

**Airports Economic Regulatory Authority of India**

**Order No. 43/2018-19**

**AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi – 110003.**

**Date of Issue: 06.03.2019.**

**Service :Cold Chain Cargo Handling Services.  
Service provider :M/S Mumbai Cargo Service Center Cold Chain  
Solutions Private Limited (MCSCCCPL).  
Airport :Chhatrapati Shivaji International Airport, Mumbai.**

**In the matter of Multi Year Tariff Proposal and Annual Tariff Proposal(ATP) (FY.2018-19 to FY.2020-21) for the Second Control Period in respect of M/S Mumbai Cargo Service Center Cold Chain Solutions Private Limited (MCSCCCPL) for providing Cold Chain Cargo Handling Services at Chhatrapati Shivaji International Airport, Mumbai.**

1. M/s Mumbai Cargo Service Center Cold Chain Solutions Private Limited (herein under referred to as "MCSCCCPL") is one of the Cargo Handling agencies appointed by Mumbai International Airport Ltd. (MIAL) for carrying out Cold Chain Services in Cargo Handling (CH) at Chhatrapati Shivaji International Airport, Mumbai (CSIA) vide Agreement dated 25.05.2017. M/s MCSCCCPL is a new entrant in Cold Chain Services in Cargo Handling at Chhatrapati Shivaji International Airport, Mumbai (CSIA). M/s MCSCCCPL started their operations at Chhatrapati Shivaji International Airport, Mumbai (CSIA) from 1<sup>st</sup> November, 2017. The Authority vide letter no. AERA/20010/MYTP/MCSCCS/CP-II/2016-17/13084 dated 29.08.2017 approved ad-hoc tariff based on the approved tariff of M/s CSC Cold Chain Solution Pvt. Ltd. for the period 01.09.2017 to 30.09.2017. The Authority vide the following Orders allowed AOs/ISPs to continue with the existing tariff till the determination of tariffs for Second Control period:

- a) Order No. 12/2017-18 dated 29<sup>th</sup> September, 2017.
- b) Order No. 43/2017-18 dated 28<sup>th</sup> March, 2018.
- c) Order No. 21/2018-19 dated 28<sup>th</sup> September, 2018.

**2. Financials submitted by M/s MCSCCCPL.**

M/s MCSCCCPL submitted their MYTP/ATP for FY 2018-19, FY 2019-20 & FY 2020-21 vide Letter dated 25.11.2018. Further, M/s MCSCCCPL submitted the audited Annual Compliance Statement (ACS) & Balance Sheet for FY 17-18. M/s MCSCCCPL submitted the Concession Agreement entered with MIAL and Key User Agreements for examination of the Authority. M/s MCSCCCPL submitted the evidence/minutes of the stakeholder consultation conducted on 12.01.2018 for the proposed tariff. M/s MCSCCCPL also submitted the ARR calculation for examination of the Authority.





**3. a) Materiality:** As per Clause 4.3 of the CGF Guidelines, 2011 for the regulated service(s) provided for Cargo Handling facility at the major airports, the percentage share of Cargo Handling for Chhatrapati Shivaji International Airport, Mumbai is **27.89%** which is greater than **2.5%** Materiality Index (MIg) for the above subject service. Hence the regulated service is deemed '**Material**' for the second control period.

**b) Competition:** As per the information available the following Cargo operators are operating cold chain services at Chhatrapati Shivaji International Airport, Mumbai (CSIA).

- i. M/s Air India Air Transport Service Limited (AIATSL).
- ii. M/s Mumbai Cargo Service Centre Cold Chain Solution Limited.

Hence in the instance case, there are two Cold Chain Cargo Handling service providers; therefore the service is deemed '**Competitive**'.

**c) Reasonableness of existing User Agreement(s):** M/s MCSCCCPL has submitted the valid User Agreements for Mumbai Airport. Till date none of the Users has complained on the Cargo Handling services of MCSCCCPL.

#### **4. Authority's View.**

(i) The Authority noted that M/s MCSCCCPL's Return on Average RAB stands negative for FY 2017-18. Further the turnover/Profit % in FY2017-18 is -4%.

