

**AERA/20010/MYTP/GHACLPL/C/HIAL/CP-II/2019-20/Vol-II**  
**Airports Economic Regulatory Authority of India**  
**Order No. 27/2019-20**

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

**Date of Issue: 25.02. 2020**

**Service : Cargo Handling Services.**  
**Service provider : M/s GMR Hyderabad Air Cargo (A Division of GMR Air Cargo & Aerospace Engineering Ltd.**  
**Airport : Rajiv Gandhi International (RGI) Airport, Hyderabad.**

**In the matter of Annual Tariff Proposal (ATP) for FY (2019-20) 4<sup>th</sup> Tariff Year and FY (2020-21) 5<sup>th</sup> Tariff Year in respect of M/s GMR Hyderabad Air Cargo a Division of GMR Air Cargo and Aerospace Engineering Ltd (formerly known As Hyderabad Menzies Air Cargo Private Limited) for providing Cargo Handling Services at Rajiv Gandhi International (RGI) Airport, Hyderabad.**

1. GMR Hyderabad Air Cargo and Logistic Pvt. Ltd (GHACLPL) formerly known as Hyderabad Menzies Air Cargo Pvt. Ltd (HMACPL) is now recognised as the "GMR Hyderabad Air Cargo" a division of GMR Air Cargo and Aerospace Engineering Limited (GACAEL). Erstwhile GHACLPL was carrying on the business of operating and maintaining the air cargo terminal at Rajiv Gandhi International (RGI) Airport, Hyderabad. Consequent to an order of Hon'ble National Company Law Tribunal (NCLT), GHACLPL was merged with GACAEL (formerly known as GMR Aerospace Engineering Limited). GACAEL to continue the business of Operation and Maintenance of the Air Cargo Terminal at Rajiv Gandhi International Airport, Hyderabad in the same manner it used to operate prior to change of shareholders and subsequent merger, and, maintain separate books of accounts pertaining to the said division. GACAEL is a wholly owned subsidiary of GMR Hyderabad International Airport Limited (GHAIL).
2. As per Clause 3.2 (iii) of the guidelines, 2011, wherever the regulated service provided is 'Material and not competitive' but where the Authority is assured of the reasonableness of the User Agreement (s), the Authority shall determine tariff (s) for service provider (s) based on a "Light Touch Approach" for the duration of the Control Period according to the provisions of chapter V. The guidelines also provide that the Authority in its discretion consider such other additional evidence regarding reasonableness of competition, as deemed fit.
3. As per the AAI Cargo statistics for FY 2014-15, the materiality index of cargo at Rajiv Gandhi International Airport (RGI) Airport, Hyderabad is 3.97% which is greater than 2.5% threshold limit fixed for Cargo Handling services and as Form 1 (b) (Competition Assessment) submitted by HMACPL (now known as GMR Hyderabad Air Cargo) in its Multi Year Tariff Proposal (MYTP), Blue Dart is also



