

[F. No. AERA/20010/MYTP/AISATS/C/BIAL/2011-12]

**Airports Economic Regulatory Authority of India**

**Order No. 37/2013-14**

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

**Date of Order: 3<sup>rd</sup> February, 2014**

**Date of Issue: 18<sup>th</sup> February, 2014**

**In the matter of determination of Tariffs for Domestic Cargo, w.e.f 01.02.2014 of Third Tariff Year (2013-14) in respect of Air India SATS Airports Services private Limited for providing Cargo Services at Bengaluru International Airport, Bengaluru.**

The Authority had considered the Multi Year Tariff Proposal (MYTP), submitted by Air India SATS Airport Services Private Limited (AISATS), for Cargo services being provided at Bangalore International Airport, Bengaluru, for the first control period commencing w.e.f. 01.04.2011. After due stakeholder consultation, the Authority issued a Multi-Year Tariff Order (MYTO) No. 22/2011-12 dated 29.09.2011 wherein it decided to adopt "light touch approach" for determination of tariff(s) for the cargo services provided by AISATS at the above mentioned airport, for the first control period. The Authority also determined the Annual Tariff for the first tariff year vide the above order. Thereafter, the Authority approved the Annual Tariff Proposals (ATP) for the second and third tariff years vide Order No. 44/2012-13 dated 15.02.2013 and 31/2013-14 dated 08.08.2013 respectively.

2. Subsequently, AISATS submitted a proposal for revision in their domestic cargo tariff vide letter no.2013/L/CHQ/MKT/0020/AERA dated 20.09.2013 for Cargo Handling at Bengaluru International Airport, Bengaluru. As per the proposal the revised tariff was to be effective from 15.10.2013, wherein 5% increase in tariffs for all components for Domestic Cargo was proposed. Further, AISATS submitted that the rest of the charges- to be paid by freight forwarders for international cargo and the charges to be paid by the Airlines, would remain same as already approved by the Authority vide order no. 31/2013-14 dated 08.08.2013 i.e. ATP for the third tariff year. AISATS submitted minutes of the meeting held with stakeholders on 29.04.2011 as evidence of Stakeholder Consultation.

3.1 The Authority considered the proposal submitted by AISATS and desired that AISATS may submit evidence of a recent stakeholder consultation meeting regarding revision in tariff(s) for the domestic cargo services, proposed for the third tariff year of the first control with effect from 15.10.2013.



3.2 Accordingly, AISATS, vide its email dated 21.01.2014 submitted a copy of the minutes of stakeholder consultation meeting held on 07.01.2014 along with the copy of schedule of charges pertaining to Terminal, Storage and Processing Charges both inbound and outbound domestic cargo and requested the Authority to issue an interim order approving the rate increase for Domestic Cargo services effective 01.02.2014.

4.1 The Authority noted that the tariff(s) for Cargo services provided by AISATS at Bangalore International Airport, Bengaluru, for the first control period are approved under '*light touch approach*'. It is also noted that the Authority had approved the ATP(s) for the second and third tariff years after stakeholder consultation. The present proposal for revision of tariff in the third tariff year by 5% increase in the Terminal, Storage and Processing Charges both inbound and outbound domestic cargo, would need to be determined based on the outcome of stakeholder consultation process. While AISATS, had earlier sought approval of tariff(s) with effect from 15.10.2013, they have now sought the revision of charges effective from 01.02.2014. Further, AISATS submitted that the rest of the charges, to be paid by freight forwarders for international cargo and the charges to be paid by the Airlines would remain same as already approved by the Authority.

4.2 Considering that AISATS have gone through a stakeholder consultation process for the revision in the charges in respect of domestic cargo services, the Authority decided to permit AISATS revise the charges for the present w.e.f 01.02.2014 – subject to the final determination post stakeholder consultation and in such a case the revenue received on this account should be accounted for separately. In case the final determined rates for these services are less than the proposed rates, then AISATS would be required to refund the excess revenue collected till such determination. On balance, the Authority has presently, decided to determine the tariffs for Terminal, Storage and Processing Charges both inbound and outbound domestic cargo services for the third tariff year effective from 01.02.2014 subject to separate accounting and their final determination post stakeholder consultation process.

