

Consultation Paper No. 38/2012-13



Airports Economic Regulatory Authority of India

**Multi Year Tariff Proposal and Annual Tariff
Proposal submitted by Express Industry Council
of India for Cargo Services being provided at
Bangalore International Airport, Bengaluru**

New Delhi: 13th February, 2013

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

Express Industry Council of India (EICI) submitted their Multi Year Tariff Proposal (MYTP), for the first control period of 5 years commencing w.e.f. 01.04.2011, for providing Cargo Handling Services at the Cargo Terminal, Bangalore International Airport, and Bengaluru (BIA) vide their application dated 29.06.2011 and subsequent communications.

1.2 EICI, vide letter dated 09.11.2011 submitted their clarification that most of formats furnished were completed or shown not applicable as EICI is a “*not for profit Company hence such forms are not applicable*” to them. Further, vide letter dated 07.02.2012, EICI submitted revised forms, additional information. Vide letter dated 23.02.2012, EICI furnished ATP additional information/revised proposal seeking for separate approval of Customs charges.

1.3 Further, EICI, vide additional submissions dated 09.11.2011, 07.02.2012, 28.03.2012, 06.06.2012 and 07.08.2012, furnished additional information / clarifications on their proposal and vide submissions dated 23.7.2012 submitted their revised ATP for the tariff year(s) 2011-12, 2012-13 and 2013-14, letters from Customs Department for payment of customs charges and revised proposal. Finally, EICI submitted their revised ATP for the Tariff Year 1, 2 and 3 on 23.07.2012.

1.4 EICI has further stated that:

“.....Given the unique nature of EICI being a cooperative body of users organized as a not for profit company, the MYTP format was not suited or tailored for such an entity and was meant more for service providers who operate as profit making companies. As a result even though we have no profit motive or projections, dividend distribution or surplus distributable profits, we still provide all details as requested in the MYTP format to the extent they applied to us”.

2.1 As per 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], the Authority decides to follow a three stage process for determining its approach to the regulation of a regulated service.

- a. Materiality Assessment
- b. Competition Assessment
- c. Assessment of reasonableness of the user agreements between the service providers and the regulated services.

2.2 As per clause 4.4 of the Guidelines, in respect of cargo handling services, the materiality shall be assessed based on cargo volumes in MT at the major airport as a percentage of total cargo volume in MT at all major airports. The percentage share of cargo volume, in MT for BIA, as per April-2010 to March’2011-AAI statistics, is 9.5% which is greater than the 2.5% Materiality Index fixed for the subject service. Hence, the regulated service is deemed ‘material’.

2.3 As per the information furnished by EICI in Form F1 (b) on the Competition Assessment and the available records, the following service providers are rendering Cargo Handling Services at Bangalore International Airport, Bengaluru:-

- (i) Menzies Aviation Bobba (Bangalore) Pvt. Ltd.
- (ii) AIR India SATS Pvt. Ltd

2.4 The Guideline provides 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 being more than two, the service is deemed 'competitive.'

2.5 Thus, with the total number of players being more than two and materiality index being more than 2.5%, the regulated service being rendered by EICI is "material but competitive". As per Clause 3.2 of the Guidelines, based on the Authority's assessment of materiality and competition, wherever such regulated service is deemed "material but competitive", the Authority shall decide to determine tariff(s) for the service provider(s) under a light touch approach for the duration of the Control Period.

3.1 As per Clause A18.2 of the Guidelines, the ATP is required to be submitted in the form and manner as provided in Appendix A1.8.2 wherein it is provided that:

"For Regulated Service(s) deemed either 'not material' or 'material but competitive' or 'material and not competitive' but where the Authority is assured of the reasonableness of the existing User Agreement(s), the Service Provider(s) shall submit, for the consideration of the Authority, an Annual Tariff Proposal for review of Tariff(s) to be charged in the following Tariff Year in a Control Period, in the specified Form B and Form 14(b). The Tariff(s), as proposed by the Service Provider in the Annual Tariff Proposal, shall be on non-discriminatory basis with reference to conditions of Tariff(s) volume of the discount, rationale behind giving the discount and such other factors as may be relevant.

3.2 EICI stated that they are a co-operative effort of all the users, hence the tariff is decided by the representatives of the users through the EICI Board who are representatives of all the Members of EICI which are registered Courier Companies. The tariff is, hence, to that extent, decided by the users themselves. EICI being a non-profit industry body is driven by the primary objective of advancement of the interest of the express industry as a whole and its members. Hence profit, dividend, share capital and target revenue are concepts which are inconsistent with EICI's objective. The primary objective of EICI is industry facilitation and often this is the sole guiding criteria for their operations rather than profit motive. EICI stated that the surplus available from operations in Delhi, Mumbai is ploughed back for setting up the Express facility in Bangalore which is presently operated at negative revenue.

3.3 EICI has provided the copy of the agreement with National Aviation Company of India Ltd. (NACIL) to allocate space for express operations including sorting, handling, processing and storage of dedicated express consignments at the AI-SATS Cargo Terminal Facility at Bangalore Airport. Further, EICI submitted the copies of the documents pertaining to bond and undertaking for appointment as *Custodian* by the Commissioner of Customs, Bangalore for compliance of the provisions of the Customs Act, 1962, the Courier Imports and Exports (Clearance) Regulations 1998 and other instructions issued by the Commissioner of Customs, Bangalore.

3.4 EICI, vide letter dated 28.03.2012, furnished the list of members and also attached a copy of the extracts of the Minutes of the Third Meeting (2011-12) of the Managing Committee of EICI held on 20.01.2012 wherein the proposal to split the existing Facilitation Fees into Customs Charges and Facilitation Fees and to effect the same on approval from AERA was discussed.

3.5 EICI has, further informed that at Bangalore International Airport, Bengaluru (BIAL), the rates for facilitation fees was Rs. 10.00 for both Import and Export and X-

Ray charges Re. 0.75 was applicable on Imports only. All these rates were effective 01.10.2009.

3.6 EICI submitted Form 14(b) towards ATP for first tariff year and the second tariff year. Regarding documentary evidences of user consultations, EICI has stated that tariff is decided by users themselves and the primary objective of EICI is industry facilitation and often this is the sole guiding criteria for their operations rather than profile motive.

3.7 In the matter of Customs Charges, EICI, vide their letter dated 7.02.2012, submitted that certain charges which do not accrue to EICI, however which are collected by EICI and paid to the Government or the agency rendering those services. They have also mentioned that:

“.....these charges are variable in nature, and not part of the Facilitation charges levied by EICI and also we still deemed it appropriate to place the same on record. In the final tariff approval, these re-imbusement of Customs charges and X-ray charges may not be included if deemed appropriate as it may not be practically possible to seek your quick approval with the changing dynamic of the rates. It is for this reason that we have not provided any future projections for the Customs charges”.

3.8 The Authority notes that the services being rendered by EICI are “material but competitive”, and the charges proposed to be approved have been arrived at by EICI after Consultation with its members, who are availing the services.

4. The Guidelines of the Authority were challenged by Bangalore International Airport Limited in Appeal no. 12/2011 wherein the Appellate Tribunal, in its order dated 19.10.2011, ordered that

“...It is made clear that even if any final order is passed by the respondent-Airports Economic Regulatory Authority the same shall not be given effect to without leave of this Court.”

The said order of the Tribunal is still in force.

5. The Authority has noted that:

- (a) EICI is providing the services of cargo handling, express/courier shipments at BIA which falls under cargo handling service. As per the Guidelines, the services provided by EICI at Bangalore Airport, Bengaluru is “material but competitive”.
- (b) In Form 1(b) furnished by EICI, it is mentioned that *“EICI is a not for profit Section 25 company which aggregates services provided by other Airport Service Providers. The users of services in a co-operative effort setup EICI so that all express/courier companies could avail of the services provided by EICI. While EICI is unique as it provides services for express or courier shipments similar but not the same services are provided by Cargo Service Providers.”*
- (c) EICI have submitted their MYTP and ATPs for first three tariff years of the current control period (2011-2016). They have furnished copy of the Extracts of the meeting of the Managing Committee of EICI held on 20.01.2012 as user consultation.

- (d) The tariff charges submitted by EICI for second and third tariff year varies vis-a-vis the tariff for the first tariff year in respect of the facilitation fee and customs charges shown as under:

Type of Service	Sr. No.	Charges	Rate Rs. Per Kg.		
		Tariff Year	2011-12	2012-13	2013-14
International import	1	Facilitation Fees	10.00	19.00	19.00
	2	Customs Charges	0.00	2.00	2.00
International Exports	3	Facilitation Fees	10.00	20.00	20.00
Domestic Exports	4	Customs Charges	0.00	1.00	1.00
	5	Facilitation Fees	0.65	1.10	1.10

- (e) Regarding Customs recovery charges, which are required to be paid by EICI to the Customs Authorities are charges towards provisioning of the aeronautical service being provided by EICI, it is tentatively decided that such revision in custom recovery charges may be approved by the Authority without further consultation, based on auditors' certificate certifying that proposed increase, if any, is only to recover increases in the customs recovery charges and are restricted only to such recovery/demand made by the Customs as and when applied for by EICI.
- (f) Under normal circumstances, the operator would be able to recover the tariff including customs cost recovery charges. However, EICI may not be in a position to give effect to the tariff approved by this Authority without leave of the order issued by AERA Appellate Tribunal order dated 19.10.2011 wherein it is stated that no order shall be given effect without leave of the Appellate Tribunal.

6. After careful consideration of the matter, the Authority has tentatively decided to make the following proposal for stake holder consultation:-

- (i) The services for cargo handling being provided by Express Industry Council of India (EICI) at Bangalore International Airport, Bengaluru is "material but competitive". Therefore, the Authority tentatively decided to adopt "Light Touch Approach" for determination of tariff for this service provided by EICI at Bangalore International Airport, for the first Control period w.e.f 01.04.2011.
- (ii) Tariff for cargo services provided by EICI at Bangalore International Airport, for the first tariff year (w.e.f. 01.04.2011 to 31.03.2012), second tariff year (w.e.f. 1.04.2012 to 31.03.2013) and for the third tariff year (w.e.f. 01.04.2013 to 31.03.2014) are tentatively decided as at **Annexure-I**.
- (iii) As regards the Customs Cost Recovery Charges, these are charges towards provisioning of the aeronautical service being provided by EICI, it is tentatively decided that such revision may be approved by the Authority without further consultation, based on auditors' certificate certifying that proposed increase is only to recover increased cost recovery charges and are restricted to such recovery/demand.

- (iv) The Authority tentatively decided to make it clear that the X-ray charges are levied by the Airport Operator and paid by EICI to the Airport /CSC. These charges are therefore tentatively decided to be approved by the Authority as an item of tariff in respect of the Airport Operator.
- (v) The above tentative decisions are subject to the order of the Hon'ble Appellate Tribunal referred above in para 4.

7. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 6 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed (**Annexure-II collectively**). For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

8. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 6 above, **latest by 26.02.2013** at the following address:

Capt. Kapil Chaudhary
Secretary
Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: kapil.chaudhary@aera.gov.in
Tel: 011-24695042
Fax: 011-24695039

Yashwant S. Bhawe
Chairperson

BANGALORE

Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,
Managed and operated by Express Industry Council of India at Bangalore Airport
April 2011 to March 2012

Submitted on 23/07/2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.10.00 Per Kg,	Users	
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg,	Users	
	From 31st Day	Rs.6/- Per Kg,	Users	
	Demurrage Charges			
	Rs.5/- Per Kg,		Users	
2	International Exports			
	Facilitation Fees	Rs.10.00 Per Kg,	Users	
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.0.65 Per Kg,	Users	



BANGALORE

Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,
Managed and operated by Express Industry Council of India at Bangalore Airport
Effective April 2012

Submitted on 23/07/2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.19.00 Per Kg,	Users	
	Customs Charges	Rs.2.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg,	Users	
	From 31st Day	Rs.6/- Per Kg,	Users	
	Demurrage Charges	Rs.5/- Per Kg,	Users	
2	International Exports			
	Facilitation Fees	Rs.20.00 Per Kg,	Users	
	Customs Charges	Rs.1.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	



BANGALORE

Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,

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Effective April 2013

Submitted on 23/07/2012

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	From 04 - 10 Days	Rs.2/- Per Kg. or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg. or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg.	Users	
	From 31st Day	Rs.6/- Per Kg.	Users	
	Demurrage Charges	Rs.5/- Per Kg.	Users	
2	International Exports			
	Facilitation Fees	Rs.20.00 Per Kg.	Users	
	Customs Charges	Rs.1.00 Per Kg.	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg.	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg.	Users	





EICI/AERA/280
29th June 2011

Ms. R. Radhika
DGM
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Dear Madam,

Sub: In the matter of economic regulation of services provided for cargo facility, ground handling and supply of fuel to the aircraft at major airport – submission of Multi Year Tariff Proposal (MYTP) for the first control period – regarding.

We have the honour to refer to your letter bearing No. AERA/20019/CGF-G/2010-11/Vol. IV/770 dated 24th June 2011 wherein you were kind enough to give us time to submit MYTP for the first control period till 30th June 2011. We also have the honour to refer to our letter EICI/AERA/244 dated 13th June 2011 and our meeting with the Honorable Secretary AERA and the OSD AERA on the 08th June 2011. In the said letter and during the meeting we had explained that being not for profit section 25 company, we do not strictly fit in with the MYTP format prescribed. We were then informed that the tariff would have to be approved by AERA and that we may submit the details in conformity with MYTP format to the extent possible and feasible given the unique position of EICI as an industry body and not a commercial profit making entity.

In the enclosed submission we have tried to provide as many details as possible in conformity with the MYTP format. We wish to draw your attention to the following:

- 1) EICI being a non-profit industry body is driven by the primary objective of advancement of the interest of the express industry as a whole and its members. Hence profit, dividend, share capital and target revenue are concepts which are inconsistent with EICI's objective. The primary objective of EICI is industry facilitation and often this is the sole guiding criteria for our operations rather than profit motive. For example in Delhi, Mumbai in general there is a surplus available, the same is ploughed back for setting up other facilities such as the Express facility in Bangalore which presently is operated at a negative revenue.
- 2) While the Express industry as a whole has been growing at a healthy rate there are disparities in the growth rate in different cities. Further there are several extraneous factors beyond the control of EICI which make it difficult to predict the future revenue. Examples of such instances include:
 - a) 280% ^{increase} in a single year at Mumbai in the year 2009-10 on account of all shipments of gifts and samples moving from Chennai
 - b) A certain demand on account of cost recovery charges in the year 2009 at Mumbai and Delhi making the annual expenditure in excess of revenue in the year 2008-09
 - c) Lack of sufficient volumes in Bangalore leading to excess of expenditure over revenue in the year 2009-10 and 2010-11.

Express Industry Council Of India

501, Crystal Centre, Raheja Vihar,

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

Tel. : +91 22 4057 1111 Fax : +91 22 4057 1100 www.eiciindia.org

Handwritten notes:
EICI (SLABS) / Non (Dheeraj)
Radhika
1/7

The above examples amply demonstrate that while we are submitting individual proposals for Mumbai, Delhi & Bangalore, the same need to be viewed and considered as a whole rather than individually.

- 3) The cost of our services are based on the aggregated cost of services received from other airport service providers and independent service providers and hence in the absence of Multi Year Tariff fixation for such ASP's and ISP's it would be difficult for EICI to maintain its tariff. Hence we request that the following major input cost be regulated which are provided by the respective ASP's and ISP's.

For the sake of brevity, we are not repeating our earlier submissions here however we most humbly submit our submissions of MYTP for the first control period commencing from 01st August 2011.

We have provided all data that was readily available and which we deem necessary to submit with suitable modifications. Given the unique circumstances of EICI, in case any further details are required we would be happy to submit the same

Kindly acknowledge receipt.

With high regards,
For EXPRESS INDUSTRY COUNCIL OF INDIA


BHOJAPPA S SHEELWANT
MANAGER (ACCOUNTS)

- CC.: 1) Mr. Sandeep Prakash
Secretary
Government of India
Airport Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003
- 2) President
Mumbai International Airport Pvt. Ltd.
CSI Airport, 1st Floor,
Terminal 1-B, Santacruz (E),
Mumbai – 400 099

3. If the imported goods received are kept in safe custody till such time it is cleared for home consumption
4. If the custodian pays to the proper officer any Central Excise duties foregone on the export goods or its inputs or Customs duties foregone on the imported inputs used in the manufacture of export goods or export duties / cess levied on the export goods that may be adjudged on such part of the goods that are not delivered by the Custodian.

AND IT IS HEREBY AGREED AND DECLARED THAT

1. This bond is given under orders of the Central Government for the performance of an act in which the public are interested.
2. The President through the Commissioner of Customs, Bangalore may recover the said sum of Rs. 9.00 Lac (Rupees Nine Lacs only) or portion thereof in the manner laid in Section 142 of the Customs Act 1962 without prejudice to any other mode of recovery.
3. The bond shall remain in force till Five years i.e. from 1st April 2010 to 31st March 2015 as the Custodian and shall be valid for a further period of one year thereafter. Nevertheless the obligations and liabilities of the custodian shall remain unaffected and be a continuing one during the period of custodianship.



IN WITNESS WHEREOF THE CUSTODIAN have herein act and subscribed their respective and seals the day, month and year first above written.

SIGNED AND DELIVERED by and on behalf of the Custodian by Mr. Vijay Kumar, Chief Operating Officer, Express Industry Council of India (EICI), 501, Crystal Centre, Raheja Vihar, Off Chandivali Farm Road, Powai, Mumbai - 400 72 in the presence of:

For Express Industry Council of India

Vijay Kumar
Authorized Signatories

IN THE PRESENCE OF:

1)

[Signature]

2)

[Signature]

Dy. Commissioner of Customs.

FARRUKH MORENA

EICI, 501 Crystal Centre
Raheja Vihar, off. Chandivali
Farm Road Powai, M-72

Chromium Pedin
Express Industry Council of India
501, Crystal Centre,
Raheja Vihar
Off Chandivali Farm Road
Powai, Mumbai-400 072

U N D E R T A K I N G

We, M/s. Express Industry Council of India, hereinafter referred to as the 'Custodian' (which expression shall include our successors and representatives), hereby undertake to comply with the following terms and conditions that shall be binding upon us in pursuance of the appointment of Custodianship by the Commissioner of Customs, Central Revenue Building, Queens Road, Bangalore - 560.001 for carrying out inbound and outbound courier operations at the bonded warehouse at Air India SATS Cargo Terminal Facility at Bangalore International Airport, Bangalore.

1. The Custodian shall comply with the provisions of Section 45(2) of the Customs Act 1962, the Courier Imports and Exports (Clearance) Regulations 1998 and any other instruction / public notice / standing order issued from time to time by the Office of the Commissioner of Customs, Bangalore.
2. The Custodian shall be subject to the provisions of the Customs Act 1962 and any other law for the time being in force that is being enforced by Customs.
3. The Custodian shall be responsible for proper receipt, handling and storage of courier goods. They shall maintain a proper record of all goods handled by them as per the procedure and in the format that is prescribed by the Commissioner of Customs Bangalore.

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 MAHARASHTRA



4. The Custodian shall be responsible for the loss of imported goods after landing and before clearance. They shall bear the duty liable on the goods lost or pilfered from the facility.
5. The Custodian shall make comprehensive insurance of all the goods held in the bonded warehouse against all kinds of risks.
6. The Custodian shall execute a bond equal to the value of goods likely to be stored in the facility for a period of 30 days, supported by a Bank Guarantee or a Government Bond or cash deposit, equivalent to ten percent (10%) of the value of the goods.
7. No alteration of the plan in the accommodation, boundary wall, building etc. shall be made without the concurrence of the Commissioner of Customs, Bangalore.
8. The Custodian shall provide secure and adequate space for loading and unloading of consignments.
9. The Custodian shall provide the requisite equipment for handling the consignments. In particular, they shall provide X-Ray Machines for the purpose of Customs screening of Inbound / Outbound consignments and conveyer belts for the smooth flow of the consignments. They shall ensure that these machines are operational at all times.
10. The Custodian shall ensure that the import and export examination areas are physically separated by a barrier.



11. The export and import consignments shall be kept separately in the bonded warehouse. In addition, detained consignments shall be kept separately from the unexamined consignments and special arrangement shall be made for valuable and perishable goods. The Custodian shall not charge any rent / demurrage for Customs on the goods detained by the Customs department under the Customs Act or any other Act for the time being in force. However, the Customs Department shall pay the rent to the Custodian after the ownership of goods vests in the Government after confiscation. The rate of rent for such goods shall be fixed by the Commissioner of Customs, Bangalore.
12. The security of the entire facility shall be the sole responsibility of the Custodian and they shall bear the entire cost for security. Customs Officers posted at the facility shall not be denied access to the facility. On the request of Customs, access to the facility shall be provided to visitors as well as to the officers of any Government enforcement agency who are on official duty.
13. The Custodian shall provide free, furnished, air-conditioned office space (including arrangements for personal computer & printer, telephone, fax, photocopier and stationery) for Customs. They shall also provide drinking water, rest rooms (toilet), canteen facility and visitors room for Customs.



[Handwritten signature]

14. The Custodian shall provide one Multi-utility vehicle along with chauffeur, for Customs. The Custodian shall bear the operational expenditure on this motor vehicle. In addition, the Custodian shall bear the parking charges, if any, incurred by Officers of Customs who are on duty at the facility.
15. The Custodian shall maintain all Customs records for a period of Six years. They shall provide a record room in the facility for storing all Customs records for a period of six months. Subsequently the records will be transferred by the Custodian to a convenient location where space shall be provided for keeping the records for the period of Six years. Such place of storage shall be intimated to Customs and any records as and when demanded shall be produced without delay before the proper officer of Customs.
16. The Custodian shall hand over the uncleared / unclaimed goods to Customs as provided under Section 48 of the Customs Act, 1962. Customs shall be free to dispose of the goods thereafter and liabilities arising out of any subsequent claim on the goods shall be borne by the Custodian.
17. The Custodian shall provide access to Customs of all the surveillance cameras installed in the facility. They shall take the concurrence of the Commissioner of Customs, Bangalore with regard to the location of cameras in the operational areas. The cameras shall on no account be intrusive to the working of Customs officers.

