

Airports Economic Regulatory Authority of India

Order No. 10/2012-13

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003**

Date of Order: 20th June, 2012

Date of Issue: 06th July, 2012

In the matter of Multi Year Tariff Proposal for 1st Control Period and the Annual Tariff Proposals for the first and second tariff year submitted by Hyderabad Menzies Air Cargo Pvt. Ltd. for providing Cargo Services at Rajiv Gandhi International Airport, Shamshabad Hyderabad.

M/s Hyderabad Menzies Air Cargo Pvt. Ltd. (HMACPL) submitted their Multi Year Tariff Proposal (MYTP) for the 1st Control period, starting w.e.f 01.04.2011, vide their proposal dated 29.04.2011 and subsequent submissions made on 10.11.2011 and 01.03.2012, in respect of the cargo services being rendered by them at Rajiv Gandhi International Airport, Shamshabad, Hyderabad. HMACPL also submitted their Annual Tariff Proposal (ATP) for the first tariff year (FY 2011-12) and second tariff year (FY 2012-13), w.e.f. 01.04.2011 and 01.04.2012 respectively, vide their submissions dated 01.03.2012. HMACPL is a joint venture company formed by GMR Hyderabad International Airport Ltd. and Menzies Aviation Cargo (Hyderabad) Limited (a 100% owned subsidiary of Menzies Aviation Plc., UK.) with a shareholding ratio of 51:49 respectively. HMACPL has been carrying out cargo operations at RGI Airport, Hyderabad since 23rd March, 2008.

2.1 As per the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariffs for services provided for Cargo Facility, Ground Handling and Supply of Fuel to Aircraft) Guidelines, 2011 (i.e., the Guidelines) in respect of the regulated service(s) provided for cargo facility at the major airports, the Authority considers that materiality of the service is linked to the cargo volume at the major airport. The materiality shall be assessed based on cargo volume in MT at the major airport as a percentage of cargo volume in MT at all major airports, in terms of Clause 4.3 of the Guidelines. The percentage share of cargo volume for RGI Airport, Hyderabad is 3.4% (as per the AAI traffic statistics for the year 2010-11) which is greater than 2.5% Materiality Index fixed for the subject service. Hence the service is deemed 'material'.

2.2 As per the Guidelines, where a Regulated Service is being provided at a major airport by two or more Service Provider(s), it shall be deemed "competitive" at that airport and if such service is provided by less than two Service Provider(s), it shall be deemed "not competitive". The Guidelines provide that the Authority may in its



discretion consider such other additional evidence regarding reasonableness of competition, as it may deem fit and the determination of number of Service Provider(s) at a major airport shall include the Airport Operator, if the Airport Operator is also providing Regulated Service(s) at that major airport.

2.3 HMA CPL, in Form F1 (b) on the Competition Assessment, mentioned M/s Blue Dart as their competitor and submitted that Blue Dart carries 27% of domestic cargo at Hyderabad Airport and is able to give competition for domestic cargo. M/s HMA CPL also mentioned, in their submission, that volume-wise the domestic and international air cargo business at Hyderabad Airport was divided in the ratio of 40:60; whereas revenue-wise international business volume contributes almost 85% of the total cargo revenue.

2.4 In view of the lack of competition for international cargo, which contributes almost 85% of total cargo revenue at RGI Airport, Hyderabad, as per submission by M/s HMA CPL, the cargo facility at RGI Airport, Hyderabad appeared to have limited competition and hence the instant case falls under the category 'material but not competitive.'

3.1 As per the Guidelines, based on the assessment of materiality and competition, when such regulated service is deemed "material but not competitive", the Authority shall then assess the reasonableness of existing User Agreement(s). Where the Authority is assured of the reasonableness of the existing User Agreement(s), the Authority shall determine Tariff(s) for the service providers based on a light touch approach.

3.2 Regarding Reasonableness of User Agreement(s), Clause 6 of the Guideline provides that the Authority shall consider the existing User Agreement(s) as reasonable provided that:

"2.8.1 The service provider submits existing User Agreement(s) between the Service Provider and all the User(s) of the Regulated Service(s), clearly indicating the tariff(s) that are agreed to between the Service Provider and the User(s) of the Regulated Service(s), and

2.8.2 The User(s) of the Regulated Service(s) have not raised any reasonable objections or concerns in regard to the existing User Agreement(s), which have not been appropriately addressed.

Provided that the Authority may in its discretion consider such other additional evidence regarding reasonableness of User Agreement(s) as it may deem fit."

