

File No. AERA/20010/MYTP/MIAL/2011-12/Vol-V
Consultation Paper No. 18 /2013-14



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal submitted by Mumbai
International Airport Limited for International
Cargo Operations for FY. 2013-14 at CSI Airport,
Mumbai.**

New Delhi: 13th August, 2013

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

The Authority had issued Consultation Paper No. 22/2012-13 dated 11.10.2012 w.r.t. determination of aeronautical tariff for first control period at CSI Airport, Mumbai. In respect of the approach to regulation and approval of tariff(s) for cargo facility services being provided by Mumbai International Airport Private Limited (MIAL) at CSI Airport, Mumbai, the Authority had, after due stakeholder consultation, issued Order No. 32/2012-13 on 15.01.2013, ordering, inter-alia, that:

- “(i) The Authority decides to determine the tariff for cargo facility services provided by MIAL at CSI Airport, Mumbai under “Light Touch Approach” for the current control period.*
- “(ii) The Authority further decides to determine the tariffs (including demurrage) for cargo facility services provided by MIAL at CSI Airport, Mumbai as at Annexure IV. Further the demurrage free period will be as per Government instructions issued from time to time.*
- “(iii) The Authority decides to permit the third party concessionaires (as and when appointed for provision of cargo facility services at CSI Airport, Mumbai) to charge the tariffs as were being charged by MIAL on the date of taking over the service. However in case such third party concessionaire wants to increase the rates, prior determination of the same by the Authority will be required.”*

2. MIAL in its submission for MYTP for CSI Airport, had indicated that it planned to outsource the international cargo operations from October 2012 and therefore did not seek any increase in charges for cargo facility services. However, MIAL further, submitted that it had not been able to outsource international cargo operations so far due to several factors and will continue handling such operations pending appointment of a concessionaire, for which the process is underway. MIAL proposed revision in tariffs for international cargo handling services for the period 01.04.2013 to 31.03.2014 and has stated that it intended to submit the revised Annual Tariff Proposal (ATP) for cargo facility services for the period April – March 2014 shortly after carrying out consultation with the airport cargo stakeholders for **the revised tariffs, for the Authority’s consideration and approval.**

3. Subsequently, MIAL submitted its ATP for tariff year (FY 2013-14) vide submission dated 22.05.2013. In this ATP, MIAL has proposed 10% increase in the tariff for international cargo facility services for the period 1.06.2013 to 31.03.2014. Further MIAL has proposed to introduce a new line of service i.e. ULD weightment charges (for one tag printing per ULD with Airline logo) to be levied as per details in the revised tariff card.

4.1 Vide aforesaid letter dated 22.05.2013, MIAL has stated that a stakeholder consultation meeting was convened by MIAL to elicit the views of the stakeholders on the proposed tariffs for FY 14. MIAL has stated that a detailed presentation was made by MIAL and the trade was also briefed about various initiatives taken over the period of last 7 years which have helped in improving infrastructure and service quality. MIAL also stated that the Trade was also updated about the service improvements; particularly reduction in dwell times and removal of bottle necks in the last two years. MIAL has stated that trade bodies appreciated efforts put in by MIAL team for the remarkable service improvements and infrastructure developments carried out in the last two years. MIAL has submitted that keeping in view the investments made so far and significant rise in operational costs over last

several years, MIAL had proposed to its users to increase cargo tariffs by 15% for FY 14 and sought views of the stakeholders. The minutes of the meeting and presentation made by MIAL to the stakeholders and correspondence exchanged were also attached with letter dated 22.05.2013. MIAL also stated that a meeting with Board of Airline Representatives (BAR) was held on 30.04.2013. MIAL forwarded the minutes of this meeting and correspondence exchanged. Subsequently, MIAL also held individual meetings with several airlines of which, minutes and correspondence exchanged were attached by MIAL with its letter.

4.2 MIAL, in the ATP submitted that considering the views of the stakeholders that increase of 15% proposed by MIAL to its uses was higher, it has proposed to increase tariffs for international cargo handling services by 10% for the period 01.06.2013 to 31.03.2014, in its ATP.

4.3 Further, MIAL has proposed to introduce a new line of service i.e. ULD weighment with Tag printing with Airline logo for which ULD weighment charges (for one Tag printing per ULD with Airline logo) would be levied as per details in the revised tariff card.

5. It has also been stated by MIAL that it is in process of appointing a concessionaire for international cargo operations and the Authority has been requested to permit the third party concessionaire to charge the same tariff, after approval by the Authority on its taking over cargo operation from MIAL.

6. As per the Airport Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling, and Supply of Fuel to the Aircraft) Guidelines, 2011, 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 submitted in the specified Form B and Form 14(b) and supported by:

- Details of consultation with stakeholders
- Evidence of User Agreements clearly indicating the Tariff(s) proposed by the service Provider.

7. As per **Clause AI8.2** of the Guidelines:

“AI8.2. For Regulated Service(s) deemed either ‘not material’ or ‘material but competitive’ or ‘material and not competitive’ but where the Authority is assured of the reasonableness of the existing User Agreement(s), the Service Provider(s) shall submit, for the consideration of the Authority, an Annual Tariff Proposal for review of Tariff(s) to be charged in the following Tariff Year in a Control Period, in the specified Form B and Form 14(b). The Tariff(s), as proposed by the Service Provider in the Annual Tariff Proposal, shall be on non-discriminatory basis with reference to conditions of Tariff(s) volume of the discount, rationale behind giving the discount and such other factors as may be relevant. The said proposal shall be supported by the following:

AI.8.2.1. Details of consultation with stakeholders along with:

- (a) Documented evidence that consultations with stakeholders have been undertaken;*
- (b) Summary of concerns raised by the stakeholders;*

- (c) *Details of remedial action, if any, undertaken by the Service Provider, with reasons, in respect of the concerns so raised;*
- (d) *Reasons for not addressing the balance concerns.*

AI.8.2.2.Evidence of User Agreements, if any, between the service provider and the User of the Regulated Service(s) clearly indicating the Tariff(s) that are proposed by the service provider”

8. In the instant case, MIAL has submitted the requisite Form 14(b), Form B and evidence of user consultation. The rate card indicating the proposed increase has also been submitted **(Annexure –I)**.

9. The Authority has considered the above and decided to make the following proposal for stakeholder consultation:

- (i) The tariffs for fifth tariff year (w.e.f. 1.6.2013 to 31.3.2014) of the 1st control period for cargo facility service provided by M/s MIAL at CSI Airport Mumbai, are proposed to be as at Annexure – I.
- (ii) The demurrage free period will be as per Government instructions issued from time to time.

10. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 9 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 as **Annexure-II**. For removal of doubts; it is clarified that the contents of this Consultation Paper may not be constructed 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.

11. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 10 above, **latest by 27.08.2013** 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
Tel: 011-24695042
Fax: 011-24695039

Yashwant S. Bhave
Chairperson

Schedule of charges
(Assumed to be effective from 1st June 2013)

IMPORT CARGO**MINIMAL CHARGES**

| No. | Type of Cargo | Rate per Kilogram (Maximum) | Estimated Units for FY 14 (Tonnes) | Estimated Revenues for FY 14 (Rs. In Crs.) |
|-----|----------------------|-----------------------------|------------------------------------|--|
| | General | Rs. 4.90 | 135,810 | 86 |
| | Special and valuable | Rs. 9.78 | 15,090 | |

EXPORT CARGO**MINIMAL CHARGES**

| No. | Type of Cargo | Rate per Kilogram (Maximum) | Estimated Units for FY 14 (Tonnes) | Estimated Revenues for FY 14 (Rs. In Crs.) |
|-----|---------------|---|------------------------------------|--|
| | General | Rs. 0.77 | 133,021 | 14 |
| | Special | Rs. 1.54 | 8,491 | |
| | Perishable | a) Rs. 2.67 wherever State of Art facility is provided. b) Rs.0.77 wherever exclusive facility is not provided | | |



Schedule of charges
(Assumed to be effective from 1st June 2013)

