

Airports Economic Regulatory Authority of India

Order No. 14/2013-14

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

**Date of Order: 21st May, 2013
Date of Issue: 10th June, 2013**

In the matter of Annual Tariff Proposal for third tariff year in respect of Menzies Aviation Bobba (Bangalore) Private Limited for providing cargo facility services at Bangalore International Airport, Bengaluru

The Authority had after stakeholder consultation issued a Multi-Year Tariff Order No. 21/2011-12 on 25.10.2011, ordering that the services provided for the cargo facility by M/s Menzies Aviation Bobba (Bangalore) Pvt. Ltd. (MABB) at Bangalore International Airport, Bengaluru are "material but competitive" and decided to adopt "light touch approach" for determination of tariff for the first control period w.e.f. 01.04.2011. Thereafter, the Authority issued Order No. 16/2012-13 dated 28.08.2012 determining Tariffs for the first and second tariff year(s).

2.1 The orders issued by the Authority were subject to the Order dated 19.10.2011 of the Hon'ble AERA Appellate Tribunal wherein, with reference to Appeal No. 12 of 2011 filed by Bangalore International Airport Ltd. (BIAL), it was stated that:

"It is made clear the even if any final order is passed by the respondent- Airports Economic Regulatory Authority, the same shall not be given effect to without leave of the Appellate Tribunal".

2.2 The appeal filed by BIAL has been disposed off vide Order dated 03.05.2013, wherein Hon'ble Tribunal ordered that

".....We had by our order dated 19th October, 2011, directed that the tariff so decided in case of the three services mentioned in the earlier paragraph would not be implemented unless the leave is obtained from this Tribunal. In view of the disposal of this appeal, those orders would stand 'withdrawn' and in the result the implementation of tariff may now commence."



3. MABB had submitted the ATP for the third tariff year 2013-14 in respect of cargo facility at Bangalore International Airport, Bengaluru vide letter dated 31.01.2013 which was considered by the Authority and a Consultation Paper No. 3/2013-14 was issued on 12.04.2013.

4. In response to the proposal contained in the Consultation Paper, comments have been received from Airports Authority of India (AAI), vide letter no. ED(Cargo)/1351/17/2013/442 dated 7th May, 2013, wherein it is stated that:

".....The Consultation Paper No. 3/2013-14 has been examined and observations of AAI on Para 4 of the Consultation Paper are appended below:

(a) The agency has proposed a tariff hike during the Financial Year 2013-14 only, for International Cargo, under the head – Customs Cargo Service Provider Charges (CCSP) per shipping bill for Export and Customs Cargo Service Provider Charges per House Airway Bill for Import, in comparison of charges for the F.Y. 2012-13. The Customs Cargo Service Provider Charges are not being charged, in AAI from the freight forwarder, for International Cargo.

(b) The agency has proposed the hikes in maximum rates to be paid by Freight Forwarders during FY 2013-14 for all activities in Domestic cargo (Inbound and Outbound), in comparison of charges for the FY 2012-13.

(c) Similarly, the agency has proposed a hike in the maximum charges payable by airlines during the FY 2013-14 for all activities in International Cargo (Export/Import/Transshipment) and Domestic Cargo (Outbound/Inbound), in comparison of charges for the FY 2012-13.

The Annual Tariff Proposal for 3rd Tariff (FY 2013-14) of the first control period submitted with consultation of other stake holders of M/s MABB is to be decided by AERA as per laid down guidelines/norms. Apart from the above, AAI has no other comments to offer."

5. The Authority has noted the comments of AAI in response to the Consultation Paper No. 3 of 2013-14 and observed that cargo facility services at Bangalore Airport are "material but competitive". The tariffs for this service are to be determined under "light touch approach". Tariffs in respect of first and second tariff years were determined accordingly.

6. **ORDER**

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



- (i). The tariffs for the third tariff year (w.e.f. 01.04.2013 to 31.03.2014) of the first control period for cargo facility services provided by M/s Menzies Aviation Bobba (Bangalore) Pvt. Ltd. at Bangalore International Airport , Bengaluru is determined as at **Annexure-I**.
- (ii). These tariffs are the maximum rates effective from 01.04.2013.
- (iii). For demurrage charges on export/import cargo, the free period will be governed as per the instructions of Govt. of India issued from time to time.

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



**[Capt. Kapil Chaudhary (Retd.)]
Secretary**

To,

**Menzies Aviation Bobba (Bangalore) Private Limited
Plot C-04L, Bangalore International Airport,
Devanahalli, Bangalore - 560 300
(Through Mr. K. Venkata Reddy, Chief Executive Officer)**



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 Bullioni, 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 Transhipment 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.

भा.वि.आ.वि.प्र.
AERA



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	354/AWB	2.76
c)	Documentation Fee	155/AWB	-
2	Transshipment charges-International to domestic		
a)	General Cargo	189/AWB	2.76
b)	Special Cargo	354/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 1.4.20013 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.