3.3 Regarding User Agreement(s) and consultation process, HMA CPL submitted copies of agreements with 17 airlines. The agreements with the airlines contain schedule of rates, which are generally similar and also submitted copies of documents relating to user consultation process with the domestic and foreign airlines. HMA CPL submitted that tariff was determined in consultation with ACCAI and submitted copies of correspondence with ACCAI.



3.4 As per the Guidelines, the Authority may, in its discretion, consider such other additional evidence regarding reasonableness of User Agreement(s) as it may deem fit. In this regard, the Authority observed that HMA CPL is the only cargo facility service provider. But, it has entered into user agreements - which contain specific charges and hence are apparently reasonable. Also, HMA CPL provided evidence regarding user consultation with the trade members with reference to fixing of charges like TSP etc., which had been altered or reduced on specific user requests.

4. Taking into consideration the submissions made by HMA CPL and the above observations, the Authority vide Consultation Paper No. 03/2012-13 dated 30.04.2012, proposed the following for stakeholder consultation:

- (i) The service for Cargo facility being provided by HMA CPL at Rajiv Gandhi International Airport, Hyderabad is "material but not competitive". However, HMA CPL has entered into reasonable user agreements and user consultation process is in place. In view of the same, the Authority tentatively decided to adopt light touch approach for determination of tariff for the 1st Control period w.e.f. 01.04.2011.
- (ii) The charges proposed by HMA CPL as part of its Annual Tariff Proposal may be approved w.e.f. 01.04.2011 for first tariff year (2011-12) and w.e.f. 01.04.2012 for second tariff year (2012-13) respectively or from such other prospective date as the Authority may finally decide."

5.1 Following entities/stakeholders furnished their comments in response to the Consultation paper 03/2012-13 issued by the Authority:-

- (i) GMR Hyderabad International Airport Ltd.(GHIAL)
- (ii) Air Cargo Agents Association of India.(ACCAI)
- (iii) Customs House Agents Association.(CHAA)
- (iv) Board of Airlines Representative-Cargo Sub Committee(BAR-C)
- (v) Airports Authority of India(AAI)

5.2 The comments of the stakeholders are summarised as follows:

- i. **GMR Hyderabad International Airport Ltd. :** HIAL supported the findings of the Authority to adopt light touch approach for Cargo Service provider since the evidence of reasonableness of user agreements duly supported by the user consultation have been produced. In their view, the Authority's assessment and adoption of light touch approach is a step in the right direction and will go on to encourage more competition in the segment and make the sector more healthy and responsive.
- ii. **Air Cargo Agents Association of India (ACAAI):** ACAAI submitted that HMA CPL has committed that they would not increase the tariff till April-2013, and therefore, ACAAI assumes that the present consultation paper available on the website of AERA is for next financial year. Further,



ACAAI suggested that AERA may circulate the proposal to users of HMA CPL, seek their views, call for a joint meeting before any revision is accepted.

- iii. **Customs House Agents Association (CHAA):** CHAA endorsed the views of ACAAI vide email dated 15.05.2012.
- iv. **Board of Airlines Representative-Cargo Sub committee (BAR-C)** : BAR-(C) vide email dated 16.05.2012, stated that rate increase proposals forwarded by HMA CPL also covers an increase in charges borne by airline customers-like build up, break down and X-ray screening charges and the proposed increase in these charges have been compiled and proposed without consultation or agreement with Airline customers. Further, BAR-C stated that in the submission made by HMA CPL, HMA CPL had only provided a document related to their agreement with the agents/ACAAI on TSP charges and since the same had not been discussed/ agreed with airline customers no document to this effect has been submitted. Since these charges were billed to airline customers and the increase directly impacts the operational cost of their services, BAR would request that these charges be deferred till a common agreement between HMA CPL and airline customers was reached.
- v. **Airports Authority of India:** AAI have vide their letter No. ED/CARGO/1351/17/2012/601 dated 01.06.2012 stated that the cargo facility being provided by M/s HMA CPL at Rajiv Gandhi International Airport, Hyderabad is “material but not competitive”, however, M/s HMA CPL has entered into reasonable user agreements and user consultation process is in place. The decision of Authority to adopt light touch approach for determination of tariff for the first control period w.e.f. 01.04.2011 seems to be in order. Apart from this, AAI had no other comments to offer.
- vi. HMA CPL in their response to the Consultation Paper vide letter No. Nil dated 14.05.2012 expressed appreciation to the Authority for the detailed understanding of their MYTP submissions and for placing the proposal before stakeholders for consultation. HMA CPL briefly touched on the competitive scenario at the Hyderabad airport (comparing their service with Blue Dart that Handles 27% of the Domestic Cargo); the agreements and one to one negotiations with their airlines and Cargo agents associations like ACAAI and DACAAI and the user consultation process put in place by them. They requested the Authority’s approval of the proposal under the light touch approach and approval of the charges for the first and second tariff year of the control period.