- providing Cargo handling services at Rajiv Gandhi International Airport, Hyderabad. Blue Dart is handling 21% of Domestic Cargo operation at Hyderabad. However, the service of Blue Dart was not considered as a competition because Blue Dart was a competitor only for domestic business and 85% of Cargo revenue at RGI Airport flow from International Cargo. In view of the lack of competition for international cargo, the Cargo facility at RGI Airport has limited competition and hence, falls under the category of “Material but not Competitive”.
4. M/s HMA CPL (now known as GMR Hyderabad Air Cargo) at the time of MYTP submission provided the copies of user agreements with Airlines and also provided the stakeholder consultation documents with Air Cargo Agent Association of India (ACAAI) and Custom House Agent Association Hyderabad (CHAAH). HMA CPL also submitted that stakeholders had no objection to continuation of existing tariff except some components of the tariff card which had been duly considered by HMA CPL. On the basis of the reasonableness of the User Agreement, the Authority vide its Order No. 24/2017-18 dated 27.11.2017 decided to adopt “Light Touch Approach” for determination of tariff for 2<sup>nd</sup> Control Period w.e.f 01.04.2016 to 31.03.2021. In the same order, the Authority also determined the tariff for (FY 2016-17) 1<sup>st</sup> tariff year, (FY 2017-18) 2<sup>nd</sup> tariff year and (FY 2018-19) 3<sup>rd</sup> tariff year of the 2<sup>nd</sup> Control Period. To avoid any regulatory vacuum the Authority vide interim order No 5/2019-20 dated 22<sup>th</sup> May, 2019 allowed M/s GMR Hyderabad Air Cargo to continue levy of existing tariff as on 31.03.2019 up to 30.09.2019 or till the date of determination of tariff by AERA whichever is earlier. The Authority further, vide interim order No 08/2019-20 dated 26<sup>th</sup> September, 2019, allowed M/s GMR Hyderabad Air Cargo to continue levy of existing tariff as on 31.09.2019 up to 31.03.2020 or till the date of determination of tariff by AERA whichever is earlier.
  5. M/s GHACLPL which has now become GMR Hyderabad Air Cargo a division of GACAEL vide letter dated 29.03.2019 submitted their Annual Tariff Proposal (ATP) towards determination of tariff for (FY 2019-20) 4<sup>th</sup> tariff year of 2<sup>nd</sup> Control Period for providing Cargo handling services at Rajiv Gandhi International Airport (RGI) Airport, Hyderabad. M/s GMR Hyderabad Air Cargo further vide letter dated 20.12.2019 submitted Annual Tariff Proposal for the (FY 2020-21) 5<sup>th</sup> tariff year of the Second Control Period. M/s GMR Hyderabad Air Cargo has not sought any increase in the existing tariff prevailing as on 31.03.2019, as approved by AERA vide order No. 24/2017-18 dated 27.11.2017.
  6. M/s GMR Hyderabad Air Cargo further submitted the Audited Profit and loss account, Balance sheet and Annual Compliance Statements (ACS) for FY 2016-17, FY 2017-18 and FY 2018-19. On the basis of ACS and projection submitted by the GMR Hyderabad Air Cargo, the Authority observed that the return on average RAB was 139.92% in FY 2016-17, 157.72% in FY 2017-18 & 74.87% in FY 2018-19 (actual), and, projected return on average RAB for FY 2019-20 and FY 2020-21, will be 23.85% and -2.44% respectively. Further, the Authority observed that the Operating profit margin was 23% in FY 2016-17, 24% in FY 2017-18 and 12% in FY 2018-19 (based on actual ACS), and similarly the projected operating profit margin for FY 2019-20 and FY 2020-21 will be 10% and -2% respectively.



7. M/s GMR Hyderabad Air Cargo also submitted the Concession Agreement, Deed of Adherence and new Key User Agreements with the Airlines. After the merger of GHACLPL with GACAEL, all the contracts and agreements executed by the GHACLPL shall have to be taken over by GACAEL and be responsible and liable to comply with the terms and conditions mentioned thereunder. The Concession Agreement is valid up to 22<sup>nd</sup> March, 2023. As per the Concession Agreement the Revenue share payable is @ 18% per annum and License fee fixed at Rs. 48.13 lakhs per month.
8. M/s GMR Hyderabad Air Cargo has not submitted any documents of stakeholder Consultations. They have submitted that since no increase is sought in the proposed tariff for 4<sup>th</sup> tariff year and 5<sup>th</sup> tariff year of the 2<sup>nd</sup> Control Period, hence, no fresh stakeholder consultation meeting was conducted. The Authority, however does not agree with the contention that stakeholder consultations was not conducted as no increase in tariff was proposed. It is advised that the Independent Service Provider (ISPs) at the time of submission MYTP/ATP should conduct meaningful stakeholder consultation irrespective any increase sought or not hence, M/s GMR Hyderabad Air Cargo is advised to conduct stakeholder consultation on the proposed tariff for the 4<sup>th</sup> and 5<sup>th</sup> tariff year of the 2<sup>nd</sup> Control Period and submit documentary evidence as per Clause 11.2 of the AERA guidelines, 2011.
9. The Authority considered the submissions made by GMR Hyderabad Air Cargo and issued a Consultation Paper No. 14/2019-20 dated 10.01.2020 wherein the Authority proposed to allow M/s GMR Hyderabad Air Cargo to continue to levy the existing tariff prevailing as on 31.03.2019 for the 4<sup>th</sup> tariff year (FY 2019-20) and 5<sup>th</sup> tariff year (FY 2020-21) of the 2<sup>nd</sup> Control Period. The Authority sought written evidence based feedback, comments and suggestions from Stakeholders on the above proposal latest by 31.01.2020. The Authority vide E-mail dated 13.01.2020 informed the same to all concerned stakeholders on their registered E-mail IDs. In response to the proposal contained in the said Consultation Paper, M/s GMR Hyderabad International Airport Limited (GHIAL) submitted their comments on the proposal made by the Authority. In their comment GHIAL support the proposal of Authority for continuation of existing tariff for 4<sup>th</sup> and 5<sup>th</sup> tariff year of the 2<sup>nd</sup> Control Period. Other Stakeholders have not provided any comment on the Consultation Paper. The Authority vide Public Notice No. 19/2019-20 dated 07.02.2020 displayed the aforesaid comments received from GHIAL on its website.

