### File No. AERA/20011/MYTP/CSC-PC/2011-12 Consultation Paper No. 12/2012-13



### **Airports Economic Regulatory Authority of India**

Annual Tariff Proposal for Second Tariff year of the First Control Period in respect of M/s Cargo Service Centre (CSC) for providing Perishable Cargo Facility at Air Cargo Terminal, CSI Airport, Mumbai.

New Delhi: 6th August, 2012

AERA Building Administrative Complex Safdarjung Airport New Delhi – 110 003 The Authority had after considering the Multi Year Tariff Proposal/Annual Tariff proposal for first tariff year of the first control period of 5 years commencing w.e.f. 01.04.2011, submitted by M/s Cargo Service Centre (CSC) for providing cargo handling services for perishable cargo at CSI Airport, Mumbai and pursuant to stakeholder consultation issued a Multi Year Tariff Order (MYTO) No. 05/2011-12 dated 27.07.2011 vide which the Authority had ordered that:

- (i) "Service provided for the perishable cargo facility, by Cargo Service Centre at Chhatrapati Shivaji International Airport, Mumbai, is "material but competitive". Hence, Authority will adopt a "light touch approach" for determination of tariff thereof for the 1<sup>st</sup> Control period w.e.f.16.5.2011;
- (ii) The tariff for the services provided by CSC is determined w.e.f. 16.05.2011 and up to 31.03.2012."
- 2.1 The service provider was required to file Annual Tariff Proposal (ATP) for second tariff year by 16.01.2012, i.e., 75 days prior to start of the 2<sup>nd</sup> tariff year, i.e., 01.04.2012. The Authority, vide letter no. AERA/20010/MYTP/CSC-PC/2011-12/2685 dated 14.03.2012, advised CSC to file the ATP for the 2<sup>nd</sup> tariff year.
- 2.2 CSC have vide their letter dated 23.04.2012 submitted their ATP for the second tariff year i.e. 2012-13 for the consideration and approval by the Authority.
- 2.3 Further CSC, vide letter dated 02.07.2012, have also submitted its five year tariff plan i.e. 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 for city side as well as airside for the consideration and approval of the Authority.
- 2.4 CSC in their letter dated 23.04.2012, have submitted that the submission of the ATP (2<sup>nd</sup> tariff year) was delayed as CSC had to hold consultation with users and stakeholder for the revision in tariff sought and to document the same as evidence of user consultation. CSC have undertaken extensive discussion with various actual users of the facilities as well various trade bodies like ACAAI and BCHAAS over period of three months. First meeting was held on 15.02.2012 and second meeting was held on 20.03.2012 and for various reasons the trade associations could not give any confirmatory reply to their proposal during the said meetings. As such more meetings were held at the request of the trade bodies like ACAAI and BCHAAS. Further, Customs vide their letter dated 16.04.2012 has intimated an increase by 2.5 times in the cost recovery charges for Tariff Year 2012-13, making the whole previous exercises of consultation outdated.
- 2.5 Towards users consultation, CSC have submitted that they have undertaken extensive discussions with various actual users of the facilities and various trade bodies like ACAAI and BCHAAS over a period of three months. The details of such user consultation initiative are given below:
  - a) First meeting was held on 15.02.2012 at CSC office at Marol, Mumbai.
  - b) Second meeting was held on 20.03.2012 at PCT, Cargo Complex, Mumbai.

CSC have submitted the minutes of meeting held on 15.02.2012 and also the copies of various emails exchanged with the users/trade associations like ACAAI, BCHAAS etc. towards undertaking users consultations.

- 2.6 In respect of air side tariff, CSC have submitted that their airside charges are airline specific and fixed after detailed negotiation with specific airlines based on volume of cargo to be handled, service level agreement, specific handling requirements and other such factors. Agreements with airlines are signed based on the Standard Ground Handling Agreement (SGHA) as per IATA guidelines. Such negotiations are ongoing and are entered into for period of 2 to 3 years.
- 3.1 CSC further, submitted the details about their tariff proposal and justification for increase. For the Tariff Year 2012-13, CSC have proposed to increase the following two charges:
  - (i) TSP charges for pharma & non horticulture on city side from INR 1.50 per kg to INR 1.85 per kg. TSP charges for horticulture products on city side from INR 0.75 per kg to INR 1.05 per kg.
  - (ii) Security charges on airside from INR 1.75 per kg to INR 1.95 per kg.
- 3.2 CSC have justified the proposed increase in TSP charges is due to:-
  - (i) Increase in input cost: Increase of 7 paisa for non agri product and 3 paisa for agri product is on account of increase in input cost due to inflation and lower volume of cargo to spread the fixed cost like electricity (which is a major cost) and labour.
  - (ii) Increase due to application of custom's cost recovery on their facility:
    - a. Custom have levied cost recovery to the tune of Rs 35 lakhs on CSC for deployment of their staff effective inception which has been notified to CSC as being Rs. 85 lakhs approximately for year 2012-13.
    - b. As per the new cost recovery charges, this leads a cost of 25 paisa per kg. CSC have submitted that the new revised cost recovery charge by Custom has happened after the last meeting with trade, so the various discussion notes with trade contains an increase of 12 paisa only which was based on previous cost recovery of customs.
    - c. CSC have submitted that this cost item will be withdrawn in case the Custom withdraws the cost recovery order effective the date it is withdrawn.
- 3.3 The proposed increase in Screening & Security charges: (from 1.75 INR/kg to 1.95 INR/kg) for all PTSP Products, is chargeable to airlines. CSC, further stated that in the instance the trade pays it, this will become applicable as city side cost as well. All new tariff levied to airline is based on this tariff only.
- 3.4 CSC have also furnished the reasons for proposed increase in Screening Charges which are as under:
  - (i) Based on communication and directives National Security Regulator (BCAS), additional deployment of Human Resources for Security Activities had to be done effective August 2011.
  - (ii) BCAS norms no longer allow CSC to deploy third party private security personnel in the secured areas of their facility. As such CSC now has to deploy their own manpower at higher cost. Further BCAS mandates additional security equipments in form of bomb detection scanners which

are very expensive equipment, in addition to additional X-ray machine (3 instead of 2) which are all installed. This deployment of additional machine necessitates additional manpower.

- 3.5 Other Factors: The volume handled was much less than the volume projected on account of infrastructural constraints as also because the operations was only for two shifts against three shifts planned. With this Tariff Plan, the overall yield for CSC from the Regulated Service will remain same as already submitted to this Authority vide CSC's comprehensive Proposal. (i.e. MYTP dated 03.05.2011)
- 3.6 Effective date of application of new tariff: CSC proposes to apply the new city side tariff from 01.06.2012.
- 3.7 CSC have submitted the following documents with the letter dated 23.04.2012:
  - a. The tariff plan for city side activities
  - b. The proposed tariff plan for airside operations. This proposal is being marked confidential because the rates are subject matter of negotiation and as per terms of agreement, the rates agreed between the handling company and airline cannot be revealed.
  - c. The evidence of consultation process initiated with the stakeholders.
  - d. Cost recovery letter notified by customs for year 2011-12.
  - e. Cost recovery letter notified by customs for year 2012-13.
- 4.1 It was observed that the CSC had marked their airside tariff proposal (2<sup>nd</sup> tariff year) as confidential and also it was not clear whether the proposed revised charges were arrived after considering the new Customs cost recovery charges @ Rs. 0.25 paise per kg. Hence CSC vide e-mail dated 02.07.2012, was asked to clarify/confirm the same.
- 4.2 CSC vide their e-mail dated 03.07.2012, clarified as under:
  - a) The increase in tariff is only on city side.
  - b) The tariff proposed includes the custom cost recovery charge of 25 paise and there has been interchange of rates for horticulture product and non horticulture product hence they are submitting the revised one including letter for consideration.
  - c) Regarding the airside tariff the same may be disclosed.
  - *d)* As requested, CSC is also forwarding the 5 years ATP for consideration.
- As per the 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.

5.2. CSC have submitted Form B, Form 14(b)- city side & air side tariff for second tariff year and also copies of the e-mails exchanged towards users consultations for their ATP for second tariff year. Subsequently CSC have also submitted Form 14(b)-city side and air side for third, fourth and fifth tariff years and also for tariff year 2016-17 which are not supported by any documented details of undertaking any users consultations.

### 6. To summarise:

- (i) The Authority vide Order No, 05/2011-12 dated 27.07.2012 has approved that the services provided for the perishable cargo facility, by CSC at CSI Airport, Mumbai, is "material but competitive", hence, Authority will adopt a "light touch approach" for determination of tariff thereof for the 1<sup>st</sup>Control period. The Authority also approved the tariff for the 1<sup>st</sup> tariff year for services provided by CSC w.e.f. 16.05.2011 and upto 31.03.2012.
- (ii) CSC have now submitted their ATP for 2<sup>nd</sup> tariff year (FY 2012-13) for consideration/approval of the Authority.
- (iii) CSC, have vide letter dated 02.07.2012, also submitted the ATPs for subsequent tariff years i.e. upto 2016-17 although the first control period ends on 31.03.2016 (2015-16). ATPs submitted for 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> tariff year, have not been supported by documented evidence of any users consultation undertaken by CSC.
- (iv) In respect of the ATPs for 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> tariff year, CSC have clarified that their tariff for Custom cost recovery on estimate basis is based on cost recovery notice received for first year and final tariff applied will depend on actual cost recovery charged by Customs.
- (v) As per the Guidelines, CSC have submitted Form B (undertaking) and Form 14(b) for city side as well as airside tariff for second tariff year.
- (vi) Towards users consultation, CSC have submitted the minutes of meeting held on 15.02.2012 and copies of various emails exchanged with the stakeholders.
- (vii) CSC have stated that their revised proposal for second tariff year includes the Customs cost recovery charge of 25 paisa per kg, which has happened after the last meeting with trade. Hence the various discussion notes with trade contain an increase of 12 paisa on previous cost recovery of customs. CSC further submitted that this cost item will be withdrawn in case Custom withdraws the cost recovery effective the date it is withdrawn.
- (viii) Reasons for increasing the tariff have been indicated by CSC at para 3.1 to 3.5 above.
  - (ix) Regarding Form 14(b)-Air Side Tariff proposal, CSC, vide their e-mail dated 02.07.2012 have submitted that their proposal may be disclosed for stakeholder consultation.
  - (x) CSC have proposed the effective date of application of new tariff (new city side tariff) as 01.06.2012.
- 7. The Authority carefully considered the proposal submitted by CSC and decided to make the following proposal for stakeholder consultation:

- (i) The Annual Tariff Proposal for second tariff year (01.04.2012 to 31.03.2013) of the first control period submitted by M/s Cargo Service Centre for cargo handling services provided at CSI Airport, Mumbai, may be tentatively decided to be approved; (Annexure I)
- (ii) As the Annual Tariff Proposal for third, fourth and fifth tariff year, submitted by Cargo Service Centre, are not supported by user consultation evidence which is required to be submitted as part of ATP hence Annual Tariff Proposals for third, fourth and fifth tariff years will not be considered at this stage;
- (iii) Tariff year 2016-17 is beyond the current control period. ATP for the same will be considered in relevant control period.
- (iv) Tariff proposed will be maximum and demurrage free period shall be as per Government orders issued from time to time.
- 8. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 7 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). 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.
- 9. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 7 above, <u>latest by</u> **20.08.2012** 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