5.3 The comments received from ACAAI, BAR-C and CHAA were forwarded to HMA CPL for their comments/views on the stakeholder observations. HMA CPL vide their letter no. NIL dated 01.06.2012 commented on the stakeholder responses as follows:



Stakeholder Response	HMACPL Comments
<p>Air Cargo Agents Association of India (ACAAI)_ has raised two points:</p> <ul style="list-style-type: none"> • Need a confirmation/clarification that HMACPL shall not increase the TSP and storage rates during 2012-13. • Joint meeting should be called before any revision in rates is accepted by AERA. <p>Customs House Agents Association_ has also agreed with the opinion of ACCAI.</p>	<p>Although increase in rates for TSP and storage was agreed with ACAAI and CHA Association in April, 2011, while filing for Annual Tariff Plan for Tariff Year 2011-12 and 2012-13, they have not proposed any rate increase. For the ATP for the year beginning 1st April,2013, in case HMACPL intends to revise the rates of TSP and storage charges, they will call for a consultation meeting, as done in the past, with trade bodies before implementing any revision.</p>
<p>Chairman, Board of Airline Representative-Cargo Sub-committee for AP has raised the concern that rates proposed for Airline cargo unitization, de-unitization and X-ray screening has not been discussed with them. They have also mentioned that the increase should be deferred till a common agreement between HMACPL and airline customers is reached.</p>	<p>The rates with airline differ from customer to customer and are negotiated on one to one basis depending on the volumes and services offered. The rates referred in the ATP filed with AERA are maximum rates contracted with any customer and shall only define the upper limit. We would not like to have a common agreement with all airline customers through BAR and propose to follow the existing process of one-to-one negotiation. Unlike TSP tariff, which is charged for providing similar services to all forwarders, in the case of Airline customers, the service scope, volumes handled and service expectation varies from customer to customer. Thus as a standard industry practice (also followed internationally) one-to-one negotiations and agreements (including tariff) is concluded on an individual basis with each Airline customer.</p>

6. Meanwhile, ACAAI vide their letter no. ACAAI/AERA-14/19/2012 dated 28.05.2012 made an additional submission on the Consultation Paper, wherein they stated that there should be two components for any tariff revision and both should be dependent upon:

- (i). A comprehensive proposal by the terminal operators seeking revision that should include investments, expected returns, resultant improvements in the efficiency levels of service, etc. and



- (ii). Conditionalities, performance standard, benchmarking of activities that the terminal operator is mandated to meet in their operations.

7. The Authority noted the above comments/views of stakeholders and response of HMA CPL to the same and observed that:-

7.1 AAI and GMR HIAL have agreed with the Authority's proposal to adopt a light touch approach for the first control period in respect of the cargo facility being provided by M/s Hyderabad Menzies Air Cargo Private Limited (HMA CPL) at Rajiv Gandhi International Airport, Hyderabad for determination of tariff for the first control period w.e.f 01.04.2011.

7.2 The concerns of ACAAI and CHAA were to seek confirmation that HMA CPL does not increase the rates till 31.03.2013, which has been confirmed by HMA CPL that they are not proposing to increase any charges for 2012-13. Further, for any revision in charges w.e.f. 01.04.2013, a consultation meeting with the trade would be held before such implementation.

7.3 As regards the concerns raised by BAR-C, HMA CPL have clarified the same that the rates with airline differ from customer to customer and are negotiated on one to one basis depending on the volumes and services offered. The rates referred in the ATP filed with AERA are maximum rates contracted with any customer and shall only define the upper limit and that they would not like to have a common agreement with all airline customers through BAR and propose to follow the existing process of one-to-one negotiation. Unlike TSP tariff, which is charged for providing similar services to all forwarders, in the case of Airline customers, the service scope, volumes handled and service expectation varies from customer to customer. Thus as a standard industry practice (also followed internationally) one-to-one negotiations and agreements (including tariff) is concluded on an individual basis with each Airline customer.