#### 10. ORDER

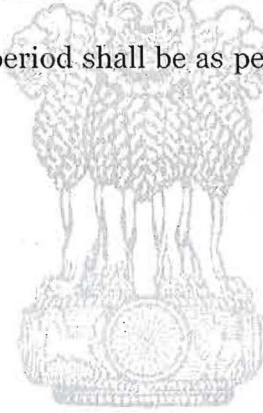
Upon careful consideration of material available on record, as well as submissions made by the stakeholders/service provider, the Authority in exercise of powers conferred upon it by Section 13(1) (a) of the AERA Act, 2008 hereby orders that:

- (i) The Authority decided to adopt "Light Touch Approach" for determination of tariff for the 4<sup>th</sup> and 5<sup>th</sup> tariff year of the 2<sup>nd</sup> Control Period. The Authority shall review its assessment of "light touch approach" at the time of



determination of the tariff for the 3<sup>rd</sup> Control Period base on its regulatory philosophy and approach.

- (ii) M/s GMR Hyderabad Air Cargo a division of GMR Air Cargo and Aerospace Engineering Limited (GACAEL) is allowed to continue to levy the existing tariffs as applicable on 31.03.2019 for the 4<sup>th</sup> tariff year (FY 2019-20) and 5<sup>th</sup> tariff year (FY 2020-21) of the 2<sup>nd</sup> Control Period as per the tariff card attached as **Annexure-I**.
- (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) Demurrage free period shall be as per Government orders issued from time to time.



By the Order of and in the  
Name of the Authority

*Ram Krishan*  
(Ram Krishan)  
Director (P&S)

To,

सत्यमेव जयते

M/s GMR Hyderabad Air Cargo  
(A division of GMR Air Cargo and Aerospace Engineering Limited)  
Plot No.1, GMR Aerospace Park, GMR Hyderabad SEZ Limited,  
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500108,  
Telangana, India.  
(Through: Shri Saurabh Kumar, Chief Executive Officer)

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



**M/S GMR HYDERABAD AIR CARGO**  
**A DIVISION OF (GMR AIR CARGO AND AEROSPACE ENGINEERING LTD.)**  
**MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO**