Email: kapil.chaudhary@aera.gov.ir Tel: 011-24695042

Fax: 011-24695039

Yashwant S. Bhave Chairperson

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## TARIFF FOR TERMINAL STORAGE AND PROCESSING CHARGES (TSP) AT NEW PERISHABLE CARGO TERMINAL BUILT, MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT MUMBAI AIRPORT EFFECTIVE FROM 1ST APRIL, 2012 AND VALID TILL 31ST MARCH, 2013

S.No.	No. Charges		Rate	Remarks	
I.TSP	Charges	No. of the last			
1.1.	Non Horticulture product requiring temperature control	1.85	Rs / Kg subject to minimum of Rs.180 per AWB	Charges include unloading from trucks at truck	
1.2	1.2 Horticulture product like Fruits, Vegetable and flowers		Rs / Kg subject to minimum of Rs.100 per AWB	docks	
2. Dem	nurrage Charges				
2.1.	Demurrage/Storage Charges beyond 24 hrs free period	1.60	Rs / Kg / Day subject to minimum of Rs.160 per AWB	Demurrage free period shall be as per government order issued from time to time.	
3. Opti	onal Charges		The second secon		
3.1	Special Handling ( Pharmaceutical, to maintain product temperature on request)	2,000.00	Rs / AWB		
3.2	Back to Town	50 % of TSP charges	Rs / Kg subject to minimum of Rs.50 per AWB	If not cleared within 24 hrs of intimation, demurrage charges will be applicable	

#### Note

- 1 TSP charges is inclusive of forklift use inside the terminal. No additional forklift charges will be levied.
- 2 Charges will be on the "gross weight" or the "chargeable weight" of consignment, whichever is higher. Wherever the "gross weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the "actual gross weight" or the "actual volumetric weight" whichever is higher.
- For misdeclaration of weight above 2% and upto 5% of declared weight penal charges double the applicable TSP charges will be levied. For variation above 5%, the penal charges will be five times the applicable TSP charges of the differential weight. No penal charges will be there for variation upto and inclusive of 2%. This will not apply to Valuable Cargo.
- While it is our intention not to allow any other agencies to operate inside the facility, in case for special reason exporters wants to engage their own labour, discount of 5% will be granted in TSP charges for offloading the cargo from truck and putting oncustom examination area, and on pallets.
- 5 All invoices will be rounded off to nearest Rs.5. As per IATA Tact Rule book Clause-5.7.2, rounding off procedure, when rounding off Unit is 5.

For Example:

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

- 6 In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.
- 7 Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charges.



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# MAXIMUM TARIFF FOR VARIOUS ELEMENTS OF CARGO HANDLING FOR THE AIRLINE CUSTOMERS AT NEW PERISHABLE CARGO TERMINAL BUILT MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT EFFECTIVE 1<sup>ST</sup> APRIL 2012 AND VALID TILL 31ST MARCH 2013

S.No.	Charges	Price	Currency	Price Driver	Remarks
1	Export handling per kg for Horticulture, Sea food and meat products including fruits, vegetable and flowers.	3.00	INR	Per KG	subject to a minimum chargeable weight of 500 kgs per flight
2	Export handling per kg for all other product including Pharmaceuticals and Vaccines	2.25	INR	Per KG	subject to a minimum chargeable weight of 500 kgs per flight
3	Perishable cargo storage beyond demurrage free period after acceptance	1.50	INR •	Per KG	ubject to minimum chargeable weight of 100 kgs per AW
4	X-ray screening/physical examination	1.95	INR	Per KG	subject to a minimum chargeable weight of 500 kgs per flight
. 5	Miscellaneous Charges (None of the above)	3.00	INR	Per KG	subject to minimum charge of INR 1000 per awb
6	Full HAWB data capture per HAWB	26.00	INR	Per AWB	
7	DRY Ice Checklist charges	700.00	INR	Per AWB	
8	DGR Acceptance fee	1400.00	INR	Per AWB	

S.No.	Charges	Price	Currency	Price Driver	Remarks
9	DGR-fee, in case shipment above 20 pieces	50.00	INR	Per Additional Unit	
10	Special Handling ( Pharmaceutical, to maintain product temperature on request by shipper/airline)	2000.00	INR	Per Unit	
11	ULD cleaning / unit	5000.00	INR	Per Unit	

#### Note:

- 1 Demurrage will be applicable to airlines if custom cleared cargo is stored in the warehouse beyond the free period in case of export cargo
- 2 Handling rates provided above are inclusive of scope of handling services including physical handling, document handling and IT handling.
- 3 Charges will be on the "gross weight" or the "chargeable weight" of consignment, whichever is higher. Wherever the "gross weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the "actual gross weight" or the "actual volumetric weight" whichever is higher.
- 4 In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.
- 5 Miscellaneous Charges includes special service requests from the customers other than the services already mentioned in the above tariff chart.





Date: 23/04/2012

To,

The Chairman

Airport Economic Regulatory Authority of India,

AERA Building, Administrative Complex, Safdurjung Airport, New Delhi- 110003 Sey (Rept)

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Chevis and is

Subject: Submission of Annual Tariff Proposal from 1<sup>st</sup> April 2012 – 31<sup>st</sup> March 2013 at our perishable cargo terminal at Mumbai International Airport

Dear Sir,

Cargo Service Center India Pvt Ltd (CSC India) is managing and operating the Perishable Cargo Terminal (PCT) at Mumbai since May 2011. Since the said facility and service being provided therein came under the Regulated Service under the AERA Act, in terms of the AERA's guideline 2011 for Terms and condition for Determination of Tariff of Services provided for Cargo Facility, CSC had submitted the Multi-Year Tariff Proposal for the cargo handling service at the said PCT vide our letter dated on 9<sup>th</sup> May 2011. The said Proposal was approved by the Authority vide **Order No. 5/2011-12** dated 26<sup>th</sup> July 2011. CSC India had also submitted the Annual Tariff Plan vide our letter dated 9<sup>th</sup> May 2011 and same was also approved vide your same **Order No. 5/2011-12** dated 26<sup>th</sup> July 2011 and was effective from 16<sup>th</sup> May 2011.

Vide clause 10.8 of the said guideline for Tariff Determination it is required to file Annual Tariff proposal prior to the start of each Tariff Year commencing 1<sup>st</sup> April.

In accordance with the clause 10.8 of the said guideline, CSC India is submitting this Annual Tariff proposal for your consideration for the Tariff Year 2012-13 commencing 1<sup>st</sup> April 2012. However due to various reasons which are explained in the enclosed proposal document, the filing couldn't be done prior to closure of the previous Tariff year 2011-12. I request you to condone the said delay and approve the tariff proposal for the Tariff Year 2012-13 effective 1<sup>st</sup> June 2012.

The detailed proposal pertaining to the Annual Tariff proposal for Tariff year 2012-13 is enclosed with this letter for your consideration.

I forward to the clearance of the proposal at the earliest.

Warm regards.

Yours sincerely,

Radharan Panicker Chief Executive Officer

Enclosed: Proposal for Annual Tariff Plan for Tariff year 2012-13

Cargo Service Center India Private Limited

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CP. NO. 12/2012-13/MYTP/ESCHOLONY/jele dy NV. 177/cncAERA

Chested. 27/4/2012.

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### 1. Background

Cargo Service Center India Pvt Ltd (CSC India), a company registered under the Company's Act at Mumbai and having registered office at 301-303, Rangoli, Sahar road, Sahar, Andheri (E), Mumbai-400099 (herein under referred to as "CSC") was awarded a concession by Mumbai International Airport Ltd (herein under referred to as "MIAL") to design, built, develop, finance, operate and manage the Perishable Cargo Terminal (herein under referred to as "PCT") at Chatrapati Shivaji International Airport, Mumbai.

In terms of the section 15 of the AERA Act, the Services being provided by CSC has been determined to be Regulated Service. As such CSC India filed its Multi Year Tariff Proposal ("MYTP Proposal") as well as Annual Tariff Proposal (ATP) for perishable cargo handling services for approval of the Authority vide our proposal dated 9<sup>th</sup> May, 2011.

It was determined in terms of the proposal that the services being provided by CSC India was both Material and Competitive. The Authority taking these factors into consideration had vide its **Order No.** 5/2011-12 dated 26<sup>th</sup> July 2011 approved the MYTP of CSC for providing perishable cargo handling services at PCT, Mumbai airport under the light touch approach. It also approved the ATP for Tariff year 2011-12 effective 16<sup>th</sup> May 2011 and valid until 31<sup>st</sup> March 2012.

Vide clause 10.8 of the said guideline for Tariff Determination it is required to file Annual Tariff proposal prior to the start of each Tariff Year commencing 1<sup>st</sup> April. However due to various reasons as explained below, the filing couldn't be done prior to closure of the previous Tariff year 2011-12.

### Reason for delay:-

- a. As per the clause 11.2 of the said guideline, it is required by the Service provider to hold consultation with Users and stakeholder whenever any revision in tariff is sought and to document the same as evidence of user consultation.
- b. While CSC initiated the said consultation process as early as 27<sup>th</sup> January 2012 and held the first meeting with the stakeholders on 15<sup>th</sup> February 2012, for various reasons the latter couldn't give any confirmatory reply to our proposal at the said meeting. As such more such meetings were held at the request of the trade bodies like ACCAI and BCHAAS over the past two months, records of which has been attached as *Annexure 2* to this proposal.
- c. It was also a fact that CSC India only held meeting with actual users of the facility and services and not with larger stakeholders like BCAAS and merchant chambers like CII, FICCI or IMC. It was suggested by BCHAAS that such merchant chambers and BCHAAS should be part of consultation process. While CSC had no objection to the inclusion of such bodies, it only delayed the consultative process, which was pre-requisite to filling the ATP for Tariff year 2012-13.
- d. While individual users had no objection to the proposed increase in tariff which was largely related to Custom's cost recovery, the trade associations/bodies wanted more time to reflect and respond to the proposal.
- e. At the time of submitting this proposal, CSC still has no confirmatory reply from the trade bodies on our proposal.
- f. It is to be noted that Customs in the meanwhile vide their letter dated 16<sup>th</sup> April 2012 has increased by 2.5 times the cost recovery charges for TY2012-13, making the whole previous exercises of consultation outdated.

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### 2. Regulatory Approach to Tariff determination:

As per the Guidelines [Airports Economic Regulatory Authority of India (Terms & Condition for Determination of Tariff for services for Cargo Facility, Ground Handling, and Supply of Fuel to the Aircraft) Guidelines, 2011], the Authority shall follow a three stage process for determining its approach to the regulation of a regulated service:

- a) Materiality Assessment:
   It has already been established that in case of Mumbai Airport cargo, the volume of cargo justified regulatory oversight. This condition has not changed.
- b) Competition Assessment:

In our MYTP it has been stated that we face competition from Air India who operate the second perishable cargo terminal and MIAL which is also a handling company providing facilities for pharmaceutical storage and handling. This fact has been acknowledged by the Authority vide its **Order No.** 5/2011-12. This condition has also not changed at time of this filling.

c) Assessment of reasonableness of the user agreements between the service providers and the regulated services

As already submitted, services are provided to two broad category of users- Shippers and exporters on city side to whom we charge Terminal, Storage and Processing charge (TSP) and Airlines or their agent on airside to whom we charge the handling fees and security charges. It be noted that users of our facility are very specific customers- those who require temperature controlled environment for processing of their cargo like Pharmaceuticals, horticulture crops, meat and dairy products shippers etc.

