

[F. No. AERA/20010/MYTP/CSC/PC/Mum/2011-12/Vol - I]

Airports Economic Regulatory Authority of India

Order No.21/2015-16

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

Date of Order: 24th June, 2015

Date of Issue: 2nd July, 2015

Service: Cargo Handling Services for Perishable Cargo
Service provider: M/s Cargo Service Centre Private Limited (CSC)
Airport: Chhatrapati Shivaji International Airport (CSIA),
Mumbai.

Determination of tariff for the fifth (2015-16) tariff year of the first control period.

This Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued 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 the Aircraft), Guidelines, 2011] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period.

2. Accordingly, the Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Cargo Service Centre Private Limited (CSC) for the first control period commencing 01.04.2011 in respect of Cargo Handling Services for Perishable Cargo at CSI Airport, Mumbai. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) No. 05/2011-12 dated 27.07.2011 had inter-alia decided that service provided for the perishable cargo facility, by Cargo Service Centre at Chhatrapati Shivaji International Airport, Mumbai, is "material but competitive" and hence to adopt a "light touch approach" for determination of tariff for the 1st Control period and also determined the tariff for the first tariff year w.e.f. 16.5.2011 upto 31.03.2012.

3. Pursuant to issue of above, the Authority considered the Annual Tariff Proposal (ATP) for the second, third and fourth tariff year and after due stakeholder consultation, determined the tariffs vide ATO(s) no. 17/2012-13 dated 20.09.2013, 15/2013-14 dated 12.06.2013 and 11/2014-15 dated 16.09.2014 for respective tariff years.



4. Thereafter, CSC, vide their letter no. nil dated 21.03.2015, submitted the Annual Tariff Proposal (ATP) for fifth tariff year (2015-16) for providing perishable cargo handling services at CSI Airport, Mumbai wherein CSC also requested to condone the delay in filing the proposal for the current control period.

5. The Authority considered this ATP and issued a Consultation Paper No. 04/2015-16 on 12.05.2015. The last date of receipt of comments was 26.05.2015. Simultaneously, the Authority, vide letter dated 19.05.2015 seeking clarifications from CSC on custom cost recovery. In response to the above consultation paper, no comments have been received.

6. CSC, vide letter dated 22.05.2015, also submitted attested copies of Annual Compliance statement along with audited Balance Sheet and Income & Expenditure Accounts for Financial Year 2011-12, 2012-13 and 2013-14. CSC, further vide letter dated 27.05.2015 has submitted on custom duty that:

"...The Custom Cost Recovery is estimated to be recovered by 31st March 2016 and will depend upon the date on which Annual Tariff Proposal for 2015-16 is approved by AERA and actual Cost of Custom charges for year 2015-16 levied by custom authorities.

The detail statement of year wise under recovered custom charges and estimated cost for 2015-16 with recovery rate for the year 2015-16 is annexed to this letter. "

7. The Authority noted that CSC has proposed changes in tariff as applicable from 01.04.2015, only to the extent of additional cost recovery on account of expected increase by the Customs, as under:-

- (i) TSP for Non horticulture product – Rs. 2.20 per kg to Rs. 2.77 per kg
- (ii) TSP for Horticulture product – Rs. 1.40 per kg to Rs. 1.97 per kg.

8. CSC has further confirmed that if cost recovery by Customs is removed for what so ever reason, the company will stop this levy immediately after recovery of the amount paid to Customs.

9. The Authority notes that as per the Authority's Guidelines, Custom Recovery charges has been deemed to be valid operating cost and is therefore a cost pass through.

ORDER

10. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) The Annual Tariff Proposal for the fifth tariff year (w.e.f. 01.04.2015 to 31.03.2016) of the first control period submitted by Cargo Service Centre Private Limited for providing cargo handling services for perishable cargo at CSI Airport, Mumbai is determined as at **Annexure – I**



- (ii) Cargo Service Centre India Private Limited (CSC) shall maintain a separate account for the recovery of Customs cost/ arrears of customs cost on account of the salary revision with immediate effect; and also submit to the Authority, the details of customs cost recovery charges duly certified and reconciled with Audited financial account by Chartered Accountant, along with every Annual Tariff proposal.
- (iii) Cargo Service Centre India Private Limited (CSC) shall indicate the custom cost recovery as separate line item in its tariff card while submitting its proposal for the second Control Period.

