airport Limited (MIAL)</u>: MIAL vide letter dated 25.11.2010 has submitted that they are not a direct stakeholder in the proposed case. Therefore, no specific comments are being made, but it does not mean that MIAL concurs with the contents of the application made by AAI and the Consultation paper of the Authority.
- e. <u>Calcutta Customs House Agents' Association (CCHAA)</u>: CCHAA in their letter dated 22.11.2010 has mentioned that the proposal was earlier discussed and decided at appropriate higher levels and they convey their acceptance accordingly.
- 6.5.1 The Authority vide letter no. AERA/20010/AAI-C/2010-11/1446 dated 06.12.2010 requested AAI to offer its comments on the issues raised by ACAAI. AAI have vide their letter no. No.AAI/CHQ/REV/Cargo/09 dated 14.12.2010 furnished this comments. It has been submitted that AAI have always involved all the stakeholders in the process of revision of cargo tariff and any increase in tariff has always been implemented after arriving at a consensus. Further, in all the meetings relating to the revision, detailed discussions giving the details of assets created, investments made, facilities enhanced/provided at Cargo Complex etc. were placed before the Stakeholders who were given adequate opportunities to present their views.
- 6.5.2 AAI has stated that a meeting of all stakeholders was held for the revision of Cargo Terminal charges in the month of March, 2010. ACAAI chose to stay away from the meeting in spite of the explanation that the final revision would be implemented only after AERA's approval. In the proceedings AAI presented its case for revision of charges by 10% giving the details of investment made in Cargo Terminals, the performance of Cargo Terminals including untraceable Cargo, Cargo dwell time and additional equipments provided etc. Two rounds of discussions were held and ACAAI chose to stay away from the 2nd round of discussion also. However, the meeting was attended by FFFAI, FIEO, representatives of customs clearing Agents Association at Kolkata Airport, who actually represents the exporters.
- 6.5.3 During 2nd round of discussions, FFFAI and FIEO did not agree for 10% increase and gave a proposal for 5% increase on the basis of the presentation given by AAI to stakeholders. In the interest of the trade, AAI agreed with the proposal of FFFAI who got confirmation for 5% increase from the representatives in Kolkata, Chennai and DG, FIEO also. Thus, an agreement was reached about the revision of AAI cargo charges by 5% with effect from 1.4.2010 and on the basis of the same the proposal was sent to AERA for approval.



- 6.5.4 AAI has submitted that the contention of ACAAI, "it never used to be a Consultation but always intimation after the revision is finalized" is incorrect because the final revision was done after agreement among the stakeholders which may be verified from the fact that the revision effected was not the rate proposed by AAI but the rate agreed to after the consultations.
- 6.5.5 As regards the issue of benchmarking, AAI has submitted that they are not against any benchmarking and have signed a MOU with the Ministry for benchmarking certain activities in exports and imports. Further, the average dwell time of the Cargo has been coming down consistently; Cargo clearance within the free period has also gone up, considerably, and the un-traceability of Cargo is negligible.
- 6.5.6 AAI has submitted that the objections raised by the ACAAI are far from the factual and that AAI is within their right to have discussions with the trade to firm up the proposal for any revision of charges before sending it to AERA for approval. AAI has also submitted that the impact of the revision of AAI charges is only on the actual exporters/ importers and ACAAI and Customs Clearing Agents only facilitate the booking of cargo on behalf of exporters and clearing it through Customs.
- 7.1 The Authority considered the issue in detail including the comments furnished by the stakeholders and the comments furnished by AAI in its 26th Meeting held on 04.01.2011. The Authority observed that:
 - (a) The increase in cargo charges has been proposed @ 5% even though WPI has increased @ 5.3% p.a. on CAGR basis.
 - (b) Substantial investments have been made by the AAI in the Cargo facilities at Chennai and Kolkata. Further operating expenditure has increased by 12.43% at Chennai airport and by 11.32% at Kolkata airport.
 - (c) The proposal has been found to be acceptable by the FIFO, the apex trade body of Importers and Exports and all other responding stakeholders, except ACCAI.
 - (d) There is some merit in ACCAI's contention that cargo tariffs ought to be fixed on an economic basis and not merely on the basis of consultation. In the present case, the Authority is of the opinion that elements at (a) & (b) provide an economic justification for revision of tariff by 5%, at least in an ad hoc determination.
 - (e) Authority considers that user consultation and agreement is a very important element in the process of tariff fixation. Initiative taken by AAI in consulting the users before finalizing the proposal for this Authority's approval, therefore, needs to be supported. Stakeholder consultation by the AAI would not take away the right of the stakeholders to submit their views before this Authority. In effect, therefore, in this process, the stakeholders would get two opportunities to voice their views and seek redressal for their grievances, if any.
- 7.2 Member (Finance), AAI who was present to assist the Authority stated that the AAI would be in a position to implement the revised tariff from the day following the date of receipt of Authority's approval in the matter.