### **ORDER**

5. Upon careful consideration of material available on record, the Authority in exercise of powers conferred by Section 13 (1) (a) of the Airport Economic Regulatory Authority of India Act, 2008, hereby passes an interim order that:

- (i) Revised tariff of Terminal, Storage and Processing Charges both inbound and outbound domestic cargo services provided by M/s Air India SATS Airports Services private Limited (AISATS) at Bengaluru International Airport, are determined for the third tariff year (w.e.f 01.02.2014 to 31.03.2014) of the first control period, as at **Annexure – I**.



(ii) The current determination of the tariff items has been done by the Authority for the time being and is subject to the final determination of the revised Tariff for the Cargo Services. AISATS will maintain a separate account for revenue from these increased tariff items and after final determination of these charges by the Authority, AISATS will have to undertake consequential refund action, if any, based on the rates which may be finally determined post stakeholder consultation in the matter of the services, for which Consultation Paper No. 23/2013-14 dated 18.02.2014 has been issued separately.

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

*Alok Shekhar*

**(Alok Shekhar)  
Secretary**

**To**

**M/s Air India SATS Airport Services Private Limited,  
A-301, Business Square,  
Andheri – Kurla Road,  
Chakala Andheri – E  
Mumbai – 400 069  
(Through: Shri Nilang Shah, Assistant Vice President-Commercial)**



**Air India SATS Airports Services private Limited**

**Revised Annual Tariff for Tariff Year 3**

**Annexure-I**

RATES TO BE PAID FOR DOMESTIC CARGO: AISATS, Bengaluru

S.N.	LIST OF CHARGES	Revised FY 2013-14	
		EFFECTIVE 1 <sup>st</sup> February 2014	
		Tariff Year 3	
		MINIMUM RATE in INR	RATE PER KG in INR
<b>B) DOMESTIC CARGO</b>			
<b>OUTBOUND CARGO</b>			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) - (Per shipping bill)		
a)	General Cargo	105	0.72
b)	Special Cargo (AVI)	210	2.26
c)	PER/DGR/VAL cargo	210	2.26
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)		
a)	General Cargo	131	0.72
b)	Special Cargo (AVI)	210	2.26
c)	PER/DGR/VAL cargo	210	2.26
3	COURIER HANDLING CHARGE	105	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	
<b>INBOUND CARGO</b>			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) - (per Bill of Entry)		
a)	General Cargo/Unaccompanied Baggage	131	1.21
b)	Special Cargo (AVI)	210	2.32
c)	PER/DGR/VAL cargo	210	2.32
2	DEMURRAGE/STORAGE CHARGE (rate per Kg per 24 hours)		
a)	General Cargo	210	1.38
b)	Special Cargo (AVI)	263	2.43
c)	PER/DGR/VAL cargo	263	2.43
3	COURIER HANDLING CHARGE	131	1.21
4	AIR WAY BILL AMENDMENT CHARGE	105 per AWB	
5	PACKING / REPACKING/STRAPPING CHARGE	6.00 per carton	

**Note : Applicable for international and domestic handling**

- 1 Consignments of Human Remains, Coffins, Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of TSP and Demmurrage charges
- 2 TSP charge applicable to Newspaper and TV reel consignments shall be at 50% of the applicable charge
- 3 TSP charges are inclusive of forklift used for loading/offloading the cargo to/from truck and putting cargo on custom area for examination.
- 4 Charges will be levied on the Gross Weight or Chargeable Weight whichever is higher. Where there is a mis-declaration of gross weight or chargeable weight, the actual gross weight or the actual chargeable weight will be
- 5 The free period for export cargo is 24 hours for examination and processing. Free period for import cargo is 72 hours from flight Actual Time of Arrival (ATA). Cargo cleared beyond 72 hours of flight ATA will be charged
- 6 All billing will be round off to the nearest INR/100 as per IATA Tact rule.
- 7 Special Cargo (AVI) consist of Live Animals and Day old chicks.
- 8 VAL Cargo includes gold bullion, currency notes, shares, stamp coupons, traveller's Cheques, diamonds (including diamonds for industrial use), diamond jewellery, watches of silver, gold-platinum and items valued at USD 1000/Kg
- 9 All charges mentioned above are excluding taxes which will be charged at prevailing rates.
- 10 All charges mentioned above include the concessional fees charged by the airport operator.
- 11 No outside labor will be allowed to handle cargo at Air India SATS Airfreight Terminal.  
Demurrage charges shall be as per the GDF instructions issued from time to time.