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

Alok Shekhar
(Alok Shekhar)
Secretary

To,

**Cargo Service Centre India Private Limited,
8-201, Polaris, Off Marol Maroshi Road,
Andheri East,
Mumbai-4000 59
(Through: Shri Anuz Thapliyal, Vice President)**



**TARIFF FOR TERMINAL STORAGE AND PROCESSING CHARGES (TSP) AT NEW PERISHABLE CARGO TERMINAL
BUILT, MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT MUMBAI AIRPORT
EFFECTIVE 1ST APRIL 2015 AND VALID TILL 31ST MARCH 2016**

S. No	Charges	Rate		Remarks
1.TSP Charges				
1.1	Non Horticulture product required temperature control	2.77	Rs / Kg subject to minimum of Rs. 180 per AWB	Charges include unloading from trucks at truck docks
1.2	Horticulture product like Fruits, Vegetable and Flowers	1.97	Rs / Kg subject to minimum of Rs. 100 per AWB	
2. Demurrage Charges				
2.1	Demurrage/Storage Charges beyond 24 Hrs free period	1.60	Rs / Kg / Day subject to minimum of Rs. 160 per AWB	Demurrage free period shall be as per government order issued from time to time
3.Optional Charges				
3.1	Special Handling (Pharmaceutical, to maintain product temperature on request	2000.00	Rs / AWB	
3.2	Back to town	50% of TSP Charges	Rs / Kg subject to minimum of Rs. 50 per AWB	If not cleared within 24 hours of intimation, demurrage charges will be applicable

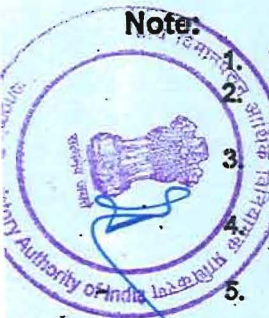
Note:

- TSP Charges is inclusive of forklift use inside the terminal. No additional forklift charges will be levied.
- Charges will be on the "gross weight" or the "chargeable weight" of consignment, whichever is higher. Whenever the "gross weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the "actual gross weight" or the "actual volumetric weight" whichever is higher.
- For misdeclaration of weight above 2% and upto 5% of declared weight penal charges double the applicable TSP charges will be levied. For variation above 5%, the penal charges will be five times the applicable TSP charges of the differential weight. No penal charges will be there for variation upto and inclusive of 2%. This will not apply to Valuable Cargo
- While it is our intention not to allow any other agencies to operate inside the facility, in case for special reason exporters wants to engage their own labour, discount of 5% will be granted in TSP charges for offloading the cargo from truck and putting on customs examination area, and on pallets.
- All Invoices will be rounded off to nearest Rs.%. As per IATA Tact Rule book Clause-5.7.2, rounding off procedure, when rounding off unit is 5.

For example:

When the results of calculation are between/and	Rounded off amount will be
102.5 - 107.4	105
107.5 - 112.4	110

- In case of premium service request, such service shall be provided at a premium of 25 % over normal handling rates.
- Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charges.



ANNEXURE - II

**MAXIMUM TARIFF FOR VARIOUS ELEMENTS OF CARGO HANDLING FOR THE AIRLINE CUSTOMERS AT NEW PERISHABLE CARGO TERMINAL BUILT MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD.
EFFECTIVE 1ST APRIL 2015 AND VALID TILL 31ST MARCH 2016**

S. No	Charges	Price	Currency	Price Driver	Remarks
1	Export Handling per Kg for Horticulture, Sea food and meat products including fruits, Vegetable and flowers	3.00	INR	Per Kg	Subject to Minimum Chargeable weight of 500 Kgs per flight
2	Export Handling per Kg for all other products including Pharmaceuticals and Vaccine	2.25	INR	Per Kg	Subject to Minimum Chargeable weight of 500 Kgs per flight
3	Perishable Cargo Storage beyond demurrage free period after acceptance	1.50	INR	Per Kg	Subject to Minimum Chargeable weight of 100 Kgs per AWB *** Demurrage free period shall be as per government order issued from time to time
4	X-Ray screening and or physical examination	1.95	INR	Per Kg	Subject to Minimum Chargeable weight of 500 Kgs per flight
5	Miscellaneous Charges (None of the above)	3.00	INR	Per Kg	Subject to minimum charge of INR 1000 per awb
6	Full HAWB data capture per HAWB	26.00	INR	Per AWB	
7	Dry Ice check list charges	700.00	INR	Per AWB	
8	DGR acceptance fee	1400.00	INR	Per AWB	
9	DGR-Fee, In case shipment above 20 pieces	50.00	INR	Per Additional Unit	
10	Special Handling (Pharmaceutical, to maintain product temperature on request by shipper/airline)	2000.00	INR	Per Unit	
11	ULD cleaning/unit	5000.00	INR	Per Unit	

Note:

- Demurrage will be applicable to airlines if custom cleared cargo is stored in the warehouse beyond the free period in case of export cargo
- Handling rates provided above are inclusive of scope of handling services including physical handling, document handling and IT handling.
- Charges will be on the "gross weight" or the "chargeable weight of consignment, whichever is higher. Where ever the 'gross weight' and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the actual gross weight "or the actual volumetric weight "whichever is higher.
- In case of premium service request; such service shall be provided at a premium of 25 % over normal handling rates.
- Miscellaneous Charges includes special service requests from the customers other than the services already mentioned in the above tariff chart.