International Cargo - payable by Airlines

| S.No | Function | Description of Service | Rate per Kilogram (Maximum) | Estimated Units for FY 14 (Tonnes) | Estimated Revenues for FY 14 (Rs. In Crs.) |
|------|----------|--|------------------------------------|--|--|
| 1 | Export | Carting/Palletisation/Containerization/Bulk Cargo Handling | 3.85 | 49,616 | 12.19 |
| 2 | Export | Unitization of Bonded cargo | 1.65 | Insignificant contribution expected | |
| 3 | Export | Carting of Cargo from Domestic airport to MIAL International Warehouse or return from MIAL International Warehouse to Domestic Airport | 1.93 | Insignificant contribution expected during FY 14 | |
| 4 | Export | Carting of Export using other Gateways Airports in India (Jet Airways Domestic Bonded warehouse) (per kg) | 1.27 | 1,080 | 0.13 |
| 5 | Export | Carting Export Cargo using other Gateways Airports in India (Domestic airlines warehouse to MIAL Bonded warehouse) | 1.21 | Insignificant contribution expected during FY 14 | |
| 6 | Export | Carting charges to /from aircraft (per kg) | 1.10 | Insignificant contribution expected | |
| 7a | Export | Aircraft loading charges (bulk) (per kg) General cargo | 1.82 | Insignificant contribution expected during FY 14 | |
| 7b | Export | Aircraft loading charges (Per/HZ/VAL cargo) | 2.71 | | |
| 8a | Export | Storage Chgs. - if uplifted beyond free period of 48 hours (per kg) General cargo (rate per kg per day) | 1.77 | Note 1 | 1.06 |
| 8b | Export | Special cargo (rate per kg per day) | 3.53 | | |
| 9 | Export | Supervision and Coordination for export courier at ICT and export perishable at APEDA. (Minimum charges applicable per AWB) | 1.00 | 3,096 | 0.24 |
| 10 | Export | Document Handling . (Additional applicable per AWB only for DGR/SPL/VAL cargo) | 1.10 | 11,148 | 0.67 |
| 11 | Export | X ray charges - if screening done by airlines (minimum charges applicable per AWB) | 1.52 | 56,888 | 8.62 |
| 12 | Export | X ray charges - if screening not done by airlines (minimum charges applicable per AWB) | 1.87 | 59,328 | 8.71 |
| 13 | Export | P O mail unitization | 3.85 | Insignificant contribution expected during FY 14 | |
| 14 | Export | ULD weighment charges (for one Tag printing per ULD with Airline logo) | | | |
| | | - container (lower deck) - LD3 and similar | 125.00 | Insignificant contribution expected during FY 14 | |
| | | - pallets (lower deck and main deck) | 150.00 | | |
| | | - Bulk Trolley | 75.00 | | |
| | | - 16 foot and 20 foot | 250.00 | | |
| 15 | Import | Carting charges (TP Cargo) (minimum charges applicable per CTM) | 2.26 | 12,520 | 2.52 |
| 16a | Import | Storage Charge if cargo unchecked beyond 24 hrs. of arrival of aircraft (per kg per day) (a) Bulk - per Kg./day minimum charges applicable per AWB | 1.85 | Insignificant contribution expected during FY 14 | |
| 16b | | (b) ULD - per ULD /day minimum charges applicable per AWB | 741.40 | | |
| 16c | | (c) VAL - per Kg./day minimum charges applicable per AWB | 4.64 | | |
| 16d | | (d) HAZ / Per - per Kg./day minimum per Rs 235 per AWB | 3.06 | | |
| 17 | Import | Destuffing of ULD (minimum charges applicable per IGM) | 1.17 | 150,832 | 15.69 |
| 18 | Import | Document Handling (minimum charges applicable per flight) | 1.93 | 12,832 | 1.53 |
| 19 | Import | Destuffing of P O Mail. (Minimum charges applicable per IGM) | 1.17 | Insignificant contribution expected during FY 14 | |
| 20 | Import | Ramp (Import/Export) (per arriving flight) | 4,400.00 | 1,531 | 0.67 |
| 21 | Import | Delivery issuance charges | 50% of amount collected by airline | Insignificant contribution expected during FY 14 | |
| 22 | Import | ULD management (per flight) | 11,000.00 | Insignificant contribution expected during FY 14 | |
| | | Total | | | 52.03 |

Note :-

1. Quantity stored may vary significantly from period to period.



3

Schedule of charges
(Assumed to be effective from 1st June 2013)

DEMURRAGE CHARGES - payable by Shippers/ consignors/ agents/ airlines.

(A) IMPORT CARGO

| Sr.No. | Type of Cargo | Period | Rate per Kilogram per day (Maximum) | Estimated Units for FY 14 (Tonnes) | Estimated Revenues for FY 14 (Rs. In Crs.) |
|--------|----------------|--------------------------------------|-------------------------------------|------------------------------------|--|
| 1 | General Cargo | Up to 120 hrs. including free period | Rs.1.43 | 62,682 | 105 |
| | | Between 120 hrs. and 720 hrs. | Rs. 2.86 | | |
| | | Beyond 720 hrs. | Rs. 4.29 | | |
| 2 | Special Cargo | Up to 120 hrs. including free period | Rs. 2.86 | 6,909 | |
| | | Between 120 hrs. and 720 hrs. | Rs. 5.72 | | |
| | | Beyond 720 hrs. | Rs. 8.58 | | |
| 3 | Valuable Cargo | Up to 120 hrs. including free period | Rs. 5.72 | 56 | |
| | | Between 120 hrs. and 720 hrs. | Rs. 11.44 | | |
| | | Beyond 720 hrs. | Rs. 17.16 | | |

(B) EXPORT CARGO

| Sl. No. | Type of Cargo | Rate per Kilogram per day (Maximum) | Estimated Units for FY 14 (Tonnes) | Estimated Revenues for FY 14 (Rs. In Crs.) |
|---------|---------------|--|------------------------------------|--|
| 1 | General | Rs. 0.79 | 6896 | 2.23 |
| 2 | Special | Rs. 1.57 | 427 | |
| 3 | Perishable | (a) Rs. 2.67 Wherever state of Art facility is (b)Rs. 0.79 wherever exclusive facility is not | 13 | |



BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

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

Mumbai International Airport Private Limited
Chhatrapati Shivaji International Airport,
Mumbai - 400099

I, Vinod Hiran, aged 43 years, resident of Goregaon (East), Mumbai, acting in my official capacity as CFO & Company Secretary, in Mumbai International Airport Private Limited having its registered office at 1st Floor, Terminal 1B, CSIA, Mumbai - 400099 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of Mumbai International Airport Private Limited in the matter of making this submission before the Airports Economic Regulation Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of the Annual Tariff Proposal submission which include inter alia
(i) ~~Estimated Maximum Allowed Yield per Unit and the proposed detailed break-up of Tariff(s) (in context to Estimated Maximum Allowed Yield per Unit where determined by the Authority) where the Authority has specified a price cap approach for the duration of the Control Period, pursuant to Clause 3.2;~~

OR

Proposed detailed break-up of Tariff(s) based on Clause 11.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2, and

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

For Mumbai International Airport Private Limited



Vinod Hiran
CFO & Company Secretary

Place : Mumbai

Date : 22nd May, 2013

MIAL/CFO/571

May 22, 2013

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

Dear Madam,

Sub: - Submission of Annual Tariff Proposal (ATP) for FY 2013-14 for International Cargo Operations

**Ref: AERA Order No. 32/2012-13 dated 15.01.2013
MIAL letter No MIAL/CFO/509 dated 19.03.2013**

The Authority through its Order No. 32/2012-13 dated 15.01.2013, has decided (Decision No. XXXI.a) that tariff for cargo facility services provided by MIAL at CSI Airport, Mumbai shall be determined under "Light Touch Approach" for the current control period. The Authority had also approved schedule of charges (Rate Card) for cargo services for the period from 1st April 2009 to 31st March 2014.

As stated in our earlier letter no. MIAL/CFO/509 dated 19.03.2013, a Stakeholder Consultation meeting was convened by the MIAL on 15.04.2013 at 1100 hrs. in the Main Conference Hall, Air Cargo Complex, Mumbai to elicit the views of the stakeholders on the proposed Annual Tariff Proposal for FY 14. MIAL made a detailed presentation and briefed the trade about various initiatives taken over the period of last 7 year which have helped in improving infrastructure and service quality. Trade was also updated about the service improvements; particularly reduction in dwell times and removal of bottle necks in the last two years. Trade bodies appreciated efforts put in by MIAL team for the remarkable service improvements and infrastructure developments carried out in the last two years. Keeping in view the investments made so far and significant rise in operational costs over last several years, MIAL proposed to increase cargo tariffs by 15% for FY 14 and sought views of the stakeholders.