Having perused the records and upon due consideration of all facts, circumstances and submissions made by the stakeholders, the Authority passes the following Order.

ORDER:

In exercise of powers conferred by Section 13(1)(a) of the Act, the Authority approves the revision of the schedule of cargo charges (for TSP and Demurrage charges) at Chennai and Kolkata airports by 5% over the existing charges, purely on an ad-hoc basis with immediate effect as per the Schedule of Charges as at Annexure-I. This adhoc determination would be reviewed at the stage of tariff determination for the first cycle and thereafter at such intervals as the Authority may decide.

> By the Order of and in the Name of the Authority

> > (Sandeep Prakash) Secretary

To,

Airports Authority of India, Rajiv Gandhi Bhawan, सत्यमेव जयते Safdarjung Airport, New Delhi -110 003

(Through: Shri V.P. Agrawal, Chairman)





SCHEDULE OF CHARGES A-EXPORT CARGO

(I) TERMINAL, STORAGE AND PROCESSING CHARGES

| S. No. | Type of Cargo | Existing | | Authority 11/201 | pproved vide 's Order No. 0-11 dated 01.2011 |
|-----------|---------------|----------------------------------------------------|----------------------------------------------------|------------------------------|-------------------------------------------------------|
| | | Rate per Kilogram Rs/P | Minimum rate per consignment Rs/P | Rate per Kilogram Rs/P | Minimum rate per consignment Rs/P |
| | | With effect from 7 th April, 2008 | With effect from 7 th April, 2008 | | |
| 1 | General | 0.70 | 120.00 | 0.74 | 125.00 |
| 2 | Special | 1.40 | 235.00 | 1.47 | 245.00 |
| 3 | Perishable | 0.70 | 120.00 यमेव जयते | 0.74 | 125.00 |

(II) DEMURRAGE CHARGES (Leviable From Shipper)

| S. No. | Type of Cargo | Existing [] [] [] [] [] [] [] [] [] [| | Charges approved vide Authority's Order No. 11/2010-11 dated 05.01.2011 | | |
|-----------|---------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------|--|
| | . , | Rate per Kilogram Rs/P | Minimum rate per consignment Rs/P | Rate per Kilogram Rs/P | Minimum rate per consignment Rs/P | |
| | | With effect from 7 th April, 2008 | With effect from 7 th April, 2008 | | | |
| 1 | General | 0.72 | 120.00 | 0.76 | 125.00 | |
| 2 | Special | 1.43 | 235.00 | 1.50 | 245.00 | |
| 3 | Perishable | 0.72 | 120.00 | 0.76 | 125.00 | |



DRAFT SCHEDULE OF CHARGES B-IMPORT CARGO

(I) TERMINAL STORAGE AND PROCESSING CHARGES

| S. No. | Type of Cargo | Existing | | Charges approved vide Authority's Order No. 11/2010-11 dated 05.01.201 | |
|-----------|-------------------------|----------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------|
| | | Rate per Kilogram Rs/P | Minimum rate per consignment Rs/P | Rate per Kilogram Rs/P | Minimum rate per consignment Rs/P |
| | | With effect from 7 th April, 2008 | With effect from 7 th April, 2008 | | |
| 1 | General | 4.72 | 130.00 | 4.96 | 135.00 |
| 2 | Special and Valuable | 9.42 | 250.00 | 9.89 | 265.00 |

(II) DEMURRAGE CHARGES

Free storage period for Import cargo shall be 72 hrs. (03 working days) including the date of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg; pr day" non-cumulative basis, provided the consignment is cleared within 120 hrs. (Five working days). If clearance is affected after 120 hrs. (05 working days) demurrage will accrue for the entire period from the date/time of the arrival of the flight, as follows:

