

**Consultation Paper No. 3/2013-14**



**Airports Economic Regulatory Authority of India**

**Annual Tariff Proposal for Third Tariff Year in  
respect of Menzies Aviation Bobba (Bangalore)  
Private Limited for providing Cargo Facility  
Services at Bangalore International Airport,  
Bengaluru**

**New Delhi: 12<sup>th</sup> April, 2013**

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

The Authority had issued Multi Year Tariff Order (MYTO) No. 21/2011-12 on 25.10.2011 ordering that the services provided for the cargo facility by Menzies Aviation Bobba (Bangalore) Pvt. Ltd. (MABB) at Bangalore International Airport, Bengaluru are “material but competitive” and decided to adopt a “light touch approach” for determination of tariff for the first control period w.e.f. 01.04.2011. Thereafter, the Authority issued Order No. 16/2012-13 dated 28.08.2012 (ATO), determining Tariffs for the first and second tariff years.

2. The orders (MYTO and ATO) issued by the Authority are subject to the Order dated 19.10.2011 of the Hon’ble AERA Appellate Tribunal wherein, with reference to Appeal No. 12 of 2011 filed by Bangalore International Airport Ltd. (BIAL), it was stated that:

*“It is made clear the 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 the Appellate Tribunal”.*

The above order passed by the Appellate Tribunal is still in force.

3.1 As per para AI.8.2 read with Clause 7.4 of the Guidelines “Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Cargo Facility, Ground Handling and Supply of Fuel to Aircraft Guidelines 2011)”, the service provider shall submit, for the consideration of the Authority, an ATP 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) at least 75 days prior to the start of the Tariff Year.

3.2 As per clause 11.2 of the Guidelines, the ATP is required to be submitted in the form and manner as provided in Appendix AI.8.2 wherein it is mentioned that the ATP should be supported by:

- Form B and Form F14(b),
- Details of consultation with stakeholders
- Evidence of User Agreements clearly indicating the Tariff (s) proposed by the service Provider.

3.3 MABB have submitted the ATP for the third year 2013-14 in respect of cargo facility at Bangalore International Airport, Bengaluru vide letter dated 31.01.2013 (**Annexure-I**). The submissions made include the following:

- (i) Form B, duly filled in and signed.
- (ii) Form 14(b) ATP for the tariff year 2013-14 depicting the rates to be charged to Freight forwarders/airlines.

4. After careful consideration of the tariff proposal, the Authority makes the following proposal for stakeholder consultation:

- (a) The tariffs for the third tariff year (w.e.f. 01.04.2013 to 31.03.2014) of the first control period for cargo facility services provided by M/s Menzies Aviation Bobba (Bangalore) Pvt. Ltd. at Bangalore International Airport are tentatively decided to be as at **Annexure II**. It is tentatively decided to make these tariffs effective from 01.04.2013 or such other prospective date as the Authority may decide. For demurrage charges on export/import cargo, the free period shall be governed as per the instructions of Govt. of India issued from time to time.
- (b) The above decision is subject to the order of Hon'ble AERA Appellate Tribunal referred to in para 2 above.

5. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 4 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. 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.

6. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, **latest by 26.04.2013** at the following address:

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

**Yashwant S. Bhave**  
**Chairperson**



Jan 31, 2012

**Menzies Aviation Bobba  
(B'lore) Pvt. Ltd.**

The Secretary  
Airports Economic Regulatory Authority of India  
New Delhi - 110 003

Plot No. C-04L  
Bengaluru International Airport  
Devanahalli, Bangalore - 560 300  
INDIA

Dear Ms.Kapil Chaudhary

T: +91 80 2201 8048  
F: +91 80 2201 8001

Subject: Submission of Annual Tariff Plan for Tariff Period 3: 2013-14

[www.menziesbobba.com](http://www.menziesbobba.com)

With reference to the above kindly find enclosed Annual Tariff Proposal for Tariff Period 3 together with Form B.

We request you to kindly call us for any further information or explanation in this regard.