7.4 Further, the Authority also noted the additional issues raised by ACAAI and observed that these had been duly dealt with by the Authority during the process of stakeholder consultation process undertaken for finalization of the Guidelines. Further, these Guidelines issued by the Authority require the ISP(s) to submit proposal containing the capital investments proposed, returns etc. Further regarding the quality of service, the Authority has, vide its Order No. 5/2010-11 dated 02.08.2011, considered that there are significant interdependencies between activities performed by multiple parties at air cargo facilities, including aspects like dwell time, quality of service and information requirement. In such a scenario, it may not be possible to attribute objective or subjective quality of service indicators solely to cargo facility operators and consider linkage of service quality performance to tariff determination process. However, the Authority is conscious of the need to evolve the systems/procedures for monitoring performance standards and is minded to direct further analysis on the issue if deemed necessary during the first regulatory cycle. Further, the Authority had also stated in the said Order 5/2010-11, that it shall monitor the relevant performance standards in respect of the regulated services as may be set by the Central Government or any authority authorized by it in this behalf.



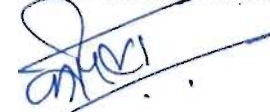
8. Upon careful consideration of material available on record, submissions made by the stakeholders and clarifications furnished by HMA CPL, the Authority approved the Multi Year Tariff Proposal and the Annual Tariff Proposal for the first and second year of the control period.

ORDER:

9. In exercise of the powers conferred by Section 13(1)(a) of the Act, The Authority hereby orders that:

- (i) The service for cargo facility being provided by M/s Hyderabad Menzies Air Cargo Private Limited at Rajiv Gandhi International Airport, Hyderabad is "material but not competitive". However, as Hyderabad Menzies Air Cargo Private Limited has entered into reasonable user agreements and user consultation process is in place, the Authority will adopt a "Light Touch Approach" for determination of tariff for the first five year control period w.e.f. 01.04.2011.
- (ii) The charges for cargo services provided by M/s Hyderabad Menzies Air Cargo Private Limited at Rajiv Gandhi International Airport, Hyderabad, w.e.f 01.04.2011 for the first tariff year (FY 2011-12) and w.e.f 01.04.2012 for the second tariff year(FY 2012-13), are determined as placed at Annexure-I and Annexure-II, respectively.
- (iii) Tariff proposed as above will be maximum and demurrage free period shall be as per Government Orders issued from time to time.

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


**(Capt. Kapil Chaudhary)
Secretary**

To

**Hyderabad Menzies Air Cargo Pvt. Limited,
Rajiv Gandhi International Airport,
Shamshabad,
Ranga Reddy Dist.,
Andhra Pradesh – 500 409
(Through: Shri Prashant Nimgade, VP-Finance)**



Annexure - I

HYDERABAD MENZIES AIR CARGO PVT. LTD.

**Form F14(b) - Annual Tariff Proposal For Tariff Year 1
MAXIMUM CHARGES PAYABLE BY AIRLINES**

S.No.	Description of Service	Unit	FY 2011-12 Tariff Year 1	
			Minimum Rate in INR	Rate per Kg in INR
A) INTERNATIONAL CARGO				
EXPORT CARGO				
1	Unitization/Build-up/Palletization	Per Kg	319 per flight	1.34
2	Courier/Mail Charges	Per Kg	319 per flight	1.34
3	DEMURRAGE/STORAGE CHARGE (rate per kg per day beyond *demurrage free period)			
a)	General Export Cargo	Per Kg	165/AWB	1.89
b)	Valuable/Perishable/ Hazardous Cargo/ Live Animals etc.	Per Kg	286/AWB	3.79
4	X-Ray screening charges	Per Kg	110/AWB	2.25
IMPORT CARGO				
1	De-unitization/Break-down/De-Palletisation	Per Kg	319 per flight	1.34
2	DEMURRAGE/STORAGE CHARGE (rate per kg per day)			
a)	General Export Cargo	Per Kg	165/AWB	1.89
b)	Valuable/Perishable/ Hazardous Cargo/ Live Animals etc.	Per Kg	319/AWB	5.04
TRANSHIPMENT CHARGES				
1	Transshipment charges-International to International General Cargo	Per Kg	319 per flight	2.00
2	Transshipment charges-International to Domestic General Cargo	Per Kg	319 per flight	2.00
B) DOMESTIC CARGO				
OUTBOUND CARGO				
1	Unitization/ Build-up/Palletization	Per Kg	244 per flight	1
2	Courier/Mail Charges	Per Kg	244 per flight	1.05
3	X-Ray screening charges	Per Kg	122/AWB	1.55
INBOUND CARGO				
1	De-unitization/Break-down/De-Palletisation	Per Kg	244 per flight	1
2	Courier/Mail Charges	Per Kg	305 per flight	1.05
TRANSHIPMENT CHARGES				
1	Domestic to Domestic/International General Cargo	Per Kg	146 per flight	1.00
	Special Cargo		286 per flight	1.05