The minutes of the meeting and presentation made by MIAL to the stakeholders is attached as **Annexure 1 (a)** and correspondences exchanged are attached as **Annexure 1(b)**.

MIAL also had a meeting with Board of Airline Representatives (BAR) on 30th April, 2013. Minutes of the meeting and correspondences exchanged are attached as **Annexure 2(a)** and **Annexure 2(b)** respectively. Subsequently, MIAL held individual meetings with several airlines of which, minutes and correspondences exchanged are attached as **Annexure 3(a)** to **3(c)** for domestic airlines and **Annexure 3(d)** to **3(l)** for international airlines.



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HOSPITALITY
LIFE SCIENCES



During discussions, many stakeholders were of the view that increase proposed by MIAL was higher. Considering the views of stakeholders MIAL proposes to increase tariffs for international cargo handling services by 10% for the period 1st June 2013 to 31st March 2014.

Further, MIAL proposes to introduce a new line of service i.e. ULD weighment with Tag printing with Airline logo for which ULD weighment charges (for one Tag printing per ULD with Airline logo) would be levied as per details in the revised tariff card.

We request Authority's approval for Annual Tariff Proposal (ATP) for international cargo facility services for the period June 2013 – March 2014. Revised Tariff card is enclosed as Annexure 4 with the proposed increase in charges.

Since MIAL is in the process of appointing a concessionaire for its international cargo operations, we would request Authority to permit the third party concessionaire to charge the revised tariff (after approved by the Authority) on its taking over cargo operations from MIAL.

Thanking you,

Yours sincerely,
For Mumbai International Airport Pvt. Ltd.

Vinod Hiran
CFO & Company Secretary

Encl: As above



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CP No. 18/2013-14/MYTP/MIAL/2011-12

**Consultation meeting with Stakeholders
(Trade bodies)**

Minutes of the Stakeholders' Consultation Meeting held on 15th April 2013, Air Cargo Complex, Main Conference Hall @ 1100 hrs for revision of Cargo Tariff for FY 14.

A Stakeholder Consultation meeting was convened by the MIAL on 15.04.2013 at 1100 hrs. in the Main Conference Hall, Air Cargo Complex, Mumbai to elicit the views of the stakeholders on the proposed Annual Tariff Proposal for FY 14. The list of the participants is enclosed at Annexure - 1.

Mr. Vinod Hiran, Chief Finance Officer and Company Secretary chaired the meeting and welcomed all the participants. He informed the trade that MIAL is in the process of revising the cargo tariffs for the period 1st May 2013 to 31st March 2014 to offset the substantial increase in operational costs and considering the fact that tariffs have not been revised for the last seven years. He invited Mr. Manoj Singh, Vice President (Cargo) to make a presentation about initiatives taken / being taken for improvements in facilities and services and MIAL's tariff proposal. He also requested the stakeholders to give their feedback, views and comments after the presentation by VP (Cargo).

Mr. Manoj Singh, VP (Cargo) welcomed all stakeholders and thanked them for attending the meeting. He briefed the trade about various initiatives taken by MIAL over the period of last 7 year which have helped in improving infrastructure and service quality and the improvement plans for short-term, mid-term and long-term. He updated the trade about the service improvements; particularly reduction in dwell times and removal of bottle necks in the last two years. He also briefed the trade that as a part of Cargo Master Plan implementation, MIAL is in the process of acquiring additional land from CPWD to create an integrated Cargo facility.

He further informed the trade partners that MIAL has created a state-of-the-art export perishable center in the year 2011 to cater the growing demands of pharmaceuticals and agro products. He also mentioned that MIAL is coming up with a state-of-the-art Import Cold Zone. This facility is expected to be operational from 1st May 2013 and a dedicated export unitization area admeasuring 6500 sq mts is coming up in next few months. Creation of new Export Heavy Shed and separate facility for Export Bonded Cargo operations is also under pipeline.

Keeping in view the investments made so far and significant rise in operational costs over last several years MIAL proposes to increase cargo tariffs by 15% for FY 14 for consideration of all the stakeholders.

Mr. Vinod Hiran, CFO thanked Mr. Manoj Singh, VP (Cargo) for the elaborated presentation and requested the stakeholders to express their views and suggestions.

Stakeholder Views:-

IMC (Indian Merchant Chamber) represented by Mr. Mark Fernandes, Chairman – Shipping & Ports Committee

Mr. Fernandes appreciated efforts put in by MIAL team for the remarkable service improvements and infrastructure developments carried out in the last two years. He said that the trade fully supports MIAL's proposal, but keeping in view the existing economic crisis with emerging markets witnessing down fall in GDPs, stakeholders would be interested to review the impact of the proposed 15% rate increase, though increase is marginal and low compared to other airports and seems to be necessary to compensate partly for increase in input cost.

He expressed concerns on the concessioning of the international cargo facilities, saying that it might dilute the service levels and trade may not have much of say if concessionaire was not to improve facilities / services.

Chairman of the meeting assured that MIAL will ensure adherence to service level agreements by the concessionaire and MIAL will always push the concessionaire for the betterment of facilities and services. Further concessionaire will be subject to regulation by AERA and therefore trade/stakeholders will always have an opportunity to represent before MIAL and AERA in case concessionaire does not improve facilities / services.

CII (Confederation of Indian Industry) - Mr. Pramod Sant, Conveynor:

Mr. Sant mentioned that the Industry would be interested in understanding the income v/s investment made by MIAL for cargo operations since 2006. He said MIAL's efforts towards service improvement and commitment are highly commendable, but this is not a right time for tariff proposal as the Industry has been facing economic crisis with increased operational costs. He said that proposed tariff increase needs to be further reviewed by the stake holders and till such time to keep the proposal in abeyance.

Mr. Naval Sakhalkar, Air Freight Head - ATC Air:

Mr. Sakhalkar thanked Mr. Manoj Singh, VP (Cargo) for sharing the inputs on infrastructure developments and service improvements carried out by MIAL. He said that the air cargo facilities need further improvement in terms of infrastructure and working conditions. He suggested MIAL to keep the proposal on hold for few months and pump in more investments in infrastructure.

Mr. Dushyant Mulani, Managing committee member, BCHAA:

Mr. Dushyant Mulani expressed that there are few noticeable developments in terms of services and infrastructure which are appreciable. After MIAL took over, the Managing Director had assured about the cargo master plan to be commissioned by 2010. But both the export and import warehouses have not been changed and are in the same status though terminal capacity and volumes have increased as per the statistical records. He said that revenue would have also increased due to the surge in volumes and reduction of free period from 5 day to 72 hrs. He suggested MIAL to come with the tariff proposal after achieving few more milestones and more volumes. He appreciated the cargo team under the leadership of Mr. Manoj Singh for placing extra ordinary efforts to deliver effective service deliverance. He said MIAL should concentrate on infrastructure developments to increase cargo throughput and volumes and as of now revision of rates may be kept on hold and can be done once improvements are noticed in near future.

Mr. Manoj Singh, VP (Cargo) responded that there have been significant investments done by MIAL for facility development since takeover. However, the morning hour utilization is still very negligible particularly in imports, which needs to be addressed collectively by all trade bodies. He reminded the trade that MIAL had introduced incentive schemes for round the clock utilization of the facilities which had a positive impact only on export performance. The proposed increase in tariff is due to the escalation in the operational costs and this is necessary for MIAL to generate required resources for development plans.

Mr. Sanjeev Harale, Committee Member – FFFAI:

Mr. Harale endorsed the views of other stake holders and requested not to revise the charges as of now. He suggested that rate revision could be considered after further improvements in the infrastructure side.

Mr. Hemant Bhatia, Managing Committee Member – ACAAI:

Mr. Bhatia was also of the opinion that though tonnages have increased, trade could not see any increase in the infrastructure development vis-à-vis tonnage increase. He stated to re-work the proposal as this is not the right time and can be considered in near future with few more developments adding to the kitty.

Mr. Ronald Goveas, Chairman – ACAAI:

Mr. Ronald appreciated the presentation given by Mr. Manoj Singh, VP (Cargo) and stated that ACAAI has requested for some additional information regarding the investment proposal, revenue etc which were not incorporated in the presentation. He also enquired the reason for not bringing the tariff proposal in the last 7 years and a sudden decision though he was in agreement that proposed tariff hike was nominal in light of the fact that it is being sought after a period of 7 years.