18. The Custodian shall cooperate with Customs in any scheme for automation and technological upgradation of the facility.
19. The Custodian shall be vicariously liable with regard to the act and omissions of its employees that are in violation of the Customs Act 1962 or any other law for the time being in force that is enforced by Customs.
20. The Custodian shall bear one third of the total cost recovery charges in respect of staff / officers of Customs posted at the bonded warehouse at Air India SATS Cargo Terminal Facility. These charges shall be deposited in advance for every quarter of a financial year. The Commissioner of Customs, Bangalore shall decide the number of staff / officers that is required to be posted in the facility considering the workload.
21. Subletting of any of the functions inside the Customs area or connected with the Customs area to any agency shall be done with the prior approval of the Commissioner of Customs, Bangalore and the Custodian shall be responsible for the omissions and commissions of the said agency.

The duration of the appointment of Custodianship shall initially remain for a period of five years and subject to the satisfaction of the Commissioner of Customs, Bangalore, the appointment shall be reviewed after every five years thereafter.



A handwritten signature in black ink, appearing to be a stylized name.

In the event of any failure on our part to comply with any of the conditions specified above, the Commissioner of Customs, Bangalore shall have the right to terminate the appointment of Custodianship at any time after following the principles of natural justice.

For Express Industry Council of India,

WITNESS

1

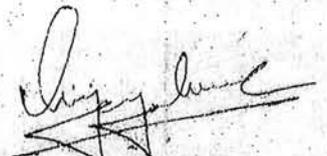

PARVATHI MORENA,
SECRETARY GENERAL, EICI

2.


BHOJAPPA S. SHEELWANT
ASST. MANAGER (ACCOUNTS), EICI

3


CHERIAN PETER
ADMN. OFFICER - EICI


VIJAY KUMAR

CHIEF OPERATING OFFICER

ACCEPTED on Bahalf of

The President of India,

(89) Reddy 16/11

AGM(A)

AGM(CAS) Mr. Dheeraj

Pds- spk.

(16)
15/11/11



9th November, 2011

To,
Airport Economic Regulatory Authority of India
AERA Building
Administrative Complex
Safdarjung Airport
New Delhi.

Kind Attention: Mr C.V. Deepak

Sub: MYTP of Cargo Handling Services at Bangalore Airport, Bengaluru – reg.

Sir,

We have the honour to refer to your letter No. AERA/20010/MYTP/EICI/C/Del/2011-12/1686 dated 28th October, 2011 regarding the above captioned subject. A point wise reply to your observations is as under:

- (i) All service providers shall, within 2 months from the date of issue 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], submit to the Authority for its consideration, a MYTP for the 1st Control Period in the form and manner specified in Section AI.2 of Appendix-I to the Guidelines.
- It is submitted that, a MYTP for the 1st Control period has already been submitted in the form and manner as specified in Section AI.2 of Appendix-I to the Guidelines, vide our letter dated 6th August, 2011 (Copy enclosed) which is within the deadline of 2 months from the date of issue 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]. It appears that by mistake the letter under reply has been based on our earlier submissions.

- (ii) Most of the Forms as prescribed in the Guidelines, either have not been furnished or only partial information is furnished or blank formats are submitted (refer enclosure). The workings/assumptions/justification/rationale for arriving at the figures, projections, forecasts, supporting the MYTP, as detailed in the Appendix-I to the Guidelines, are also required to be furnished.
- It may kindly be noted that the reasons due to which we are able to furnish only partial information were humbly stated in our letter dated 6th August, 2011 (Copy enclosed), containing our submissions regarding the issues being faced by the Express Industry Council of India (EICI) in order to furnish the information as prescribed in the Guidelines. These were also discussed in detail with the Secretary AERA and your goodself. The same are not being repeated herein again and our earlier submissions may kindly be read as a part of this reply.
- (iii) As per the Guidelines the MYTP, one original hard bound proposal, four hard bound copies and one soft copy is required to be submitted, which has not been done. The same may please be provided.
- It is further submitted that as required by the Guidelines, the MYTP, one original hard bound proposal, four hard bound copies and one soft copy were submitted by us vide our letter dated 6th August, 2011 which was submitted on 10th August, 2011 (Copy enclosed). *not enclosed*
- (v) Copies of agreements entered into with agencies availing the regulated services have not been furnished.
- The copies of all our Agreements were also submitted with oru suddt 6th August, 2011.

We are also enclosing our point wise comments to the grid sheet forwarded by you with your above referred letter.

Hence we accordingly request that our detailed proposal dtd 6th August, 2011 submitted on 10th August, 2011 may kindly be considered along with our enclosed comments which may kindly be taken on record and our MYTP proposal may kindly be accepted and approved.

With best regards,

For **EXPRESS INDUSTRY COUNCIL OF INDIA**


BHOJAPPA SHEELWANT
MANAGER (ACCOUNTS)

Encl.: **As Above**

FORMS	DETAILS	Remarks	Remarks
Form F1(a)	Historical and Proposed Aggregate Revenue Requirement	Projected values from Tariff year - 1 to Tariff year - 5 not given	Already provided in the 10th August 2011 Submission
Form F2	Historical and Projected Balance Sheet	Blank Form Furnished	Already provided in the 10th August 2011 Submission
Form F3	Historical and Projected Profit and Loss Account	Information upto Tariff year - 1 only furnished	Not Applicable as Not for profit company. Please see Form 3 & Form 13 (b) submitted on 10th August 2011
Form F4	Historical and Projected Cash Flow Statement	Blank Form Furnished	Please see Form 11 (consolidated) and Form 13 (a) and (b) submitted on 10th August 2011
Form F5	Cost of Equity and Post-tax FRoR Forecast	Blank Form Furnished	Not Applicable as Not for profit company.
Form F6 (a)	Loan Master	Blank Form Furnished	Not applicable as no loans
Form F6 (b)	Summary Statement of Interest and Finance Charges	Blank Form Furnished	Not applicable as no loans and not for profit company
Form F6 (c)	Contributions, Grants and subsidies Master	Blank Form Furnished	Not Applicable as Not for profit company. Subscription details from Members are provided in Form F13 (b) submitted on 10th August 2011
Form F7	Format for identifying Initial Regulatory Asset Base	Blank Form Furnished	Please see Form 9 submitted on 10th August 2011
Form F8(a)	Format for providing asset-wise information of stakeholder contributions	Blank Form Furnished	Not Applicable as Not for profit company.
Form F8(b)	Format for providing proposed exclusions form RAB	Blank Form Furnished	Not Applicable as Not for profit company.
Form F9	Format for Forecast and Actual Roll-forward RAB	Information upto Tariff year-1 only furnished	Already provided in the 10th August 2011 Submission
Form F10(b)	Capital Expenditure Projected Plan -10 Year master	Blank Form Furnished	Not Applicable as Not for profit company.

Form F10(c)	Year-wise Capital Expenditure Financing Plans for next 10 years	Blank Form Furnished	Not Applicable as Not for profit company.
Form F10(d)	Summary Statement of Expenses Capitalised	Blank Form Furnished	Not Applicable as Not for profit company.
Form F10(e)	Additional Capital Projects Summary	Blank Form Furnished	Please see details provided in Form 9 submitted on 10th August 2011
Form F11(a)	Employee Strength	Information upto Tariff year -1 only Furnished	Already provided in the 10th August 2011 Submission
Form F11(b)	Payroll Related Expenditure and Provisions	Information upto Tariff year -1 only Furnished	Already provided in the 10th August 2011 Submission
Form F11(c)	Administration and General Expenditure	Information upto Tariff year -1 only Furnished	Already provided in the 10th August 2011 Submission
Form F11(d)	Repair and Maintenance Expenditure	Information upto Tariff year -1 only Furnished	Already provided in the 10th August 2011 Submission
Form F11(e)	Utilities and Outsourcing Expenditure	Information upto Tariff year -1 only Furnished	Already provided in the 10th August 2011 Submission
Form F11(f)	Other Outflows	Blank Form Furnished	Already provided in the 10th August 2011 Submission
Form F11(g)	Current Assets and Liabilities	Projected values from Tariff year - 1 to Tariff year - 5 not given	Already provided in the 10th August 2011 Submission
Form F12(a)	Historical and Projected Cargo Volumes in tonnes	Information upto Tariff year -1 only Furnished	Already provided in the 10th August 2011 Submission
Form F13(a)	Historical and Projected revenues from Regulaed Services	Information upto Tariff year -1 only Provided	Already provided in the 10th August 2011 Submission
Form F13(b)	Historical and Projected revenues from Regulaed Services	Blank Form Furnished	Already provided in the 10th August 2011 Submission
Form F14(a)	Annual Tariff Proposal for Tariff Year t - Format for Providing information on EMAY	Blank Form Furnished	Not applicable please see Form 14 (b) submitted on 10th August 2011
Form F15	Annual Compliance Statement	Blank Form Furnished	Not applicable
Form F16	Perfomance Report for the Tariff Year	Blank Form Furnished	Not applicable as Multi Year Tariff Proposal yet to approved

Form F17	Revenue from Regulated Service other than Regulated Services recovered during the Tariff Year	Blank Form Furnished	Not applicable as Multi Year Tariff Proposal yet to approved
Form F18	Revenue from services other than Regulated Services recovered during the Tariff Year	Blank Form Furnished	Not applicable as Multi Year Tariff Proposal yet to approved
Form F19	Operating Expenditure Incurred during the Tariff Year	Blank Form Furnished	Not applicable as Multi Year Tariff Proposal yet to approved
Form F20	P & L Reconciliation Statement for the Tariff Year	Blank Form Furnished	Not applicable as Multi Year Tariff Proposal yet to approved
Form F21	RAB Reconciliation Statement	Blank Form Furnished	Not Applicable as Not for profit company.



EICI/AERA/620
07th February 2012

Mr. C. V. Deepak
OSD - II
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

Sir,

Sub: Submission of MYTP for the First Control Period and request for approval of Tariff as per Form 14(b)

We have the honor to refer to your letter AERA/20010/MYTP/EICI/C/Del/2011-12/2259 dated 16th January 2012 and we are accordingly submitting the revised MYTP for Delhi, Mumbai and Bangalore airports, which is enclosed herewith.

The necessary modifications requested in the MYTP submitted earlier have been made and we tried to incorporate as much data as we possibly could in the format provided, despite the fact we do not fit into the criteria as described in the format which is meant for profit making companies which distribute profits as dividend. We are also enclosing the copy of our Annual Report.

Competition

As indicated in the submission while there are no identical service providers for processing courier shipments, similar services for cargo shipments are provided by various cargo operators at Mumbai, Delhi and Bangalore locations.