The city side tariff which are commonly applied to all users, are determined using consultative approach with Users of the facility and services namely the forwarders and the shippers. Trade bodies like ACAAI and BCHAAS are also involved in such discussion and negotiation.

On the other hand, the airside charges are airline specific and fixed after detailed negotiation with specific airlines based on volume of cargo to be handled, service level agreement, specific handling requirements and other such factors. Agreement with airlines are signed based on the Standard Ground Handling Agreement (herein under referred as "SGHA") as per IATA guidelines. Such negotiations are ongoing and are entered into for period of 2 to 3 years.

Given the above factors, it is contended that perishable cargo handling service being provided by CSC at Mumbai airport is material but competitive and therefore the tariff should be regulated by the Authority under Light Touch Approach as per Chapter V of your Guidelines.

### 3. Tariff proposal and justification for increase if any:-

For the Tariff Year 2012-13, CSC India is proposing to increase the following two charges:-

- a. TSP charges for pharma & non horticulture products on city side from INR 1.50 per kg to INR 1.85 per kg
- b. TSP charges for horticulture products on city side from INR 0.75 per kg to INR 1.05 per kg
- c. Security charges on airside from INR 1.75 per kg to INR 1.95 per kg

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### Explanation for Increase in TSP charges:

- A) The proposed increase in TSP charges in broken in two parts : -
  - Increase in input cost
    - Increase of 7 paisa for non agri product and 3 paisa for agri product is on account of increase in input cost due to inflation and lower volume of cargo to spread the fixed cost like electricity and labour. Electricity is major cost for our operation.
  - II) Increase due to application of custom's cost recovery on our facility
    - Custom has levied cost recovery to the tune of Rs 3,500,000 (See Annexure 3) on us for deployment of their staff effective inception. This has now being notified to us as being Rs.8,500,000 approx for year 2012-13. (See Annexure 4)
    - ii. As per the new cost recovery charges, this leads a cost of 25 paisa per kg. (Please note that the new revised cost recovery charge by custom has happened after the last meeting with trade, so the various discussion notes with trade contains an increase of 12 paisa only which was based on previous cost recovery of customs)
    - iii. This cost item will be withdrawn in case the Custom withdraws the cost recovery order effective the date it is withdrawn.
- B) Proposed increase in Screening & Security charges: Screening Charge Increase from 1.75 INR/kg to 1.95 INR/kg for all PTSP Products
  This cost is chargeable to Airlines. However in instance where the trade pays it, this will become applicable as city side cost as well. All new tariff-levied to airline is based on this tariff only.

Reasons for Proposed Increase in Screening Charges: -

- Based on communication and directives National Security Regulator (BCAS), additional deployment of Human Resources for Security Activities had to be done effective August 2011.
- 2) BCAS norms no longer allow us to deploy third party private security personnel in our secured areas of our facility. As such we now have to deploy our own manpower. They come at higher cost. Two- BCAS mandates additional security equipment's in form of bomb detection scanners which are very expensive piece of equipment, in addition to additional X-ray machine (3 instead of 2) which are all installed. This deployment of additional machine necessitates additional manpower.

### Other Factors:

The volume handled was much less than the volume projected on account of infrastructural constraints as also because the operations was only for two shifts against three shifts planned.

With this Tariff Plan, the overall yield for CSC from the Regulated Service will remain same as already submitted to you vide our comprehensive Proposal.

### 4. Effective date of application of new tariff

CSC proposes to apply the new city side tariff effective 1st June 2012.

- 5. Documents submitted with this application:-
- a. The tariff plan for city side activities Marked as Annexure 1(1)

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- b. The proposed tariff plan for airside operations- Marked as *Annexure 1(II)*. This proposal is being marked confidential because the rates are subject matter of negotiation and as per terms of agreement, the rates agreed between the handling company and airline cannot be revealed.
- c. The evidence of consultation process initiated with the stakeholders as Annexure 2.
- d. Cost recovery letter notified by customs for year 2011-12 as Annexure 3
- e. Cost recovery letter notified by customs for year 2012-13 as Annexure 4

Should any clarification be required on the above proposal CSC would be more than happy to provide them.

CENTER

Radharamanan Panicker Chief Executive Officer

### TARIFF FOR TERMINAL STORAGE AND PROCESSING CHARGES (TSP) AT NEW PERISHABLE CARGO TERMINAL BUILT, MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT MUMBAI AIRPORT EFFECTIVE FROM 1ST APRIL, 2012 AND VALID TILL 31ST MARCH, 2013

S.No.	Charges		Rate	Remarks	
1. TSP	Charges	3		The second secon	
1.1.	Non Horticulture product requiring temperature control	1.85	Rs / Kg subject to minimum of Rs.180 per AWB	Charges include unloading from trucks at truck	
1.2	1.2 Horticulture product like Fruits, Vegetable and flowers		Rs / Kg subject to minimum of Rs.100 per AWB	docks	
2. Den	nurrage Charges	E-remember			
2.1.	Demurrage/Storage Charges beyond 24 hrs free period	1.60	Rs / Kg / Day subject to minimum of Rs.160 per AWB	Demurrage free period shall be as per government order issued from time to time.	
3. Opt	onal Charges	A6 30 000			
3.1	Special Handling ( Pharmaceutical, to maintain product temperature on réquest)	2,000.00	Rs / AWB		
3.2	Back to Town	50 % of TSP charges	Rs / Kg subject to minimum of Rs.50 per AWB	If not cleared within 24 hrs of intimation, demurrage charges will be applicable	

#### Note

- 1 TSP charges is inclusive of forklift use inside the terminal. No additional forklift charges will be levied.
- 2 Charges will be on the "gross weight" or the "chargeable weight" of consignment, whichever is higher. Wherever the "gross weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the "actual gross weight" or the "actual volumetric weight" whichever is higher.
- For misdeclaration of weight above 2% and upto 5% of declared weight penal charges double the applicable TSP charges will be levied. For variation above 5%, the penal charges will be five times the applicable TSP charges of the differential weight. No penal charges will be there for variation upto and inclusive of 2%. This will not apply to Valuable Cargo.
- While it is our intention not to allow any other agencies to operate inside the facility, in case for special reason exporters wants to engage their own labour, discount of 5% will be granted in TSP charges for offloading the cargo from truck and putting oncustom examination area, and on pallets.
- 5 All invoices will be rounded off to nearest Rs.5. As per IATA Tact Rule book Clause-5.7.2, rounding off procedure, when rounding off Unit is 5.

1 01	Example.	
Whe	en the results of calculations are between/and	Rounded off amount will be
	102.5 - 107.4	105
	107.5 - 112.4	110

- In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.
- 7 Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charges.



Annexure 1 (II) Form - 14(b) - 2 Air Side Tariff

# MAXIMUM TARIFF FOR VARIOUS ELEMENTS OF CARGO HANDLING FOR THE AIRLINE CUSTOMERS AT NEW PERISHABLE CARGO TERMINAL BUILT MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT EFFECTIVE 1<sup>ST</sup> APRIL 2012 AND VALID TILL 31ST MARCH 2013

S.No.	Charges	Price	Currency	Price Driver	Remarks
1	Export handling per kg for Horticulture, Sea food and meat products including fruits, vegetable and flowers.	3.00	INR	Per KG	subject to a minimum chargeable weight of 500 kgs per flight
2	Export handling per kg for all other product including Pharmaceuticals and Vaccines	2.25	INR	Per KG	subject to a minimum chargeable weight of 500 kgs per flight
3	Perishable cargo storage beyond demurrage free period after acceptance	1.50	INR	Per KG	ubject to minimum chargeable weight of 100 kgs per AW
4	X-ray screening/physical examination	1.95	INR	Per KG	subject to a minimum chargeable weight of 500 kgs per flight
5	Miscellaneous Charges (None of the above)	3.00	INR	Per KG	subject to minimum charge of INR 1000 per awb
6	Full HAWB data capture per HAWB	26.00	INR	Per AWB	
7	DRY Ice Checklist charges	700.00	INR	Per AWB	
8	DGR Acceptance fee	1400.00	INR	Per AWB	

S.No.	Charges	Price	Currency	Price Driver	Remarks
9	DGR-fee, in case shipment above 20 pieces	50.00	INR	Per Additional Unit	
	Special Handling ( Pharmaceutical, to maintain product temperature on request by shipper/airline)	2000.00	INR	Per Unit	
11	ULD cleaning / unit	5000.00	INR	Per Unit	

#### Note:

- 1 Demurrage will be applicable to airlines if custom cleared cargo is stored in the warehouse beyond the free period in case of export cargo
- 2 Handling rates provided above are inclusive of scope of handling services including physical handling, document handling and IT handling.
- 3 Charges will be on the "gross weight" or the "chargeable weight" of consignment, whichever is higher. Wherever the "gross weight" and (or) volume weight is wrongly indicated on the AWB and is actually found more, charges will be levied on the "actual gross weight" or the "actual volumetric weight" whichever is higher.
- 4 In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.
- 5 Miscellaneous Charges includes special service requests from the customers other than the services already mentioned in the above tariff chart.





MIAL/CARGO/190/2011-12/1252

21.10.11

To, The Chief Executive Officer Cargo Service Centre (India) Pvt. Ltd., Mumbai - 400 099

Kind Attn.: Mr. Radharaman Paniker

SUB: - Payment of Cost Recovery Charges for Customs staff posted at the Perishable Cargo Terminal

Dear Mr.Paniker

With reference to the above, we wish to inform that since M/s. Cargo Service Centre is the agency approved by Customs to operate the Perishable Cargo Terminal on behalf of MIAL, the Custodian, therefore, CSC may take appropriate action for payment of cost recovery charges amounting to Rs.21,94,598/- (Rupees Twenty One Lakhs Ninety Four Thousand Five Hundred and Ninety Eight only) from 16.08.11 upto 31.12.2012 towards the customs staff deployed at the facility.

For ready reference, a copy each of Customs letter dated 29.09.11 and 19.10.11 received from Addl. Commissioner of Customs (Prev /Admn) and Asstt, Commissioner of Customs is enclosed.

You are therefore, requested to take early action for remittance of payment to customs under intimation to MIAL.

Encls: as above.

Thanking you,

Yours faithfully,

For Mumbai International Airport Ltd

Manoj Singh

Asst. Vice President-Cargo

Mumbal International Airport Pvt Ltd

Chhatrapati Shivaji International Airport Air Cargo Complex, Sahar Road, Andherl (E), Mumbal 400 099, India

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18

### OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT), AIR CARGO COMPLEX, SAHAR, ANDHERI (EAST), MUMBAI 400 099.

F.No. S/3-Prev.Admn.-26/2010 ACC

Date: 19.10.2011

To,

The Vice President – Cargo, Mumbai International Airport Pvt. Ltd., Air Cargo Complex, Sahar, Andheri (East), Mumbai – 400 099.

Sir,

Sub: Payment of Cost Recovery Charges for customs staff posted at the Perishable Cargo Terminal – reg.

Please refer to this office letter of even no. dated 29.09.11.

