

Airports Economic Regulatory Authority Of India

Order No.5/2011-12

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

Date of Order: 26th July, 2011

Date of Issue: 27th July, 2011

**In the matter of Multi Year Tariff Proposal for 1st Control Period submitted by
Cargo Service Centre India Private Limited for providing Cargo Handling
Services at Perishable Cargo Terminal, Chhatrapati Shivaji International
Airport, Mumbai**

Cargo Service Centre India Private Limited (CSC), have submitted their Multi Year Tariff Proposal (MYTP), for the first control period of 5 years, for providing Cargo Handling Services at the Perishable Cargo Terminal at CSI Airport, Sahar Cargo Complex vide their proposal dated 09.05.2011. CSC had also sought interim approval to start cargo handling service at the Perishable Cargo Terminal at CSI Airport, Mumbai by 16.05.2011 and approval of the proposed tariff till the final Multi Year Tariff Order is issued by this Authority.

2.1 In terms of Clause 3.5 and Clause 7.1 of 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 Aircraft) Guidelines, 2011] issued by the Authority, a new Service Provider who has been granted permission for providing the regulated service(s) at a major airport shall, within two months of the date of grant of such permission, submit to the Authority for its consideration, a MYTP in accordance with the Guidelines.

2.2 On preliminary scrutiny, it was observed that while CSC's perishable cargo terminal was expected to be ready for commercial operations by 01.05.2010 and CSC have had several rounds of stake holder consultations with the Trade in December'2010, the proposal seeking interim approval to start cargo handling service at the subject facility was submitted only on 09.05.2011 seeking interim approval to start cargo handling service at CSC Perishable Cargo Terminal at CSI Airport, Sahar Cargo Complex, Mumbai by 16.05.2011.

2.3 Since the Authority had to follow a transparent consultative process while exercising its powers and discharging its functions, in terms of Section 13 (4) of the AERA Act, 2008, the Authority vide its letter dated 13.05.2011, conveyed to CSC that it would not be possible for this Authority to approve the tariff without following the laid down procedure and grant approval by the date (i.e.,16.05.2011) as proposed in their proposal.

2.4 Subsequently, the proposal submitted by CSC was examined. CSC in their MYTP, submitted that they are registered under the Company's Act, 1956 and were awarded a concession by Mumbai International Airport Limited (MIAL) to design, build, operate and manage second Perishable Cargo Terminal at CSI Airport, Mumbai. The project is a BOT Concession for a period of 5 years.



2.5 In respect of Regulated Service(s) provided for the cargo facility at the airport, the Authority considers that materiality of the service is linked to the cargo volume at the 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. The percentage share of cargo volume for Mumbai Airport, as per April'2009 to March'2010 AAI statistics, is 30.7% which is greater than 2.5%. Hence the service is deemed 'material'.

2.6 As per the information furnished by CSC in Form F 1(b) on the Competition Assessment, following service providers are rendering similar services at Mumbai airport:

- (i) Air India – managing and operating the existing perishable cargo terminal called the APEDA Facility as well as the general cargo facility
- (ii) MIAL – which operates the general cargo facility as well as provides the facility for storage of temperature controlled products

The Guidelines provide that where a regulated service is being provided at a major airport by two or more service providers(s), it shall be deemed 'competitive' at that airport. In the instant case with the total number of players more than two the service is deemed 'material' but competitive.

2.7 As per Clause 3.2 (ii) of the Guidelines, wherever the regulated service provided are deemed "material but competitive" the Authority shall determine tariff(s) for service providers(s) based on a light touch approach for the duration of the control period.

2.8 CSC have also submitted the Annual Tariff Proposal for the first tariff year of the Control Period, i.e., 2011-12 (w.e.f 16.05.2011).

2.9 The proposal made by CSC was considered by the Authority in its 39th Meeting and 40th Meeting held on 26.05.2011 and 03.06.2011, respectively. The Authority also noted that in terms of Clause 7.3 & 7.4 of the Guidelines, the Authority shall upon due consideration of the MYTP and stakeholder consultations thereon make a Multi Year Tariff Order (MYTO) for a Control Period. After issuance of the MYTO, the service provider shall submit its Annual Tariff Proposal (ATP). The ATP for the first tariff year of the first control period is required to be submitted within 75 days of the issue of MYTO. As per Clause 11.2, the ATP is required to be submitted in the manner and form provided in AI.8.1 of Appendix I and the proposal is required to be supported by the following:-

- (i) Details of consultations with stakeholders
- (ii) Evidence of User Agreements clearly indicating the Tariff proposal by the service provider and agreed to by the User.

2.10 The Authority observed that CSC had started operating w.e.f. 16.05.2011 and had not been able to charge for the services provided in absence of approval of tariff by the Authority. CSC confirmed that until approval of the tariff is received from the Authority no TSP, security or handling charges would be collected and requested the Authority to expedite the approval of the MYTP. CSC had submitted the ATP for 2011-12, i.e., the first tariff year of the first control period along with the MYTP. CSC adopted standard user agreement as per IATA guidelines and the same have been modified to fit the individual requirement of the airline based on feedback from the legal dept of the concerned airline. CSC have submitted that at the moment, three carriers have indicated verbal acceptance of their proposed tariff and desire to use their services and Emirates has confirmed acceptance of CSC's tariff by acknowledging the tariff proposal.

3. In view of the above, the Authority, in its 40th meeting held on 03.06.2011, after careful consideration of the proposal, tentatively decided as under:



- (i) The service for perishable cargo being provided by CSC at CSI Airport, Mumbai is "material but competitive". Therefore, the Authority tentatively decided to adopt a "Light Touch Approach" for determination of tariff for the 1st Control period w.e.f 01.04.2011.
- (ii) CSC had started operating w.e.f. 16.5.2011 and had not been able to charge for the services provided in absence of approval of tariff by the Authority. In order to ensure the economic and viable operations of CSC, the Authority, as a special case, decided to propose the approval for the ATP for the first tariff year, i.e., 2011-12, w.e.f 16.05.2011 at this stage itself.

Accordingly, Consultation Paper No. 05/2010-11 dated 03.06.2011 was issued seeking comments on the above tentative decisions of the Authority.