User Consultation

As EICI is a co-operative effort of all the users, hence the tariff is decided by the representatives of the users through the EICI Board who are representative of all the Members of EICI which are registered Courier Companies. The tariff is hence to that extent decided by the users themselves.

Contd. ...2...

Express Industry Council Of India

501, Crystal Centre, Raheja Vihar,

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

CP No. 38/2012-13/MYTP/EICI/G/BIAL/2011-12
Tel.: +91 22 4057 1111 Fax : +91 22 4057 1100 www.eiciindia.org

...2...

EICI being a non-profit industry body is driven by the primary objective of advancement of the interest of the express industry as a whole and its members. Hence profit, dividend, share capital and target revenue are concepts which are inconsistent with EICI's objective. The primary objective of EICI is industry facilitation and often this is the sole guiding criteria for our operations rather than profit motive. For example in Delhi and Mumbai in general when there is a surplus available, the same is ploughed back for setting up other facilities such as the Express facility in Bangalore which presently is operated at a negative revenue in order to facilitate couriers in Bangalore.

While the tariff is being submitted for your approval, we wish to point out certain charges that do not accrue to EICI, however which are collected by EICIC and paid to the Government or the agency rendering those services. These are essentially two types of charges which are as under:

1. **(a) Customs Charges** levied by the Government for providing officers on a cost recovery basis which are recovered from the users and paid to the Government. The rates are dependent on the number of officers provided and the volume of the shipments processed over a period of time which varies from time to time. While strictly speaking these are not charges accruing to EICI, they have still been separately mentioned in Annexure 14 (b) so that the same may be approved if required as long as flexibility is provided to vary the same based on Government demand.

We have received a letter Air/Cus/50/CIC/374/2011 Misc. Dated 08th December 2011 from the Office of the Commissioner of Customs, C. S. I. Airport, Mumbai demanding Customs Cost Recovery to be paid for the actual deployment of Customs Staff amounting to Rs. 65,79,893/- per month. It may be noted that this revision has been on account of revision in pay scales of Customs Officers pursuant to the VIth Pay Commission and increase in Customs staff strength. Please note that the revised charges are being paid by EICI since January 2012 which is more than 5 times the amount which was paid earlier prior to January 2012. The monthly customs charges earlier were Rs. 12,00,000/- approximately per month. Hence it will be seen there has been a more than 500% escalation.

- (b) Customs cost recovery arrears on account of 6th pay commission** - A demand for arrears on account of retrospective increases in salaries of customs officers on account of the VIth pay commission has been received by EICI, copy enclosed. The amount of Rs. 94,85,658/- is required to be paid to the Customs department at Mumbai and Rs 2,73,11,835/- at Delhi, which is hoped to be paid by levy and collection of a "Customs cost recovery arrears surcharge" which has also been mentioned in Form 14(b) for the MYTP for Mumbai and Delhi. The same may kindly be approved on an urgent basis in case it requires approval as we need to charge the same immediately failing which our emergency reserves will get adversely impacted which are being used to pay the Government customs charges at present since April, 2011. In case no approval is required being Government charges, a clarification may kindly be issued to enable us to collect the charges from the users forthwith.

...3...

2. **X-ray screening charges-** The x-ray screening charges comprise of use of the x-ray machine and the manpower charges for screening. These are being collected by EICI and being paid to DIAL/MIAL and CSC respectively at Delhi and Mumbai and no additional fee is collected or charged by EICI and hence these revenues do not accrue to EICI. These rates are to be approved by AERA as DIAL, MIAL and CSC are service providers of services at airports and we presume that their tariff will be approved by AERA. While strictly speaking these are not charges accruing to EICI, they have still been separately mentioned in Annexure 14 (b) so that the same may be approved if required as long as flexibility is provided to vary the same based on the demand by the respective service provider after approval by AERA.

Please note that while these charges are not part of the Facilitation charges levied by EICI and also variable in nature, we still deemed it appropriate to place the same on record. In the final tariff approval, these re-imbusement of Customs charges and X ray charges may not be included if deemed appropriate as it may not be practically possible to seek your quick approval with the changing dynamic of the rates. It is for this reason that we have not provided any future projections for the Customs charges and x-ray charges. In case EICI is permitted to do x-ray screening on its own without paying any royalty or fee to DIAL/MIAL we shall reduce the charges recouped from the users accordingly.

We hence request that the MYTP Proposal for the First Control Period for Mumbai, Delhi and Bangalore be kindly approved accordingly on an urgent basis. Also a clarification regarding the customs charges may kindly be issued urgently as the same is threatening the financial viability of EICI as a body.

Kindly acknowledge receipt.

With high regards,

For **EXPRESS INDUSTRY COUNCIL OF INDIA**



BHOJAPPA S SHEELWANT
MANAGER (ACCOUNTS)

138 J.P.

OFFICE OF THE COMMISSIONER OF CUSTOM (GENERAL)
NEW CUSTOM HOUSE ,BALLARD ESTATE.
MUMBAI - 400 001.

F.NO. S/40-02/1998 Acctts. (M)

Date : 29.12.2011

TO,

The General Manager,
M/s Express Industry Council of India
501, Crystal centre
Raheja vihar
Chandivali Farm Road
Powai,
Mumbai - 400 072.

Sir,

Sub : Withdrawal of letter F.No S/40-02/1998 Acctts. (M) dated 07.12.2011-reg

Please refer to this office even no. letter F. No. S/40-02/1998 Acctts. (M) dated 20.12.2011 on the subject mentioned above.

In continuation of same. it is further requested to follow all the direction issued by AC/ Courier Cell, CSI Airport till any further communication from this office in this regard.

Yours faithfully,



(V. N. SAPRE)

ASSTT. COMMISSIONER OF CUSTOMS
NEW CUSTOM HOUSE
ACCOUNTS MAIN
MUMBAI.

Copy to : AC/ Courier Cell

139

S. P.

OFFICE OF THE COMMISSIONER OF CUSTOM (GENERAL)
NEW CUSTOM HOUSE BALLARD ESTATE.
MUMBAI - 400 001.

F.NO. S/40-02/1998 Acctts. (M)

Date : 20.12.2011

TO,

The General Manager,
M/s Express Industry Council of India
501, Crystal centre
Raheja vihar
Chandivali Farm Road
Powai,
Mumbai - 400 072.

Sir,

Sub : Withdrawal of letter F.No S/40-02/1998 Acctts. (M) dated 07.12.2011-reg

Please refer to this office even no. letter F. No. S/40-02/1998 Acctts. (M) dated
07.12.2011 requesting to pay Cost Recovery charges for the period JAN, 2012 to MAR.2012
& DA arrears (July 11 to Dec. 11).

The same should be treated as 'Null and Void'

Yours faithfully,

V.N. Sapre

20/12/2011

(V. N. SAPRE)
ASSTT. COMMISSIONER OF CUSTOMS
NEW CUSTOM HOUSE
ACCOUNTS MAIN
MUMBAI.

Copy to : AC/ Courier Cell

140

**OFFICE OF THE COMMISSIONER OF CUSTOMS
CHHATRAPATI SHIVAJI INTERNATIONAL AIRPORT
SAHAR, ANDHERI [EAST], MUMBAI – 400 099
COURIER CELL.**

F.No.Air/Cus/50/CIC/374/2011 Misc.

Date: 08th December, 2011

To,

✓ The Chief Operating Officer,
Express Industry Council of India (EICI),
501, Crystal Centre, Raheja Vihar,
Off. Chandivali Farm Road,
Powai, Mumbai – 400 072.

Subject – Cost Recovery – Custodian – M/s EICI

Courier Cell, C.S.I Airport, Mumbai has done away with Merchant Over Time (MOT) fee and hence forth will be operating only on Cost recovery Charges to be stipulated by the Office of the undersigned and to be paid by the Custodian, Express Industry Council of India (EICI).

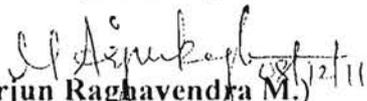
You are hereby required to pay **Rs.65,79,893/- (Sixty Five Lakh Seventy Nine Thousand Eight Hundred Ninety Three only)** for the quarterly starting January 2012 (every month) and hence **Rs.1,97,39,679/- (In words – One Crore Ninety Seven Lakh Thirty Nine Thousand Six Hundred Seventy Nine only)** for the quarterly January 2012- March 2012.

It shall further be required by your office to submit a copy of the entire payments made (Cost Recovery Charges and Merchant Over Time (MOT) fee) for the period 1998-2011.

My office shall be contacted for any clarification in this regard.

This issue shall be treated as MOST URGENT.

Yours faithfully


(Arjun Raghavendra M.)
Asstt. Commissioner of Customs,
Courier Cell, CSI Airport,
Mumbai.

Copy to –

1. Chief Accounts Officer, New Custom House, Mumbai
2. Manager, EICI, Courier Terminal
3. Office Copy

10)

OFFICE OF THE COMMISSIONER OF CUSTOM (GENERAL)
NEW CUSTOM HOUSE ,BALLARD ESTATE.
MUMBAI - 400 001.

F.NO. S/40-02/1998 Acctts. (M)

Date : 07.12.2011

TO,

The General Manager,
M/s Express Industry Council of India
501, Crystal centre
Raheja vihar
Chandivali Farm Road
Powai,
Mumbai - 400 072.

Sir,

Sub : Amount due towards cost recovery charges for
the staff posted on cost recovery basis for the period
JAN, 2012 to MAR.2012 & DA arrears
(July 11 to Dec. 11) – reg.

Staff posted : AC-1,AO-4,EO-2,PO-2,TA-4,Cashier – 1,
SEPOY-2

You are requested to pay the Cost Recovery Charges (copy enclosed) within 7 days
of receipt of this letter.

Please note that the staff on cost recovery basis will be posted only after the cost
recovery charges are paid by you. Bank Drafts/ Banker's Cheques payable on RBI A/c.
Commissioner of Customs, Mumbai will be accepted.

Total Amount payable Rs. 3430221/- (Thirty four lakh thirty thousand two
hundred twenty one only)

Yours faithfully


07/12/2011
V. N. SAPRE

ASSTT. COMMISSIONER OF CUSTOMS
NEW CUSTOM HOUSE
ACCOUNTS MAIN
MUMBAI

BANGALORE

Express Industry Council of India

Not Applicable. Please see form 14 (b)

Form 14 (a) - Annual Tariff Proposal for Tariff Year t - Format for providing information on EMAY (ref.: Section A1.8 of Appendix I)

S.N.	Particulars	For Tariff Year t
1	Yield per Unit	N. A.
2	Error Correction term (from year t-2)	N. A.
3	Estimated Maximum Allowed Yield (EMAY)	N. A.