On the above VP (Cargo) said that most of the requested information had been incorporated in the presentation and future investment etc is not relevant for the current proposal. The Chairman added that tariff increase is sought primarily due to increase in operational cost and not on the basis of proposed capital investment. MIAL is presenting this proposal based on the developments and improvements already carried out.

Mr. Loknath Rai, Treasurer- ACAAI:

Mr. Loknath Rai also supported the views of other stake holders and requested to put on hold the proposal for rate revision. He suggested considering revision after making the necessary infrastructure development in-line with other airports.

Mr. Veeramani Iyer, Managing Committee Member, BCHAA:

Mr. Iyer remarked that despite of developments in the approach road, the queue time for vehicles is still high and particularly export vehicles have to go back despite of waiting in the queue for long hours.

Mr. Manoj Singh, VP (Cargo) mentioned that even utilization of the working hours is still not happening. MIAL is working on 2 additional vehicle access lanes to address congestion.

Custom Watch Dog Committee - Mr. Augustinho Fernandes, Founding Member:

Mr. Fernandes whole heartedly supported MIAL's proposed increase and mentioned that it is absolutely necessary in light of significant increase in various costs and MIAL team is trying its best to improve quality of services at Cargo and there have been tremendous improvements since the time MIAL has taken over.

Mr. Samir Gandhi, DGM, Ingram Micro:

Mr. Samir Gandhi viewed that service standards at Cargo Facilities have improved in the year 2012 compared to the previous years but still requires further improvement with regard to physical delivery and dwell times.

Mr. Manoj Singh updated the stake holders that MIAL has always responded to the trade requests for infrastructure developments and had already invested around Rs. 60 Crores towards the development of cargo facilities since takeover and will be investing around Rs. 30 to Rs. 35 Crores in the near future. MIAL has commissioned various projects with high priority based upon feedback received from the trade bodies.

Mr. Vinod Hiran, CFO & Company Secretary, MIAL thanked the stakeholders for their valuable views and suggestions. He reiterated that the proposed tariff increase is only to meet the significant increase in operating costs and not related to future Capex. He said that tariff increase is absolutely necessary at this point of time.

Mr. Manoj Singh further mentioned that both the export and import cold storage projects were part of the Cargo Master Plan and more investments are coming ahead for the execution of Master Plan in a phased manner. He said that the next priority after import cold zone would be truck dock levelers in exports followed by dedicated export unitization facility, export heavy shed and separate bonded cargo offloading facility. MIAL has also made significant investments in the air side facilities since 2006 and the land side developments can only be undertaken after the completion of air side facilities as per the Master Plan. He assured the trade that dock levelers will be commissioned in the next two months and MIAL will put in place best possible efforts to commission the heavy shed and separate bonded cargo facility by the end of the year. He informed the trade that the upcoming import cold zone will be the biggest cold storage facility in India catering to +15 to +25 Degree Celsius temperature requirements with a one time holding capacity of 860 Metric Tons. He updated the trade that MIAL is creating this additional cold storage capacity to accommodate the inorganic growth in volumes due to higher dwell times. MIAL has been working closely with the concerned ministry and regulators to improve the clearance dwell times. He thanked the trade for a collective effort to bring down the clearance dwell times to make the cargo terminal much more efficient in terms of service delivery.

He also informed the trade that MIAL is meeting various customers regularly and introduced the key account manager and pre-alert program to offer customized services to the customers. MIAL was successful in bringing discipline in terms of cargo packing of import consignments by conducting several meetings with the importers.

Chairman thanked the Stake holders for active participation in the meeting and requested the stakeholders to support MIAL's proposal for revision in cargo handling tariff. He said that the presentation made in the meeting along with the minutes of the meeting will be circulated to the stakeholders at the earliest. He requested the stake holders to revert with their views on MIAL's tariff proposal at the earliest.

There being no other agenda item, meeting ended with a vote of thanks to the Chair.

Annexure - 1

List of Participants:

| Sl. No | Name of the Participant | Designation/Company |
|--------------|-------------------------|--------------------------------------|
| MIAL | | |
| 1 | Mr. Vinod Hiran | CFO & CS |
| 2 | Mr. Manoj Singh | VP - Cargo |
| 3 | Ms. Santrupta Padhi | DGM |
| 4 | Mr. Suneet Tyagi | GM-Legal |
| 5 | Mr. Lokesh Uttarwar | GM - Security |
| 6 | Mr. P.V.C Shekar | GM - Operations |
| 7 | Mr. Nandan Kanchan | Senior Manager - Exports |
| 8 | Mr. William D'costa | Senior Manager - Air Side Operations |
| 9 | Mr. Sandeep Badhani | Senior Manager - IT |
| 10 | Mr. Mukesh Devpura | Deputy Manager - Finance |
| 11 | Mr. Mayilvanan T | Deputy Manager - Administration |
| 12 | Mr. Mohd Baqir Agha | Assistant Manager |
| 13 | Mr. R. Kamalakar | Assistant Manager |
| 14 | Mr. Alok Patni | Assistant Manager |
| ACAAI | | |
| 1 | Mr. Ronnie Goveas | Chairman |
| 2 | Mr. Hemant Bhatia | Managing Committee Member |
| 3 | Mr. Loknath Rai | Treasurer |
| IMC | | |
| 1 | Mr. Mark S Fernandes | Chairman |
| BCHAA | | |
| 1 | Mr. Dushyant Mulani | Managing Committee Member |
| 2 | Mr. Veeramani Iyer | Managing Committee Member |
| 3 | Mr. Paresh R Sangavi | Managing Committee Member |
| CII | | |
| 1 | Mr. Pramod S Sant | Import - Export Committee, Conveynor |

| | | |
|---------------------------|---------------------------|---------------------------|
| Customs Watch Dog | | |
| 1 | Mr. Agustinho G Fernandes | Founding Member |
| FFFAI | | |
| 1 | Mr. Sanjeev Harale | Committee Member |
| Other Stakeholders | | |
| 1 | Mr. Naval Sakhalkar | Air Freight Head, ATC Air |
| 2 | Mr. Keeman Bacha | Godrej & Boyce |
| 3 | Mr. Samir Gandhi | Ingram Micro |

Consultation meeting with BAR

Minutes of the Stakeholders' Consultation Meeting with Airlines representatives held on 30th April 2013, at Air Cargo Complex, Main Conference Hall @ 14:30 hrs for revision of Cargo Tariff for FY 14.

A Stakeholder Consultation meeting with Airline representatives was convened by the MIAL on 30.04.2013 at 14:30 hrs. in the Main Conference Hall, Air Cargo Complex, Mumbai to elicit the views of the concerned stakeholders on the proposed Annual Tariff Proposal for FY 14. The list of the participants is enclosed at Annexure – I.

Mr. Manoj Singh, Vice President - Cargo chaired the meeting and welcomed all the participants. He informed the trade that MIAL is in the process of revising the cargo tariffs for the period 1st May 2013 to 31st March 2014 to offset the substantial increase in operational costs and considering the fact that tariffs have not been revised for the last seven years. He said that proposal of increase in public tariff has been dealt with the freight forwarders, custom's house agents and other cargo agencies in a separate forum and the current forum would be purely on proposal for increase in airline charges. He also said that proposal increase of certain common airline charges will be discussed in this forum and rest all charges will be directly dealt with the carrier's on scope of service. He updated the stake holders that the meeting agenda would be a presentation from MIAL on the cargo developments and tariff proposal followed by discussions and feedback from the airlines.

Mr. Manoj Singh briefed the trade about various initiatives taken by MIAL over the period of last 7 year which have helped in improving infrastructure and service quality and the improvement plans for short-term, mid-term and long-term through his presentation. He informed the stake holders that MIAL has made significant investment towards IT development and said launch of GHA module, comprehensive EDI messaging are the key achievements in IT in the first quarter of 2013. He updated the trade about the service improvements; particularly reduction in dwell times and removal of bottle necks in the last two years. He also briefed the trade that as a part of Cargo Master Plan implementation, MIAL is in the process of acquiring additional land from CPWD to create an integrated Cargo facility.

He further informed the trade partners that MIAL has created a state-of-the-art export perishable center in the year 2011 to cater the growing demands of pharmaceuticals and agro products. He also mentioned that MIAL has come up with a state-of-the-art Import Cold Zone which will be operational soon. He said that a dedicated export unitization area admeasuring 6500 sq mts is coming up in next few months. Creation of new Export Heavy Shed and separate facility for Export Bonded Cargo operations is also under pipeline. He said MIAL has created sterile and non-sterile bifurcation by aligning all the screening machines to comply with the regulations laid by Bureau of Civil Aviation Security. He emphasized that dedicated cold storage facility for storage of pharmaceuticals and medicines, installation of 30MT capacity ULD weighbridge are other noteworthy developments undertaken by MIAL in export facility.

