

[F. No. AERA/20010/MYTP/Menzies/C/BIAL/2011-12/Vol-I]

8745-8746

Airports Economic Regulatory Authority of India

Order No. 48/2015-16

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

Date of Order: 27th January, 2016

Date of Issue: 9th February, 2016

Service: Cargo Handling Services
Service provider: M/s Menzies Aviation Bobba (Bangalore) Pvt. Ltd.
Airport: Kempegowda International Airport, Bengaluru.

Determination of tariff for the fourth (2014-15) and 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 considered the Multi Year Tariff Proposal (MYTP), submitted by M/s Menzies Aviation Bobba (Bangalore) Pvt. Ltd., (MABB) for the first control period, commencing w.e.f. 01.04.2011, in respect of determination of tariff for cargo handling services being provided at Kempegowda International Airport, Bengaluru and after due stakeholder consultation issued Multi Year Tariff Order(s) (MYTO) No. 21/2011-12 dated 25.10.2011, ordering that the cargo handling service rendered by MABB at Kempegowda International Airport, Bangalore is "material but competitive" and hence the Authority adopts "light touch approach" for determination of tariff for the first control period. Pursuant to issue of above order, the Authority considered the Annual Tariff Proposal (ATP) for the first, second and third tariff years and after due stakeholder consultation, determined the tariffs vide Order No. 16/2012-13 dated 20.09.2012 for the first and second tariff year and vide Order No. 14/2013-14 dated 10.06.2013 for the third tariff year.

3. MABB, vide letter no. nil dated 28.02.2014, 24.12.2014 and 20.02.2015 submitted the Annual Tariff Proposal (ATP) for fourth tariff year (2014-15) and the fifth



tariff year (2015-16) along with Annual Compliance Statements duly certified by Chartered Accountant for tariff year 2011-12, 2012-13 and 2013-14 along with copy of financial statement for respective years.

4. In view of MABB seeking an increase over the earlier approved tariff in respect of certain items, MABB, was requested to forward details of stakeholder consultation/ users agreement for Authority's further consideration. In response to above, MABB, vide letter dated 13.05.2015 forwarded copies of the agreement with Blue Dart Aviation Ltd. and Spice jet Ltd.

5. Accordingly, Consultation Paper No. 08/2015-16 dated 02.09.2015 was issued by the Authority, in response to which comments have been received from M/s Spicejet Limited and Government of Karnataka with M/s Spicejet Limited suggesting reduction in the rate of some of the tariff items related to the tariff card for Domestic Inbound and Out bound cargo.

6. In response to Authority's letter seeking response of MABB on the reply received from M/s Spicejet Limited, MABB responded that the terms & conditions of the initial agreement in the year 2008 entered into with M/s Spicejet Limited were mutually discussed and agreed in writing by signing a valid Standard Ground Handling Agreement (SGHA) for all the services required by the said Airline. The Authority noted MABB's further submission that the rates requested for approval from AERA are ceiling rates and the Airlines are free to negotiate a different rate. MABB has discussed & negotiated handling rates with all their customers based on respective services, operational & commercial parameters, any rate charged has been done post negotiations and mutually acceptable understanding with signed contract and the same has happened with M/s Spicejet Limited with whom MABB has a valid contract since 2008. As per MABB, in 2014 the SGHA was further extended for a period of 03 Years till 2017 after the rates negotiated with M/s Spicejet Limited when their volumes were at 14,800 tons/year level have come down to 8,350 tons/year. Nevertheless, MABB has stated to have maintained the same rates without imposing any upward revision for the reduced levels, only to support their customer, M/s. Spicejet Limited in their revival without diluting their services scope.

ORDER

7. 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 fifth tariff year (i.e. 2015-16) of the first Control Period submitted by Menzies Aviation Bobba (B' lore) Pvt. Ltd. for providing Cargo Services at Kempegowda International Airport, Bangalore may be continued at same level as was determined by the Authority for tariff



year 2013-14 vide Authority's Order No. 14/2013-14 dated 10.06.2013.
(Annexure – I).