BANGALORE

Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,

Managed and operated by Express Industry Council of India at Bangalore Airport

Effective April 2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.19.00 Per Kg,	Users	
	Customs Charges	Rs.2.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg,	Users	
	From 31st Day	Rs.6/- Per Kg,	Users	
	Demurrage Charges	Rs.5/- Per Kg,	Users	
2	International Exports			
	Facilitation Fees	Rs.20.00 Per Kg,	Users	
	Customs Charges	Rs.1.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	



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EICI/AERA/643
23rd February 2012

Mr. C. V. Deepak
OSD - II
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

~~AGM (RMS)~~ Mgr (Ops)
7/3

02/3/12

received
1/2

DVI/DKO
2/03/12

9/4/12

Sir,

Sub: Submission of MYTP for the First Control Period and request for approval of Tariff as per Form 14(b)

We have the honor to refer to your letter AERA/20010/MYTP/EICI/C/Del/2011-12/2259 dated 16th January 2012 and our submission dtd 7th February, 2012 wherein we had submitted the revised MYTP for Delhi, Mumbai and Bangalore airports. Pursuant to the discussions on the 23rd February, 2012 we are enclosing herewith the following revised/additional documents:

1. A copy of the MYTP proposal for the period from 1st April, 2011 to 31st March, 2012 and for the period from 1st April, 2012 to 31st March, 2013 for Delhi, Mumbai and Bengaluru.
2. A certified copy of the rates applicable during the period from 1st April, 2011 to date based on the resolutions passed by the Managing Committee of EICI based on consultation among member representatives.
3. A copy of letters of demand raised by customs on account of cost recovery charges.

While the tariff is being submitted for your approval, we wish reiterate our submissions vide our letter dtd 7th February, 2012 in which we had pointed out that certain charges that do not accrue to EICI, however which are collected by EICI and paid to the Government or the agency rendering those services. These are essentially two types of charges which are as under:

1. **(a) Customs Charges** levied by the Government for providing officers on a cost recovery basis which are recovered from the users and paid to the Government. The rates are dependent on the number of officers provided and the volume of the shipments processed over a period of time which varies from time to time. While strictly speaking these are not charges accruing to EICI, they have still been separately mentioned in Annexure 14 (b) so that the same may be approved if required as long as flexibility is provided to vary the same based on Government demand.

(b) Customs cost recovery arrears on account of 6th pay commission - A demand for arrears on account of retrospective increases in salaries of customs officers on account of the VIth pay commission has been received by EICI, copy enclosed. The amount of Rs. 94,85,658/- is required to be paid to the Customs department at Mumbai and Rs 2,73,11,835/- at Delhi, which is hoped to be paid by levy and collection of a "Customs cost recovery arrears surcharge" which has also been mentioned in Form 14(b) for the MYTP for Mumbai and Delhi. The same may kindly be approved on an urgent basis in case it requires approval as we need to charge the same immediately failing which our emergency reserves will get adversely impacted which are being used to pay the Government customs charges at present since April, 2011.

...2...

Express Industry Council Of India
501, Crystal Centre, Raheja Vihar.

...2...

In case no approval is required being Government charges, a clarification may kindly be issued to enable us to collect the charges from the users forthwith, subject to the following conditions (a) that EICI will collect these charges and deposit with customs and no part of such collections will be retained by EICI and (b) EICI shall provide a certificate to this effect annually.

2. **X-ray screening charges-** The x-ray screening charges comprise of use of the x-ray machine and the manpower charges for screening. These are being collected by EICI and being paid to DIAL/MIAL and CSC respectively at Delhi and Mumbai and no additional fee is collected or charged by EICI and hence these revenues do not accrue to EICI. These rates are to be approved by AERA as DIAL, MIAL and CSC are service providers of services at airports and we presume that their tariff will be approved by AERA.

While strictly speaking these are not charges accruing to EICI, they have still been separately mentioned in Annexure 14 (b) so that the same may be approved if required as long as flexibility is provided to vary the same based on the demand by the Government and the respective service provider after approval by AERA.

Please note that while these charges are not part of the Facilitation charges levied by EICI and also variable in nature, we still deemed it appropriate to place the same on record. In the final tariff approval, these re-imburement of Customs charges and X ray charges may not be included if deemed appropriate as it may not be practically possible to seek your quick approval with the changing dynamic of the rates. It is for this reason that we have not provided any future projections for the Customs charges and x-ray charges. In case EICI is permitted to do x-ray screening on its own without paying any royalty or fee to DIAL/MIAL we shall reduce the charges recouped from the users accordingly.

We hence request that the MYTP Proposal for the First Control Period for Mumbai, Delhi and Bangalore be kindly approved accordingly on an urgent basis.

Also a clarification regarding the customs charges may kindly be issued urgently as the same is threatening the financial viability of EICI as a body.

Kindly acknowledge receipt.

With high regards,
For **EXPRESS INDUSTRY COUNCIL OF INDIA**


BHOJAPPA S SHEELWANT
MANAGER (ACCOUNTS)

BANGALORE

Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built, Managed and operated by Express Industry Council of India at Bangalore Airport

April 2011 to March 2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.8.00 Per Kg,	Users	
	Customs Charges	Rs.2.00 Per Kg,	Users	
	Detention Fees			
	0-3 Days	Free		
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher		
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher		
	From 21 - 30 Days	Rs.4.50 Per Kg,		
	From 31st Day	Rs.6/- Per Kg,		
	Demurrage Charges	Rs.5/- Per Kg,		
2	International Exports			
	Facilitation Fees	Rs.9.00 Per Kg,		
	Customs Charges	Rs.1.00 Per Kg,		
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg,		



BANGALORE

Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built, Managed and operated by Express Industry Council of India at Bangalore Airport

Effective April 2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.19.00 Per Kg,	Users	
	Customs Charges	Rs.2.00 Per Kg,	Users	
	Detention Fees			
	0-3 Days	Free		
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher		
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher		
	From 21 - 30 Days	Rs.4.50 Per Kg,		
	From 31st Day	Rs.6/- Per Kg,		
	Demurrage Charges	Rs.5/- Per Kg,		
2	International Exports			
	Facilitation Fees	Rs.20.00 Per Kg,		
	Customs Charges	Rs.1.00 Per Kg,		
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg,		



OFFICE OF THE COMMISSIONER OF CUSTOM (GENERAL)
NEW CUSTOM HOUSE, BALLARD ESTATE,
MUMBAI - 400 001.

F.NO. S/40-02/1998 Accts. (M)

Date : 29.12.2011

TO,

The General Manager,
M/s Express Industry Council of India
501, Crystal centre
Raheja vihar
Chandivali Farm Road
Powai,
Mumbai - 400 072.

Sir,

Sub : Withdrawal of letter F.No. S/40-02/1998 Accts. (M) dated 07.12.2011-reg

Please refer to this office even no. letter F. No. S/40-02/1998 Accts. (M) dated 20.12.2011 on the subject mentioned above.

In continuation of same, it is further requested to follow all the direction issued by AC/ Courier Cell, CSI Airport till any further communication from this office in this regard.

Yours faithfully,


(V. N. SAPRE)
ASST. COMMISSIONER OF CUSTOMS
NEW CUSTOM HOUSE
ACCOUNTS MAIN
MUMBAI.

Copy to : AC/ Courier Cell

MINUTES OF THE SECOND MEETING OF THE MANAGING COMMITTEE OF EICI HELD ON FRIDAY, 26TH NOVEMBER 2010 AT 11.30 AM AT THE CONFERENCE ROOM, EICI EXPRESS TERMINAL, AIR CARGO COMPLEX, SAHAR, MUMBAI - 400 099

Present:

- 1) Mr. R. K. Saboo : Chairman
- 2) Mr. Taarek Hinedi : Vice Chairman
- 3) Mr. Dilip Kulkarni : Hon Treasurer
- 4) Mr. Malcolm Monteiro : Member, Mg. Committee
- 5) Mr. Ashis Nain : Member, Mg. Committee
- 6) Mr. Anil Khanna : Member, Mg. Committee
- 7) Mr. Percy Avari : Member, Mg. Committee
- 8) Mr. Farrokh M Morena : Secretary General
- 9) Mr. Vijay Kumar : Chief Operating Officer
- 10) Mr. Bhojappa Sheelwant : Manager Accounts
- 11) Mr. Amit Balarathinam : Manager Operations

1) *Confirmation of Minutes*

The Minutes of the First Meeting of the Managing Committee of EICI held on 24th September 2010 at Upper Crest, The Maratha, ITC Hotel, Sahar Airport Road, Mumbai were read and approved by the Chairman.

2) *Council Matters*

1) Information pertaining to ROC

S. G. informed the Committee that in response to a communication sent by the Council to the Managing Committee Members, information has since been received from Mr. Taarek Hinedi, Mr. S. Chakraborty, Mr. Malcolm Monteiro, Mr. Ashis Nain, Mr. K. Sukumar, Mr. Mahendra Agarwal, Mr. Percy Avari, Mr. Stephen Rose and Mr. Anil Khanna. The same has since been taken on record.

Certified true copy

For EICI

Rajiv Saboo

CHAIRMAN'S INITIALS

R.O.C. information from Mr. R. K. Saboo, Mr. Dilip Kulkarni, Mr. Abhik Mitra were still awaited.

2) Courier Automation (EDI)

The Committee was informed that the Pilot Project has since commenced and relevant issues observed have since been taken care of such as Customs Duty Payment. The whole project would be stabilized within next 8 / 10 days. It was observed that some of the large companies were desirous of Delhi EDI stabilizing after which they would concentrate on the Mumbai EDI Project.

Although some of the Companies have been filing their BoE for samples and documents which are being cleared faster, it is hoped that by mid / end January 2011, EDI will go live. The Chairman also requested Express Companies to file their BoEs as much as possible so as to make the project successful.

During the course of the discussion that ensued, Managing Committee Members desired that once the EDI Project is stabilized and goes live, a formal inauguration of the same be done in Delhi by the hands of Finance Ministry Officials so as to be recognized as a successful PPP Project between Customs and EICI.

Commercials for EDI

The Chairman pointed out that referring to a page in the Agenda Folder where details of EDI Project have been given, EICI has provided 3 options taking into account Total AWB filed in a month both of Docs and Non-docs for Import and Export.

After elaborate discussion and considering pros and cons of each of the options, the Committee opted for Option I and felt that a charge Rs. 8/- per AWB to be termed as EDI charges be levied on all the users of the EDI facility both in Mumbai and Delhi. The Committee was informed that as stipulated in the MoU signed by EICI with Customs, once the charges were decided, EICI would be required to send a Note to Customs informing them about the levy of Rs. 8/- per AWB as EDI charges, to be recovered from the users for the cost incurred by EICI on the EDI Project.

CHAIRMAN'S INITIALS

3) Letter received from PWC

The Committee thereafter noted that in response to a communication sent to Price Waterhouse by EICI based on the decision taken at the last Annual General Meeting, a letter dated 16th November 2010 had been received from Price Waterhouse informing the Council that they agree for a revised fee of Rs. 5.5 Lacs + Service Tax only for the year 2010 - 11. They have also requested EICI to consider reimbursement of Out of Pocket expenses on Actuals for visit to EICI office and outstation locations for Audit purposes.

The Committee noted that whilst out of pocket expenses for outstation locations for audit purpose were being reimbursed to PWC, the Committee once again decided not to give out of pocket expenses for visits to local office. S. G. was requested to address a letter to PWC on these lines.