4.1 Meanwhile the Air Cargo Agents Association of India (ACAAI), vide letter no. ACAAI/13/AERA-14/2011 dated 08.06.2011, stated that the operations at the Perishable Cargo Terminal at ACC, CSIA, Mumbai had started; that 196 MT of cargo had been processed there by selected agents who were advised by CSC to open a Pre Deposit (PD) account with them and process their shipments. ACAAI stated that this is not a trial operation conducted by CSC free of cost but a move to circumvent and commence operations without the formal approval of the Authority. They have further stated that to commence operations with a very select group is to the commercial disadvantage of the cargo agents community at large. The Authority vide letter no. AERA/20011/MYTP/CSC-PC/2011-12 dated 10.06.2011 requested CSC to furnish a factual report in this regard.

4.2 CSC, vide, letter no. nil dated nil (received on 17.06.2011) submitted its clarifications which are as under:

- (i) In their tariff approval application submitted to the Authority CSC already informed about starting of its operations from 16.05.2011 and which has been recorded in Consultation Paper No. 5/2011.
- (ii) Due to tremendous pressure from the pharmaceutical industry and in the interest of India's export, it was agreed to start operation at Perishable Cargo Terminal after consultation between CSC, concerned forwarders and shippers for pharmaceutical products.
- (iii) In the absence of an approval from the Authority CSC could not levy any charges. While there were standard handling agreements with airlines that secured the payment of charges, CSC had no such agreement with handling companies, freight forwarders or their shippers which can secure the payment in future.
- (iv) As per consultation with the interested forwarders, the option was to take a bank guarantee or security deposit.
- (v) It was agreed that in absence of regulatory approval for tariff, forwarders will deposit with CSC a security deposit equivalent to possible charges to be deposited in an escrow account and not to be used until the AERA order is received. On receipt of tariff approval from AERA, CSC will raise the invoices on various forwarders and they will settle their dues upon which CSC will return the security deposit so collected or else these security deposits would be used to settle the accounts. CSC confirmed that no TSP charges are levied / invoices have been raised and no receipt therefore has been issued to any agent till date. CSC also furnished copies of letters for above arrangement with various agencies/freight Forwarders.
- (vi) CSC also enclosed a copy of letter dated 20.05.2011 from Commissioner of Customs (Export), for commencement of operations w.e.f. 16.05.2011 between the regular export shed hours of 8 am to 10 pm.



- (vii) CSC also clarified that there is no select group of agents who have been entertained.
- (viii) CSC enclosed a copy of letter from SBI, confirming that CSC has opened Escrow account with them and all deposits received at Perishable Centre Terminal, Mumbai since 16.05.2011 are deposited in the Escrow Account. Bank further stated that company has not utilized any funds deposited in the account till date (14.06.2011). Total balance in the account is Rs.25,03,548/-.

4.3 In this connection, it is observed that CSC vide their earlier letter dated 16.05.2011, had informed the Authority regarding commencement of operations w.e.f. 16.05.2011 and that they were accepting pharmaceutical cargo only on selective basis and from selective carriers to test their system and procedure, till such time they receive tariff approval from the Authority. CSC had confirmed that until the approval from the Authority was received, they will not collect any TSP, security, or handling charges from the customers, though they will go ahead to secure their handling contracts with the airlines.

5.1 Following entities stakeholder have furnished their comments in respect of the Consultation Paper No. 05/2010-11.

- (i) Airports Authority of India (AAI)
- (ii) Mumbai International Airport Pvt. Limited (MIAL)
- (iii) Cochin International Airport Limited (CIAL)
- (iv) The Air Cargo Agents Association of India (ACAAI)
- (v) The Bombay Custom House Agents Association (BCHAA)
- (vi) Freight Wings & Travel Pvt. Ltd.(FWT)
- (vii) Indian Merchants Chamber (IMC)
- (viii) Western India Shippers Association (WISA)

The views/ responses of the stakeholders were forwarded to CSC for their comments vide Authority's letter dated 13.05.2011.

5.2 The comments of the stakeholders are briefly summarized as under:

- (i) MIAL, CIAL and FWT have in general agreed to the proposal of the Authority to adopt "light touch approach" for tariff determination for the 1st Control period in respect of the services provided by CSC at the Perishable Cargo Terminal, CSI Airport Mumbai in view of the fact that the services at CSI Airport are material and competitive. MIAL and FWT have also supported the proposal to approve the ATP for 2011-12.
- (ii) MIAL and FWT have specifically sought clarifications on the free period of 24 hours referred to in "Remarks" column of the TSP charges for horticulture and non-horticulture products. CSC have vide their clarifications dated 07.07.2011, submitted that the "free period in the remarks column of the said tariff proposal refers to demurrage free period" and have annexed a corrected version of the proposal to the clarifications.
- (iii) Further MIAL have stated that charges/costs, if any, mandated/ imposed by Customs Department on CSC for meeting the cost of customs officers etc. should be allowed to be recovered/ passed through separately over and above the proposed tariffs. CSC have endorsed the view of MIAL and stated that costs mandated/imposed by Customs Department on CSC for meeting the cost of customs officers etc. should be allowed to be recovered/passed through separately over and above the proposed tariffs as the same was not factored in their cost for the purpose of CSC's tariff calculations due to non-availability of its quantum and clarity from customs on the matter.



- (iv) AAI vide their letter dated 17.06.2011, raised comments on whether CSC has been appointed as custodian by customs for handling perishable cargo and whether consent of MIAL has been taken by CSC before finalizing the tariff as these are "non-aeronautical services" as per schedule 6 of the OMDA and as per Clause 12.2 of the OMDA, MIAL is free to fix the charges for non-aeronautical services. In view of MIAL's response to the consultation paper, agreeing to the proposed tariff the observation/ issue raised by AAI stand clarified. However, CSC have also clarified the issues by AAI and have in support of their claim furnished the approval of the Customs to perform as a "Custom Cargo Service Provider" for two years vide their approval dated 05/05/2011.
- (v) As regards the observation of ACAAI, BCHAA and IMC, the main issues raised are in respect of
- (a) Lack of discussion/consultation with stakeholders;
 - (b) Whether CSC is an Independent Service Provider;
 - (c) CSC's facility is not a competing facility independent of MIAL;
 - (d) Backdoor mechanism employed by CSC, commencing operations with select few exporters and airlines
 - (e) Opening of Pre-Deposit accounts while claiming no charges are being levied
 - (f) No notification/Public Notice by MIAL or Customs regarding operations by CSC.
- (vi) CSC have in their clarifications dated 07.07.2011, submitted that all interested stakeholders including Custom House Agents were invited for preliminary discussions and negotiations and the first such meeting was done way back in December 2010. Further ACAAI and BCHAA have attended the meetings to discuss the tariff and other related issues and had never raised the issues such as legal status, competitive environment during the meetings. The observation on 'limited users of the facility' has also been clarified by CSC. CSC have maintained that they have not charged the users of the facility-exporters and airlines for the cargo services rendered since 16.05.2011 pending approval of the Authority.