1. User Agreements (Airlines or their agents) shall have the rates subject to maximum specified above. The agreements are in line with the IATA, AHM 810 Standard Ground Handling Agreement 2004/2008 (SGHA) as amended from time to time.
2. The rates with each Airline are based on negotiation and as agreed between the Service Provider (HMACPL) and the Airline depending on the specific service levels agreed such as Usage of equipment, credit period, indemnity/insurance, and other service necessary thought fit by the Airline.



HYDERABAD MENZIES AIR CARGO PVT. LTD.

Form F14(b) - Annual Tariff Proposal For Tariff Year 1

MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO

S.No.	LIST OF CHARGES	FY 2011-12 Tariff Year 1	
		Minimum Rate in INR.	Rate per Kg in INR
B) DOMESTIC CARGO			
OUTBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE[TSP]		
a)	General Cargo	100/AWB	0.65
b)	Special Cargo (AVI)	200/AWB	2.05
c)	PER/DGR/VAL cargo	200/AWB	2.05
d)	Postal Dept. Mails	221/Flight	0.71
2	DEMURRAGE/STORAGE CHARGE (rate per kg per day beyond *demurrage free period)		
a)	General Cargo	125/AWB	0.65
b)	Special Cargo (AVI)	200/AWB	2.05
c)	PER/DGR/VAL cargo	200/AWB	2.05
3	COURIER HANDLING CHARGE	100/AWB	0.75
4	PACKING/REPACKING/STRAPPING CHARGE	5/- per package	
5	RETURN CARGO CHARGE	100/AWB	
6	AIR WAYBILL AMENDMENT CHARGE	100/AWB	
7	WEIGHT/VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	120/AWB	2 times of differential weight
b)	More than 5% variation	120/AWB	5 times of differential weight
INBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE[TSP]		
a)	General Cargo/Unaccompanied Baggage	125/AWB	1.10
b)	Special Cargo (AVI)	200/AWB	2.10
c)	PER/DGR/VAL cargo	200/AWB	2.10
d)	Postal Dept. Mails	331/Flight	1.22
2	DEMURRAGE/STORAGE CHARGE (rate per kg per day beyond *demurrage free period)		
a)	General Cargo	200/AWB	1.25
b)	Special Cargo (AVI)	250/AWB	2.20
c)	PER/DGR/VAL cargo	250/AWB	2.20
3	COURIER HANDLING CHARGE	125/AWB	1.20
4	PACKING/REPACKING/STRAPPING CHARGE	5/- per package	



HYDERABAD MENZIES AIR CARGO PVT. LTD.

Form F14(b) - Annual Tariff Proposal For Tariff Year 1

MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO

S.No.	LIST OF CHARGES	FY 2011-12 Tariff Year 1	
		Minimum rate in INR	Rate per Kg in INR
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] – (per Shipping Bill)		
a)	General Cargo	120/AWB	1.00
b)	Special Cargo (AVI)	200/AWB	1.40
c)	PER/DGR/VAL cargo	230/AWB	2.43
d)	Fruits & Vegetables (no cold room usage)	75/AWB	0.65
e)	Meat Products	200/AWB	1.10
2	DEMURRAGE/STORAGE CHARGE (rate per kg per day)		
a)	General Cargo	200/AWB	1.00
b)	Special Cargo (AVI)	200/AWB	1.40
c)	PER/DGR/VAL cargo	250/AWB	2.43
3	COURIER HANDLING CHARGE	120/AWB	1.20
4	PACKING/REPACKING/STRAPPING CHARGE	5/- Per Package	
5	RETURN CARGO CHARGE	500/AWB	
6	AIR WAYBILL AMENDMENT CHARGE	100/AWB	
7	WEIGHT/VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	120/AWB	2 times of differential weight
b)	More than 5% variation	120/AWB	5 times of differential weight
8	Bonded trucking (loading charge)	120/AWB	1.00
9	Merchant Overtime Charge (beyond customs working hours)	55/-per Shipping Bill	
	VAL cargo	1000/- per AWB	
IMPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] – (per Bill of Entry)		
a)	General Cargo	200	4.75
b)	Special Cargo (AVI)	200	8.89
c)	PER/DGR/VAL cargo	250	9.50
3	DEMURRAGE/STORAGE CHARGE (rate per kg per 24 hours)		
a)	General Cargo/Unaccompanied baggage	Overall minimum 295/BoE	
i)	From Actual Time of Arrival of flight (ATA) upto *demurrage free period	No charges	No charges