4) Cost Recovery Arrears on Account of VIth Pay Commission Revision - Creation of Fund to meet the past liability

The Committee thereafter referred to a Note prepared by Dr. Venugopalan on Cost Recovery Arrears. The Committee was unanimous that the Cost Recovery Arrears would be certainly required to be paid to Customs.

The Committee was informed that at a recent Meeting of EICI with Commissioner of Customs, it was pointed out by him that all the Trade Bodies who were on Cost Recovery have already paid the arrears except EICI and the Commissioner requested EICI to pay it as soon as possible. He was prepared to give EICI time to pay the same. The Customs Cost Recovery Arrears were for the period January 2006 to March 2009. The Council has been paying the Customs Cost recovery from April 2009 onwards at the revised rate.

The Committee also referred to a statement prepared by the Secretariat for recovery of Customs Cost Recovery Arrears from the Users. The Committee felt that Arrears could be collected from Members and Non-members as a Surcharge for VIth Pay Commission Arrears of Customs Cost Recovery. The Committee also advised the Secretariat to find out from a few other Custodians whether they have already paid Arrears.

Certified True Copy
For Export to the Customs of India
Rajkumar Saboo
Chairman's Signatory

CHAIRMAN'S INITIALS

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The Chairman pointed out that if a demand is raised suddenly by Customs for Cost Recovery Arrears, it would have a huge impact as they may also charge interest for the delayed payments.

Some of the Committee Members have sought time to check with their legal department. Thereafter the Committee would decide through email communication on the way forward.

Users would be advised that the Surcharge for Cost Recovery Arrears would be levied only till Arrears were recovered as EICI in any case have been paying Custom Cost Recovery at enhanced rate from April 2009 onwards. It was also decided that once the Cost Recovery Arrears were recovered from the users, it would be paid immediately to Customs.

Mr. Vijay Kumar was advised to check with other trade body whether they have also paid as communicated by customs.

3) *Finances of the Council*

1) Consolidated Provisional Income and Expenditure Account and Balance Sheet

The Committee thereafter reviewed the Consolidated Income and Expenditure Account and Balance Sheet for Mumbai, Delhi and Bangalore for the period April to October 2010. In the light of the above, the Managing Committee unanimously decided to bring down the rates in Mumbai for Import from Rs. 6/- to Rs. 5/- and for Export from Rs. 5/- to Rs. 4.50. The Committee approved of the charges for Import and Export in Mumbai. Export X-Ray charges would remain the same @ Rs. 3.25 per kg. as hitherto. As far as charges for other Terminals were concerned, the same would remain unchanged. The Committee agreed to review the scenario.

2) Outstanding Payments

The Committee also reviewed the Outstanding for Mumbai / Delhi and Bangalore and noted that all the Outstandings of UPS for more than 90 days in Delhi were in respect of old rental arrears.

CHAIRMAN'S INITIALS

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**OFFICE OF THE COMMISSIONER OF CUSTOMS
CHHATRAPATI SHIVAJI INTERNATIONAL AIRPORT
SAHAR, ANDHERI [EAST], MUMBAI - 400 099
COURIER CELL.**

F.No.Air/Cus/50/GIC/374/2011 Misc.

Date: 08th December, 2011

To,

The Chief Operating Officer,
Express Industry Council of India (EICI),
501, Crystal Centre, Raheja Vihar,
Off. Chandivali Farm Road,
Powai, Mumbai - 400 072.

Subject - Cost Recovery - Custodian - M/s EICI

Courier Cell, C.S.I Airport, Mumbai has done away with Merchant Over Time (MOT) fee and hence forth will be operating only on Cost recovery Charges to be stipulated by the Office of the undersigned and to be paid by the Custodian, Express Industry Council of India (EICI).

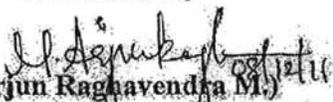
You are hereby required to pay Rs.65,79,893/- (Sixty Five Lakh Seventy Nine Thousand Eight Hundred Ninety Three only) for the quarterly starting January 2012 (every month) and hence Rs.1,97,39,679/- (In words - One Crore Ninety Seven Lakh Thirty Nine Thousand Six Hundred Seventy Nine only) for the quarterly January 2012- March 2012.

It shall further be required by your office to submit a copy of the entire payments made (Cost Recovery Charges and Merchant Over Time (MOT) fee) for the period 1998-2011.

My office shall be contacted for any clarification in this regard.

This issue shall be treated as MOST URGENT.

Yours faithfully


(Arjun Raghavendra M.)
Asstt. Commissioner of Customs,
Courier Cell, CSI Airport,
Mumbai.

Copy to -

1. Chief Accounts Officer, New Custom House, Mumbai
2. Manager, EICI, Courier Terminal
3. Office Copy

28th March 2012

- 258 -



To
The OSD
Airports Economic Regulatory Authority of India
Administrative Complex
Safdarjung Airport
New Delhi - 110003

AGM (APBS)

KIND ATTN: MR. C.V. DEEPAK.

Sub: MYTP proposal for Express Industry Council of India.

Sir,

Further to our earlier submissions and follow up discussions as requested we are enclosing herewith the following documents in order to enable you to approve our MYTP proposal submitted for Mumbai Bangalore and Delhi.

1. A list of the members of EICI which constitutes the bulk of the courier companies which use the EICI terminals at Delhi Mumbai and Bangalore.
2. Certified true copy of the extract of the meeting held at EICI Headquarters in Mumbai on 20.01.2012 regarding the charges to be revised in Mumbai and recording the fact that the tariff should be approved by AERA.
3. Undertaking in Form A and Form B in respect of earlier submissions.

As submitted before, it is important that we request that the MYTP proposal be approved at the earliest and the customs cost recovery charges and the x-ray screening charges at Mumbai be kept separate as EICI does not levy the charges and only collects them from the users and the collection are handed over to customs and MIAL without any addition or service charge levied by EICI.

The approval could be made subject to the pre condition that customs cost recovery charges may be approved separately as per the actual payment made to customs as long as EICI does not levy any service charge or retain any such payment. This is requested as the customs charges may be revised downwards or upwards depending upon various factors such as the number of officers, D.A. etc. and hence will necessitate AERA approval every time this change takes place. It is hence suggested that the approval be granted separately for customs charges and x-ray screening charges subject to the above rider.

We would be deeply obliged if the MYTP approval could kindly be granted at your earliest convenience keeping in mind the fact that EICI is already making payment to customs at revised rates without being able to recoup the same from the users pending AERA approval.

With best regards,
Yours truly,

Vijay Kumar
Encl: As above.

Express Industry Council Of India

501, Crystal Centre, Raheja Vihar,

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

Tel. : +91 22 4057 1111 Fax : +91 22 4057 1100 www.eiciindia.org

With this file I have completed the documentation. Pls put up on file for n.a.
28/3/12

Received at 5:20 pm
Swathi
28/3/2012

OSD-II/405
27/3/2012



EXPRESS INDUSTRY COUNCIL OF INDIA
Member Companies

- Aramex India Pvt. Ltd.
- Blue Dart Express Limited
- DHL Express (I) Pvt. Ltd.
- DPD Continental Private Limited
- DTDC Couriers & Cargo Ltd.
- East West Freight Carriers Pvt. Ltd
- Expressit Logistics Worldwide Ltd.
- Federal Express Corporation
- Federal Express Services India Pvt Ltd.
- First Flight Couriers Ltd
- GAC Logistics (P) Ltd.
- GATI Limited
- Grand Slam Express Pvt. Ltd.
- ICC Worldwide
- JTB Jupiter Express Services Pvt. Ltd.
- Network Express Service Pvt. Ltd
- OM Freight Forwarders Pvt. Ltd.
- Overseas Courier Service
- Overnight Express Limited
- Safexpress Pvt. Ltd.
- Skycom Express Pvt Ltd
- Skypak Service Specialists Ltd.
- Skynet Worldwide Express Pvt. Ltd.
- Suntika Couriers Pvt. Ltd.
- TCI XPS
- TNT India Pvt. Ltd.
- Tradewings Express Couriers Pvt. Ltd.
- UPS Jetair Express Pvt. Ltd.

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Express Industry Council Of India

501, Crystal Centre, Raheja Vihar.

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

EXTRACT OF THE MINUTES OF THIRD MEETING (2011-2012) OF THE MANAGING COMMITTEE OF EICI HELD ON FRIDAY, 20TH JANUARY 2012 AT 11.00 AM AT THE CONFERENCE ROOM, EICI EXPRESS TERMINAL, SAHAR, MUMBAI – 400 099.

3) Finances of the Council

- b) Thereafter the Committee reviewed the Income and Expenditure Account of Mumbai for rate increase due to increase in Customs Cost Recovery. The Customs had revised the Cost Recovery charges based on the actual number of Customs Staff deployment at Mumbai Terminal and based on that there will be huge impact on the revenue of Mumbai. The Committee was of the view that we should rationalize the staff based on Delhi Operations. It was decided to prepare an analysis for Mumbai & Delhi for the number of staff posted at both the places and send it to the Managing Committee Members. The Committee was of the view that EICI should split the existing Facilitation Fees in to Customs Charges and Facilitation Fees. C.O.O. pointed out that before bringing this into effect EICI will have to present it before Airports Economic Regulatory Authority of India (AERA) and take their approval. During the Course of discussion the Committee agreed to the rates proposed and the same shall be implemented once AERA approval is received.

The revised rates for Mumbai Express Terminal will be as follows:

Import Facilitation Fees : Rs. 7.00/Per Kg.

Export Facilitation Fees : Rs. 5.50/Per Kg.



Express Industry Council Of India

501, Crystal Centre, Raheja Vihar.

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.



Schedule

This schedule contains the various specified forms that relate to specific Clause(s) of the Guidelines or Section(s) of the Appendix, as the case may be.

Form A: (ref: Section A1.1 of Appendix I)

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

SUBMISSION OF MULTI YEAR TARIFF PROPOSAL FOR AND ON BEHALF OF:

M/S EXPRESS INDUSTRY COUNCIL OF INDIA

I, Vijay Kumar, aged 51 resident of Flat No 502-B, Sunview, Tilak Nagar, Mumbai – 400089 acting in my official capacity as Chief Operating Officer in M/s Express Industry Council of India having its registered office at 501, Crystal Centre, Raheja Vihar, Off. Chandivali Farm Road, Powai, Mumbai – 400072 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s Express Industry Council of India in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include inter alia (i) Business Plan; (ii) Information relating to the Regulatory Building Blocks; (iii) Competition Assessment; (iv) Historical and Forecasted Volumes; and (v) Historical Revenues, are correct and true to my knowledge and belief and nothing material has been concealed there form.

Sd/

Place

Date:

Express Industry Council Of India

501, Crystal Centre, Raheja Vihar.