Thanking you

Yours sincerely,

K. Venkata Reddy  
Chief Executive Officer

Form B: (ref. Section A 1.8 of Appendix 5)

**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. Menzies Aviation Bobba (Bangalore) Private Limited  
Plot C-04L, Bangalore International Airport,  
Devanahalli, Bangalore – 560 300

I, K.Venkata Reddy aged 47 years resident of Bangalore acting in my official capacity as Chief Executive Officer in M/s. Menzies Aviation Bobba (Bangalore) Private Limited having its registered office at Plot C-04L, Bangalore International Airport, Devanahalli, Bangalore do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s. Menzies Aviation Bobba (Bangalore) Private Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi (AERA);
2. I am competent to make this submission before AERA;
3. I am making this submission in my official capacity as CEO and the facts stated herein are based on official records;
4. The contents of the Annual Tariff Proposal 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 3rd Control period pursuant to Clause 3.2 and
  - (ii) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from

Place: Bangalore

Date: Jan 30, 2013

  
K.Venkata Reddy  
Chief Executive Officer





**MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO**

S.N.	LIST OF CHARGES	FY 2013-14 Tariff Year 3	
		MINIMUM RATE In INR	RATE PER KG In INR
<b>A) INTERNATIONAL CARGO</b>			
<b>EXPORT CARGO</b>			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] - (per Shipping Bill)		
a)	General cargo	131	1.10
b)	Special cargo (AVI)	263	1.65
c)	PER/DGR/VAL cargo	263	2.87
2	CUSTOMS CARGO SERVICE PROVIDER CHARGE [CCSP] - (per Shipping Bill)	30	0.65
3	DEMURRAGE / STORAGE CHARGE (rate per kg per day)		
a)	General cargo	137	0.88
b)	Special cargo (AVI)	263	1.65
c)	PER/DGR/VAL cargo	263	2.87
4	COURIER HANDLING CHARGE	158	1.65
5	PACKING/REPACKING/STRAPPING CHARGE	6/-Per Carton/Bag	
6	RETURN CARGO CHARGE	525/AWB	
7	AIR WAYBILL AMENDMENT CHARGE	105/AWB	
8	WEIGHT / VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	2 times	
b)	More than 5% variation	5 times	
9	OVERTIME CHARGE (beyond customs working hours)	53/- per Shipping Bill	
	VAL cargo	1050/- per AWB	
<b>IMPORT CARGO</b>			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] - (per Bill of Entry)		
a)	General cargo/Unaccompanied Baggage	131	5.40
b)	Special cargo (AVI)	263	10.80
c)	PER/DGR/VAL cargo	263	10.80
2	CUSTOMS CARGO SERVICE PROVIDER CHARGE [CCSP] - (per HAWB)	30	1.85
3	DEMURRAGE / STORAGE CHARGE (rate per kg per 24 hours)		
a	General cargo		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No Charges	
ii)	Cargo cleared between 72 hours and 120 hours	336	1.65
iii)	Cargo cleared between 120 hours and 720 hours	336	3.09
iv)	Cargo cleared after 720 hours	336	4.63
b	Special cargo (AVI)		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No Charges	
ii)	Cargo cleared between 72 hours and 120 hours	656	3.09
iii)	Cargo cleared between 120 hours and 720 hours	656	6.17
iv)	Cargo cleared after 720 hours	656	9.26
c	PER/DGR/VAL cargo		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No Charges	
ii)	Cargo cleared between 72 hours and 120 hours	1339	6.17
iii)	Cargo cleared between 120 hours and 720 hours	1339	12.40
iv)	Cargo cleared after 720 hours	1339	18.58
4	COURIER HANDLING CHARGE	210	6.06
5	AIR WAYBILL AMENDMENT CHARGE	105/ per AWB	
6	TRANSHIPMENT CHARGE- International to Domestic		
a	General cargo	131	1.98
b	PER/DGR/VAL/AVI cargo	247	1.98
	Documentation Charges	105/AWB	
7	OVERTIME CHARGE (beyond customs working hours)		
a	General cargo	210/- per Bill of Entry	
b	VAL cargo	1050/- per AWB	
8	PACKING/REPACKING/STRAPPING CHARGE	6/-Per Carton/Bag	

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

○ Consignments of Human Remains, Coffins including Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of the TSP and Demurrage charges.