The details of the Cost Recovery Charges for the staff deployed at the new perishable cargo terminal are as under:

•	Deputy Commissioner	Superintendent	Inspector (PO/EO)	Sepoy
Average Pay	25395.00	22935.00	22224.00	7695.00
DA @ 58%	14729.00	13302.00	12890.00	4463.00
HRA @ 30%	7619.00	6881.00	6667.00	2309.00
TA	3200.00	1600.00	1600.00	600.00
DA @ 58% on TA	1856.00	928.00	928.00	348.00
Total	52799.00	45646.00	44309.00	15415.00
For 1 month (Total x 1.85 times)	97678.00	84445.00	81972.00	28518:00

The cost recovery charges are payable w.e.f. 16.08.2011. You are, therefore, directed to pay an advance deposit of Rs.2194598/- (Rupees Twenty One Lakhs Ninety Four Thousand Five Hundred Ninety Eight only) as cost recovery charges upto 31.03.2012 towards deployment of staff at the Perishable Cargo Terminal immediately.

It we holl

(R.T. GOLANI)

Asstt. Commissioner of Customs

Preventive / Admn





MIAL/CARGO/190/2012-13/ 1998

17.04.12

To, The Group Chief Executive Officer Cargo Service Centre (India) Pvt. Ltd., Mumbai – 400 099

Kind Attn: Mr. Radharaman Paniker

SUB: Payment of Cost Recovery Charges for Customs staff for the Period

01.04.12 to 31.03.12 posted at the Perishable Cargo Terminal,

Air Cargo Complex Reg.

Ref: MIAL letter No. MIAL/Cargo/115/2011-12/1945 Dated 30.03.12

Dear Mr. Paniker,

In response to MIAL letter number mentioned above under reference, Additional Commissioner of Customs ( Preventive/Admn ) vide his letter No. S/3-Prev. Admn. 26/2010 ACC dated 16.04.12 has raised a demand for Rs. 85,02,326 /- ( Rupees Eighty Five Lacs Two thousand Three hundred twenty six only ) towards cost of customs staff deployed at Perishable Cargo Terminal during the year 2012-13. Further the amount as mentioned above is subject to revision as the amount demanded above is based on the charges payable in 11-12. A copy of the customs letter mentioned above is enclosed herewith for ready reference. Since M/s. Cargo Service Centre is the agency approved by Customs to operate the Perishable Cargo Terminal on behalf of MIAL ,the Custodian, therefore, you may please take appropriate action for payment of cost recovery charges amounting to Rs. 85,02,326/- ( Rupees Eighty Five Lacs two thousand three hundred twenty six only ) towards cost of customs staff deployed at the facility along with an undertaking to pay the additional charges as may be demanded by customs.

You are therefore, requested to take urgent action for remittance of payment to customs under intimation to MIAL.

Encl : As Above.

Thanking you,

Yours faithfully, For Mumpai International Airport Ltd

Manoj Singh

Asst. Vice President-Cargo

Mumbai International Airport Pvt Ltd Chhatrapati Shivaji International Airport Air Cargo Complex, Sahar Road, Andheri (E), Mumbai 400 099, India

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CP. No. 12/2012-13/MYTP/CSC-PC/2011-12

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Read 18/47)Z

# OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT) AIR CARGO COMPLEX, SAHAR, ANDHERI (E), MUMBAI-99.

F.No. S/3-Prev.Admn.26/2010 ACC

Date: 16 / 04/2012

To,
The Vice President – Cargo,
Mumbai International Airport Pvt. Ltd.,
Air Cargo Complex,
Sahar, Andheri (East),
Mumbai – 400 099.

Gentleman,

Sub: Payment of Cost Recovery Charges for customs staff posted at the Perishable Cargo Terminal – reg.

Kind reference is invited to letter MIAL/CARGO/115/2011-12/1945 dated 30.03.2012 on above subject. (Copy enclosed).

The number of staff and designation proposed to be sanctioned on cost recovery basis for Perishable Cargo Terminal of MIAL at Air Cargo Complex, along with the amount payable for the period 01.04.2012 to 31.03.2013 is as per table below.

Designation	No.	Amount in Rs.
Deputy /Assistant Commissioner of Customs	1	11,72,136
Superintendent of Customs (P)	2	20,26,680
Inspector (Preventive Officer / Examiner)	4	39,34,656
Sepoy	2	13,68,854

As such, it is requested that you pay the amount of Rs. 85,02,326/- (Rupees Eighty Five Lakhs Two Thousand Three Hundred Twenty Six only) for necessary staff deployment on cost recovery basis to facilitate smooth operation at your facility.

The above amount is based on the cost recovery charges finalized for the year 2011-2012, and any arrears arising from revision of cost recovery charges for the year 2012-2013 will be payable by MIAL. You are also requested to furnish an undertaking to this effect.

RECE: 60

Date: 17|04|12

Inwerd No. 3550

MIAL CAPSO

Yours sincerely,

(K PREMCHAND)
Addl. Commissioner of Customs

Preventive / Admn

Encl: As above.

Pa

Minutes of the User Consultation Meeting held between Users of Center for Perishable Cargo operated by CSC India (PCT Customers, ACAAI, BCHAA) & CSC India held on 15<sup>th</sup> February 2012 @ Corporate Office CSC (Polaris – Marol)

### List of Participants

Name of Participant	Organisation
Mr. R.G. Panicker	CSC
Mr. Fazale Abbas	CSC
Firdos Fanibanda	ACAAI
Trevor Saldanha	ACAAI
T.A. Varghese	ACAAI
Haresh Mehta	ACAAI
Dushyant Mulani	BCHAA
Veeramani Iyer	BCHAA
Bala Ayer	Freightwings
Phiroze Batliwala	Dachser India
Asheesh Mehra	Dachser India
Jayesh Kamtekar	Hellmann India
P. Balasubramaniam	Hellmann India
Ramakrishna Padhy	DHL Global Forwarding
Steve Abraham	Consolidated Freight
Ulrike Gomes	Consolidated Freight

Mr. Radharamanan Panicker welcomed and thanked all the participants for attending this meeting. He straight away proceeded to the first item on the agenda

- a. Proposal to increase the TSP and Security Charges at the Center for Perishable Cargo,
   Mumbai airport being operated by CSC
  - Increase in TSP charges from INR 1.50/kg per kg to INR 1.70 per kg for pharma & non horticulture products and INR 0.75 per kg to 0.90 INR per kg for Horticulture perishable cargo.

Panicker explained the rational of CSC India for proposing a rate revision as being:-

- i. The Perishable Center has been subject to Customs Cost Recovery Charges. As such the cost per kg has increased by Rs.0.25paisa per kg. The same was not accounted for while filing the initial tariff. CSC has borne this cost for the first year of operation but cannot bear it for the next year onwards
- ii. Increased in cost of operation due to lower volume of cargo as compared to projected to maintain cost level and higher level of inflation. Further Custom has so far not allowed even for Perishables 24x7 operation, as a result the forecasted tonnage of 33000MT per annum has not been achieved. CSC expects to touch 27000MT by the year end as per current trend, which is nearly 6000MT short of projected as which tonnage the current rate was determined.
- Increased in security handling charges from INR 1.75/kg to INR 1.95/kg

Panicker explained the rational of CSC for this increase as being:-

i. Additional security measures being added due to latest directives by "BCAS". This has added additional manpower to the security dept. Panicker added that this increase however doesn't take into account possible increase in cost if Govt of India decides to post CISF staff to CPC.

On a query by one of the participant as to why security charges increase are being discussed in this meeting, he explained that in case of non registered carriers who are accepting Pharma shipments through the CPC, the forwarders are paying full charges including handling and security charges. So this is for their information.

Mr. Fanibanda representing ACAAI stated that the trade acknowledged that Customs Cost Recovery Charges is a challenge being faced by Custodians and CCSP's all over the country.

He further added while he acknowledges concerns raised by CSC but for any tariff increase to be justified and accepted by Trade, CSC needs to provide basis for increase supported by relevant details.

Mr. Panicker agreed to show proof of Custom cost recovery payment and volume of cargo handled at the facility for the fiscal year. He also stated that if there is a volume increase, no further increase will be made. Possibility of rate reduction can also be looked into if volume growth is much higher than projected.

### b. Other Service related issues

Mr. Saldanha suggested that volume rates be mentioned where the tariff could be affected positively and can show a decline.

Mr. Fanibanda – Stated that the Trade does not get volume details of cargo handled at CSC.

Mr. Panicker – Explained that all volume details are shared with MIAL and CSC was under the impression that Trade would receive reports from same.

Mr Fanibanda – Requested that monthly tonnage volumes of CSC are also forwarded to trade bodies like ACAAI & BCHAA

Mr. Panicker – Assured that same would be taken note of and relevant details will be shared.

Mr. Fanibanda – Suggested that CSC & Mr. Panicker be part of meetings of CAFAC so as CSC & Trade can be aligned and work more cohesively and closely, a suggestion Panicker accepted on behalf of CSC.

Mr. Fanibanda asked whether the Perishable Center Tariff also is subject to Service Tax, and with GST's introduction how will the same be impacted.

Mr. Panicker informed the gathering that all Cold Chain Infrastructure project is exempt from Service Tax. In case of GST getting introduced, he is not clear of whether Service tax is still be exempted but one has to wait to see the negative list to understand that.

Mr. Batliwala raised a query of the screening charges being levied on Chargeable weight and especially on the Envirotainer shipments where the chargeable weight is based on capacity of Unit.

Mr. Panicker stated that while he appreciates, he will need to find out a way to charge shipment going in Environtainers. On the matter of levy TSP and other charges on chargeable weight and not actual weight Panicker stated that it is based on the current trade practises at all airports in India. When somebody pointed out that at Mumbai in some cases it is actual weight, Panicker stated that such is the case, CSC will also charge on basis of actual weight and not chargeable, all applicable charges at the CPC. He also explained that since the Freight amount shown on the awb is on chargeable weight, and since this weight is shown on MAWB, the same is being levied. But Panicker promised to get back on the matter once he has the correct information.

At this stage Mr. Dushyant representing BCHAA joined the meeting later. He stated that the notice extended for the meeting was too short and not reasonable and further such meeting should have been called by MIAL and not CSC because CSC is a sub-contractor of MIAL. For an important discussion which involved Tariff Revision at least a fortnight notice would be considered reasonable.

He further stated that there was a need to call for another trade meeting in a month's time which should involve a reasonable notice. He said that all stakeholders need to be involved in the meeting like exporters, importers, various trade bodies are they are interested stakeholders. Also stated that MIAL & Customs also to be involved in the meeting.

Also, stated the meeting should be held at the Air Cargo Complex at the location.

Panicker clarified the issues raised by Dushyant as follows:-

- a. CSC is a concessionaire appointed by MIAL through a tendering process to design, develop, manage and operate the Second Perishable Cargo terminal at Mumbai. So it is not a sub-contractor, it is a concessionaire and has been recognized as such by AERA, Customs and BCAS. Therefore all fixation of tariff and conducting user discussion for determination of such tariff has to be done by CSC and not MIAL
- MIAL is custodian on record and CSC is a CCSP and same is recorded in Custom's notification.
- c. Meeting was called for participation by users who are customers at CPC and are users since this is special purpose common user facility i.e. meant for Perishable and temperature sensitive products.
- d. Notice was issued earlier but since at the last meeting, ACAAI couldn't represent at the meeting, at their request the meeting was called again and all required users are present.

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Dushyant stated that since this is common user facility, irrespective of who the users are, all stakeholders needs to be called such as FICCI, CII, Bombay Chamber of Commerce, customs, MIAL, BCHAA etc.