- (ii) MABB should submit the MYTP and ATP for the 2nd Control Period well in time as per the Guidelines after incorporating the actual financials of 2014-2015.

By the Order of and in the
Name of the Authority


(Joy Kuriakose)
Deputy Chief

To,

Menzies Aviation Bobba (Bangalore) Pvt. Ltd.,
Cargo Terminal 1, Plot No. C-04L,
Kempegowda International Airport, Bengaluru,
Devanahalli, Bangalore – 560 300.
(Through: Shri K. Venkata Reddy, Chief Executive Officer)

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

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AERA



Annual Tariff for 3rd Tariff Year 2013-14 of the first control period

MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO

S.No.	LIST OF CHARGES	MINIMUM RATE (INR)	RATE(INR) PER KG
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) - (per shipping Bill)		
a)	General Cargo	131	1.10
b)	Special Cargo (AVI)	263	1.65
c)	PER/DGR/VAL cargo	263	2.87
2	CUSTOMS CARGO SERVICE PROVIDER CHARGE (CCSP) - (per Shipping Bill)	30	0.65
3	DEMURRAGE / STORAGE CHARGE (rate per Kg per day) **		
a)	General Cargo	137	0.88
b)	Special Cargo (AVI)	263	1.65
c)	PER/DGR/VAL cargo	263	2.87
4	COURIER HANDLING CHARGE	158	1.65
5	PACKING / REPACKING/STRAPPING CHARGE	6/- Per Carton/Bag	-
6	RETURN CARGO CHARGE	525/AWB	-
7	AIR WAY BILL AMENDMENT CHARGE	105/AWB	-
8	WEIGHT / VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	2 times	-
b)	More than 5% variation	5 times	-
9	OVERTIME CHARGE (beyond customs working hours)	53/- per Shipping Bill	-
	VAL cargo	1050/- per AWB	-
IMPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) - (per shipping Bill)		
a)	General Cargo	131	5.40
b)	Special Cargo (AVI)	263	10.80
c)	PER/DGR/VAL cargo	263	10.80
2	CUSTOMS CARGO SERVICE PROVIDER CHARGE (per HAWB)	30	1.85
3	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)**		
a)	General Cargo		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charges	-
ii)	Cargo cleared between 72 hours and 120 hours	336	1.65
iii)	Cargo cleared between 120 hours and 720 hours	336	3.09
iv)	Cargo cleared after 720 hours	336	4.63
b)	Special cargo (AVI)		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charges	-
ii)	Cargo cleared between 72 hours and 120 hours	656	3.09
iii)	Cargo cleared between 120 hours and 720 hours	656	6.17
iv)	Cargo cleared after 720 hours	656	9.26
c)	PER/DGR/VAL cargo		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charges	-
ii)	Cargo cleared between 72 hours and 120 hours	1339	6.17
iii)	Cargo cleared between 120 hours and 720 hours	1339	12.4
iv)	Cargo cleared after 720 hours	1339	18.58
4	COURIER HANDLING CHARGE	210	6.06
5	AIRWAYBILL AMENDMENT CHARGE	105/- per AWB	-
6	TRANSHIPMENT CHARGE - International to Domestic		
a)	General Cargo	131	1.98
b)	PER/DGR/VAL/AVI Cargo	247	1.98
7	Documentation charges	105/AWB	-
8	OVERTIME CHARGE (beyond customs working hours)		
a)	General Cargo	210/- per Bill of Entry	-
b)	VAL cargo	1050/- per AWB	-
9	PACKING / REPACKING/STRAPPING CHARGE	6/- Per Carton/Bag	-

** For demurrage charges on export/import cargo, the free period shall be governed as per the instructions of Govt. of India issued from time to time.