(ii) The Authority considered the submissions made by M/s MCSCCCPL and issued a Consultation paper No. 30/2018-19 dated 31<sup>st</sup> January, 2019. The Authority in above Consultation Paper proposed that M/s MCSCCCPL may be allowed to continue with the existing tariff for the residual period of FY2018-19. Further, to avoid steep hike in tariff and to even out the hike, 25% increase in tariff is allowed each for FY2019-20 & FY2020-21 (Year on Year). The shortfall created or excess revenue generated due to the above mentioned/determined tariff would be carried forward/adjusted in next control period after true up.

(iii) The Authority sought written evidence based feedback, comments and suggestions from stakeholders on the above mentioned consultation paper (CP) by 21<sup>st</sup> February, 2019. The Authority vide email dated 04.02.2019 informed the same to all concerned stakeholders on their registered email IDs. In response, no comments has been received from Stakeholders.

#### **ORDER**

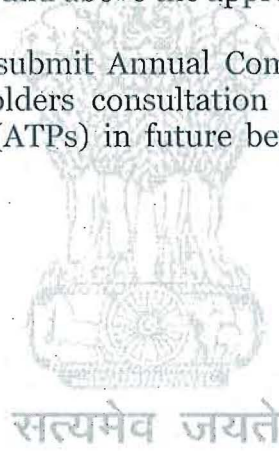
Upon careful consideration of the material available on record, the Authority, in exercise of powers conferred by Section 13(1) (a) of the AERA Act, 2008, hereby orders that:

(i) The services provided by M/s Mumbai Cargo Service Center Cold Chain Solutions Private Limited (MCSCCCPL), the Cold Chain Cargo Service provider at Chhatrapati Shivaji International Airport, Mumbai (CSIA) are "**Material but Competitive**". Hence the Authority will adopt a "Light Touch Approach" for determination of tariff for the 2<sup>nd</sup> Control Period (FY 2016-17 to FY 2020-21).

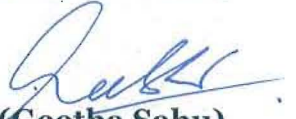




- (ii) Considering the negative (a) Return on RAB, as well as (b) Profit Margin, as detailed in Consultation Paper. M/s MCSCCCPL is allowed to continue with the existing tariff for the residual period of FY2018-19. Further, to avoid steep hike in tariff and to even out the hike, 25% increase in tariff is allowed each for FY2019-20 & FY2020-21 (Year on Year). The approved tariff card is attached as “Annexure-I”. The shortfall created or excess revenue generated due to the above mentioned determined tariff would be carried forward/adjusted in next control period after true up.
- (iii) Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied over and above the approved tariff.
- (iv) M/s MCSCCCPL should submit Annual Compliance Statements duly audited and conduct the Stakeholders consultation with the users on the proposed Annual Tariff Proposals (ATPs) in future before approaching AERA for tariff determination.



By the Order of and in the  
Name of the Authority

  
(Geetha Sahu)  
AGM (Finance)

To,

M/S Mumbai Cargo Service Center Cold Chain Solutions Private  
Limited (MCSCCCPL)  
B-201 Polaris, Off Marol Maroshi Road,  
Andheri East, Mumbai-400059.

(Through Shri Harish Shetty, Chief Financial Officer)

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



Mumbai Cargo Service Center Cold Chain Solution Pvt. Ltd  
Annual Tariff for FY 2018-19, FY 2019-20 & FY 2020-21  
City Side

Annexure-I

S.No	Charges	Unit	FY2018-19	FY2019-20	FY2020-21	Remarks
<b>1.TSP Charges</b>						
1.1	Non Horticulture Product required temperature control	Per Kg	1.60	2.00	2.50	Rs./ Kg subject to minimum of Rs.250 per AWB
1.2	Horticulture Product like fruits, Vegetable and Flowers	Per Kg	0.80	1.00	1.25	Rs./ Kg subject to minimum of Rs.170 per AWB
<b>2. Demurrage Charges</b>						
2.1	Demurrage/Storage Charges beyond 24 Hrs free period	Per Kg	1.60	2.00	2.50	Rs./ Kg/Day subject to minimum of Rs.250 per AWB
<b>3. Optional Charges</b>						
3.1	Special Handling (Pharmaceutical) to maintain product temperature on request	Per AWB	2000	2500	3125	Rs/AWB
3.2	Back to town	Per Kg	50% of TSP Charges	50% of TSP Charges	50% of TSP Charges	Rs./ Kg subject to minimum of Rs.50 per AWB

Notes:

- 1 TSP Charges is inclusive of forklift use inside the terminal. No additional forklift charges will be levied.
- 2 Charges will be on the "gross weight" or the "chargeable weight" of consignment, whichever is higher. Whenever the "gross weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the "actual gross weight" or the actual volumetric weight" whichever is higher.