Panicker stated that this is futile exercise but nonetheless agreed that he will call the meeting once again inviting the suggested stakeholders.

With that the meeting was brought to close after Panicker thanked everyone for their attendance and valuable suggestions.

--Forwarded Message Attachment--

From: fazale.abbas@cscindia.in

To: firdos@moderncargo.com; dushyant@khimjipoonja.com; bala.bom@freightwings.com; sreeni.bom@freightwings.com; pierre@pentafreight.com; sunil@pentafreight.com; mahesh@magnumcargo.com; jkamteka@in.hellmann.net; kalim.ali@dhl.com; surendra.singh@dhl.com; ramakrishna.padhy@dhl.com; vkashyap@agilitylogistics.com; cedric@translinelogistics.com; avdsouza@otf.co.in; steve@consolgroup.com; malcolmd@jeena.co.in; jignesh.dcosta@dbschenker.com; nehal.patil@dbschenker.com; accounts@zeus-air.com; sales@zeus -air.com; tushar@oscarfreight.com; gilson@skyline.net.in; vdutta@psbedi.com; msubramanian@qo2uti.com; q.fernandes@sdv.com; dhairyasheel.nalavade@expeditors.com; ravichandran@aptispl.com; pushpa@shinecargo.com; umesh@bom.expofreight.com; roger@afford.co.in; zav.airfreight@gmail.com; dinesh@translogexpress.com; keshav.tanna@linksin.com; amalraj@aptispl.com; subhash@bom.expofreight.com; mohsin@hermescargo.org; suhail@vsnl.com; pomonacargo@yahoo.co.in; ashvina1@ashvinatrading.com; ckexpo@gmail.com; chatwani@bom7.vsnl.net.in; idealexpo@yahoo.co.in; marshalbom@jetfreight.in; cs@odysseylogistics.net; samarth3@mtnl.net.in; asheesh.mehra@dachser.co.in; ravi@airliftindia.com; dialamango@gmail.com; najessani@rediffmail.com; raimpex@mininet.net.in; swapnil.ranade@expeditors.com; shefali.kanojia@expeditors.com; dgrahatekar@globalairport.in; joy@ewfcpl.com; phiroze.battiwala@dachser.co.in; ficci@ficci.com CC: rg.panicker@cscindia.in; manoj.s@gvk.com; dushyant@khimjipoonja.com; nailesh@expressworld.com Subject: RE: User Consultation Meeting - 19th March 2012 - 1500 hours - Perishable Cargo Terminal

Date: Wed, 14 Mar 2012 05:15:43 +0000

Dear All,

(CSC)

Please find attached minutes for the Last User Consultation Meeting (PCT – Mumbai) held at CSC Head Office.

### Regards

Fazale Abbas Saherwala

Cargo Service Center (India)

Assistant Manager - Business Devpt & Marketing

DID +91 2240433960

CEL +91 98190 78900

Email fazale.abbas@cscindia.in

From: Firdos Fanibanda [mailto:firdos@moderncargo.com]

Sent: Tuesday, March 13, 2012 10:05 AM

To: Abbas, Fazale/SALES/MUMRO/POLARIS; dushyant@khimjipoonja.com;

CP. No. 12/2012-13/MYTP/CSC-PC/2011-12

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bala.bom@freightwings.com; sreeni.bom@freightwings.com; pierre@pentafreight.com; sunil@pentafreight.com; mahesh@magnumcargo.com; jkamteka@in.hellmann.net; kalim.ali@dhl.com; surendra.singh@dhl.com; ramakrishna.padhy@dhl.com; vkashyap@aqilityloqistics.com; cedric@translineloqistics.com; avdsouza@otf.co.in; steve@consolgroup.com; malcolmd@jeena.co.in; jignesh.dcosta@dbschenker.com; nehal.patil@dbschenker.com; accounts@zeus-air.com; sales@zeus-air.com; tushar@oscarfreight.com; gilson@skyline.net.in; vdutta@psbedi.com; msubramanian@go2uti.com; q.fernandes@sdv.com; dhairyasheel.nalavade@expeditors.com; ravichandran@aptispl.com; pushpa@shinecargo.com; umesh@bom.expofreight.com; roger@afford.co.in; zav.airfreight@gmail.com; dinesh@translogexpress.com; keshav.tanna@linksin.com; amalraj@aptispl.com; subhash@bom.expofreight.com; mohsin@hermescargo.org; suhail@vsnl.com; pomonacargo@yahoo.co.in; ashvina1@ashvinatrading.com; ckexpo@gmáil.com; chatwani@bom7.vsnl.net.in; idealexpo@yahoo.co.in; marshalbom@jetfreight.in; cs@odysseylogistics.net; samarth3@mtnl.net.in; asheesh.mehra@dachser.co.in; ravi@airliftindia.com; dialamango@gmail.com; naiessani@rediffmail.com; raimpex@mininet.net.in; swapnil.ranade@expeditors.com; shefali.kanojia@expeditors.com; dgrahatekar@globalairport.in; joy@ewfcpl.com; phiroze.battiwala@dachser.co.in; ficci@ficci.com Cc: RG Panicker; manoj.s@gvk.com; 'Dushyant - Khimji Poonja FFPL (Airport Office)'; 'Nailesh

**Subject:** RE: User Consultation Meeting - 19th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear Abbas

Reference to the below notice of meeting, we had on the subject had a meeting on 15<sup>th</sup> Feb.,2012 the minutes of which are still not circulated

Shall be grateful if the minutes could be circulated along with the requisite information requested in the meeting

Regards

Firdos Fanibanda.

From: Abbas, Fazale/SALES/MUMRO/POLARIS[mailto:fazale.abbas@cscindia.in]

Sent: Monday, March 12, 2012 6:09 PM

To: firdos@moderncargo.com; dushyant@khimjipoonja.com;

bala.bom@freightwings.com;sreeni.bom@freightwings.com; pierre@pentafreight.com;

sunil@pentafreight.com; mahesh@magnumcargo.com; jkamteka@in.hellmann.net;

kalim.ali@dhl.com;surendra.singh@dhl.com; ramakrishna.padhy@dhl.com;

vkashyap@agilitylogistics.com;cedric@translinelogistics.com;avdsouza@otf.co.in;

steve@consolgroup.com; malcolmd@jeena.co.in;jignesh.dcosta@dbschenker.com;

nehal.patil@dbschenker.com; accounts@zeus-air.com; sales@zeus-air.com;

tushar@oscarfreight.com; gilson@skyline.net.in; vdutta@psbedi.com;msubramanian@go2uti.com;

a.fernandes@sdv.com; dhairyasheel.nalavade@expeditors.com; ravichandran@aptispl.com;

()

pushpa@shinecargo.com; umesh@bom.expofreight.com;roger@afford.co.in; zav.airfreight@gmall.com; dinesh@translogexpress.com; keshav.tanna@linksin.com; amalraj@aptispl.com; subhash@bom.expofreight.com;mohsin@hermescargo.org; suhail@vsnl.com; pomonacargo@yahoo.co.in;ashvina1@ashvinatrading.com; ckexpo@gmail.com; chatwani@bom7.vsnl.net.in; idealexpo@yahoo.co.in; marshalbom@jetfreight.in; cs@odysseylogistics.net;samarth3@mtnl.net.in; asheesh.mehra@dachser.co.in; ravi@airliftindia.com;dialamango@gmail.com; najessani@rediffmail.com; raimpex@mininet.net.in; swapnil.ranade@expeditors.com;shefali.kanojia@expeditors.com; dgrahatekar@globalairport.in; joy@ewfcpl.com; phiroze.battiwala@dachser.co.in; ficci@ficci.com

Cc: RG Panicker; manoj.s@gvk.com

**Subject:** User Consultation Meeting - 19th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear All,

This mail is with reference to our last User Meeting convened on 15<sup>th</sup> February 2012 at the Head office of CSC to discuss proposed changes in Tariff for the Perishable & Temperature Sensitive Products handled at the Perishable Cargo Terminal managed & operated by CSC at Mumbai Air Cargo Complex.

The discussions held at the meeting indicated further scope of discussion & a participation of larger audience.

As such, intimating a calling of an User Consultation Meeting for fixation/amendment to the Applicable Tariff of the said facility. The meeting will be held on 19<sup>th</sup> March 2012 @1500 hours @ thePerishable Cargo Terminal (CSC) in Mumbai Air Cargo Complex.

The agenda of the meeting convened is

- A) To approve the proposed increase in TSP charges: -
- TSP Charge Increase from 1.50 INR/kg to 1.70 INR/kg for Pharmaceutical & Non Horticultural Products
- 2) TSP Charge Increase from 0.75 INR/kg to 0.90 INR/kg for Horticultural Products

Reasons for Proposed Increase in TSP Charges: -

0

- Customs have levied Cost Recovery Charges for the PCT which has to be recovered from Trade.
- 2) Further, the estimated volume of cargo (33000 tons) in First Year was not achieved. Deficit in same forecasted at 6000 tons. (Forecasted Tonnage in First Year 27000 tons)
- 3) Other Inflationary Related Increase in Costs & Overheads
- B) To approve increase in Screening & Security charges: -
- 1) Screening Charge Increase from 1.75 INR/kg to 1.95 INR/kg for all PTSP Products

Reasons for Proposed Increase in Screening Charges: -

1) Based on communication and directives National Security Regulator (BCAS), additional deployment of Human Resources for Security Activities.

Request you to confirm your presence for the meeting as same would be essential to collaborate for the way ahead.

Thanks & Regards

Fazale Abbas Saherwala

Cargo Service Center (India)

Assistant Manager - Business Devpt & Marketing

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Email

fazale.abbas@cscindia.in

--Forwarded Message Attachment--From: rg.panicker@cscindia.in

To: firdos@moderncargo.com; fazale.abbas@cscindia.in; dushyant@khimjipoonja.com; bala.bom@freightwings.com; sreeni.bom@freightwings.com; pierre@pentafreight.com; sunil@pentafreight.com; mahesh@magnumcargo.com; jkamteka@in.hellmann.net; kalim.ali@dhl.com; surendra.singh@dhl.com; ramakrishna.padhy@dhl.com; vkashyap@agilitylogistics.com; cedric@translinelogistics.com; avdsouza@otf.co.in; steve@consolgroup.com; malcolmd@jeena.co.in; jignesh.dcosta@dbschenker.com; nehal.patil@dbschenker.com; accounts@zeus-air.com; sales@zeus-air.com; tushar@oscarfreight.com; gilson@skyline.net.in; vdutta@psbedi.com; msubramanian@go2uti.com; q.fernandes@sdv.com; dhairyasheel.nalavade@expeditors.com; ravichandran@aptispl.com; pushpa@shinecargo.com; umesh@bom.expofreight.com; roger@afford.co.in; zav.airfreight@gmail.com; dinesh@translogexpress.com; keshav.tanna@linksin.com; amalraj@aptispl.com; subhash@bom.expofreight.com; mohsin@hermescargo.org; suhail@vsnl.com; pomonacargo@yahoo.co.in; ashvina1@ashvinatrading.com; ckexpo@gmail.com; chatwani@bom7.vsnl.net.in; idealexpo@yahoo.co.in; marshalbom@jetfreight.in; cs@odysseylogistics.net; samarth3@mtnl.net.in; asheesh.mehra@dachser.co.in; ravi@airliftindia.com; dialamango@gmail.com; najessani@rediffmail.com; raimpex@mininet.net.in; swapnil.ranade@expeditors.com; shefali.kanojia@expeditors.com; dgrahatekar@globalairport.in; joy@ewfcpl.com; phiroze.battiwala@dachser.co.in; ficci@ficci.com CC: manoj.s@gvk.com; dushyant@khimjipoonja.com; nailesh@expressworld.com Subject: RE: User Consultation Meeting - 19th March 2012 - 1500 hours - Perishable Cargo Terminal

Date: Mon, 19 Mar 2012 13:53:39 +0000

Dear Firdos,

My replies are given against each of your queries.