S.No.	LIST OF CHARGES	FY 2011-12 Tariff Year 1	
		Minimum rate in INR	Rate per Kg in INR
ii)	Cargo cleared between *demurrage free period and 120 hours		1.30
iii)	Cargo cleared between 120 hours and 720 hours		2.60
iv)	Cargo cleared beyond 720 hours		3.90
b)	Special Cargo (AVI)	Overall minimum 580/BoE	
i)	Flight Actual Time of Arrival (ATA) upto *demurrage free period	No charges	No charges
ii)	Cargo cleared between *demurrage free period and 120 hours		2.60
iii)	Cargo cleared between 120 hours and 720 hours		5.20
iv)	Cargo cleared after 720 hours		7.80
c	PER/DGR/VAL cargo	Overall minimum 1160/BoE	
i)	Flight Actual Time of Arrival (ATA) plus *demurrage free period	No charges	No charges
ii)	Cargo cleared between *demurrage free period and 120 hours		5.20
iii)	Cargo cleared between 120 hours and 720 hours		10.40
iv)	Cargo cleared after 720 hours		15.60
4	COURIER HANDLING CHARGE	200/AWB	4.90
5	AIR WAYBILL AMENDMENT CHARGE	100/ AWB	
6	TRANSHIPMENT CHARGE – International to Domestic		
a	General Cargo	125	1.80
b	PER/DGR/VAL /AVI cargo	235	1.80
	Documentation Charges	100/AWB	
7	MERCHANT OVERTIME CHARGE (beyond customs working hours)		
a	General Cargo	215/- per Bill of Entry	
b	VAL cargo	1000/- per AWB	
8	Bonded trucking (Breakdown/unloading)	200	0.65
9	PACKING/REPACKING/STRAPPING CHARGE	5/- Per package	

Note: Applicable for international and domestic handling

- (1) Consignments of Human Remains, Coffins including Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of the TSP and Demurrage charges.
- (2) The charges will be levied on "Gross Weight" or "Chargeable Weight" whichever is higher. Wherever there is a mis declaration of the Gross or chargeable weight on the AWB, the actual Gross weight or Actual Chargeable weight will be used for the charges which ever is higher.
- (3) **Free period:**
Demurrage fees will be chargeable after free period as per tariff given.



*Demurrage free period shall be as per Government Orders issued and applicable from time to time.

- (4) 50% of the General Cargo Charges will be applicable to Newspaper (Daily”) TV Reels, applicable to domestic cargo.
- (5) All bills will be rounded off to the next INR 5 as per rules.
- (6) VAL Cargo consists of Gold Bullion, Currency Notes, Shares, Shares Coupons, Traveller’s Cheques, Diamonds (Incl Diamonds for Industrial Use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD 100/Kg and above.
- (7) For Consolidation TP Cargo – TSP Charges will be levied to all types of cargo, in addition to Transshipment charges mentioned above. Demurrage charges will be applicable as per General Cargo tariff.
- (8) All charges above are excluding Service Tax. Service Tax will be charged as per rules.



HYDERABAD MENZIES AIR CARGO PVT. LTD.

Form F14(b) - Annual Tariff Proposal For Tariff Year 2
MAXIMUM CHARGES PAYABLE BY AIRLINES