Keeping in view the investments made so far and significant rise in operational costs over last several years MIAL proposes to increase cargo tariffs by 15% for FY 14 which is being placed before stakeholders for consideration.

Stakeholder Views:-

Mr. Pankaj Nath, Regional Cargo Operations Manager, Air France/KLM/Martin Air

Mr. Pankaj Nath said that the cargo tonnages have increased since the last few years and the trade would like to know the improvements done by MIAL in import facilities. Mr. Manoj Singh responded that MIAL has brought improvisation in service levels like flight breakdown performance, noteworthy reduction of damage and Untraceability issues. MIAL has commissioned additional 955 multi level racks which enhanced the import throughput capacity by 1000 Metric Tons. MIAL has introduced Pre-alert process and Key Account Manager Program to offer customized and expeditious handling solutions and these innovative concepts have brought great recognition and appreciations to MIAL. He said that the operating costs and wages have considerably gone up and hence it is imperative to increase the charges at this point of time.

Mr. Zarir Kheshwala, General Manager, Western India, Lufthansa Cargo:

Mr. Zarir appreciated MIAL for the infrastructure and service improvements showcased by MIAL in the last two years. He said efforts put in place by MIAL cargo team in the last 2 years are highly commendable and the operational challenges were effectively addressed and streamlined. He requested MIAL to propose the tariff increase based on the developments achieved in the last 2 years and not to consider the previous years as no major improvements were done during that period. He mentioned that airlines always consider calendar year for budget allocations. He said this would not be a right time for proposal. He suggested MIAL to re-propose the tariff increase in the month of September this year which will allow the carriers to include the additional cost in the next fiscal budget.

Mr. Manoj Singh reiterated that in order to meet the rise in operational cost, increase in tariff is very essential at this point of time and requested the stake holders for support.

Mr. Shankar Iyer, Regional Manager, Middle East & South East Asia, Swiss International Airlines:

Mr. Shankar Iyer expressed his consensus with the views of Mr. Zarir Kheshwala stating that proposed tariff increase should be based on the developments brought in by MIAL in the last 2 years. He inquired MIAL on the concessioning of international facilities and the functionalities of the appointed agency.

Mr. Manoj Singh reacted that MIAL will ensure adherence to service level agreements by the concessionaire and MIAL will always push the concessionaire for the betterment of facilities and services. Further concessionaire will be subject to regulation by AERA and therefore trade/stakeholders

will always have an opportunity to represent before MIAL and AERA in case concessionaire does not improve facilities / services.

MIAL clarified that the proposed tariff increase is purely for FY 13-14. If concessionaire is appointed by MIAL, any subsequent increase would be under AERA act and guidelines.

Mr. Lynn Buthello, Customer Service Manager, British Airways:

Mr. Lynn appreciated MIAL for infrastructure development and improvements in service performance in the last 2 years. He agreed with the other carriers and stated that due to budgetary issues airlines may not be able to support proposal of MIAL for tariff increase for the current financial year.

Mr. Siddhant Iyer, Cargo Manager – Western India, Cathay Pacific Airlines:

Mr. Siddhant Iyer agreed with the other stake holders on the budgetary issues in supporting tariff proposal from MIAL. He said that more improvisation is required in export facilities.

Mr. Manoj Singh replied that MIAL has initiated two state of the art export projects namely "State of the art Unitization facility" and "Export Heavy Shed". He informed that Export unitization facility will be ready for operations in next 3 months and Export heavy shed is proposed to be completed in next 8 months.

Mr. Sudhir Manipur, Assistant Manager, Cargo Services, Cathay Pacific Airlines:

Mr. Sudhir appreciated MIAL for the remarkable improvements in the last 2 years and said he completely agree with the views of other stake holders regarding response for tariff proposal by MIAL.

Mr. S.D. Prabhu, Cargo Manager, Maharashtra & Goa, Emirates Sky Cargo:

Mr. Prabhu remarked that export facilities needs further improvisation. He viewed that infrastructure developments in exports is critical for airlines to maintain effective load factors.

Mr. Manoj Singh assured the stake holders that MIAL will expedite the upcoming export projects. He said that initial concentration was towards import facility enhancements as the master plan is being executed in a phased approach. However MIAL has facilitated State of the art export perishable centre, bifurcation of sterile and non-sterile holds, dedicated cold storage facility for pharmaceuticals and medicines in export facility to cater trade demand.

Mr. Sanjay Patankar, Manager – Cargo Operations, Emirates Sky Cargo:

Mr. Sanjay Patankar agreed with the views of the other stake holders. He said development in export facilities is required on priority basis.

Ms. Jyotsna Patil, Manager –Cargo Operations, Jet Airways:

Ms. Jyotsna conveyed that the meeting discussion and tariff proposal by MIAL will be communicated to Jet Airways management.

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Mr. Abhijeet Ahire, Duty Office, Qatar Airways:

Mr. Abhijeet conveyed that the discussion at the meeting and tariff proposal of MIAL will be communicated to Qatar Airways management.

Mr. Manoj Singh updated the stake holders that MIAL has always responded to the trade requests for infrastructure developments and has made significant investments towards the development of cargo facilities since takeover and will be investing further for cargo developments in the next 2 to 3 years. MIAL has commissioned various projects with high priority based upon feedback received from the trade bodies. He reiterated that the proposed tariff increase is only to meet the significant increase in operating costs and not related to future Capex. He said that tariff increase is absolutely necessary at this point of time.

Mr. Manoj Singh further mentioned that both the export and import cold storage projects were part of the Cargo Master Plan and more investments are coming ahead for the execution of Master Plan in a phased manner. He said that the next priority after import cold zone would be truck dock levelers in exports followed by dedicated export unitization facility, export heavy shed and separate bonded cargo offloading facility. He assured the trade that dock levelers will be commissioned in the next two months. He informed the trade that the upcoming import cold zone will be the largest cold storage facility in India catering to +15 to +25 Degree Celsius temperature requirements with a one time holding capacity of 860 Metric Tons.

He also informed the trade that MIAL is interacting with various customers regularly and introduced the key account manager and pre-alert program to offer customized services to the customers. MIAL was successful in bringing discipline in terms of cargo packing of import consignments by conducting several meetings with the importers.

Mr. Manoj Singh thanked the Stake holders for active participation in the meeting and their valuable views and suggestions. He reiterated that the proposed tariff increase is only to meet the significant increase in operating costs and not related to future Capex. He said that tariff increase is absolutely necessary at this point of time and requested the stakeholders to support MIAL in this regard. He said that the presentation made in the meeting along with the minutes of the meeting will be circulated to the stakeholders in due course.

There being no other agenda item, meeting ended with a vote of thanks to the Chair.

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Annexure – 1

List of Participants:

| Sl. No | Name of the Participant | Designation/Company |
|-------------|-------------------------|---|
| MIAL | | |
| 1 | Mr. Manoj Singh | Vice President - Cargo |
| 2 | Mr. Lokesh Uttarwar | General Manager - Security |
| 3 | Mr. William D'costa | Senior Manager - Air Side Operations |
| 4 | Mr. Mukesh Devpura | Deputy Manager - Finance |
| 5 | Mr. Mayilvanan T | Deputy Manager - Administration |
| 6 | Mr. Mohd Baqir Agha | Assistant Manager |
| 7 | Mr. Satish Prasad | Assistant Manager |
| 8 | Mr. Alok Patni | Assistant Manager |
| 9 | Mr. R. Kamalakar | Assistant Manager |
| BAR | | |
| 1 | Mr. Pankaj Nath | Regional Cargo Operations Manager, Air France/KLM/Martin Air |
| 2 | Mr. Malcolm Dsouza | Manager Operations, Air France/KLM/Martin Air |
| 3 | Mr. Vishwanathan Nair | Operations Supervisor, Air France/KLM/Martin Air |
| 4 | Mr. Zarir Kheshwala | General Manager, Western India, Lufthansa Cargo |
| 5 | Mr. Shankar Iyer | Regional Manager, Middle East & South East Asia, Swiss International Airlines |
| 6 | Mr. Sandeep Shetty | Manager Operations, Swiss International Airlines |
| 7 | Mr. Lynn Buthello | Customer Service Manager, British Airways |
| 8 | Mr. Siddhant Iyer | Cargo Manager, Western India, Cathay Pacific Airlines |
| 9 | Mr. Sudhir Manipur | Assistant Manager, Cargo Services, Cathay Pacific Airlines |
| 10 | Ms. Jyotsna Patil | Manager, Cargo Operations, Jet Airways |
| 11 | Mr. Avinash Samant | Duty Manager, Jet Airways |
| 12 | Mr. Abhijeet Ahire | Duty Officer, Qatar Airways |
| 13 | Mr. S.D. Prabhu | Cargo Manager, Maharashtra & Goa, Emirates Sky Cargo |
| 14 | Mr. Sanjay Patankar | Manager, Cargo Operations, Emirates Sky Cargo |

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R Kamalakar

From: Joshua Fernandes [joshua.fernandes@spicejet.com]
Sent: Monday, May 06, 2013 11:45 AM
To: R Kamalakar
Cc: Manoj Singh; Mukesh Devpura; Aditi A Mane
Subject: RE: meeting request

Dear Kamalakar,

Noted.