APPROVED TARIFF RATES

S.N.	LIST OF CHARGES	FOR FY 2019-20 & FY 2020-21		
		4th & 5th tariff year		
		MINIMUM RATE in INR	Unit	RATE PER KG in INR
<b>A) INTERNATIONAL CARGO</b>				
<b>EXPORT CARGO</b>				
1.	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per shipping Bill)			
a)	General Cargo	120	AWB	1.00
b)	Special Cargo (AVI)	200	AWB	1.40
c)	PER/DGR/VAL cargo	230	AWB	2.43
d)	Fruits & Vegetable (No Cold Room Usage)	75	AWB	0.65
e)	Meat Products	200	AWB	1.10
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)			
a)	General Cargo	200	AWB	1.00
b)	Special Cargo (AVI)	200	AWB	1.40
c)	PER/DGR/VAL cargo	250	AWB	2.43
3	COURIER HANDLING CHARGE	120	AWB	1.20
4	PACKING / REPACKING/STRAPPING CHARGE	5/-	Package	-
5	RETURN CARGO CHARGE	500	AWB	-
6	WEIGHT / VOLUME MIS-DECLARATION CHARGE			
a)	2% - 5% variation	120	AWB	2 times of differential weight
b)	More than 5% variation	120	AWB	5 times of differential weight
7	Bonded Trucking (Loading Charges)	120	AWB	1.00
<b>A) INTERNATIONAL CARGO</b>				
<b>IMPORT CARGO</b>				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per Bill of entry)			
a)	General Cargo	120	AWB	4.75
b)	Unaccompanied Baggage	200	AWB	4.75
c)	Special Cargo (AVI)	200	AWB	8.89
d)	PER/DGR/VAL cargo	250	AWB	9.50
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)			
a)	General Cargo/Unaccompanied Baggage	Overall minimum 295/BOE		
i)	Flight Actual Time of Arrival (ATA) plus 48 hours	No Charge		No Charge
ii)	Cargo cleared between 48 hours and 96 hours	-		1.30
iii)	Cargo cleared between 96 hours and 720 hours	-		2.60
iv)	Cargo cleared after 720 hours	-		3.90
b)	Special Cargo (AVI)	Overall minimum 580/BOE		
i)	Flight Actual Time of Arrival (ATA) plus 48 hours	No Charge		No Charge
ii)	Cargo cleared between 48 hours and 96 hours	-		2.60
iii)	Cargo cleared between 96 hours and 720 hours	-		5.20
iv)	Cargo cleared after 720 hours	-		7.80
c)	PER/DGR/VAL cargo	Overall minimum 1160/BOE		
i)	Flight Actual Time of Arrival (ATA) plus 48 hours	No Charge		No Charge
ii)	Cargo cleared between 48 hours and 96 hours	-		5.20
iii)	Cargo cleared between 96 hours and 720 hours	-		10.40
iv)	Cargo cleared after 720 hours	-		15.60
3	COURIER HANDLING CHARGE	200	AWB	4.90
4	TRANSHIPMENT CHARGE - International to Domestic			
a)	General Cargo	125		1.80



b)	PER/DGR/VAL/AVI Cargo	235		1.80
5	Documentation charges	100	AWB	-
6	MERCHANT OVERTIME CHARGE (beyond customs working hours)*			
a)	General Cargo	215	BOE	-
b)	VAL cargo	1000	AWB	-
7	Bonded Truck (Breakdown/Unloading)	200		0.65
8	PACKING /REPACKING/STRAPPING CHARGE	5	PACKAGE	-

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

(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 the actual Chargeable weight will be used for the charges which ever is higher.

(3) Free period:\*

Export Cargo - 12 hrs for examination/ processing by Shipper's on 'Per Kg Per day'.

Import Cargo- Shall be 48 hours from the Actual time of arrival of flight. For the next 72 hours, demurrage will be charged at " Per Kg Per Day" on non cumulative basis, provided the consignment is cleared within 120hrs. If the clearance is effected after 120 hrs ( from the time of landing) demurrage will accrue for the entire period from the Actual time of arrival of flight.

\*Demurrage Free Period shall be as per Government orders issued from time to time.

(4) 50% of the General Cargo Charges will be applicable to the Newspapers (Daily) TV Reels, applicable to domestic cargo.

(5) All bills will be rounded off to the next INR 5 as per rules.

(6) VAL Cargo consists of Gold Bullion, Currency Notes, Shares, Shares Coupons, Traveller's Cheques, Diamonds (Incl Diamonds for Industrial Use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD 1000/Kg and above.

(7) 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.

(8) All charges above are excluding GST and GST will be charged as per rules.