S.No.	Description of Services	Unit	FY 2012-13 Tariff Year 2	
			Minimum Rate in INR	Rate per Kg in INR
A) INTERNATIONAL CARGO				
EXPORT CARGO				
1	Unitization/Build-up/Palletization	Per kg	338Per flight	1.42
2	Courier/ Mail Charges	Per kg	338Per flight	1.42
3	DEMURRAGE/STORAGE CHARGE (rate per kg per day beyond applicable *demurrage free period)			
a)	General Export Cargo	Per kg	175/AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.,	Per kg	303/AWB	4.02
4	X-Ray screening charges	Per kg	117/AWB	2.39
IMPORT CARGO				
1	De-unitization/Break-down/De-Palletization	Per kg	338 Per flight	1.42
2	DEMURRAGE/STORAGE CHARGE (rate per kg day)			
a)	General Export Cargo	Per kg	175/AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.,	Per kg	338/AWB	5.34
TRANSHIPMENT CHARGES				
1	Transshipment charges- International to International General Cargo	Per kg	338 Per flight	2.12
2	Transshipment charges- International to Domestic General Cargo	Per kg	338 Per flight	2.12
B) DOMESTIC CARGO				
OUTBOUND CARGO				
1	Unitization/Build-up/Palletization	Per kg	259Per flight	1.06
2	Courier /Mail Charges	Per kg	259 Per flight	1.11
4	X-Ray Screening Charge	Per kg	129/AWB	1.64
INBOUND CARGO				
1	De-unitization/Break-down/De-Palletisation	Per kg	259Per flight	1.06
2	Courier /Mail Charges	Per kg	323 Per flight	1.11



TRANSHIPMENT CHARGES				
1	Domestic to Domestic/ International	Per kg		
	General Cargo		155Per flight	1.06
	Special Cargo		203 Per flight	1.11

1. User agreements (Airlines or their agents) shall have the rates subject to maximum specified above. The agreements are in line with the IATA, AHM 810 Standard Ground Handling Agreement 2004/2008 (SGHA) as amended from time to time.
2. The rates with each Airline are based on negotiations and as agreed between the Service Provider (HMACPL) and the Airline depending on the specific service levels agreed such as Usages of equipment, credit period, indemnity/insurance, and other services necessary thought fit by the Airline.



HYDERABAD MENZIES AIR CARGO PVT. LTD.

Form F14(b) - Annual Tariff Proposal For Tariff Year 2

MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO

S.No.	LIST OF CHARGES	FY 2012-13 Tariff Year 2	
		Minimum Rate in INR	Rate per Kg in INR
B) DOMESTIC CARGO			
OUTBOUND CARGO			
1	TERMINAL STORAGE AND PROCESSING CHARGE [TSP]		
a)	General cargo	100/AWB	0.65
b)	Special cargo (AVI)	200/AWB	2.05
c)	PER/DGR/VAL cargo	200/AWB	2.05
d)	Postal Dept. Mails	232/flight	0.75
2	DEMURRAGE/STORAGE CHARGE (rate per kg per day beyond 24 hrs)		
a)	General cargo	125/AWB	0.65
b)	Special cargo (AVI)	200/AWB	2.05
c)	PER/DGR/VAL cargo	200/AWB	2.05
3	COURIER HANDLING CHARGE	100/AWB	0.75
4	PACKING/REPACKING/STRAPPING CHARGE	5/-Per package	
5	RETURN CARGO CHARGE	100/AWB	
6	AIR WAYBILL AMENDMENT CHARGE	100/AWB	
7	WEIGHT/VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	120/AWB	2 times of differential weight
b)	More than 5% variation	120/AWB	5 times of differential weight
INBOUND CARGO			
1	TERMINAL STORAGE AND PROCESSING CHARGE [TSP]		
a)	General cargo/Unaccompanied Baggage	125/AWB	1.10
b)	Special cargo (AVI)	200/AWB	2.10
c)	PER/DGR/VAL cargo	200/AWB	2.10
d)	Postal Dept. Mails	348/Flight	1.28
2	DEMURRAGE/STORAGE CHARGE (rate per kg per day beyond *demurrage free period)		
a)	General cargo	200/AWB	1.25
b)	Special cargo (AVI)	250/AWB	2.20
c)	PER/DGR/VAL cargo	250/AWB	2.20
3	COURIER HANDLING CHARGE	125/AWB	1.20
4	PACKING/REPACKING/STRAPPING CHARGE	5/-Per package	



HYDERABAD MENZIES AIR CARGO PVT. LTD.