Regards, Joshua

From: R Kamalakar [mailto:r.kamalakar@gvk.com]
Sent: Saturday, May 04, 2013 4:29 PM
To: Joshua Fernandes
Cc: Manoj Singh; Mukesh Devpura; Aditi A Mane
Subject: meeting request

Dear Mr. Joshua,

Mr. Manoj Singh, Vice President cargo would like to convene a meeting with Spice Jet to discuss on tariff proposal of MIAL for the financial year 2013-14. It would be a 1/2 hour slot.

Further to our discussion the meeting is scheduled on 15:30 Hrs on 06th May.

Venue: VP-Conference Hall, Air Cargo Terminal.

Thanks/Regards
R. Kamalakar

Assistant Manager - Business Development (Cargo)
Mumbai International Airport Pvt. Ltd.
2nd Floor, Air Cargo Complex, Sahar Road,
Andheri (E), Mumbai 400099, India

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F +91 22 26828401

E : r.kamalakar@gvk.com

www.csia.in



Our Vision for CSIA: To be one of the World's best airports that consistently delights customers and be the pride of Mumbai

Participants:

| SL No | Name of the Participant | Designation | Organization |
|-------|-------------------------|---------------------------|--------------|
| 1 | Mr. Manoj Singh | Vice President - Cargo | MIAL |
| 2 | Mr. P.V. Chandrasekhar | General Manager -Cargo | MIAL |
| 3 | Mr. Joshua Fernandes | Assistant Manager - Cargo | Spice Jet |
| 4 | Mr. Mukesh Devpura | Deputy Manager | MIAL |
| 5 | Mr. R. Kamalakar | Assistant Manager | MIAL |

Minutes of the meeting:

- 1) MIAL has updated the carrier that a stakeholder consultation meeting has been conducted on 15th April 2013 to communicate the proposed increase in the public tariff.
A separate meeting with Board of Airline Representatives (BAR) has been conducted on 30th April 2013 to communicate the proposed increase in the airline tariff. The proposed tariff increase at the rate of 15% will be submitted to Airports Economic Regulatory Authority (AERA) for approval.
- 2) MIAL Informed the carrier that the following common charges pertaining to export activities Carting, X-Ray Screening and import activities De-stuffing and transshipment cargo carting will be revised subject to approval from AERA.
- 3) MIAL has said that the other charges in the scope of service will be discussed during the time of renewal of existing contract.
- 4) MIAL agreed to send the minutes of stakeholder meeting conducted with BAR on 30th April 2013 along with a copy of presentation given during that meeting to the carrier.
- 5) The meeting ended with vote of thanks.



MIAL – Cargo Operations Annual Tariff Proposal for FY 14



Stakeholder's Consultation

15th April 2013
Mumbai



Agenda



- Background
- Traffic Growth
- Master Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase



- **Background**
- Traffic Growth
- Master Plan/Development Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase
-

3

- MIAL took over the functions of operation, maintenance, development, design, construction, up-gradation, modernization, finance and management of the CSI Airport, Mumbai (CSIA) from AAI w.e.f. 3rd May 2006
- The SSA read with other Project Agreements including OMDA provides the framework for Tariff Determination for CSIA
- AERA has decided in its Order no. 32/2012-13 dated 15.01.2013 that tariff for Cargo facility services shall be determined under "Light touch approach" for the current control period from FY 10 to FY 14.
- MIAL would like to propose revision in tariffs for international cargo handling services for the period 1st May 2013 to 31st March 2014.

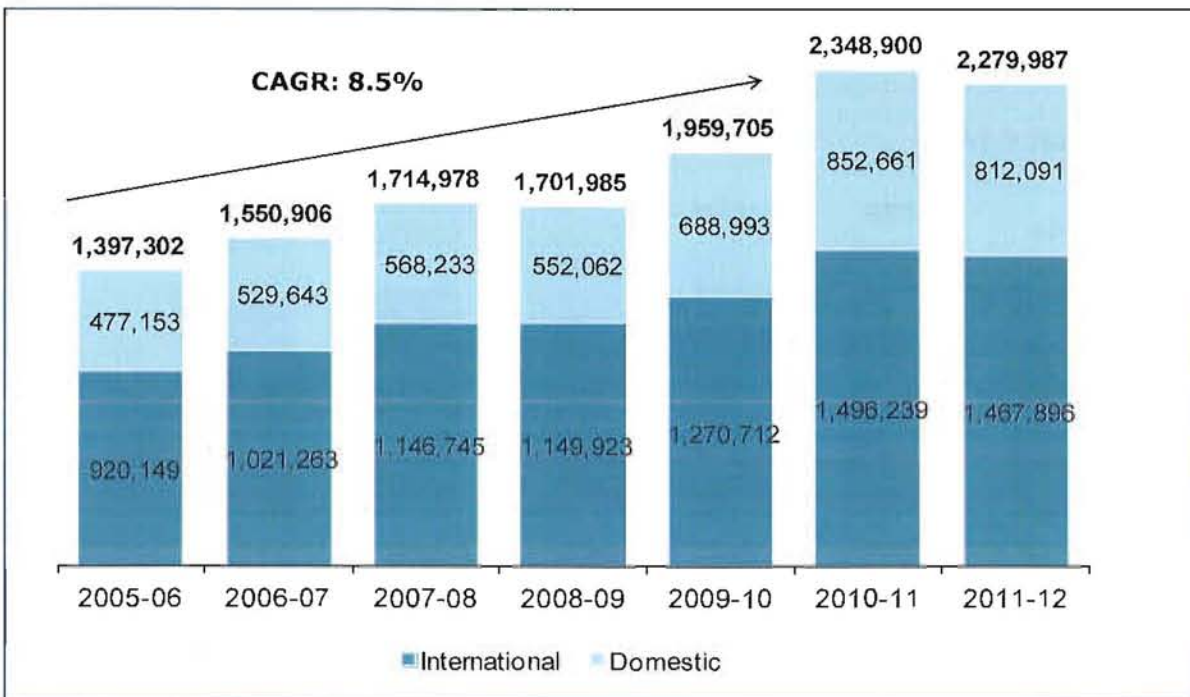
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- Background
- **Traffic Growth**
- Master Plan/Development Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase

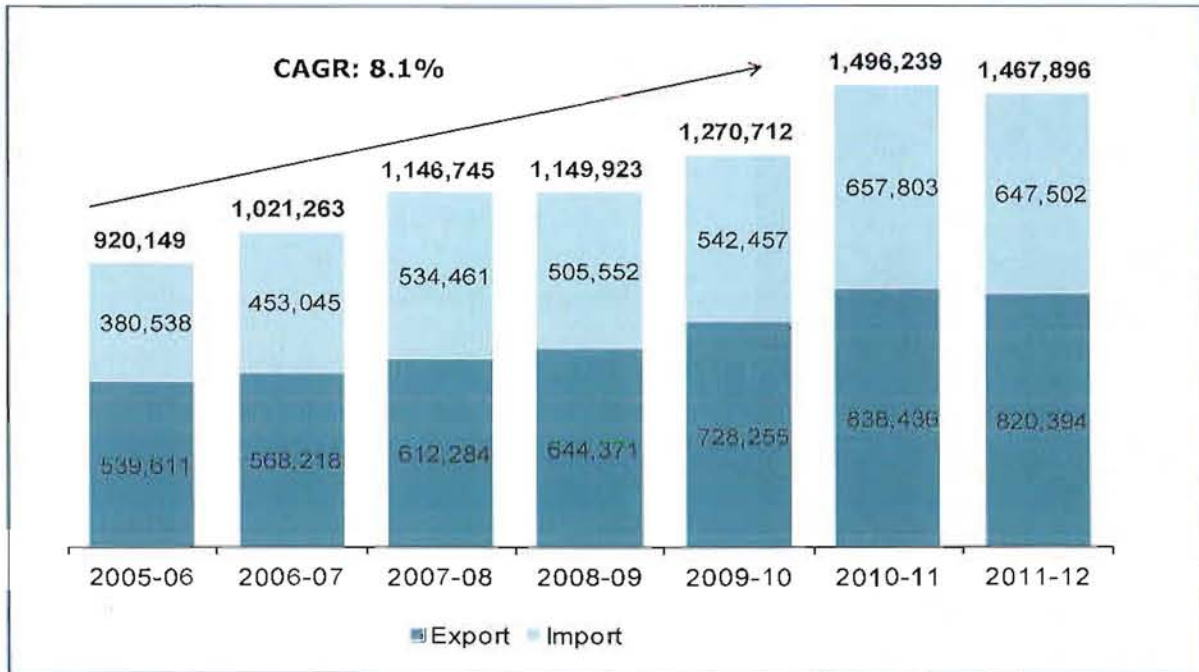


All India Cargo Volumes in the last 7 years have been growing at a steady 8.5%



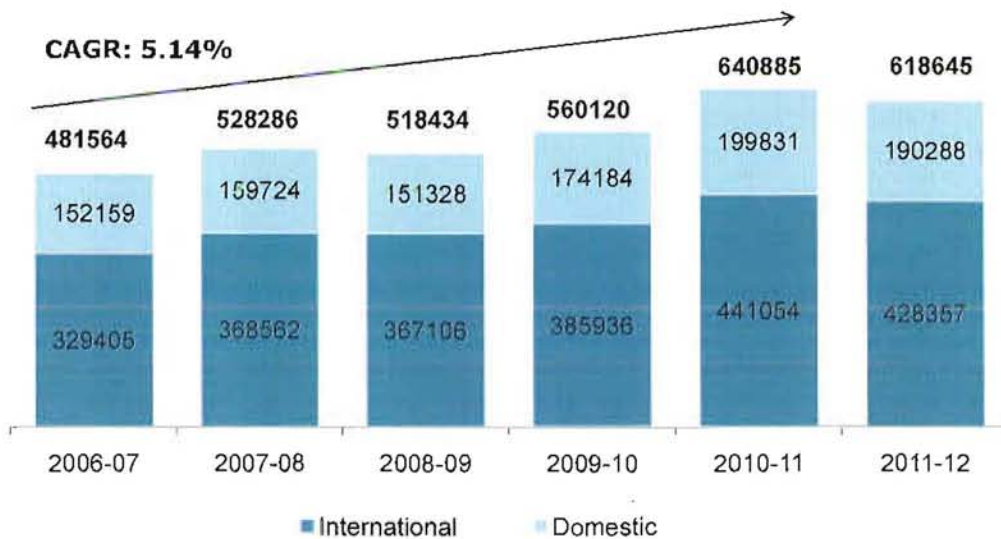
In tons

Source - AAI

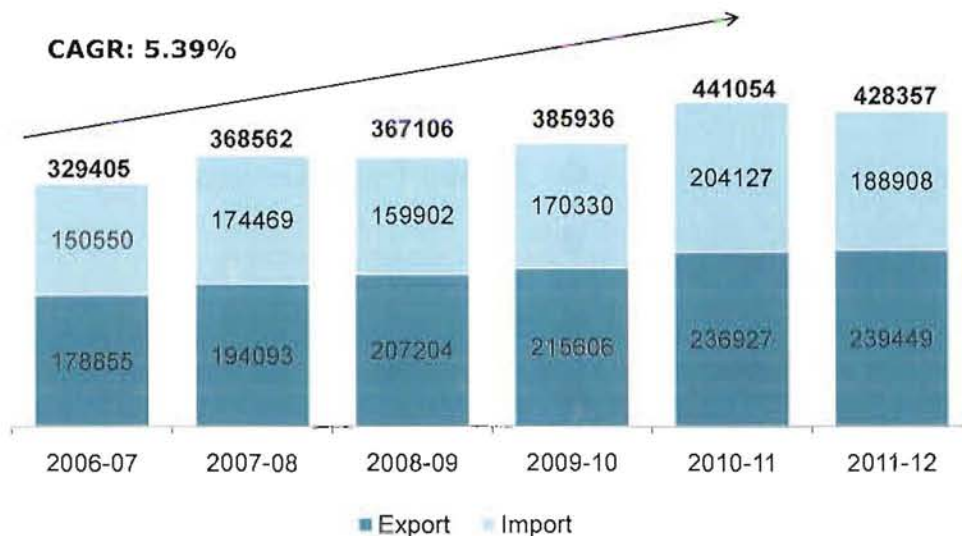


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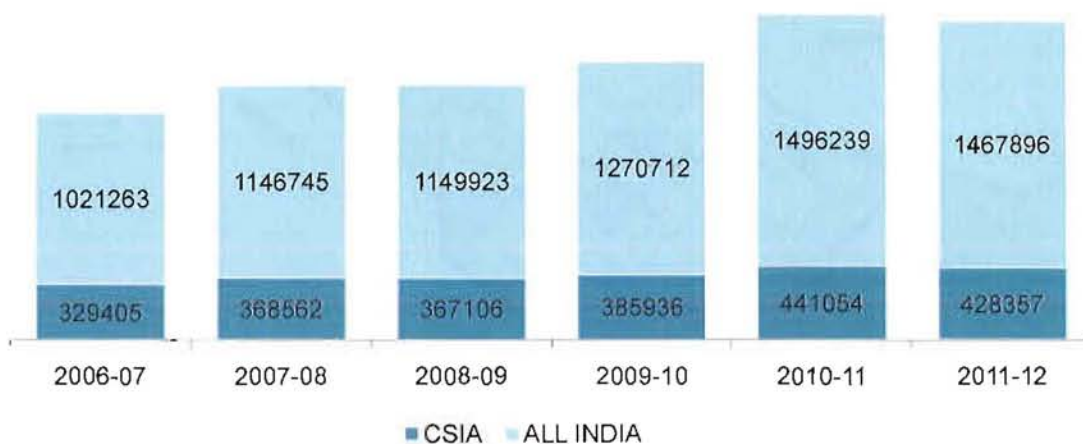
Source - AAI