Note : Applicable for international and domestic handling
Annual Tariff for 3rd Tariff Year 2013-14 of the first control period

- 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 Storage Charges
 - (i) Export Cargo - Free period shall be one day (24 hours), or as decided by the Government of India, from time to time, for examination/ processing by Shipper's on 'Per Kg Per day.'
 - (ii) Import Cargo - Free period shall be 72 hours, or as decided by the Government of India, from time to time, from the Actual time of arrival of flight. For the next 48 hours demurrage will be charged at "Per Kg Per Day" on non cumulative basis, provided the consignment is cleared within 120 hours. If the clearance is effected after 120 hours (from the date of landing) demurrage will accrue for the entire period from the Actual time of arrival of flight.
- 4 50% of the General Cargo charges will be applicable to newspaper(Daily) TV Reels. Applicable to per kilo charge only
- 5 All bills will be rounded off to the next INR 5 as per IATA rules.
- 6 VAL Cargo consists of Gold Bullion, Currency Notes, Shares, Shares Coupons, Traveller's Cheques, Diamonds (including Diamonds for industrial use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD 1000/Kg and above.
- 7 Special Cargo (AVI) consist of Live Animals and Day old chicks.
- 8 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.
- 9 No outside labour will be allowed to handle the cargo in the terminal.
- 10 All charges above are excluding service tax or any other taxes or levies that existing or to be introduced. Such taxes and levies shall be charged extra on the above prices.
- 11 Charges such as rent and parking fee are not considered in this Annual Tariff Proposal as the same are un-regulated services
- 12 All charges mentioned above include concession fee charged by the Airport Operator.
- 13 Complete shipment should be physically available prior to payment of TSP charges.



Menzies Aviation Bobba (Bangalore) Private Limited

Annual Tariff for 3rd Tariff Year 2013-14 of the first control period

MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO

S.No.	LIST OF CHARGES	FY 2013-14	
		MINIMUM RATE (INR)	RATE PER KG (INR)
B) DOMESTIC CARGO			
OUTBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP)		
a)	General Cargo	105/AWB	0.72
b)	Special Cargo (AVI)	210/AWB	2.26
c)	PER/DGR/VAL cargo	210/AWB	2.26
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)**		
a)	General Cargo	131/AWB	0.72
b)	Special Cargo (AVI)	210/AWB	2.26
c)	PER/DGR/VAL cargo	210/AWB	2.26
3	COURIER HANDLING CHARGE	105/AWB	0.72
4	PACKING / REPACKING/STRAPPING CHARGE	6/- per Carton/Bag	-
5	RETURN CARGO CHARGE	105/AWB	-
6	AIR WAY BILL AMENDMENT CHARGE	105/AWB	-
INBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP)		
a)	General Cargo/Unaccompanied Baggage	131/AWB	1.21
b)	Special Cargo (AVI)	210/AWB	2.32
c)	PER/DGR/VAL cargo	210/AWB	2.32
2	DEMURRAGE/STORAGE CHARGE (rate per Kg per 24 hours)**		
a)	General Cargo	210/AWB	1.38
b)	Special Cargo (AVI)	263/AWB	2.43
c)	PER/DGR/VAL cargo	263/AWB	2.43
3	COURIER HANDLING CHARGE	131/AWB	1.21
4	AIR WAY BILL AMENDMENT CHARGE	105/AWB	-
5	PACKING / REPACKING/STRAPPING CHARGE	6/- per Carton/Bag	-

** For demurrage charges on export/import cargo, the free period shall be governed as per the instructions of Govt. of India issued from time to time.