Form F14(b) - Annual Tariff Proposal For Tariff Year 2

MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO

S.No.	LIST OF CHARGES	FY 2012-13 Tariff Year 2	
		Minimum Rate in INR	Rate per Kg in INR
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] -(per Shipping Bill)		
a)	General Cargo	120/AWB	1.00
b)	Special Cargo (AVI)	200/AWB	1.40
c)	PER/DGR/VAL cargo	230/AWB	2.43
d)	Fruits & Vegetables (no cold room usage)	75/AWB	0.65
e)	Meat Products	200/AWB	1.10
2	DEMURRAGE/ STORAGE CHARGE (rate per kg per day beyond *demurrage free period)		
a)	General Cargo	200/AWB	1.00
b)	Special Cargo (AVI)	200/AWB	1.40
c)	PER/DGR/VAL cargo	250/AWB	2.43
3	COURIER HANDLING CHARGE	120/AWB	1.20
4	PACKING/REPACKING/ STRAPPING CHARGE	5/-Per package	
5	RETURN CARGO CHARGE	500/AWB	
6	AIRWAYBILL AMENDMENT CHARGE	100/AWB	
7	WEIGHT/VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	120/AWB	2times of differential weight
b)	More than 5% variation	120/AWB	5 times of differential weight
8	Bonded trucking (loading charge)	120/AWB	1.00
9	MERCHANT OVERTIME CHARGE (beyond customs working hours)	55/-per Shipping Bill	
	VAL cargo	1000/- per AWB	
IMPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP]- (per Bill of Entry)		
a)	General cargo/ Unaccompanied Baggage	200	4.75
b)	Special Cargo (AVI)	200	8.89
c)	PER/DGR/VAL cargo	250	9.50
3	DEMURRAGE/ STORAGE CHARGE (rate per kg beyond *demurrage free period)		



S.No.	LIST OF CHARGES	FY 2012-13 Tariff Year 2	
		Minimum Rate in INR	Rate per Kg in INR
a)	General cargo /Unaccompanied baggage	Overall minimum 295/BoE	
i)	From Actual Time of Arrival of flight (ATA) upto *demurrage free period.	No charges	No charges
ii)	Cargo cleared between *demurrage free period and 120 hrs		1.30
iii)	Cargo cleared between 120hrs and 720 hrs		2.60
iv)	Cargo cleared after 720 hrs		3.90
b)	Special cargo (AVI)	Overall minimum 580/ BoE	
i)	Flight Actual Time of Arrival (ATA) plus *demurrage free period	No charges	No charges
ii)	Cargo cleared between *demurrage free period and 120 hrs		2.60
iii)	Cargo cleared between 120hrs and 720 hrs		5.20
iv)	Cargo cleared after 720 hrs		7.80
c)	PER/DGR/VAL cargo	Overall minimum 1160/ BoE	
i)	Flight Actual Time of Arrival (ATA) plus *demurrage free period	No charges	No charges
ii)	Cargo cleared between *demurrage free period and 120 hrs		5.20
iii)	Cargo cleared between 120hrs and 720 hrs		10.40
iv)	Cargo cleared after 720 hrs		15.60
4	COURIER HANDLING CHARGE	200/AWB	4.90
5	AIRWAYBILLAMENDMENT CHARGE	100/per AWB	
6	TRANSHIPMENT CHARGE- International to Domestic		
a	General cargo	125	1.80
b	PER/DGR/VAL cargo	235	1.80
	Documentation Charges	100/AWB	
7	MERCHANT OVERTIME CHARGE (beyond customs working hrs)		
a	General cargo	215/-per Bill of Entry	
b	VAL cargo	1000/- per AWB	
8	Bonded trucking (Breakdown/ uploading)	200	0.65
9	PACKING/REPACKING/STRAPPING CHARGE	5/-Per package	

Note: Applicable for international and domestic handling

- (1) Consignments of Human Remains, Coffins, including Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of the TSP and Demurrage charges.



- (2) The Charges will be levied on "Gross Weight" or "Chargeable Weight" whichever is higher. Wherever there is a mis declaration of the Gross or chargeable weight on the AWB, the actual Gross weight or Actual Chargeable weight will be used for the charges whichever is higher.
- (3) **Free period:**
Demurrage fees will be chargeable after free period as per tariff given
*Demurrage free period shall be as per Government Orders issued and applicable from time to time
- (4) 50% of the General Cargo Charges will be applicable to Newspapers (Daily) TV Reels, applicable to domestic cargo.
- (5) All bills will be rounded off to the next INR 5 as per rules
- (6) VAL Cargo consists of Gold Bullion, Currency Notes, Shares, Shares Coupons, Traveller's Cheques, Diamonds (Incl Diamonds for Industrial Use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD 1000/ kg and above.
- (7) For Consolidation TP Cargo- TSP Charges will be levied to all types of Cargo, in addition to Transshipment charges mentioned above. Demurrage Charges will be applicable as per General Cargo tariff.
- (8) All charges above are excluding Service Tax. Service Tax will be charged as per rules.