- 3 For misdeclaration of weight above 2% and upto 5% of declared weight penal charges double the applicable TSP charges will be levied. For variation above 5%, the penal charges will be five times the applicable TSP charges of the differential weight. No Penal charges will be there for variation upto and inclusive of 2%. This will not apply to valuable Cargo.
- 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 customs examination area, and on pallets.
- 5 All invoices will be rounded off to nearest Rs.%. As per IATA Tact Rule book Clause-5.7.2, rounding off procedure, when rounding off unit is 5.

**For example:-**

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

- 6 In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.
- 7 Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charge
- 8 Service Tax and any other statutory indirect taxes shall be levied extra as per government notifications.
- 9 Packing/repacking charges shall be levied @ 2% of packages per shipping bill with a minimum of Rs. 34.50/-per airway bill. Packing/repacking charges will be Rs. 17.25/-per packet.
- 10 MOT charges will be levied Rs. 230/-per AWB
- 11 Terminal receipt cancellation charges will be Rs. 115 per Terminal receipt.



Mumbai Cargo Service Center Cold Chain Solution Pvt. Ltd  
Annual Tariff for FY 2018-19, FY 2019-20 & FY 2020-21  
Air Side

25% 25% [Amount in RS.]

S.No	Charges	Unit	FY2018-19	FY2019-20	FY2020-21	Remarks
1	Export Handling per Kg for Horticulture, sea food and meat products including fruits, vegetable and flowers	Per Kg	3.00	3.75	4.69	Subject to minimum Chargeable weight of 500 Kgs per Flight
2	Export Handling per Kg for all other products including Pharmaceuticals and vaccine	Per Kg	2.25	2.81	3.52	Subject to minimum Chargeable weight of 500 Kgs per Flight
3	Demurrage: Perishable Cargo Storage beyond demurrage free period after acceptance	Per Kg	1.50	1.88	2.34	Subject to minimum Chargeable weight of 100 Kgs per AWB *** Demurrage free period shall be as per government order issued from time to time
4	X-Ray screening and or physical examination incl	Per Kg	1.95	2.44	3.05	Subject to minimum Chargeable weight of 500 Kgs per Flight
5	Miscellaneous Charges (None of the above)	Per Kg	3.00	3.75	4.69	Subject to minimum charge of INR 1500 per AWB
6	Full HAWB data capture per HAWB	Per AWB	26.00	32.50	40.63	Per AWB
7	Dry Ice check list charges	Per Kg	700	875	1093.75	Per AWB
8	DGR acceptance fee	Per Kg	1400	1750	2187.50	Per AWB
9	DGR-Fee, in case shipment above 20 pieces	Per Additional Unit	50.00	62.50	78.13	Per Additional Unit
10	Special Handling (Pharmaceutical, to maintain product temperature on request by shipper/airline)	Per Unit	2000	2500	3125	Per Unit





11	ULD cleaning/unit	Per Unit	5000	6250	7812.50	Per Unit
----	-------------------	----------	------	------	---------	----------

**Note:**

- 1 Demmorage will be applicable to Airlines if custom cleared cargo is stored in the warehouse beyond the free period in case of export cargo.
- 2 Handling rates provided above are inclusive of handling services including physical handling, document handling and IT handling.
- 3 Charges will be on "Gross Weight" or the "Chargable Weight" of consignment, whichever is higher. Where ever the "Gross Weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the actual gross weight or the actual volumetric weight whichever is higher.
- 4 In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.
- 5 Miscellaneous Charges includes special service requests from the customers other than the services already mentioned in the above tariff chart.
- 6 Service Tax and any other statutory indirect taxes shall be levied extra as per government notifications.

AVERA

आ.वि.प्रा.

सत्यमेव जयते