Note : Applicable for international and domestic handling

Annual Tariff for 3rd Tariff Year 2013-14 of the first control period

- 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 Storage Charges
- (i) **Export Cargo** - Shall be one day (24 hours) or as decided by the Government of India, from time to time, for examination/processing by Shipper's on 'Per Kg Per day.'
- (ii) **Import Cargo** - Free period shall be 72 hours or as decided by the Government of India, from time to time, from the Actual time of arrival of flight. For the next 48 hours demurrage will be charged at "Per Kg Per Day" on non cumulative basis, provided the consignment is cleared within 120 hours. If the clearance is effected after 120 hours (from the date of landing) demurrage will accrue for the entire period from the Actual time of arrival of flight.
- 4 50% of the General Cargo charges will be applicable to newspaper(Daily) TV Reels. Applicable to per kilo charge only
- 5 All bills will be rounded off to the next INR 5 as per IATA rules.
- 6 VAL Cargo consists of Gold Bullion, Currency Notes, Shares, Shares Coupons, Traveller's Cheques, Diamonds (including Diamonds for industrial use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD 1000/Kg and above.
- 7 Special Cargo (AVI) consist of Live Animals and Day old chicks.
- 8 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.
- 9 No outside labour will be allowed to handle the cargo in the terminal.
- 10 All charges above are excluding service tax or any other taxes or levies that existing or to be introduced. Such taxes and levies shall be charged extra on the above prices.
- 11 Charges such as rent and parking fee are not considered in this Annual Tariff Proposal as the same are un-regulated services
- 12 All charges mentioned above include concession fee charged by the Airport Operator.
- 13 Complete shipment should be physically available prior to payment of TSP charges.



Menzies Aviation Bobba (Bangalore) Private Limited
Annual Tariff for 3rd Tariff Year 2013-14 of the first control period

MAXIMUM CHARGES PAYABLE BY AIRLINES

S.No.	LIST OF CHARGES	Tariff Year 3	
		MINIMUM RATE in INR	RATE PER KG in INR
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	Palletisation	404 Per Flight	1.71
2	Courier/Mail Charges	404 Per Flight	1.75
3	DEMURRAGE/STORAGE CHARGE (Rate per kg per day) **		
a)	General Export Cargo	300/AWB	2.29
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.	338/AWB	4.59
4	X-Ray charges	149/AWB	2.90
5	Dangerous Goods certification	800/AWB	
6	Export General Manifesto - filing with Authorities	300/Flight	
IMPORT CARGO			
1	De-Palletisation	404 Per Flight	1.64
2	Courier/Mail Charges	404 Per Flight	1.75
3	DEMURRAGE/STORAGE CHARGE (Rate per kg per 24 hours) **		
a)	General Export Cargo	300/AWB	2.29
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.	404/AWB	6.13
4	Import General Manifesto - filing with Authorities	300/Flight	
TRANSHIPMENT CHARGES			
1	Transshipment charges-international to international		
a)	General Cargo	189/AWB	2.76
b)	Special Cargo	364/AWB	2.76
c)	Documentation Fee	155/AWB	-
2	Transshipment charges-international to domestic		
a)	General Cargo	189/AWB	2.76
b)	Special Cargo	364/AWB	2.76
c)	Documentation Fee	155/AWB	-
B) DOMESTIC CARGO			
OUTBOUND CARGO			
1	Palletisation	314 Per Flight	1.21
2	Courier/Mail Charges	314 Per Flight	1.21
3	X-Ray charges	157/AWB	2.14
INBOUND CARGO			
1	De-Palletisation	314 Per Flight	1.21
2	Courier/Mail Charges	314 Per Flight	1.21

** For demurrage charges on export/import cargo, the free period shall be governed as per the Instructions of Govt. of India issued from time to time.

NOTE :

- The above rates are maximum rates. These are the rates planned to be charged to achieve the projected ARR for the control period from 1.4.2003 to 31.3.2014. The rates are exclusive of service tax or other levies or taxes or to be proposed. Such taxes or levies shall be charged extra on the above prices.
- User agreements (Airline or other 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 with mutual consent by
- The rates with each Airline are based on negotiations and as agreed between Company (MABB) and the Airline depending on the specific service levels agreed such as usage of equipment credit period, indemnity/insurance, and other services necessary thought fit.
- All charges above are excluding Service Tax or any other taxes or levies that existing or to be introduced. Such taxes and levies shall be charged extra on the above prices.