6. In the above background the Authority took up the matter for consideration in the 44th meeting held on 26.07.2011 wherein Shri Tushar Jani and Shri Radharaman Panicker of CSC were also present to assist the Authority.

7.1 It was observed that:

- (i) The Authority had after careful consideration of the proposal tentatively decided to adopt a "light touch approach" for determination of tariff for the 1st Control period considering that the perishable cargo services being provided by CSC at CSI Airport, Mumbai is "material but competitive".
- (ii) CSC has started operating w.e.f. 16.5.2011 and that CSC has not been able to charge for the services provided in absence of approval of tariff by the Authority. In order to ensure the economic and viable operations of the service provider, the Authority, as a special case, decided to propose the approval for the ATP for the first tariff year, i.e., 2011-12, w.e.f 16.05.2011 at the MYTP stage itself.
- (iii) As per the letter no.S/3-Prev.Admn-26/2010.ACC dated 05.05.2011 from the Office of the Commissioner of Customs (Export), approval has been given to



perform as a "Custom Cargo Service Provider" for a period of two years for handling of cargo.

- (iv) MIAL, CIAL and FWT have in general agreed to the proposal of the Authority to adopt "light touch approach" for tariff determination for the 1st Control period in respect of the services provided by CSC at the Perishable Cargo Terminal, CSI Airport Mumbai in view of the fact that the services at CSI Airport are material and competitive. MIAL and FWT have specifically agreed to the Authority's proposal to approve the ATP for 2011-12.
- (v) MIAL and FWT specifically sought clarifications on the free period of 24 hours referred to in "Remarks" column of the TSP charges for horticulture and non-horticulture products. CSC, vide their clarifications dated 07.07.2011, submitted that the free period in the remarks column of the said tariff proposal refers to demurrage free period and have annexed a revised version of the tariff proposal.
- (vi) It was noted that the Government policy in respect of free period applicable for air cargo at all Indian airports has been conveyed by the Ministry of Civil Aviation vide Order F.No. AV.16026/006/2006 – AAI dated 23.02.2009.
- (vii) CSC have, in their revised proposal for land side tariffs, shown a demurrage free period of 24 hours whereas in case of the air side tariffs the free period has not been shown. Shri Tushar Jani, Chairman, CSC stated that in respect of the free period, they are bound by the orders of the Central Government in this regard and the Authority may approve the tariff with the condition that the free period shall be as ordered by the Central Government from time to time.
- (viii) As regards the issue of allowing the costs mandated/ imposed by Customs Department on CSC, it was felt that if CSC proposes any tariff revision on account thereof, the same would have to be considered by the Authority, as and when such proposal is made, in accordance with law.
- (ix) CSC have clarified that all interested stakeholders including Custom House Agents were invited for preliminary discussions and negotiations and the first such meeting was held in December 2010. CSC have also stated that ACAAI and BCHAA attended the meetings to discuss the tariff wherein the issues regarding CSC legal status, competitive environment, were never raised by them. The observation on 'limited users of the facility' has also been clarified by CSC.
- (x) It has been clarified that CSC held the first meeting in December, 2010 and had invited interested stakeholders for the discussion and in support of their claim enclosed the minutes of the meeting and copies of emails exchanged with the interested stakeholders including ACAAI and BCHAA.
- (xi) CSC have maintained that they have not charged the users of the facility-exporters and airlines for the cargo services rendered since 16.05.2011 and pending approval of the Authority, it was agreed with users to deposit a security deposit with CSC equivalent to the possible charges, to be kept in an escrow account and not to be used until the Authority issues the final tariff order. This has been confirmed by the Bank as indicated in para 4.2 (viii) above.
- (xii) CSC have reiterated that this facility is a common user facility for handling and storage of export perishable and temperature sensitive cargo and that any airline, forwarder and shipper is free to use the same. They have submitted that currently CSC is only accepting pharmaceutical shipments for reasons mentioned in letter dated 17th June, 2011 and shall commence accepting other



types of perishable cargo once the approval of tariff is received. CSC have also furnished a list of customers using the said facility and volume of cargo handled since 16th May to 30th June 2011 establishing that CSC has not been selective in its choice of customers.

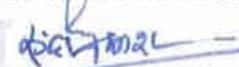
- (xiii) As regards the issue of opening of Pre-Deposit accounts while claiming no charges are being levied it is submitted that while CSC have clarified their position and stated that the arrangement was agreed between the Users who were interested in availing the facility and that in absence of regulatory approval for tariff, the Users agreed to deposit with CSC a security deposit equivalent to possible charges to be deposited in an escrow account and not to be used until the AERA order is received.

7.2 The stakeholder comments, clarification furnished by CSC and the views/ comments of the Authority thereon are indicated, in details, at **Annexure-I**.

8. Upon careful consideration of material available on record, submissions made by the stakeholders, clarifications furnished by CSC and the personal submissions made on behalf of CSC, the Authority in exercise of powers conferred by Section 13(1)(a) of the Act, hereby orders that:

- (i) Service provided for the perishable cargo facility, by Cargo Service Centre at Chhatrapati Shivaji International Airport, Mumbai, is "material but competitive". Hence, Authority will adopt a "light touch approach" for determination of tariff thereof for the 1st Control period w.e.f. 16.5.2011;
- (ii) The tariff for the services provided by CSC is determined, as at **Annexure –II** w.e.f. 16.05.2011 and upto 31.03.2012.