Regards

Radharamanan

From: Firdos Fanibanda [mailto:firdos@moderncargo.com]

Sent: Wednesday, March 14, 2012 10:26 AM

To: Abbas, Fazale/SALES/MUMRO/POLARIS; dushyant@khimjipoonja.com; bala.bom@freightwings.com; sreeni.bom@freightwings.com; pierre@pentafreight.com; sunil@pentafreight.com; mahesh@magnumcargo.com; jkamteka@in.hellmann.net; kalim.ali@dhl.com; surendra.singh@dhl.com; ramakrishna.padhy@dhl.com; vkashyap@agilitylogistics.com; cedric@translinelogistics.com; avdsouza@otf.co.in; steve@consolgroup.com; malcolmd@jeena.co.in; jignesh.dcosta@dbschenker.com; nehal.patil@dbschenker.com; accounts@zeus-air.com; sales@zeus-air.com; tushar@oscarfreight.com; gilson@skyline.net.in; vdutta@psbedi.com; msubramanian@go2uti.com; q.fernandes@sdv.com; dhairyasheel.nalavade@expeditors.com; ravichandran@aptispl.com; pushpa@shinecargo.com; umesh@bom.expofreight.com; roger@afford.co.in; zav.airfreight@gmail.com; dinesh@translogexpress.com; keshav.tanna@linksin.com; amalraj@aptispl.com; subhash@bom.expofreight.com; mohsin@hermescargo.org; suhail@vsnl.com; pomonacargo@yahoo.co.in; ashvina1@ashvinatrading.com; ckexpo@gmail.com; chatwani@bom7.vsnl.net.in; idealexpo@yahoo.co.in; marshalbom@jetfreight.in; cs@odysseylogistics.net; samarth3@mtnl.net.in; asheesh.mehra@dachser.co.in; ravi@airliftindia.com; dialamango@gmail.com; najessani@rediffmail.com; raimpex@mininet.net.in; swapnil.ranade@expeditors.com; shefali.kanojia@expeditors.com; dgrahatekar@globalairport.in; joy@ewfcpl.com; phiroze.battiwala@dachser.co.in; ficcl@ficci.com Cc: RG Panicker; manoj.s@gvk.com; 'Dushyant - Khimji Poonja FFPL (Airport Office)'; 'Nailesh

Gandhi'

**Subject:** RE: User Consultation Meeting - 19th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear Abbas Fazale

In furtherance to our message of yesterday, We have made our views very clear earlier that any consultative process of review of tariff can only be with the presence of AERA though we may have discussion to understand your proposals. We have also listed various requirements that you / AERA have to provide for an understanding of the proposal and we are yet to receive any reply to the requirements listed by us in our mail though there was a general response from you.

We would also like to give a point wise response to your agenda points

A) We do not agree to the usage of the word "approve" which could be rephrased as " to discuss". If you still feel the agenda should remain unchanged then you should agree that we have a right to "disapprove" also which should be recorded / minuted and should be sent to AERA.

R.G.Panicker- if we ask u to approve something, it also means that u can disapprove something. Nonetheless we can agree to the wordings in the minutes.

Re TSP Charge increase - Noted your proposal

B) We are not in agreement with your reasons for proposed increase in tariff. We feel, You have created a facility with the knowledge that this is a basic requirement and hence to include this now as an ingredient to seek a revision is incorrect.

Assuming you do manage for an increase despite our disagreement, as this cost recovery by Customs is in discussion stage, if later this is withdrawn by Customs, will CSC reduce the tariff.

R.G. Panicker- As already mentioned during the earlier meeting, around 13 paisa per kg cost increase is related to Custom's cost recovery. Pl note that this cost recovery has been made applicable to us from the date of start of operation. However we have not recovered this from trade though per AERA guideline, we could have approached them for making this recovery applicable. We are only proposing this increase from 1<sup>st</sup> April 2012. In addition to this the increase is only 4.7% for Pharmaceutical and 3% for NonPharma perishable cargo. This increase is

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related to inflation related cost increase and decrease in volume of cargo projected.

Yes I hereby state that if Custom withdraws the cost recovery from the CPC, we will stop charging this amount

C) Further, We are not a party to your estimates and coatings. Volume projected by you is basis of your own study of the market and its trends. Can we assume in the next year if the actual volume exceed projected volume you will offer a reduction in tariff. These are business risk one takes and are not factors that alter the tariff fixation. Hence this is not a valid reason for seeking hike in tariff.

R.G.Panicker- PI refer to our initial discussion when we were discussing the proposed tariff prior to start –up. Our proposed rate then was Rs.2 per kg for all perishable and temperature sensitive product. Based on the various meetings we had with you and others, we agreed to the current tariff even though it was known that the tariff will not help us recover our cost. We took your views in good faith and revised the tariff. Included in the tariff is also the cost oflabour used for offloading your cargo at the CPC, unlike other places where u either have your own loaders or pay for offloading charges. Tariff have to be linked to volume projection as per AERA guideline and if volume development is not as per expectation, then we do need to adjust the tariff accordingly. But in this case even though total cargo handled(27000MT) for the year has been 15% less than estimated (33000MT), our cost increase proposal is only overall 4% for TSP. And again this increase is not just solely on account of reduction in volume but also because of inflation related increase in other operating cost.

In our last meeting, I had only stated that had the volume development been as per estimated, we could have absorbed the proposed cost increase. We are not able to, therefore we are proposing increase.

D) Other Inflationary Related Increase in Costs & Overheads. Needs to be quantified and cannot be generalized. While inflation related cost forms an insignificant part of the cost structure, overhead cost is your responsibility as this is completely under your control. We are unable to accept these are reasons for increase in tariff.

R.G. Panicker- As already stated in reply to your earlier query, inflation related cost is just one of the items. Please note that all operating cost like electricity, salary, maintenance etc which are significant cost component are affected significantly by inflation. We have not taken into consideration the overhead cost in this calculation at all now.

E) We have also noted your proposal for increase in screening charges, kindly note our reservations are on the same lines as above

R.G. Panicker: PI refer to my email dated 4<sup>th</sup> February 2011 to you regarding the various tariff proposed. PI refer to pointno 3 wherein I had clearly stated — Quote "Security charges is as per prevailing rates. Itmaybe noted that new BCAS provisions involves us to tighten security norms which allow additional manpower and equipment. But we are not revising the charges now and keeping them as proposed" unquote.

We are forced to increase the same now because increase in cost cannot be observed due to lower volume and again inflation related cost increase in manpower.

F) Based on communication and directives National Security Regulator (BCAS), additional deployment of Human Resources for Security Activities. Please educate us the requirement of BCAS when the facility was started including deployment of human resources and the additional requirement now proposed that warrants an increase.

R.G. Panicker- BCAS norms no longer allow us to deploy third party private security personnel in our secured areas of our facility. As such we now have to deploy our own manpower. They come at higher cost. Two- BCAS mandates additional security equipments in form of bomb detection scanners which are very expensive piece of equipment, in addition to additional X-ray machine (3 instead of 2) which are all installed. This deployment of additional machine necessitates additional manpower.

We await your detail response and clarifications to have a meaning full dialogue when we meet

Regards

Firdos Fanibanda.

Dear All,

This mail is with reference to our last User Meeting convened on 15<sup>th</sup> February 2012 at the Head office of CSC to discuss proposed changes in Tariff for the Perishable & Temperature Sensitive Products handled at the Perishable Cargo Terminal managed & operated by CSC at Mumbai Air Cargo Complex.

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Reasons for Proposed Increase in TSP Charges: -

- G) Customs have levied Cost Recovery Charges for the PCT which has to be recovered from Trade.
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Request you to confirm your presence for the meeting as same would be essential to collaborate for the way ahead.

Thanks & Regards

Fazale Abbas Saherwala

Cargo Service Center (India)

Assistant Manager - Business Devpt & Marketing

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+91 2240433960

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+91 98190 78900

Email

fazale.abbas@cscindia.in

--Forwarded Message Attachment--

From: rg.panicker@cscindia.in

To: firdos@moderncargo.com; dushyant@khimjipoonja.com

CC: bharat@zeus-air.com; tushar@scagroup.in; janitushar@gmail.com; fazale.abbas@cscindia.in;

nailesh@expressworld.com

Subject: custom cost recovery

Date: Mon, 23 Apr 2012 09:24:53 +0000

### Dear All.

Even before the dust has settled on the issue of cost recovery that we need to charge from trade, the customs has dropped another demand- this demand for cost recovery is 2.5 times the existing cost recovery cost. Effective 1"April 2011, the custom has increased the cost recovery from Rs35lakhs for the year 2011-12 to Rs.85 lakhs. Please note that due to this the proposed increase in the TSP charges related to custom cost recovery will now go up by 24 paisa per kg instead of 12 per kg as proposed earlier.

Also note in order to meet regulatory compliance issue with respect of tariff approval by AERA we have to file annual tariff plan prior to end of financial year close. Due to ongoing discussion and negotiation with ACAAI and BCHAA, we couldn't do so and had asked for extension from AERA until 31" March 12. AERA has already issued notice to us for not complying with the requirement. I have therefore no option but to file the Annual Tariff plan for Perishable Center Mumbai without waiting for your confirmation on the tariff increase.

Regards
Radharamanan Panicker
Chief Executive Officer
Cargo Service Center India Pvt Ltd
Operator of Perishable Cargo Terminal at Mumbai airport

### ankit vajpayee

From:

Abbas, Fazale/SALES/MUMRO/POLARIS

Sent:

09 April 2012 11:21

To:

ankit vajpayee

Subject:

FW: User Consultation Meeting - 20th March 2012 - 1500 hours - Perishable Cargo

Terminal (CSC)

### Below mail from Mr. Panicker stating his reply to Firdos

Fazale Abbas Saherwala

Cargo Service Center (India)

Assistant Manager - Business Devpt & Marketing

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Email

fazale.abbas@cscindia.in

From: RG Panicker

Sent: Tuesday, March 20, 2012 8:13 PM

To: Firdos Fanibanda; Abbas, Fazale/SALES/MUMRO/POLARIS; trevor@patel-india.com; 'Dushyant - Khimji Poonja

FFPL (Airport Office)'; president@acaai.in; manoj.s@gvk.com

Cc: 'Afzal'; anni@dagabom.com

Subject: RE: User Consultation Meeting - 20th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear Firdos.

Let's hope that we can resolve the custom matter at the earliest so that we can move forward.