| S. No. | Type of | Period | Existing | | Charges approved vide Authority's Order No. | |
|-----------|------------------|-------------------------------------------------------|----------------------------------|---------------------------------------------|------------------------------------------------|--------------------------------------|
| | Cargo | HI.IF | Rate per Kilogra m Rs/P | Minimum rate per consignme nt Rs/P | Rate per Kilogra m Rs/P | Minimum rate per consignment Rs/P |
| 1 | General Cargo | Up to 120 hrs. (5 days working including free period. | 1.37 | | 1.44 | |
| | | Between 120 hrs. and 720 hrs. (6 and 30 days) | 2.73 | 310.00 | 2.87 | 325.00 |
| | | Beyond 720 hrs. (30 days) | 4.10 | | 4.31 | |



| S. No. | Type of Cargo | Period | Existing | | Charges approved vide Authority's Order No. 11/2010-11 dated 05.01.2011 | | |
|-----------|---------------------|-------------------------------------------------------|----------------------------------|---------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------|--|
| | | | Rate per Kilogra m Rs/P | Minimum rate per consignme nt Rs/P | Rate per Kilogra m Rs/P | Minimum rate per consignment Rs/P | |
| 2 | Special Cargo | Upto 120 hrs. (5 days working) including free period. | 2.73 | | 2.87 | | |
| | r | Between 120 hrs. and 720 hrs. (6 and 30 days) | 5.46 | 610.00 | 5.73 | 640.00 | |
| | | Beyond 720 hrs. (30 days) | 8.19 | | 8.60 | 640.00 | |
| 3 | Valuabl e Cargo | Upto 120 hrs. (5 days working) including free period. | 5.46 | | 5.73 | | |
| | | Between 120 hrs. and 720 hrs. (6 and 30 days) | 10.92 | 1220.00 | 11.47 | 1280.00 | |
| | | Beyond 720 hrs. (30 days) | 16.38 | | 17.20 | | |

Note: The terms and conditions to the schedule of cargo handling charges shall remain same as per the proposal submitted by AAI **(Annexure-II).**





NOTES: [Export CARGO]

- 1. The free period for export cargo shall be one working day (24 hours) for examination/processing by the shippers.
- 10% discount in the Terminal, Storage and Processing charges will be granted to Exports who opt for engaging their own loaders for offloading cargo from their vehicles at Truck Dock and shifting to Custom Examination Area.
- 3. Terminal, Storage and Processing charges applicable to Newspaper and TV reel consignments shall be 50% of the prescribed charges.
- 4. Consignments of human remains, coffin including unaccompanied baggage of deceased and Human eyes will be exempted from the purview of Terminal, Storage and Processing and Demurrage charges.
- 5. Terminal, Storage and Processing charges are inclusive of Forklift charges wherever Forklift usage is involved. No separate Forklift charges will be levied.
- 6. # Special cargo consists of live animals, hazardous goods and valuable cargo.
- 7. Charges will be levied on the 'gross weight' or the 'chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
- 8. For misdeclaration of weight above 2% and upto 5% of declared weight, penal charges @ double the applicable Terminal, Storage and Processing charges and for variation above 5%, the penal charges @ 5 times the applicable Terminal, Storage and Processing charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum Terminal Storage and Processing Charges. No penal charges will be leviable for variation upto and inclusive of 2%. This will not apply to Valuable Cargo.
- 9. All the Bills shall be rounded off to the nearest of Rs. 5/-. As per IATA Tact Rule book Clause-5.7.2, the rounding off procedure, when the rounding off Unit is 5.

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- 10. As an incentive to trade to utilize the lean hours, 20% discount in the Terminal, Storage and Processing charges will be granted for Export cargo admitted between 1000 hrs to 1500 hrs, subject to levy of minimum rate per consignment as given in Scale of Charges.
- 11. Merchant Over Time (MOT) charges @ Rs.200.00 per consignment for admitting cargo beyond normal working hours.



MOTES: [IMPORT CARGIO]

- 1. Consignments of human remains, coffin including baggage of deceased and Human eyes will be exempted from the purview of Terminal, Storage and Processing and Demurrage charges.
- 2. No separate Forklift charges will be levied.
- 3. Charges will be levied on the 'gross weight' or the 'chargeable weight' of the consignment whichever is higher. Wherever the 'gross weight' and (or) volume weight is wrongly indicated on the Airway Bill and is actually found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight' or 'chargeable weight' whichever is higher.
- 4. # Special Import cargo consists of cargo stored in cold storage, live animals and hazardous goods.
- 5. @ Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (Including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum and items valued at USD 1000 per Kg. and above.
- 6. All the Bills shall be rounded off to the nearest of Rs. 5/-. As per IATA Tact Rule book Clause-5.7.2, the rounding off procedure, when the rounding off Unit is 5.

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