By the Order of and in the
Name of the Authority


(Sandeep Prakash)
Secretary

To

Cargo Service Centre India Private Limited.,
B-201, Polaris,
Off Marol Maroshi Road,
Marol, Andheri (E),
Mumbai – 400 059
(Through Shri Radharamanan Panicker, Chief Executive Officer)



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

Annexure -I

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
I	Airports Authority of India (AAI)		
1.	<p>a. As per Para 7, it has been mentioned that there are 3 service providers i.e. Air IndiaI, MIAL and CSC. After telephonic discussions with MIAL, it is revealed that Air India and MIAL are the only custodian at Mumbai International Airport to handle cargo including perishables.</p> <p>b. CSC is providing the services on behalf of MIAL on "BOT Basis" as MIAL is appointed custodian by Customs. It is no where mentioned in the Consultation Paper that CSC is appointed custodian by Customs.</p>	<p>CSC is an independent service provider even though the custom custodianship is in the hands of MIAL. Under the provisions of the Customs Act, 1962, the Central Board of Excise and Customs has issued the "Handling of Cargo in Customs Areas Regulations, 2009" (Regulations) vide its notification no. 26/2009-Customs (NT) dated 17th March 2009. There is a provision in these Regulations for appointment of Custom's Cargo Service Provider under the umbrella of a custodian, The relevant extract of the Regulations is provided below:</p> <p><i>"2(1) (b) "Customs Cargo service provider" means any person responsible for receipt, storage, delivery, dispatch or otherwise Handling of imported goods and export goods and includes a custodian as referred to in section 45 of the Act and persons as referred to in sub-section (2) of section 141 of the said Act;</i></p> <p><i>Further per section 10 -"Approval of appointment of a Customs Cargo Service provider and review thereof:</i></p> <p><i>(1) Where the Commissioner of Customs is satisfied that the applicant has fulfilled the conditions prescribed in regulation 5, he may approve such an applicant as a Customs Cargo Service provider, for a period of two years from the date of issue of such approval."</i></p> <p>It is under this provision that CSC has taken custom's approval for providing cargo handling service at the Perishable Cargo Terminal.</p>	<p>(a) & (b) As per clause 5.1 of the Guidelines, where a regulated service is provided at a major airport by two or more service provider(s), it shall be deemed competitive at that airport. These guidelines have been made after very extensive consultation with all the stakeholders. The Authority has been apprised that the custom authorities have vide letter no. S/3-Prev.Admn-26/2010.ACC dated 05.05.2011 from the Office of the Commissioner of Customs (Export), granted approval to CSC to perform as a "Custom Cargo Service Provider" for a period of two years for handling of cargo.</p>



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
		<p>It may also be seen from the above provisions that Customs Cargo Service provider may be an entity different and independent from the custodian as referred to in section 45 of the Customs Act, 1962. Thus taking custom approval for the facility is requirement of the law and in way undermines the role of CSC as independent cargo handler.</p> <p>It is fact that unless custom's approval is not obtained, no export cargo can be processed. If the export is being processed, then it is clear that necessary approval to start the facility has been obtained.</p>	
2.	<p>a) Under Clause 12.2 of OMDA signed between AAI and MIAL, M/s. MIAL is free to fix the charges for Non-Aeronautical Services. As per Schedule 6 of OMDA, cargo handling comes under Non-Aeronautical Services.</p> <p>b) Since CSC is providing services on behalf of MIAL who are the custodian at Mumbai Airport, the Consultation Paper does not indicate whether the consent of MIAL has been taken by M/s CSC before finalizing the charges. However, MIAL has informed telephonically that they were associated along with the CSC in all their discussions with the users.</p>	<p>CSC is an independent service provider as stated already. Further in the concession agreement between MIAL and CSC, CSC is free to fix its tariff subject to regulatory approval and in consultation with users. MIAL approval is not mandatory or required to be taken.</p>	<p>(a)& (b) In terms of Section 2(a) of the AERA Act, 2008, any service provided for cargo facility at an airport is an "aeronautical service". This Authority is required to determine tariff for aeronautical services as per S.13(1) (a) of the Act. It is in view of the aforesaid legal requirements that the present proposal has been submitted by CSC and is being considered by this Authority. AAI had itself in the past obtained approval of this Authority for tariffs in respect of cargo facilities operated by it at its major airports. Therefore, it would appear that instant comments may have been made without appropriate appreciation of correct legal position.</p>
II	Mumbai International Airport Limited (MIAL)		
1.	The charges/costs, if any, mandated/ imposed by Customs Department on CSC for meeting	CSC endorse the view of MIAL that charges/costs, if any, mandated/imposed by Customs Department on CSC for meeting the cost of Customs officers etc.	There is presently, no indication that any additional costs/charges have been mandated by customs. In case any such costs/charges are mandated, which



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	the cost of customs officers etc. should be allowed to be recovered/ passed through separately over and above the proposed tariffs.	should allowed to be recovered/passed, through separately over and above the proposed tariffs. This is because the same was not factored in their cost for the purpose of CSC's tariff calculations due to non-availability of its quantum and clarity from customs on the matter.	would require revision of tariff CSC would be free to approach this Authority for determination/approval of revised tariff.
2.	The remark on free period of 24 hours referred to in 'Remarks' column of TSP charges for non-horticulture and horticulture products appears to be wrongly mentioned and may be deleted.	Regarding the point No.4 made by MIAL in their submission as well as the clarification asked for by Freightwings regarding the statement in the remarks column of their city side tariff proposal, CSC would like to clarify that free period in the remarks columns of the said tariff proposal refers to demurrage free period.	CSC have clarified that the 'free period' of the said proposal is 'demurrage free period'. They have also accepted that the free period shall be as ordered by the Government, from time to time. The tariff is being approved with this condition and stipulation.
III			
The Air Cargo Agents Association of India(ACAAI)			
1.	The contents (Para 3 of the Consultation Paper) are factually incorrect. There has been no proper consultation held between CSC and Exporters/ BCHAA/ ACAAI and the meetings called for did not place on board any concrete financial statements to review and when such information was sought, the same was also denied. AERA may seek the minutes of these meetings to ascertain the correct position.	This facility is created for the handling of perishable and temperature sensitive products like pharmaceuticals requiring temperature control, vaccines, meat, fruits, vegetables, flowers, sea food and such items. When the facility was created, all interested stakeholders were invited namely the pharmaceutical companies, fruits and vegetables exporters, flower exporters, forwarders and custom house agents etc for preliminary discussion and negotiation. The first of such meeting was done way back in December 2010, which is also recorded by AERA in its consultation paper. It is matter of fact that perishable cargo and pharmaceutical cargo are specialized products requiring different environment and handling. It is also known fact that less than 15% of the total forwarders are involved in the trade. Further, in most cases the logistics of the perishable cargo is handled by the exporters themselves instead of any third party independent service provider like forwarders and custom house agents. Even then CSC called everybody for the discussion regarding	CSC has clarified that they held first meeting in December, 2010 and had invited interested stakeholders for the discussion. The copies of the minutes of the meeting as well as copies of email communications exchanged with stakeholders including ACAAI and BCHAA have been furnished.