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

Form B: (ref: Section A1.8 of Appendix I)

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF OF:

M/S EXPRESS INDUSTRY COUNCIL OF INDIA

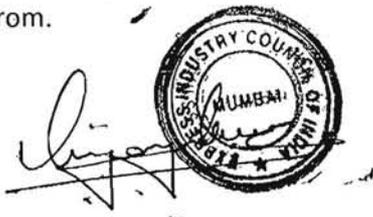
I, Vijay Kumar, aged 51 resident of Flat No 502-B, Sunview, Tilak Nagar, Mumbai – 400089 acting in my official capacity as Chief Operating Officer in M/s Express Industry Council of India having its registered office at 501, Crystal Centre, Raheja Vihar, Off. Chandivali Farm Road, Powai, Mumbai – 400072 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s Express Industry Council of India in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include inter alia

(i) Proposed detailed break – up of Tariff(s) based on Clause 11.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2 (strifeout whichever is not applicable); and

(ii) Justifications, are correct and true to my knowledge and belief and nothing material has been concealed there from.

Sd/



Place

Date:

Express Industry Council Of India

501, Crystal Centre, Raheja Vihar.

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

Express Industry Council of India
Rates in INR of Mumbai with Effect From:

Date	Import	Export	X-Ray Charges (Export)
01-10-2009	5.75	4.25	6
01-05-2010			1.75
16-06-2010	6	5	
24-06-2010			3.25
01-12-2010	5	4.50	

Rates in INR of Delhi with Effect From:

Date	Import	X-Ray Charges	Export	X-Ray Charges
01-10-2009	6.75	0.50	6	6
01-02-2010				1.50
01-03-2010				1
01-04-2010				1.65
07-06-2010			6.50	

Rates in INR of Bangalore with Effect From:

Date	Export	Import	X-Ray Charges (Import)
01-10-2009	10	10	0.75


Express Industry Council Of India

501, Crystal Centre, Raheja Vihar.

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

MINUTES OF THE THIRD MEETING OF THE MANAGING COMMITTEE OF EICI HELD ON FRIDAY, 20TH JANUARY 2012 AT 11.00 AM AT THE CONFERENCE ROOM, EICI EXPRESS TERMINAL, SAHAR, MUMBAI - 400 099

Present:

- 1) Mr. R. K. Saboo : Chairman
- 2) Mr. Taarek Hinedi : Vice Chairman
- 3) Mr. Anil Khanna : Member, Managing Committee
- 4) Mr. Malcolm Monteiro : Member, Managing Committee
- 5) Mr. Ashish Nain : Member, Managing Committee
- 6) Mr. Stephen Rose : Member, Managing Committee
- 7) Mr. Vijay Kumar : Chief Operating Officer
- 8) Mr. Bhojappa Sheelwant : Manager Accounts
- 9) Mr. Amit Balarathnam : Manager Operations

By Invitation:

- 1) Mr. Mark Martyn Fisher : UPS Jetair Express Pvt. Ltd.

1) Minutes

The Minutes of the First Meeting of the Managing Committee of EICI held on Friday, 17th November 2011 at Conference Room, EICI Express Terminal, C. S. I. Airport, Mumbai - 400099 were read and approved by the Chairman.

2) Council Matters

a) ROC Requirements

To pass a Resolution by the Board of Directors of EICI pursuant to Section 301 of the Companies Act, 1956

Manager Accounts informed the Committee that Board of Directors have to pass a Resolution pursuant to Section 301 of the Companies Act, 1956 to ratify all the transactions entered into by the Company as contemplated under that Section providing services to Companies of which Director are a Member or Director.

The Committee Members after reviewing signed the Register placed before the Committee.

b) Membership Election of Skycom Express Pvt. Ltd. in the Associates Category

The Committee thereafter considered an Application and other details together with payments received from Skycom Express Pvt. Ltd., Shop No. 1, Koteswar Palace, Jeeva Mahal Marg, Off. Sahar Road, Andheri (E), Mumbai - 400 069 for admission in the Associates Category of EICI.

The Application and related information about the Company were read out in the Meeting. The Managing Committee unanimously accepted the application of Skycom Express Pvt. Ltd. in the Associates Category with effect from 20th January 2012. Following Resolution was passed:

"RESOLVED THAT M/s. Skycom Express Pvt. Ltd., Shop No. 1, Koteshwar Palace, Jeeva Mahal Marg, Off. Sahar Road, Andheri (E), Mumbai - 400 069 be and is hereby admitted in the Associates Category of EICI from 20th January 2012"

The Resolution was passed unanimously and Manager Accounts was advised to inform the Company and take appropriate action in the matter.

3) Finances of the Council

a) Consolidated Provisional Income and Expenditure Account for Mumbai / Delhi / Bangalore for the period April 2011 to December 2011.

The Committee thereafter reviewed the Consolidated Provisional Income and Expenditure Account for Mumbai / Delhi / Bangalore for the period April 2011 to December 2011. C. O. O. pointed out that there is an error in Mumbai Income & Expenditure Account and due to that the Mumbai Margin had gone down. Chairman instructed Manager Accounts to have due diligence while preparing the MIS Reports.

b) Thereafter the Committee reviewed the Income and Expenditure Account of Mumbai for rate increase due to increase in Customs Cost Recovery. The Customs had revised the Cost Recovery charges based on the actual number of Customs Staff deployment at Mumbai Terminal and based on that there will be huge impact on the revenue of Mumbai. The Committee was of the view that we should rationalize the staff based on Delhi Operations. It was decided to prepare an analysis for Mumbai & Delhi for the number of staff posted at both the places and send it to the Managing Committee Members. The Committee was of the view that EICI should split the existing Facilitation Fees into Customs Charges and Facilitation Fees. C. O. O. pointed out that before bringing this into effect EICI will have to present it before Airports Economic Regulatory Authority of India (AERA) and take their approval. During the course of discussion the Committee agreed to the rates proposed and the same shall be implemented once AERA approval is received.

The revised rates for Mumbai Express Terminal will be as follows:

- Import Facilitation Fees : Rs. 7.00/Per Kg.
- Export Facilitation Fees : Rs. 5.50/Per Kg.

The Committee thereafter discussed about the status of Dr. M. G. Venugopalan's progress on waiving off the entire Customs Cost Recovery. C. O. O. pointed out that it has been already been sent to the Expenditure Department, Ministry of Finance for their approval.

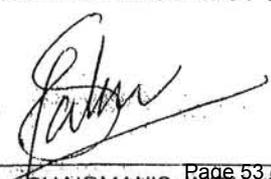
c) Outstanding Statement of Mumbai, Delhi & Bangalore

The Committee also noted that the outstanding were under control. The Committee however felt that the outstanding should be kept at minimum.

d) Approvals

1) Explosive Trace Detector

Managing Committee Members suggested checking that if BCAS Law states that we should have a mobile detector then EICI should procure it or else we should continue with the existing one for both Mumbai and Delhi.



The Committee thereafter approved the following payments and passed the following Resolution:

"RESOLVED THAT the Committee approves the following payments as given below:

Sr. No.	Particulars	Vendor	Amount	Remarks
01	UPS - Power Backup for 01 Hour	M/s. Comnet Solutions Pvt. Ltd.	Rs. 39,000/- + Taxes	For Mumbai
02	Frisking Room for Female visitors with enclosure at Terminal Access Point	M/s. A3B	Rs. 77,500/- + Taxes + 8% Professional Charges	For Mumbai
03	Barb Wire Fencing Between EICI and Blue Dart Periphery Wall	M/s. Premier Technics	Rs. 57,750/- + Taxes	For Mumbai
04	03 Cupboards	M/s. Sai Steel Range Storage Systems Pvt. Ltd.	Rs. 25,920/- + Taxes	For Mumbai
05	Angle Frame Rack for shipments stored in Chemical Hold Area on 01st Floor	M/s. Sai Steel Range Storage Systems Pvt. Ltd.	Rs. 53,220/- + Taxes	For Mumbai
06	Angle Frame Rack for Detention Room in Export Area	M/s. Sai Steel Range Storage Systems Pvt. Ltd.	Rs. 22,410/- + Taxes	For Mumbai
07	Study for The Express Services Industry in India	CRISIL	Rs. 15,50,000/- + Taxes	
08	Facilitating Trade and Global Competitiveness - 1000 Copies Printing	Oxford University Press India	Rs. 4,72,500/-	
09	Facilitating Trade and Global Competitiveness - Book Release	CII	Rs. 4,05,000/-	
10	Advance Order for execution of change request (Change in code where efforts > 3 days) need to be done for ECCS system, till the efforts in man months (mentioned in Efforts columns) are consumed.	Wipro Ltd.	Rs. 20,92,500/- + Taxes	
11	1. Training Efforts Unit Price calculation is @Rs. 1,65,000/- per month (08 working days). 2. Boarding and lodging in Mumbai for 02 persons for 04 days	Wipro Ltd.	Rs. 94,400/- + Taxes	
12	Changes in Migration Technique of CTSH and Currency Dump alongwith implementation in production	Wipro Ltd.	Rs. 2,12,040/- + Taxes	
13	AMC of Weblogic Licence	Oracle India	Rs. 11,89,431/- + Taxes	
14	AMC of 24 Port LAN Switch, RHEL Support for 03 Years, Anti-Virus for Linux Machine and for the Sun Fire Servers and UTM Firewalls	Wipro Ltd.	Rs. 15,91,929/- + Taxes	
15	E-Lock Digital Signature AMC renewal, E-Lock FormSeal, Bulk Upload Module	Timeless Learning Technologies Pvt. Ltd.	Rs. 1,29,600/- + Taxes	
16	RMD Connectivity for RMS Integration with ECS Risk Management Division, 13, Sir Vithaldas Thakersay Marg, Opp. Patkar Hall, New Marine Lines, Mumbai - 400 020 MPLS 2 MBPS Connectivity	Tata Communications Ltd.	Rs. 2,60,000/- + Taxes per Annum and Rs. 40,000/- + Taxes Non-Recurring Charges (One Time)	
17	Data Migration Connectivity 1) Location Delhi IDC: Videsh Sanchar Bhawan, 3rd & 4th Floor, Greater Kailash Part 1, Near Savitri Cinema, New Delhi - 110 024 2) Location (Chennai) IDC: Videsh Sanchar Bhawan, 1st Floor, 4-Shivan and Salai, Chennai - 31	Tata Communications Ltd.	Rs. 5,92,726/- + Taxes per annum and Rs. 1,30,000/- + Taxes Non-Recurring Charges (One Time)	
18	Managed Services Proposal	Wipro Ltd.	Rs. 1,66,82,000/- + Taxes	

e) **Authorizing Mr. Bhojappa S. Sheelwant for filling MVAT Returns**

In view of Mr. Farrokh M Morena, Secretary General retiring, the Committee authorized Mr. Bhojappa S. Sheelwant, Manager (Accounts) to file and sign the MVAT Returns and to attend matters as and when necessary before Maharashtra Value Added Tax Authorities. The following resolution was passed:

"RESOLVED THAT Mr. Bhojappa S. Sheelwant, Manager (Accounts) be and is hereby authorized to file and sign the MVAT Returns and to attend matters as and when necessary before Maharashtra Value Added Tax Authorities".