(2) The Charges will be levied on "Gross Weight" or "Chargeable Weight" whichever is higher. Wherever there is a mis declaration of the Gross or chargeable weight on the AWB, the actual Gross weight or Actual Chargeable weight will be used for the charges which ever is higher.

(3) Storage Charges

**Export Cargo** - Free Period Shall be one day (24hrs) for examination/processing by Shipper's on 'Per Kg Per day'.

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

(4) 50% of the General Cargo Charges will be applicable to Newspapers (Daily) TV Reels. Applicable to per kilo charge only

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

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

(7) Special Cargo (AVI) consist of Live Animals and Day old chicks

(8) For Consolidation TP Cargo-TSP Charges will be levied to all types of Cargo, in addition to Transshipment charges mentioned above. Demurrage Charges will be applicable as per General Cargo tariff.

(9) No Outside Labour will be allowed to handle the cargo in the Terminal

(10) All charges above are excluding Service Tax or any other taxes or levies that existing or to be introduced. Such Taxes and levies shall be charged extra on the above prices.

(11) Charges such as Rent & parking fee are not considered in this Annual Tariff Proposal as the same are un-regulated services

(12) All charges mentioned above include concession fee charged by the Airport Operator

(13) Complete shipment should be physically available prior to payment of TSP charges

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**MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO**

S.N.	LIST OF CHARGES	FY 2013-14 Tariff Year 3	
		MINIMUM RATE in INR	RATE PER KG in INR
<b>B) DOMESTIC CARGO</b>			
<b>OUTBOUND CARGO</b>			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP]		
a)	General cargo	105/AWB	0.72
b)	Special cargo (AVI)	210/AWB	2.26
c)	PER/DGR/VAL cargo	210/AWB	2.26
2	DEMURRAGE / STORAGE CHARGE (rate per kg per day)		
a)	General cargo	131/AWB	0.72
b)	Special cargo (AVI)	210/AWB	2.26
c)	PER/DGR/VAL cargo	210/AWB	2.26
3	COURIER HANDLING CHARGE	105/AWB	0.72
4	PACKING/REPACKING/STRAPPING CHARGE	6/- per Carton/Bag	
5	RETURN CARGO CHARGE	105/AWB	
6	AIR WAYBILL AMENDMENT CHARGE	105/AWB	
<b>INBOUND CARGO</b>			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP]		
a)	General cargo/Unaccompanied Baggage	131/AWB	1.21
b)	Special cargo (AVI)	210/AWB	2.32
c)	PER/DGR/VAL cargo	210/AWB	2.32
2	DEMURRAGE / STORAGE CHARGE (rate per kg per 24 hours)		
a	General cargo	210/AWB	1.38
b	Special cargo (AVI)	263/AWB	2.43
c	PER/DGR/VAL cargo	263/AWB	2.43
3	COURIER HANDLING CHARGE	131/AWB	1.21
4	AIR WAYBILL AMENDMENT CHARGE	105/AWB	
5	PACKING/REPACKING/STRAPPING CHARGE	6/- per Carton/Bag	

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

(1) Consignments of Human Remains, Coffins including Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of the TSP and Demurrage charges.

(2) The Charges will be levied on "Gross Weight" or "Chargeable Weight" whichever is higher. Wherever there is a mis declaration of the Gross or chargeable weight on the AWB, the actual Gross weight or Actual Chargeable weight will be used for the charges which ever is higher.

(3) Storage Charges

**Export Cargo** - Shall be one day (24hrs) for examination/processing by Shipper's on 'Per Kg Per Day'.

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

(4) 50% of the General Cargo Charges will be applicable to Newspapers (Daily) TV Reels. Applicable to per kilo charge.

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






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

(7) Special Cargo (AVI) consist of Live Animals and Day old chicks

(8) For Consolidation TP Cargo-TSP Charges will be levied to all types of Cargo, in addition to Transhipment charges mentioned above . Demurrage Charges will be applicable as per General Cargo tariff.

(9) No Outside Labour will be allowed to handle the cargo in the Terminal

(10) All charges above are excluding Service Tax or any other taxes or levies that existing or to be introduced. Such Taxes and levies shall be charged extra on the above prices.