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
		<p>Perishable Cargo Terminal. The gist of these deliberations and objections raised were submitted along with CSC's proposal. It is a matter of fact as can be seen from copies of various email exchanges and minutes of meeting attached that all subsequent meetings were held with official representatives of ACAAI and BCHAA in presence of MIAL representative.</p> <p>It is also a matter of fact that the initial proposal on city side tariff was higher than the final tariff, which was arrived at by discussion with ACAAI representative. It was at their insistence that the TSP tariff was split into Pharmaceutical related and Non Pharmaceutical related (refer minutes of the meeting held on 7th March, 2011 at page number 60 of CSC's proposal document and matched with tariff of MIAL and Air India). Right from 10th Dec, 2010, CSC have exchanged emails with ACAAI western region office bearer Mr. Firdos Fanibanda, wherein CSC explained each and every query of ACCAI. These emails are part of the documents filed with the proposal.</p> <p>Further CSC have always kept the shippers periodically informed of the development of the facility and its readiness to start commercial operations. The letters from major pharmaceutical companies and forwarders using the facility contradicts the view of IMC and ACAAI that no proper consultation has been held with users.</p>	
2.	The consultation paper (para 5) concedes rather hastily that CSC is an independent operator. The statement appearing in this paragraph that they are a concessionaire under a BOT	CSC has no comments to offer on this. Further this comment has no relevance to the determination of tariff for Perishable Cargo terminal. Regarding their comments that only MIAL should seek approval of tariff and not CSC, their response on this is already given in this letter to earlier comments by another	Refer to the remarks at Sl No 1 of AAI comments above.



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	<p>proposal of MIAL makes us suspect that this is an attempt by MIAL to establish this arrangement to side step the Royalties they need to pay under OMDA. Hence, the users very strongly feel that CSC is only a franchisee of MIAL. ACAAI also recalls its earlier communication to AERA on the eligibility of a franchisee to set and seek approval of tariff. The indirect flow back to MIAL by escaping the Royalty payments under OMDA also need to be quantified in the revenue stream before a fair and equitable tariff can be arrived at. The economic cost benefit flowing back to MIAL by way of infrastructure and business at the end of the concession period also needs quantification and public disclosure. ACAAI reiterates and submits that the tariff must be announced only by MIAL and they need to seek the approval from AERA and not CSC.</p>	<p>stakeholder.</p>	
3.	<p>The information (in Para 7 of the Consultation Paper) "as furnished by CSC" appears to have been accepted prima facie without any scrutiny and correctness. ACAAI disagree with the conclusion reached that this is a competing facility independent of MIAL.</p>	<p>Some Horticulture products may be sent at temperature range of 20-28 degree Celsius (Ambient Temperature). Similarly many pharmaceutical products can also be sent under such ambient temperature range. Further MIAL has cold storage facility by way of refrigerated container space on export side, which the trade can avail off and use for storage of pharmaceutical products. So while MIAL</p>	<p>As already mentioned at the remarks at para 1 of AAI comments, CSC is an Independent Service Provider and hence is considered as competitor along with MIAL and Air India (who are also providing perishable cargo handling services at CSI Airport, Mumbai), in terms of Clause 5 of the Guidelines.</p>



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	<p>ACAAI seeks that AERA undertakes a far deeper scrutiny of this proposition and arrives at a conclusion, as explained in our earlier communication that a sub agent of MIAL cannot be considered a competitor, competing in a free market without being influenced in any manner by the Principal.</p>	<p>does not have a proper refrigerated facility, the choice of using a particular facility depends upon a shipper and his requirements in terms of price, quality & temperature suitability.</p> <p>Therefore besides Air India, CSC consider MIAL as competitor because MIAL is providing perishable cargo handling service.</p> <p>Not only had that but even ACAAI compared their TSP charges for pharmaceutical with that being charged by MIAL (reference minutes of the meeting held on 7th March, 2011). This indicates that MIAL is also competitor for CSC for this product category and ACAAI acknowledges that aspect. So ACAAI's contention that MIAL is not competitor is not valid. Regarding their contention that MIAL as principal, cannot be a competitor is also an incorrect conclusion.</p> <p>MIAL is also in the business of cargo handling and they have provision for storage of pharmaceutical cargo in their warehouse. Ground handling regulation of Government of India also states that while airport operator have to also appoint independent operator, the operator themselves if they so choose, can be the handler. In addition, there is competition from Air India, which operates from APEDA facility.</p> <p>ACAAI's acceptance of MIAL and Air India as separate service providers is established from the statement of Mr. Firdos in Exhibit 3 given by ACAAI in their response to the instant Consultation Paper.</p>	