The Resolution was passed unanimously.

f) **Resolution authorizing use of Digital Signature for filing Income Tax Returns**

The Chairman pointed out that the EICI's Income Tax Returns were digitally signed by Mr. Farrokh M Morena, Secretary General. Now since he is retired Mr. Vijay Kumar, C. O. O. or Mr. Bhojappa S Sheelwant, Manager (Accounts) are authorized to file the Income Tax Returns as required under the Income Tax Act, 1961.

A Resolution will be required to be passed by the Managing Committee in this regard. Following Resolution was passed:

"RESOLVED THAT the Managing Committee of EICI be and hereby authorizes Mr. Vijay Kumar, C. O. O. or Mr. Bhojappa S Sheelwant to sign Digitally Annual Income Tax Returns and such other documents that are required to be filed / submitted to Income Tax Authorities."

The Resolution was passed unanimously.

g) **Resolution authorizing use of Digital Signature for filing Annual Returns**

The Chairman pointed out that the EICI's Annual Returns and other ROC Documents were digitally signed by Mr. Farrokh M Morena, Secretary General. Now since he is retired and as per ROC guidelines only Managing Committee Member can digitally sign the documents hence Mr. R. K. Saboo, Chairman or Mr. Dilip Kulkarni, Hon. Treasurer are authorized to file the Annual Returns and other ROC Documents as required as per the Companies Act, 1956.

A Resolution will be required to be passed by the Managing Committee in this regard. Following Resolution was passed:

"RESOLVED THAT the Managing Committee of EICI be and hereby authorizes Mr. R. K. Saboo, Chairman or Mr. Dilip Kulkarni, Hon. Treasurer to sign Digitally Annual Returns and other ROC documents that are required to be filed / submitted to Registrar of Companies as per the Companies Act, 1956."



3

4) Any Other Business

a) Kolkata Sales Tax Issue:

Chairman pointed out that with regard to the Kolkata Sales Tax Issue the Member Companies should write to EICI about their concerns and in turn EICI should take it up with Kolkata Sales Tax Department.

b) Chennai Terminal:

Chairman pointed out that the Chennai Terminal agreement is due for renewal by mid of 2012. Chairman pointed out that Express Companies like FedEx, DHL, etc. should go together with EICI and have a dialogue with the Chairman, Airports Authority of India.

5) Date of Next Meeting

It was decided to convene the Fourth Meeting of the Managing Committee on Friday, 23rd March 2012 at 11:00 AM at the Conference Room of EICI Express Terminal, C. S. I. Airport, Air Cargo Complex, Sahar, Mumbai – 400 099.

Since there were no other items to be considered, the Meeting terminated with Vote of Thanks to the Chair

* * * * *

I confirm that these Minutes are the official records of the Third Managing Committee meeting held on 20th January 2012.

Rajkumar Saboo

Chairman



EICI/AERA/837
06th June 2012

Capt. Kapil Chaudhary
Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Sub: Submitting Form 14(b) and 14(c)

Madam,

We refer to your meeting held with Mr. P. S. Chhettri, Head of Operations of EICI in Delhi and Mr. Ranjit S. Walia, Regulatory advisor, EICI on 18th May 2012.

As desired we are submitting Form 14(b) and 14(c) duly filled in without leaving any column blank and making no changes in the MYTP submitted earlier. Request you to kindly take into records and acknowledge.

With high regards,

For EXPRESS INDUSTRY COUNCIL OF INDIA

VIJAY KUMAR
CHIEF OPERATING OFFICER

Dr. Mohit

Express Industry Council Of India

501, Crystal Centre, Raheja Vihar,

Off. Chandivali Farm Road, Powai, Mumbai - 400 072.

CP No. 38/2012-13/MYTP/EICI/C/BI/192011-12

Tel. : +91 22 4057 1111 Fax : +91 22 4057 1100 www.eiciindia.org

BANGALORE

Express Industry Council of India

Not Applicable. Please see form 14 (b)

Form 14 (a) - Annual Tariff Proposal for Tariff Year t - Format for providing information on EMAY (ref.: Section A1.8 of Appendix I)

S.N.	Particulars	For Tariff Year t
1	Yield per Unit	N. A.
2	Error Correction term (from year t-2)	N. A.
3	Estimated Maximum Allowed Yield (EMAY)	N. A.



BANGALORE

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Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,

Managed and operated by Express Industry Council of India at Bangalore Airport

Effective April 2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.19.00 Per Kg,	Users	
	Customs Charges	Rs.2.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg,	Users	
	From 31st Day	Rs.6/- Per Kg,	Users	
	Demurrage Charges	Rs.5/- Per Kg,	Users	
2	International Exports			
	Facilitation Fees	Rs.20.00 Per Kg,	Users	
	Customs Charges	Rs.1.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	



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EICI/AERA/900
23rd July 2012

Mr. C. V. Deepak
OSD - II
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Sir,

Sub: Submission of MYTP for 2011-12, 2012-13 & 2013-14 for approval of Tariff as per Form 14(b)

We have the honor to refer to your letter AERA/20010/MYTP/EICI/C/Del/2011-12/2259 dated 16th January 2012 and our submissions dtd 7th February, 2012, 23rd February 2012 & 07th June 2012 with respect to the above mentioned subject. We also refer to the several rounds of discussions held with Secretary and your goodselves on the above subject.

We reiterate our submission vide our letter dated 07th February 2012 wherein it was explained that while the MYTP format is designed for profit making entity, EICI does not fit the criteria outlined in the MYTP as EICI is a co-operative of Express Industry Companies and users and more particularly – a) does not make investments on the basis of return on investments; b) is a not for profit Section 25 Company and hence does not function as with profit as a motive and c) does not distribute dividend to shareholders. During meeting we were informed, the factors notwithstanding we would still be required to get our tariff approved by AERA.

We have also explained that being a co-operative of users the Members themselves approves the tariff as the EICI Board comprises of representatives. As shared with you during our meeting Customs have raised a certain demand for providing customs officials on cost recovery basis for past period on account of the revised pay scales based on the latest pay commission recommendation. These charges have been raised on retrospective basis. In addition these charges are variable depending on number of officials required / available.

EICI has been paying these retrospective and the enhanced charges without being able to recover the same on account of the MYPT not being approved thereby draining the reserves of EICI. The Members of EICI during their last 2 meeting held on 15/05/2012 and 20/07/2012 had expressed their serious concerns regarding this issue.

Given the fact that X-Ray screening charges and customs charges are more in the nature of pass through charges, we had submitted revised Form 14 (b) for Delhi, Mumbai & Bangalore on the 07th June 2012 incorporating minor corrections and breaking up the charges by segregating the Customs and X-Ray screening charges as separate variable component for approval. It may also be noted that these correction were based on discussion to ensure that every-time Customs increases the Cost Recovery charges based on the number of officials required or the Airport Operator increases the X-Ray screening charges, we are not forced to approach AERA for revising the same. Please note that the charges levied by EICI excluding Customs and X-Ray screening charges have been capped.

Contd. ...2...

Express Industry Council Of India
501, Crystal Centre, Raheja Vihar,
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Tel. : +91 22 4057 1111 Fax: : +91 22 4057 1100 www.eiciindia.org

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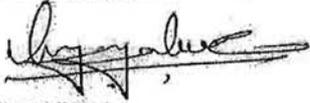
We are once again enclosing Form 14 (b) of the MYTP for the Financial Year 2011-12, 2012-13 & 2013-14 for Delhi, Mumbai & Bangalore for your kind approval. The rest of the MYTP has already been submitted and is on record and we understand it does not require any further clarification.

We do hope that our proposal will be approved at your earliest convenience given the urgency and the merit explained above.

Thanking you,

Yours sincerely,

For EXPRESS INDUSTRY COUNCIL OF INDIA



VIJAY KUMAR
CHIEF OPERATING OFFICER

BANGALORE

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Express Industry Council of India

Form 14(b)

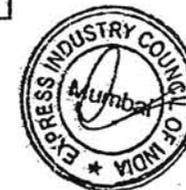
A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,
Managed and operated by Express Industry Council of India at Bangalore Airport
April 2011 to March 2012

Submitted on 23/07/2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.10.00 Per Kg,	Users	
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg,	Users	
	From 31st Day	Rs.6/- Per Kg,	Users	
	Demurrage Charges	Rs.5/- Per Kg,	Users	
2	International Exports			
	Facilitation Fees	Rs.10.00 Per Kg,	Users	
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.0.65 Per Kg,	Users	

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BANGALORE

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Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,

Managed and operated by Express Industry Council of India at Bangalore Airport

Effective April 2012

Submitted on 23/07/2012

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees	Rs.19.00 Per Kg,	Users	
	Customs Charges	Rs.2.00 Per Kg,	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs.2/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg, or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg,	Users	
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3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg,	Users	

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BANGALORE

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Express Industry Council of India

Form 14(b)

A. Tariff

Tariff for Bangalore Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,

Managed and operated by Express Industry Council of India at Bangalore Airport

Effective April 2013

Submitted on 23/07/2012

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	Customs Charges	Rs.1.00 Per Kg.	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
3	Domestic Imports			
	Facilitation Fees	Rs.1.10 Per Kg.	Users	
4	Domestic Exports			
	Facilitation Fees	Rs.1.10 Per Kg.	Users	

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The Chairman
Aviation Economic Regulatory Authority,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Sir,

Sub: Request for expediting MYTP proposal of Express Industry Council of India for Delhi, Mumbai and Bangalore

We have the honor to refer to your letter AERA/20010/MYTP/EICI/C/Del/2011-12/2259 dated 16th January 2012 and our submission dtd 7th February, 2012 wherein we had submitted the revised MYTP for Delhi, Mumbai and Bangalore airports. Pursuant to discussions and follow up we have submitted various additional documents and clarifications as requested from time to time. Given the unique nature of EICI being a cooperative body of users organized as a not for profit company, the MYTP format was not suited or tailored for such an entity and was meant more for service providers who operate as profit making companies. As a result even though we have no profit motive or projections, dividend distribution or surplus distributable profits, we still provide all details as requested in the MYTP format to the extent they applied to us.

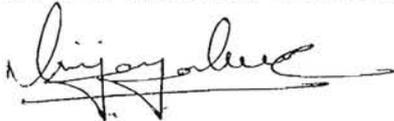
The EICI proposal is yet to be reviewed and approved as a result of which the new Tariff cannot be implemented, causing serious financial implications to EICI as a body. As explained in the various submissions, we are unable to levy additional customs charges from our users on account of the additional sums payable to customs for cost recovery charges. As a result EICI is paying these charges out of its reserves without being able to recoup these charges from the users.

We had personally met the Secretary in the last week of May, 2012 and have been in constant touch with various other officials at AERA, however the proposal is yet to be cleared.

We would be deeply obliged if the EICI MYTP Proposal for Mumbai, Delhi and Bangalore could kindly be approved on an urgent basis as it is much delayed.

Kindly acknowledge receipt.

With high regards,
For EXPRESS INDUSTRY COUNCIL OF INDIA



VIJAY KUMAR
CHIEF OPERATING OFFICER

Secy (AERA) 7/8/2012
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8/8/2012

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Express Industry Council Of India

501, Crystal Centre, Raheja Vihar,
Off. Chandivali Farm Road, Powai, Mumbai - 400 072.