(11) All charges mentioned above include concession fee charged by the Airport Operator

(12) Complete shipment should be physically available prior to payment of TSP charges

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**MAXIMUM CHARGES PAYABLE BY AIRLINES**

S.N.	Description of Service	Unit	FY 2013-14 Tariff Year 3	
			MINIMUM RATE in INR	RATE PER KG in INR
<b>A) INTERNATIONAL CARGO</b>				
<b>EXPORT CARGO</b>				
1	Palletisation	Per Kg	404 Per flight	1.71
2	Courier /Mail Charges	Per Kg	404 Per flight	1.75
3	DEMURRAGE / STORAGE CHARGE (rate per kg per day)			
	a) General Export Cargo	Per Kg	300/AWB	2.29
	b) Valuable/Perishable/Hazardous Cargo/Live Animals etc.,	Per Kg	338/AWB	4.59
4	X-Ray charges	Per Kg	149/AWB	2.90
5	Dangerous Goods certification	Per /AWB	800/AWB	
6	Export General Manifesto - filing with Authorities	Per Flight	300/ Flight	
<b>IMPORT CARGO</b>				
1	De-Palletisation	Per Kg	404 Per flight	1.64
2	Courier /Mail Charges	Per Kg	404 Per flight	1.75
3	DEMURRAGE / STORAGE CHARGE (rate per kg per 24 hours)			
	a) General Export Cargo	Per Kg	300/AWB	2.29
	b) Valuable/Perishable/Hazardous Cargo/Live Animals etc.,	Per Kg	404/AWB	6.13
4	Import General Manifesto - filing with Authorities	Per Flight	300/Flight	
<b>TRANSHIPMENT CHARGES</b>				
1	Transshipment charges-International to International			
	a) General Cargo	Per Kg	189/AWB	2.76
	b) Sepcial Cargo	Per Kg	364/AWB	2.76
	c) Documentation Fee	Per AWB	155/AWB	
2	Transshipment charges-International to Domestic			
	a) General Cargo	Per Kg	189/AWB	2.76
	b) Sepcial Cargo	Per Kg	364/AWB	2.76
	c) Documentation Fee	Per AWB	155/AWB	
<b>B) DOMESTIC CARGO</b>				
<b>OUTBOUND CARGO</b>				
1	Palletisation	Per Kg	314 Per flight	1.21
2	Courier /Mail Charges	Per Kg	314 Per flight	1.21
3	DEMURRAGE / STORAGE CHARGE (rate per kg per day)			
	a) General Cargo			
	b) Valuable/Perishable/Hazardous Cargo/Live Animals etc.,			
4	X-Ray Charges	Per Kg	157/AWB	2.14
5	Electronic Data submission for Customs/FLIGHT			
<b>INBOUND CARGO</b>				
1	De-Palletisation	Per Kg	314 Per flight	1.21
2	Courier /Mail Charges	Per Kg	314 Per flight	1.21
3	DEMURRAGE / STORAGE CHARGE (rate per kg per 24 hours)			
	a) General Export Cargo			
	b) Valuable/Perishable/Hazardous Cargo/Live Animals etc.,			
4	Electronic Data submission for Customs/FLIGHT			

## NOTE:

1. The above rates are Maximum rates. These are the rates planned to be charged to achieve the projected ARR for the control period from 1-4-2013 to 31-3-2014. The rates are exclusive of Service tax or other levies or taxes existing or to be proposed. Such taxes or levies shall be charged extra on the above prices.

2. User Agreements ( Airline or other agents) shall have the rates subject to maximum specified above. The Agreements are in line with the IATA, AHM 810 Standard Ground Handling Agreement 2004/2008 ( SGHA) as amended from time to time with mutual consent by

3. The rates with each Airline are based on negotiations and as agreed between Company (MABB) and the Airline depending on the specific service levels agreed such as usage of equipment credit period, indemnity/insurance, and other services necessary thought fit.

4. All charges above are excluding Service Tax or any other taxes or levies that existing or to be introduced. Such Taxes and levies shall be charged extra on the above prices.