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
4.a	<p>The conclusion reached in (para 11 of the Consultation paper) that no charges are levied is erroneous. CSC has been actively pursuing a back door strategy without the approval of AERA as per the statement of tonnages of cargo handled at CSC for the period 01 to 07 June totalling 190M/T. ACAAI wish to point out the patrons of CSC are the Shippers/CHA/ IATA/ACAAI agents and not carriers as mentioned.</p>	<p>CSC has not charged the users -exporters and airlines for the cargo services rendered since 16th May 2011. The details response on this issue has already been submitted to the Authority vide their earlier letter dated 17th June, 2011.</p>	<p>(a) & (b) CSC vide letter dated 17.06.2011, has clarified that in absence of regulatory approval for tariff, forwarders had agreed to deposit with CSC a security deposit equivalent to possible charges which was to be kept in the escrow account and will not be used until the AERA order is received. On receipt of tariff approval by AERA, CSC will raise the invoices on various forwarders and they will settle their dues upon which CSC will return the security deposit so collected or else this security deposit would be used to settle the accounts. CSC has provided copies of letters for above arrangement with various agencies / Freight Forwarders. CSC has also enclosed a copy of letter from SBI, confirming that CSC has opened Escrow account with them and all deposits received at Perishable Centre Terminal, Mumbai since 16.05.2011 are deposited in the Escrow Account. Bank has further stated that company has not utilized any funds deposited in the account till date (14.06.2011). Total balance in the account was shown as Rs.25,03,548/-.</p>
4.b	<p>This is a facility where cargo is unloaded, completes regulatory process (CUSTOMS, X Ray, ADC, Plant, quarantine.) and made ready for carriage. The endorsement of some airlines cannot make this facility and their charges legitimate. So far only one airline Emirates sent e-mail to Members on Friday 13th May Evening that effective Monday 16th May all Temp Control Required Cargo must be at CSC, when Sat 14th May was a customs holiday</p>	<p>The details response on this issue has already been submitted to the Authority vide their earlier letter dated 17th June, 2011.</p>	



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	being second Saturday.		
5. a	<p>ACAAI is constrained to bring to the notice that such carriers who have endorsed the tariff or "verbally" accepted the same have resorted to abuse of this unholy nexus to coerce the shipper to use this facility and the agents of these shippers to forcibly open PD accounts for charges to be debited failing which space has been denied to them for their exports by these carriers. This is an abuse of dominant position of carriers with the blessings and active connivance of the CSC facility. AERA must investigate this surreptitious misadventure of CSC and select airlines that have currently created unjust and inequitable working conditions and severely compromised the financials of agents and shippers who have resisted this attempt to coerce/force them to patronize this facility without any legal approval.</p>	<p>For any handler, the airline is the principal customer since cargo handling is the core activities. Only if the airline endorses the handler and its facility, and come to the said facility, handler can accept cargo for that carrier. It is the prerogative of the carriers which handlers they want to use and not the other way round. Exhibit 2 given by ACAAI only demonstrates CSC's contention that airlines are principal customers and they have expressed acceptance of tariffs.</p> <p>Further this facility is a common user facility for handling and storage of export Perishable and temperature sensitive cargo, any airline, forwarder and shipper is free to use the same. It may be noted that currently CSC are only accepting pharmaceutical shipments for reasons mentioned in letter dated 17th June, 2011. CSC will commence accepting other types of perishable cargo once the approval of tariff is received. The list of customers using the said facility and volume of cargo handled since 16th May to 30th June 2011 enclosed with this submission establishes the truth that CSC has not been selective in its choice of customers.</p>	<p>There are two other service providers providing cargo services at CSI Airport, Mumbai apart from CSC. The Authority understands that Air India also operates a similar perishable cargo facility at this airport. Therefore, the Airlines/Agents have a choice in the matter.</p>
5. b	<p>The outcome of the meetings between CSC/BCHAA/ACAAI does not find mention in the discussion paper and ACAAI once again reiterate that minutes of these meeting are obtained to clearly</p>	<p>As stated by ACAAI that Exhibit 3 does not find any mention in the paper, whereas it has already been submitted and can be seen in page number 60 of the proposal document. It is clear from Exhibit 3 enclosed by ACAAI, which records "After further deliberations and discussion, the tariff as given in the table in</p>	<p>The Authority proposes to approve the tariffs proposed, under a light touch approach, as the service provided is deemed to be 'material but competitive'. Further, CSC have produced evidence that, while proposing tariff, requisite stakeholder consultation has been held.</p>



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	understand the genuine concerns raised by the participants at these meetings. Information which was flatly refused at this meeting is attached (Exhibit-3).	Annexure to this minutes was accepted", that they accepted the annexed tariff. Further, there is no mention of any denial of information in the said Exhibit 3.	
5.c	Deliberate misinformation to Trade by MIAL proclaiming that all the regulatory clearances have been obtained is placed as Exhibit 4. This reiterates their misgivings that commercial considerations have forced MIAL/CSC to circumvent and undermine the correct and legal process of obtaining the formal clearances from AERA.	Their contention that no approval has been obtained from regulatory authorities for starting the facility is not correct.	CSC has claimed that all necessary approvals are in place. It is not the function of this Authority to verify as to whether a regulated entity is complying with other laws/bye - laws etc. It is for the competent authority under the relevant laws to do the needful.
5.d	ACAAI also deny the assertion that trade has agreed upon the proposed tariff in totality. Please find attached herewith the message received from CSC to that effect; their message proves that some of the tariff proposals have been added later on and not discussed with the trade.	ACAAI contends that new additional tariff have been added to discussed tariff. This is factually incorrect statement because exhibit referred to by ACAAI only relates to explanation for various types of proposed tariffs rather than any change in tariffs. Further the fact remains that CSC has made no changes in the discussed tariff.	Reply furnished at Sl.No.5b of ACAAI may please be referred.
5.e	ACAAI also wish to question the revenue figures if these have been correctly quantified by CSC. The premises constructed, is for a dual purpose, one for Cold storage facility and other for the purpose of subletting the office space above for commercial purpose. The revenue generation of this upper portion is not reflected in the	The requisite details for revenue calculation have already been submitted in the proposal document. It is clarified that office space on top of building is not that of CSC's. As such revenue from proposed leasing of office space is not reflected in CSC's calculation.	The regulation under light touch approach does not, in normal course, contemplate independent verification of the information submitted by the regulated entity. The regulated entity is expected to submit the proposal and information/documents accompanying it in a responsible manner with an affirmation regarding correctness and truth of the contents of the proposal.