Regards

Radharamanan panicker

From: Firdos Fanibanda [mailto:firdos@moderncargo.com]

Sent: 20 March 2012 17:36

To: Abbas, Fazale/SALES/MUMRO/POLARIS; RG Panicker; trevor@patel-india.com; 'Dushyant - Khimji Poonja FFPL

(Airport Office); president@acaai.in; manoi.s@gvk.com

Cc: 'Afzal'; anni@dagabom.com

Subject: RE: User Consultation Meeting - 20th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear Mr. Panicker

This has reference to today's meeting in connection with the propose increase in TSP charges due to customs leaving a cost recovery cost on the said facility.

We thank you for considering the trade proposal for making a joint representation to the CBEC board. We would like to confirm that we are with you to pursue customs to reconsider the said charge .

after which we shall have a relook to your proposal.

With Regards

Firdos Fanibanda.

From: Abbas, Fazale/SALES/MUMRO/POLARIS [mailto:fazale.abbas@cscindia.in]

Sent: Tuesday, March 20, 2012 10:44 AM

To: firdos@moderncargo.com; dushyant@khimjipoonja.com; bala.bom@freightwings.com;

sreeni.bom@freightwings.com; pierre@pentafreight.com; sunil@pentafreight.com; mahesh@magnumcargo.com; CP. No. 12/2012-13/MYTP/CSC-PC/2011-12

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jkamteka@in.hellmann.net; kalim.ali@dhl.com; surendra.singh@dhl.com; ramakrishna.padhy@dhl.com; vkashyap@agilitylogistics.com; cedric@translinelogistics.com; avdsouza@otf.co.in; steve@consolgroup.com; malcolmd@jeena.co.in; jignesh.dcosta@dbschenker.com; nehal.patil@dbschenker.com; accounts@zeus-air.com; sales@zeus-air.com; tushar@oscarfreight.com; gilson@skyline.net.in; vdutta@psbedi.com; msubramanian@go2uti.com; q.fernandes@sdv.com; dhairyasheel.nalavade@expeditors.com; ravichandran@aptispl.com; pushpa@shinecargo.com; umesh@bom.expofreight.com; roger@afford.co.in; zav.airfreight@gmail.com; dinesh@translogexpress.com; keshav.tanna@linksin.com; amalraj@aptispl.com; subhash@bom.expofreight.com; mohsin@hermescargo.org; suhall@vsnl.com; pomonacargo@yahoo.co.in; ashvina1@ashvinatrading.com; ckexpo@gmail.com; chatwani@bom7.vsnl.net.in; idealexpo@yahoo.co.in; marshalbom@jetfreight.in; cs@odysseylogistics.net; samarth3@mtnl.net.in; asheesh.mehra@dachser.co.in; ravi@airliftindia.com; dialamango@gmail.com; najessani@rediffmail.com; raimpex@mininet.net.in; swapnil.ranade@expeditors.com; shefali.kanojia@expeditors.com; dgrahatekar@globalairport.in; joy@ewfcpl.com; phiroze.battiwala@dachser.co.in; ficcl@ficci.com

Cc: RG Panicker; manoj.s@gvk.com

Subject: RE; User Consultation Meeting - 20th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear All,

A reminder to all for the User Consultation Meeting (PCT – Mumbai) Today i.e. 20<sup>th</sup> March 2012 @ 1500 hours @ the Perishable Cargo Terminal (CSC) in Mumbai Air Cargo Complex.

Request your presence for same.

### **Thanks**

Fazale Abbas Saherwala
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DID +91 2240433960 CEL +91 98190 78900

Email fazale.abbas@cscindia.in

From: Abbas, Fazale/SALES/MUMRO/POLARIS Sent: Saturday, March 17, 2012 2:35 PM

To: Firdos Fanibanda (<a href="mailto:firdos@moderncargo.com">firdos@moderncargo.com</a>); dushyant@khimjipoonja.com; 'bala.bom@freightwings.com'; 'sreeni.bom@freightwings.com'; 'pierre@pentafreight.com'; 'sunil@pentafreight.com'; 'mahesh@magnumcargo.com'; 'jkamteka@in.hellmann.net'; 'kalim.ali@dhl.com'; 'surendra.singh@dhl.com'; 'ramakrishna.padhy@dhl.com'; 'vkashyap@agilitylogistics.com'; 'cedric@translinelogistics.com'; 'avdsouza@otf.co.in'; 'steve@consolgroup.com'; 'malcolmd@jeena.co.in'; 'jignesh.dcosta@dbschenker.com'; 'nehal.patil@dbschenker.com'; 'accounts@zeus-air.com'; 'sales@zeus-air.com'; 'lushar@oscarfreight.com'; 'gilson@skyline.net.in'; 'vdutta@psbedi.com'; 'msubramanian@go2uti.com'; 'q.fernandes@sdv.com'; 'dhairyasheel.nalavade@expeditors.com'; 'ravichandran@aptispl.com'; 'pushpa@shinecargo.com'; 'dhairyasheel.nalavade@expeditors.com'; 'roger@afford.co.in'; 'zav.airfreight@gmail.com'; 'dinesh@translogexpress.com'; 'keshav.tanna@linksin.com'; 'roger@afford.co.in'; 'subhash@bom.expofreight.com'; 'mohsin@hermescargo.org'; 'suhail@vsnl.com'; 'pomonacargo@yahoo.co.in'; 'ashvina1@ashvinatrading.com'; 'ckexpo@gmail.com'; 'chatwanl@bom7.vsnl.net.in'; 'idealexpo@yahoo.co.in'; 'marshalbom@jetfreight.in'; 'cs@odysseylogistics.net'; 'samarth3@mtnl.net.in'; 'asheesh.mehra@dachser.co.in'; 'ravi@airliftindia.com'; 'dialamango@gmail.com'; 'najessani@rediffmail.com'; 'raimpex@minlnet.net.in'; 'swapnil.ranade@expeditors.com'; 'shefali.kanojia@expeditors.com'; 'dgrahatekar@globalairport.in'; 'joy@ewfcpl.com'; 'phiroze.battiwala@dachser.co.in'; 'ficci@ficci.com'

Cc: RG Panicker; manoi.s@gvk.com

**Subject:** RE: User Consultation Meeting - Resheduled to 20th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear All,

With reference to below mail, a reminder to all for the User Consultation Meeting (PCT – Mumbai) on  ${\bf 20}^{\rm th}$ 

March 2012 @ 1500 hours @ the Perishable Cargo Terminal (CSC) in Mumbai

Cargo Complex.

CP. No. 12/2012-13/MYTP/CSC-PC/2011-12

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Request your presence for the same.

### Thanks

Fazale Abbas Saherwala Cargo Service Center (India)

Assistant Manager - Business Devpt & Marketing

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Email fazale.abbas@cscindia.in

From: Abbas, Fazale/SALES/MUMRO/POLARIS Sent: Wednesday, March 14, 2012 10:58 AM

To: Firdos Fanibanda (firdos@moderncargo.com); dushyant@khimjipoonja.com; 'bala.bom@freightwings.com'; 'sreeni.bom@freightwings.com'; 'pierre@pentafreight.com'; 'sunil@pentafreight.com'; 'mahesh@magnumcargo.com'; 'jkamteka@in.hellmann.net'; 'kalim.ali@dhl.com'; 'surendra.singh@dhl.com'; 'ramakrishna.padhy@dhl.com'; 'vkashyap@agilitylogistics.com'; 'cedric@translinelogistics.com'; 'avdsouza@otf.co.in'; 'steve@consolgroup.com'; 'malcolmd@jeena.co.in'; 'jignesh.dcosta@dbschenker.com'; 'nehal.patil@dbschenker.com'; 'accounts@zeus-air.com'; 'sales@zeus-air.com'; 'lushar@oscarfreight.com'; 'gilson@skyline.net.in'; 'vdutta@psbedi.com'; 'msubramanian@go2uti.com'; 'q.fernandes@sdv.com'; 'dhairyasheel.nalavade@expeditors.com'; 'ravichandran@aptispl.com'; 'pushpa@shinecargo.com'; 'umesh@bom.expofreight.com'; 'roger@afford.co.in'; 'zav.airfreight@gmail.com'; 'dinesh@translogexpress.com'; 'keshav.tanna@linksin.com'; 'amalraj@aptispl.com'; 'subhash@bom.expofreight.com'; 'mohsin@hermescargo.org'; 'suhail@vsnl.com'; 'pomonacargo@yahoo.co.in'; 'ashvina1@ashvinatrading.com'; 'ckexpo@gmail.com'; 'chatwani@bom7.vsnl.net.in'; 'idealexpo@yahoo.co.in'; 'marshalbom@jetfreight.in'; 'cs@odysseylogistics.net'; 'samarth3@mtnl.net.in'; 'asheesh.mehra@dachser.co.in'; 'ravi@airliftindia.com'; 'dialamango@gmail.com'; 'najessani@rediffmail.com'; 'raimpex@mininet.net.in'; 'swapnil.ranade@expeditors.com'; 'shefali.kanojia@expeditors.com'; 'dgrahatekar@globalairport.in'; 'joy@ewfcpl.com'; 'phiroze.battiwala@dachser.co.in'; 'ficci@ficcl.com'

Cc: RG Panicker; manoi.s@gvk.com

**Subject:** User Consultation Meeting - Resheduled to 20th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear All,

This mail is with reference to below mail stating a calling of User Consultation Meeting (PCT – Mumbai)

Our customers highlighted that on same day there is a meeting of BCHAA members and thus their presence would be impacted.

Thus, to facilitate all our customers presence we are rescheduling the meeting which now will be held on 20<sup>th</sup>

# March 2012 @ 1500 hours @ the Perishable Cargo Terminal (CSC) in Mumbai Air Cargo Complex.

Pls make note of the change in the meeting date so as to avoid any inconveniences.

### Regards

Fazale Abbas Saherwala

Cargo Service Center (India)
Assistant Manager - Business Devpt & Marketing

DID +91 2240433960 CEL +91 98190 78900

Email fazale.abbas@cscindia.in

From: Abbas, Fazale/SALES/MUMRO/POLARIS Sent: Monday, March 12, 2012 6:09 PM

To: Firdos Fanibanda (<u>firdos@moderncargo.com</u>); <u>dushyant@khimjipoonja.com</u>; 'bala.bom@freightwings.com'; 'sreeni hom@freightwings.com'; 'bala.bom@freightwings.com'; 'sreeni hom@freightwings.com'; 'bala.bom@freightwings.com'; 'sreeni hom@freightwings.com'; 'sreeni hom @freightwings.com'; 'sreeni hom @fr

'sreeni.bom@freightwings.com'; 'pierre@pentafreight.com'; 'sunil@pentafreight.com'; 'mahesh@magnumcargo.com'; CP. No. 12/2012-13/MYTP/CSC-PC/2011-12 'jkamteka@in.hellmann.net'; 'kalim.ali@dhl.com'; 'surendra.singh@dhl.com'; 'ramakrishna.padhy@dhl.com'; 'vkashyap@agilitylogistics.com'; 'cedric@translinelogistics.com'; 'avdsouza@otf.co.in'; 'steve@consolgroup.com'; 'malcolmd@jeena.co.in'; 'jignesh.dcosta@dbschenker.com'; 'nehal.patil@dbschenker.com'; 'accounts@zeus-air.com'; 'sales@zeus-air.com'; 'tushar@oscarfreight.com'; 'gilson@skyline.net.in'; 'vdutta@psbedi.com'; 'msubramanian@go2uti.com'; 'q.fernandes@sdv.com'; 'dhairyasheel.nalavade@expeditors.com'; 'ravichandran@aptispl.com'; 'pushpa@shinecargo.com'; 'umesh@bom.expofreight.com'; 'roger@afford.co.in'; 'zav.airfreight@gmail.com'; 'dinesh@translogexpress.com'; 'keshav.tanna@linksin.com'; 'amalraj@aptispl.com'; 'subhash@bom.expofreight.com'; 'mohsin@hermescargo.org'; 'suhail@vsnl.com'; 'pomonacargo@yahoo.co.in'; 'ashvina1@ashvinatrading.com'; 'ckexpo@gmail.com'; 'chatwani@bom7.vsnl.net.in'; 'idealexpo@yahoo.co.in'; 'marshalbom@jetfreight.in'; 'cs@odysseylogistics.net'; 'samarth3@mtnl.net.in'; 'asheesh.mehra@dachser.co.in'; 'ravi@airliftindia.com'; 'dialamango@gmail.com'; 'najessani@rediffmail.com'; 'raimpex@mininet.net.in'; 'swapnil.ranade@expeditors.com'; 'shefali.kanojia@expeditors.com'; 'dgrahatekar@globalalrport.in'; 'joy@ewfcpl.com'; 'phiroze.battiwala@dachser.co.in'; 'ficci@ficci.com'

Cc: RG Panicker; manoj.s@gvk.com

Subject: User Consultation Meeting - 19th March 2012 - 1500 hours - Perishable Cargo Terminal (CSC)

Dear All,

This mail is with reference to our last User Meeting convened on 15<sup>th</sup> February 2012 at the Head office of CSC to discuss proposed changes in Tariff for the Perishable & Temperature Sensitive Products handled at the Perishable Cargo Terminal managed & operated by CSC at Mumbai Air Cargo Complex.