**M/S GMR HYDERABAD AIR CARGO**  
**A DIVISION OF (GMR AIR CARGO AND AEROSPACE ENGINEERING LTD.)**  
**MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER DOMESTIC CARGO**

**APPROVED TARIFF RATES**

S.N.	LIST OF CHARGES	FOR FY 2019-20 & FY 2020-21		
		4th & 5th tariff year		
		MINIMUM RATE in INR	UNIT	RATE PER KG in INR
<b>A) DOMESTIC CARGO-OUTBOUND</b>				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP)			
a)	General Cargo	100	AWB	0.65
b)	Special Cargo (AVI)	200	AWB	2.05
c)	PER/DGR/VAL cargo	200	AWB	2.05
d)	Postal Dept. Mails	232	Flight	0.75
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day beyond 24 hours)			
a)	General Cargo	125	AWB	0.65
b)	Special Cargo (AVI)	200	AWB	2.05
c)	PER/DGR/VAL cargo	200	AWB	2.05
3	COURIER HANDLING CHARGE	100	AWB	0.75
4	PACKING / REPACKING/STRAPPING CHARGE	5/-	package	-
5	RETURN CARGO CHARGE	100	AWB	-
6	AIR WAY BILL AMENDMENT CHARGE	100	AWB	-
7	WEIGHT / VOLUME MIS-DECLARATION CHARGE			
a)	2-5% variation	120	AWB	2 times of differential weight
b)	More than 5% variation	120	AWB	5 times of differential weight
<b>A) DOMESTIC CARGO-INBOUND</b>				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP)			
a)	General Cargo/Unaccompanied Baggage	125	AWB	1.10
b)	Special Cargo (AVI)	200	AWB	2.10
c)	PER/DGR/VAL cargo	200	AWB	2.10
d)	Postal Dept. Mails	348	Flight	1.28
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day beyond 24 hours)			
a)	General Cargo	200	AWB	1.25
b)	Special Cargo (AVI)	250	AWB	2.20
c)	PER/DGR/VAL cargo	250	AWB	2.20
3	COURIER HANDLING CHARGE	125	AWB	1.20
4	PACKING / REPACKING/STRAPPING CHARGE	5	PACKAGE	-



**M/S GMR HYDERABAD AIR CARGO**  
**A DIVISION OF (GMR AIR CARGO AND AEROSPACE ENGINEERING LTD.)**  
**MAXIMUM CHARGES PAYABLE BY AIRLINES-INTERNATIONAL CARGO**

**APPROVED TARIFF RATES**

S.N.	LIST OF CHARGES	FOR FY 2019-20 & FY 2020-21		
		4th & 5th tariff year		
		MINIMUM RATE in INR	UNIT	RATE PER KG in INR
<b>International-Export Cargo</b>				
1	Unitization/Build-up/Palletisation	338	Flight	1.42
2	Courier/Mail Charges	338	Flight	1.42
3	DEMURRAGE/STORAGE CHARGE (Rate per kg per day beyond 48 hours)			
a)	General Export Cargo	175	AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.	303	AWB	4.02
4	X-Ray Screening charges	117	AWB	2.39
<b>International-Import Cargo</b>				
1	De-unitization/Break-down/De-palletisation	338	Flight	1.42
2	DEMURRAGE/STORAGE CHARGE (Rate per kg per day)			
a)	General Export Cargo	175	AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.	338	AWB	5.34
3	Transshipment charges-International to International			
	General Cargo	338	Flight	2.12
4	Transshipment charges-International to Domestic			
	General Cargo	338	Flight	2.12

**MAXIMUM CHARGES PAYABLE BY AIRLINES-DOMESTIC CARGO**

<b>Domestic Cargo-Outbound</b>				
1	Unitization/Build-up/Palletisation	259	Flight	1.06
2	Courier/Mail Charges	259	Flight	1.11
3	X-Ray Screening charges	129	AWB	1.64
<b>Domestic Cargo-Inbound</b>				
1	De-unitization/Break-down/De-palletisation	259	Flight	1.06
2	Courier/Mail Charges	323	Flight	1.11
3	Transshipment charges-Domestic to Domestic/International			
a)	General Cargo	155	Flight	1.06
b)	Special Cargo	203	Flight	1.11

Note:

(1) User agreements (Airlines or their agents) shall have the rates subject to maximum specified above. The agreements are in line with the IATA, AHM 810 Standard Ground Handling Agreement 2004/2008/2013 (SGHA) as amended from time to time.

(2) The rates with each Airline are based on negotiations and as agreed between the Service Provider (GMR Hyderabad Air Cargo) 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 by the Airline.

(3) Demurrage Free Period shall be as per Government orders issued from time to time.