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	submissions made and which will directly lead to a reduced tariff.		
5.f	ACAAI also urge that the consultation paper must also set the performance parameters and the conditionality which needs to be followed. ACAAI once again reiterate that they welcome any improvement to the cargo infrastructure. The process of setting tariff and seeking approvals needs to be done with utmost respect to the law of the land.	The performance parameters are taken care of by adoption of standard IATA agreements coupled with modifications as per user requirements.	The Authority has in its Order No.12/2010-11 dated 10.01.2011, stated that it considers 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 and 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. Notwithstanding this position, the Authority shall monitor the relevant performance standards in respect of Cargo services as may be set by the Central Government or any authority authorized by it in this behalf.
IV	The Bombay Custom House Agents' Association (BCHAA)		
1.	There was no formal meeting held by MIAL to discuss the tariff and other operational aspects. There is total lack of clarity regarding <ul style="list-style-type: none"> • Tariff to be charged • Airlines to be handled • Service standards laid down for the operation. 	CSC comments on the issues raised by ACAAI may be referred. Contention by BCHAA of not being consulted flies in face of the fact established by various emails and minutes of meetings copies which show that Mr. Nailesh Gandhi, President and Mr. Dushyant, Secretary have either singly or jointly attended meetings called by CSC to discuss tariff and other issues, including that in Exhibit 3 given by ACAAI.	Refer to the remarks at Sl.No 1 of ACAAI's comments above.
2.	As stakeholders, BCHAA is not aware about the legal status of CSC (Cargo Service Centre). There is	CSC legal status is known to everyone since they are registered Indian company. The fact that customs have approved the company as Custom Cargo Service	Refer to the remarks at Sl.No 1 of AAI comments above.



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S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	total lack of transparency for their existence, operations and billing.	providers establishes the fact. Further the fact is that both ACAAI and BCHAA have attended their meetings and never questioned their legal status implies that they had no problems then, therefore they cannot raise this issue now.	
3.	As regards Point No 7, BCHAA totally disagree with the statement that CSC will provide a competitive environment at Mumbai Airport vis-a-vis other custodians. Primarily CSC is in existence now and is operating with select few exporters, agents and airlines. In short, this is being operated as close users group (CUG) facility. This defeats the entire purpose of its existence as the valuable space at ACC Mumbai is being utilized by a Private Operator to serve his select set of clients. This is unjustified and unfair to entire EXIM Trade.	Reference CSC's comments to similar statement made by ACAAI [Sl. No.5(c)]	Refer to the remarks at Sl.No 1 of AAI comments above.
4.	Customs Authorities at ACC Mumbai has still not given a Public Notice to the Trade regarding operations of CSC.	Whether customs has issued a public notice or not, is not relevant to determination of tariff. In any case it is for customs to determine when to issue public notice.	Reply furnished at Sl.No.5c of ACAAI's comments may please be referred.
5.	As one of the major stakeholders and Trade body approved by Central Board of Excise and Customs (CBEC), BCHAA submit that there has been no formal discussion by MIAL regarding operationalisation of CSC or User Agreement.	Regarding the contention of BCHAA that no one was informed of CSC starting the facility, it is hereby informed that in many trade felicitation meetings which are held by customs every month and where all stakeholders are present, the matter of CSC starting the facility has been discussed. Further there is no user agreement between BCHAA and any terminal operators anywhere in the country or the world. So their contention on the matter is superfluous. The user	Reply furnished at Sl.No.5b of ACAAI's comments as may please be referred.



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
		agreements are always with the airlines. Further, this has no bearing on the tariff determination.	
6.	CSC has employed a back door mechanism and have already started the operations with select few exporters and airlines. CSC records can be verified and checked as they are already charging these select few players. In their opinion, it is dreadful to learn that in the beginning phase of its existence, CSC is mis-stating the facts to Govt. of India.	This is an erroneous statement since CSC has applied for tariff approval and started the facility with clear understanding that tariff will be levied on final approval of tariff AERA. The letter on this was submitted earlier as well (dated 3 rd & 6 th May, 2011), a copy of which is enclosed as Annexure 5.	Refer to the remarks at Sl.No 4 of ACAAI's comments.
V	Indian Merchants' Chamber (IMC)		
1.	IMC would like to mention at the outset that no consultation was done either by MIAL or by CSC with the trade and industry of Mumbai who are the main users, for which the facility was created.	CSC's replies at Sl.no. 1 of ACAAI's comments, Sl no. 1 of BCHAA's comments may please be referred. As already stated that CSC invited everybody who is interested in using this facility. Airlines, Shippers and forwarders who are customers for this facility have all attended the said consultation process as can be seen from various emails, minutes of meeting and letters from shippers.	Replies in respect of Sl.1 of ACAAI's comments may please be referred.
2.	Under Para No.2, of the above paper, IMC would like to know whether the service provider had submitted to the Authority a MYTP for its consideration and if not, what action was taken.	No comments, submission is part of the tariff approval process.	Consultation Paper No. 5/2011-12 and the current Stakeholder Consultation is an outcome of CSC's MYTP submission.
3.	With reference to Para.No.3, it is regretted to note that the IMC which is a stake holder, has not been invited to any consultation or discussion as none had been organized by CSC prior to	Refer to comments at Sl. no. 1 of IMC and also reply furnished at Sl no. 1 of ACAAI's comments and sl no. 1 of BCHAA's comments above.	Replies at Sl.no. 1 of ACAAI's comments, Sl no. 1 of BCHAA's comments may please be referred.



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S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	commencement of is operation at the Air cargo complex at Sahar.		
4.	With reference to Para. No.4, the Industry would seek your kind indulgence, as to how CSC is operating the said facility at the Air cargo Complex Sahar, even though its tariff has not been approved by AERA under the AERA Act 2008.	Not relevant to CSC.	Refer to the remarks at Sl.No 4 of ACAAI's comments
5.	Under Para. No.5, of the Paper it is observed that CSC has submitted a proposal subsequently in the MYTP, that they are registered under the Companies Act, 1956 and hence awarded concession by Mumbai International Airport Ltd to create Perishable Cargo Terminal under BOT concession. IMC once again seek AERA's indulgence to be enlightened whether the said concession awarded to CSC was by an open tender or under what procedure was the said concession awarded.	No comments furnished by CSC	As per the Authority's Guidelines wherever in Authority's assessment, the service is 'material but competitive', the Authority shall determine tariff(s) for the service provider(s) based on a "light touch approach" for the duration of the Control Period and this tentative decision of the Authority was placed for stakeholder consultation.
6.	Under Para.6, of the paper, it appears that the Industry would only be exploited by CSC who is the BOT developer, if 30.7% or more had to be first paid to AAI and another percentage to MIAL, this only once again confirms the fears of the industry, that the handling charges of EXIM cargo in India, is the highest in the world even	Their comment bears no connection to issues put in the consultation paper. Regarding the nature of the facilities and services offered, IMC has not verified the facts before making this statement. The letters by shippers (Ranbaxy, Cipla, Torrent) and freight forwarders (Freightwings & Travels, Transline Air Cargo) on performance of CSC (can be seen as <i>Annexure 3</i>) is a testimony to high standard of their service and the reasonableness of the proposed tariffs.	The percentage of 30.7% mentioned in para 6 of the Consultation Paper refers to the percentage that the total cargo volume at CSI Airport, Mumbai for the period w.e.f. April 2009 to March 2010, as per AAI Traffic Reporter, forms of the cargo volume at all major airports. In terms of clause 4.3(i) of the Guidelines, the same has been used for materiality assessment as per clause 4 of the Guidelines.