The discussions held at the meeting indicated further scope of discussion & a participation of larger audience.

As such, intimating a calling of an User Consultation Meeting for fixation/amendment to the Applicable Tariff of the said facility. The meeting will be held on 19<sup>th</sup> March 2012 @ 1500 hours @ the Perishable Cargo Terminal (CSC) in Mumbai Air Cargo Complex.

The agenda of the meeting convened is

- A) To approve the proposed increase in TSP charges: -
- 1) TSP Charge Increase from 1.50 INR/kg to 1.70 INR/kg for Pharmaceutical & Non Horticultural Products
- 2) TSP Charge Increase from 0.75 INR/kg to 0.90 INR/kg for Horticultural Products

Reasons for Proposed Increase in TSP Charges: -

- 1) Customs have levied Cost Recovery Charges for the PCT which has to be recovered from Trade.
- 2) Further, the estimated volume of cargo (33000 tons) in First Year was not achieved. Deficit in same forecasted at 6000 tons. (Forecasted Tonnage in First Year 27000 tons)
- 3) Other Inflationary Related Increase in Costs & Overheads
- B) To approve increase in Screening & Security charges: -
- 1) Screening Charge Increase from 1.75 INR/kg to 1.95 INR/kg for all PTSP Products

Reasons for Proposed Increase in Screening Charges: -

1) Based on communication and directives National Security Regulator (BCAS), additional deployment of Human Resources for Security Activities.

Request you to confirm your presence for the meeting as same would be essential to collaborate for the wave head.

Thanks & Regards

Fazale Abbas Saherwala

CP. No. 12/2012-13/MYTP/CSC-PC/2011-12

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Dated: 2<sup>nd</sup> July 2012

To,

Mr. C.V. Deepak,

OSD,

The Airport Economic Regulatory Authority,

Safdarjung Airport,

Safdarjung,

New Delhi

AGM (ABS)

10/7/12

Sub: Our proposal for approval of Tariff for Cargo handling at Center for Perishable Cargo at Mumbai airport and Annual Tariff plan for FY 2012-13

Dear Mr. Deepak,

This has reference to our discussion on the application filed by Cargo Service Center India Pvt Ltd for approval of Tariff for cargo handling at Center for Perishable Cargo at Mumbai airport and Annual Tariff plan for FY 2012-13 vide our letter dated 23<sup>rd</sup> April 2012.

As discussed I am forwarding the proposed Five Year Tariff plan both for City side tariff and Air side Tariff as well for consideration and approval of the Authority. In respect of the said plan please note that the tariff proposal for Custom cost recovery on estimate basis based on cost recovery notice given for first year. The final tariff applied will depend on actual cost recovery charged by Customs.

I would urge the Authority to clear and approve our Tariff proposals at the earliest.

Warm regards.

Yours sincerely,

Radharamanan Panicker

Group CEO



# FIVE YEARS TARIFF FOR TERMINAL STORAGE AND PROCESSING CHARGES (TSP) AT NEW PERISHABLE CARGO TERMINAL MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT MUMBAI AIRPORT EFFECTIVE FROM 1ST APRIL, 2012 AND VALID TILL 31ST MARCH, 2017

S.No.	Charges		Price per	Financial Y	ear Basis		Price Driver	Remarks
		2012-13	2013-14	2014-15	2015-16	2016-17		
1. TSP	Charges				hoteli exerci			
1.1	TSP Charges for Non Horticulture product requiring temperature control	1.85	1.85	2.00	2.00	2.15	INR Per kg	Subject to minimum chargeable weight of 100 kgs per AWB
1.2	TSP Charges for Horticulture product like Fruits, Vegetable and flowers	1.05	1.05	1.15	1.15	1.25	INR Per kg	Subject to minimum chargeable weight of 100 kgs per AWB
2. Dem	urrage Charges					reixare a	2000年,1000年的1000年的	<b>国际的</b>
2.1	Demurrage/Storage Charges beyond free period	1.60	1.60	1.75	1.75	1.90	INR Per kg	Subject to minimum chargeable weight of 100 kgs per AWB. Demurrage free period shall be as per government order issued from time to time.
3. Opti	onal Charges			0.50			Company of the second	
3.1	Special Handling ( Pharmaceutical, to maintain product temperature on request)	2,000.00	2,000.00	2,200.00	2,200.00	2,200.00	INR per AWB	
3.2	Back to Town	50 % of TSP charges	INR per AWB	Subject to minimum fee of INR100 per AWB. If not cleared within 24 hrs of intimation, demurrage charges will be applicable				

### Note

- 1 TSP charges is inclusive of forklift use
- 2 Charges will be on gross weight or chargeable weight of consignment, whichever is higher
- 3 Minimum charges for TSP will be for 100 kgs -gross or chargeable weight of consignment, whichever is higher
- While it is our intention not to allow any other agencies to operate inside the facility, in case for special reason exporters wants to engage their own labour, discount of 5% will be granted in TSP charges for offloading the cargo from truck and putting on customs examination area, and on pallets.
- 5 All invoices will be rounded off to nearest Rs. 5.
- 6 Demurrage free period shall be as per government order issued from time to time, which will not attract any demurrage charges.
- 7 In case of premium service request, such service shall be provided at a premium of 25% over normal handling and TSP rates



### FIVE YEAR GENERALTARIFF FOR VARIOUS ELEMENTS OF CARGO HANDLING FOR THE AIRLINE CUSTOMERS AT NEW PERISHABLE CARGO TERMINAL MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT AHMEDABAD AIRPORT

### EFFECTIVE 1ST APRIL 2012 AND VALID TILL 31ST MARCH 2017

S.No.	Charges	Price per Financial Year basis					Price Driver	Remarks
		2012-13	2013-14	2014-15	2015-16	2016-17		
1	Export handling per kg for Horticulture, Sea food and meat products including fruits, vegetable and flowers, subject to a minimum	3.00	3.30	3.30	3.65	3.65	INR per kg	
2	Export handling per kg for all products including Pharmaceuticals and Vaccines, subject to a minimum chargeable weight of 500 kgs	2.25	2.50	2.50	2.75	2.75	INR per kg	subject to a minimum chargeable weight of 500 kgs per flight
3	DGR Acceptance fee	1400.00	1500.00	1500.00	1650.00	1650.00	INR per AWB	
4	DRY Ice Checklist charges	700.00	750.00	750.00	825.00	825.00	INR per AWB	
5	DGR-fee, in case shipment above 20 pieces	50.00	50.00	50.00	50.00	50.00	INR per additional piece	
6	ULD cleaning / unit	5000.00	5000.00	5000.00	5000.00	5000.00	INR per ULD	
7	Perishable cargo storage beyond demurrage free period after acceptance per kg per day subject to minimum chargeable weight of 100 kgs per AWB	1.50	1.65	1.65	1.75	1.75	INR per kg	subject to minimum chargeable weight of 100 kgs per AWB
8	Full HAWB data capture per HAWB	26.00	25.00	25.00	25.00	25.00	INR per AWB	
9	X-ray screening/physical examination per Kg subject to minimum chargeable weight of 500 kgs flight	1.95	1.95	2.10	2.10	2.10	INR per kg	subject to a minimum chargeable weight of 500 kgs per flight
10	Special Handling (Pharmaceutical, to maintain product temperature on request by shipper/airline)	2000.00	2000.00	2000.00	2000.00	2000.00	INR per additional AWB	

#### Notes

- 1 Demurrage will be applicable to airlines if custom cleared cargo is stored in the warehouse beyond the free period in case of export cargo
- 2 In case of premium service request, such service shall be provided at a premium of 25% over normal handling rates.



### Fwd: RE: Approval of 2nd tariff year plan for cargo handling services at Perishable Cargo Terminal, CSI Airport, Mumbai

From: C V Deepak (cv.deepak@aera.gov.in)

Sent: 03 July 2012 19:22PM

Anil Bahdur, Saxena (igi1955@hotmail.com)

Cc: Radhika (radhi\_khan@yahoo.co.in)

2 attachments

AERA-CPC-BOM-5 yrs ATP-0212.pdf (289.9 KB), AERA-CPC-BOM-Corrected-0212.pdf (598.4 KB)

Mr.Saxena.

May pls process accordingly,

C.V.Deepak OSD-II **AERA** 

---- Original Message -----

From: RG Panicker <rg.panicker@cscindia.in>

Date: Monday, July 2, 2012 18:34

Subject: RE: Approval of 2nd tariff year plan for cargo handling services at Perishable Cargo Terminal,

CSI Airport, Mumbai

To: "'cv.deepak@aera.gov.in'" <cv.deepak@aera.gov.in>

Cc: Kapil Chaudhary <kapil.chaudhary@aera.gov.in>, Radhika <radhi\_khan@yahoo.co.in>, "Anil

Bahdur, Saxena" <igi1955@hotmail.com>

- > Dear Mr. Deepak,
- > PI note that the increase in tariff is only on city side tariff marked 14(b)-1. Also note this tariff proposed includes the custom cost recovery charge of INRO.25 per kg/. While looking at the tariff, I realize there has been interchange of rates for horticulture product and non horticulture product. I am forwarding you the revised one for consideration including the letter.
- > Regarding the air side tariff, you may disclose the same.
- > As requested, I am forwarding the 5 yr ATP as well for consideration.
- > All originals are in mail and will reach you tomorrow.
- > Regards
- > Radharamanan Panicker

> From: cv.deepak@aera.gov.in [mailto:cv.deepak@aera.gov.in]

> Sent: Monday, July 02, 2012 12:48 PM

> To: RG Panicker

> Cc: Kapil Chaudhary; Radhika; Anil Bahdur, Saxena

CP. No. 12/2012-13/MYTP/CSC-PC/2011-12