Consultation Paper No. 05/2011-12- Clarifications furnished by Cargo Service Centre (CSC) on stakeholder comments/ feedback pertaining to Perishable Cargo Terminal, CSIA, Mumbai

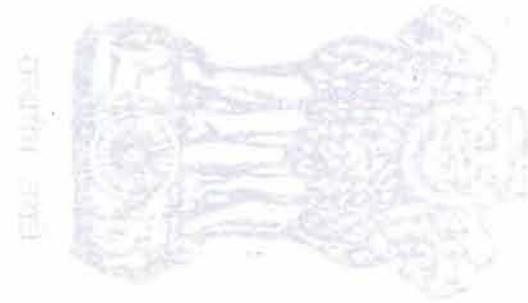
S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	though the facilities offered are far below par which are unacceptable internationally.		
7.	With reference to Para 7, it is shocking that the CSC had produced material evidence of Air India & MIAL who are both monopolistic players in the field, and at whose mercy the EXIM Industry has to prostrate. The CSC ought to have given competitive evidence to Players who operate near to the Aircargo complex and hence true competition would have been observed.	CSC submission is made on basis of the guideline by AERA on tariff determination. Analysis of competition outside the airport is not part of the guideline.	Reply at Sl. No. 5.a of ACCAI's comments may please be referred.
9.	With reference to para 11, though the CSC started operating from 16.05.2011, IMC would like to know whether cargo handled till date has not been charged for and if charges have been recovered from the users, the basis on which the illegal activities were permitted to operate.	CSC has already replied to this issue vide their earlier letter and by reference in this letter as well.	Refer to the remarks at Sl. 4 of ACCAI's comments.
VI	Freightwings & Travels Pvt. Ltd (FWT)		
1.	FWT has requested to clarify on the proposed tariff structure regarding their perishable cargo terminal at Mumbai and as posted at AERA' website. Please refer row 1 and 2 of the schedule of charges for TSP charges, under the remark column, the statement "Free period shall be one working day (24 hrs) for examination....." Please	Comments furnished at Sl. No. 2 of MIAL's observations may please be referred.	Refer to remarks at Sl.No 2 of MIAL's comments.



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S.No.	Comments	CSC's Clarifications/ Responses	Authority's Remarks
	clarify whether the free period means no TSP charges are to paid if cargo is cleared within 24 hrs or whether it pertains to demurrage charges for which charges are mentioned at row 3. In <i>all</i> other terminals, TSP is paid irrespective of free period and demurrage is levied after the free period is over.		

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AERA



Form - 14(b) - 1
Land Side Tariff

**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 FROM 1ST APRIL, 2011 AND VALID FOR ONE YEAR**

S.No.	Charges	Rate	Chargable to	Remarks
1	TSP Charges for Non Horticulture product requiring temperature control	Rs 1.50 / Kg subject to minimum of Rs. 150 per AWB	Forwarder / Shipper / Airline	Charges include unloading from trucks at the truck dock
2	TSP Charges for Horticulture product like Fruits, Vegetable and flowers	Rs 0.75 / Kg subject to minimum of Rs.75 per AWB	Forwarder / Shipper / Airline	Charges include unloading from trucks at the truck dock
3	Demurrage/Storage Charges beyond free period	Rs.1.50 per kg per day subject to minimum of Rs. 150 per AWB	Forwarder / Shipper / Airline	Demurrage free period shall be as per government order issued from time to time.
Optional Services				
4	Special Handling (Pharmaceutical, to maintain product temperature on request)	Rs 2000 / Pallet	Shipper / Airline	Only applicable if special packaging of ULD is required
5	Back to Town	50 % of TSP charges	Forwarder / Shipper	If not cleared within 24 hrs of intimation, demurrage charges will be applicable

- Note
- 1.TSP charges is inclusive of forklift use
 - 2.Charges will be on gross weight or chargeable weight of consignment, whichever is higher
 - 3.Minimum charge for TSP will be for 100 kgs - gross or chargeable weight of consignment, whichever is higher
 - 4.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 custom examination area, and on pallets.
 - 5.All invoices will be rounded off to nearest Rs.5.
 6. Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charges



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Form - 14(b) - 2

Air Side Tariff

GENERAL 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 AT
MUMBAI AIRPORT
EFFECTIVE 1ST APRIL 2011 AND VALID FOR ONE YEAR

S.No.	Price Driver	Price	Currency
1	Export handling per kg for Horticulture, Sea food and meat products including fruits, vegetable and flowers, subject to a minimum	3	INR
2	Export handling per kg for all other product including Pharmaceuticals and Vaccines, subject to a minimum chargeable weight of 500 kgs	2.25	INR
3	DGR export acceptance per AWB	1400	INR
4	DRY Ice Checklist per AWB	700	INR
5	DGR-fee, in case shipment above 20 pieces, per additional piece	50	INR
6	ULD cleaning / unit	5000	INR
7	Perishable cargo storage beyond demurrage free period after acceptance per kg per day subject to minimum chargeable weight of 100 kgs per AWB	1.5	INR
8	Full HAWB data capture per HAWB	26	INR
9	X-ray screening/physical examination per Kg subject to minimum chargeable weight of 500 kgs per flight	1.75	INR
10	Special Handling (Pharmaceutical, to maintain product temperature on request by shipper/airline) per pallet	2000	INR

Note

1. Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charges.



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