In tons



In tons

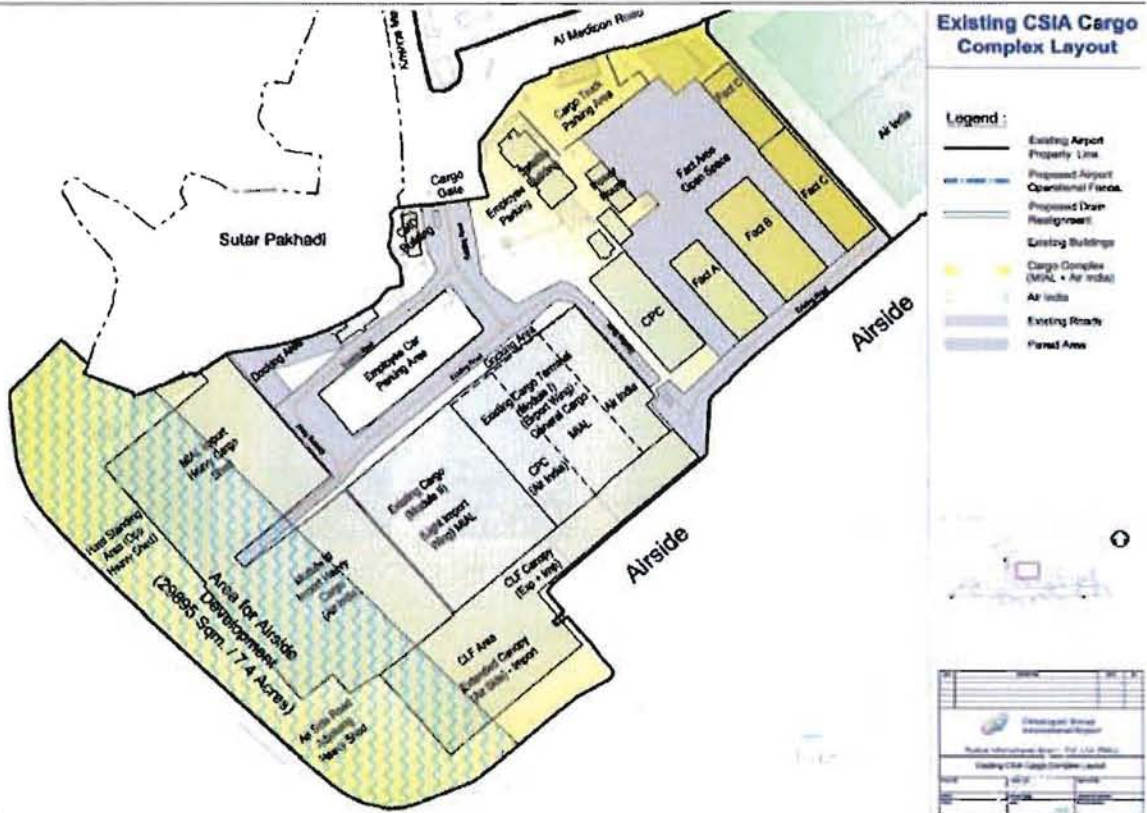


In tons



- Background
- Traffic Growth
- Master Plan / Development Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase

Sahar Cargo - MIAL + AI Area (Existing)





Interim Measures & Progress Status



1. Additional Parking provisions in & near CPWD colony – Completed
2. Office space of App 19,900 sft above the CPC – Completed
3. One MLD capacity new sewage treatment Plant – Completed
4. 33 K V capacity new DSS – Completed
5. Proposed Junction Improvement – Completed
6. Import Perishable Shed – **Launching Service from 01st May 2013**
7. Office space of App 23,600 sft in the CPWD colony – Under Progress (CC Obtained, Tender being awarded)
8. 26 Lakh ltr Capacity New under ground water tank – Under Progress
9. Additional Truck Dock with Levelers – Under Progress
10. New 15 meters wide road through CPWD colony – To be taken up after Temple relocation in April 2013
11. Heavy Cargo Shed – Alternative measures taken & capacity created

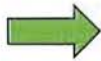
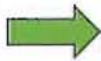
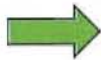
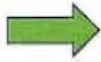
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Operational Issues – Solutions



- 1) Congestion at export truck dock
- 2) Congestion in import warehouse
- 3) Congestion in approach roads and landside area
- 4) Congestion in export sterile area
- 5) Delay in export screening process
- 6) Inadequacy of space in import cold storage
- 7) Lack of dedicated storage facility for pharmaceutical products in exports



- 1) Truck dock extension and dock levelers is under process
- 2) Enhanced forklifts, hydraulic and platform trolleys; Expedited the flight breakdown activity; Enhanced multilevel racking systems; Created additional storage area; Re-defined and streamlined import process flow and enhanced the delivery truck docks;
- 3) Inducted 04 lane vehicle access in approach roads and removed unauthorized vehicle parking
- 4) Expedited carting process, screening activity and established ground handling wise storage area to ease out carting process
- 5) Enhanced X-Ray machines, bifurcated the sterile and non-sterile holds
- 6) Added 03 reefer containers of capacity 80MT and creation of state of the art import cold zone (750MT) in pipeline
- 7) Added 04 reefer containers to facilitate dedicated handling for pharmaceuticals and medicines

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- Additional storage area of 5000 Square Meter's provided for heavy cargo in imports in 2007
- Permanent CLF canopy erected in 2007 providing additional covered area of 4676 Square Meter's for heavy import cargo
- Permanent canopy in Extended import shed erected in 2007 with an area of 3705 Square Meter's for heavy import cargo storage
- Exclusive DGCA approved faculty with proper infrastructure created to train staff for hazardous cargo handling from 2007 onwards
- Three cold storage chambers, two in import and one in export each with a capacity of 28 Metric Tons added in 2008
- Creation of exclusive common user domestic cargo handling facility with an area of 2000 Square Meters in Marol Pipeline in Nov 2009
- Two exclusive cold storage facilities with a capacity of 225 Metric Tons built up in Import for Pharma Products in Feb 2010
- Additional export landside admittance gate provided in Feb'2011 for increasing throughput of export cargo processing



- Re-modeling of passenger unaccompanied baggage area with an exclusive air-conditioned passenger waiting area in April, 2011
- Additional import landside delivery gate with three additional truck docks to increase cargo throughput/deliveries in April, 2011
- State of art facility with an area of 1844 Square Meters set up through BOT model for export perishable cargo in May 2011 to provide boost to Pharma and agro exports
- Creation of exclusive cargo vehicle holding areas to keep the cargo road free for vehicular traffic with effect from Nov 2011
- Re-modeling of car parking area for vehicular movement and providing for additional parking space for 80 cargo vehicles within Air Cargo Complex effective Nov 2011
- Commissioning of an additional cold storage capacity of 75MT at offsite Marol pipeline import warehouse for Import Perishable cargo in January 2012
- Added 03 reefer containers in the month of may 2012 in export warehouse catering a onetime holding capacity of 75 Metric Tons to meet the growing demand of temperature controlled pharmaceuticals
- Facilitated printer for customs in Un-accompanied baggage delivery section in the month of August 2012 to expedite the UB clearances



- Added 200 fire extinguishers and automated sprinkler system in the months of August and September 2012 as effective risk management program to tackle emergency situations and ensure safe working area
- Operational areas have been demarcated for safe movement of equipment and manpower with suitable signage's at appropriate places for better safety and security of the personnel in the operational areas in 2010-11
- Provided 17 heavy duty line printers for Customs 1.5 system as trade facilitation for printing customs documents in 2010-11
- Re-laid storm water drainage system in 2010-11 to arrest flooding of parking and storage areas in landside and airside
- Setting up of customer kiosk centre for on-line tracking, query and self generation of documents by the trade in 2011
- Installed fume exhaust system to contain air pollution within acceptable level in covered operational areas in 2011 thus effectively improving the working environment in the operational areas
- Installed 955 additional racks to increase one time holding capacity in imports by additional 1000 Metric Tons in 2010-11 and 2011-12



- To maintain operational health and safety purchased around 70 forklifts and other equipments with an investment of around Rs. 5 Crores in phased manner during 2006-07, 2010-11 and 2011-12
- 40 Hydraulic pallet trucks and 90 Platform trolleys included in 2011-12 to ensure increase in throughput as well as safety of personnel working in the operational areas
- Improved approach road network by re-carpeting the roads with an investment of around Rs. 2 Crore in 2011-12
- Exclusive DGCA and AERB compliant facility established for handling and storage of hazardous cargo
- CCTV surveillance system upgraded/re-vamped by deploying network of 135 cameras with recording capacity of 30 days for safe and secured storage/processing of cargo thus effectively addressing the incidents of theft and pilferages
- Creation of sterile hold area in conformity to BCAS requirements, by re-locating the x-ray machines of both MIAL, AI and the Airlines. Provided 17 X-Ray machines to speed up X-Ray screening/certification process and optimize usage of existing infrastructure at export
- User-friendly, web-based integrated cargo management IT system implemented in 2009

- Installed 30 Metric Ton capacity weighbridge for weighing loaded ULDs with ULD tag printing facility to secure and maintain required aircraft cargo pay load for overall flight safety operation
- Created additional plug points for refrigerated ULD's
- Created air-conditioned office spaces for the stake holders. Total office space provided is around 2000 Square Meters
- Additional gate commissioned between Apron and air cargo complex for smoother transfer of export ULD's

 Infrastructure Development

Re-Organized x-ray screening machines in Fact A shed to bifurcate sterile & non- sterile areas

Numbers enhanced to 17 x-ray machines, operating 24/7 to speed up screening & certification process and optimize the existing infrastructure.



- State of the art Perishable Centre – Exports
- Dedicated storage facility for Pharmaceuticals and Medicines
40 ft. Containers – 04 No's
- Vehicle holding lanes – Streamlined truck movement & improve turnaround efficacy
- Racking system in imports : 955 Units, Additional 1000MT one time holding capacity
- Exclusive DG shed : Approved by DGCA and AERB
- 30MT ULD weighbridge



Exclusive Dangerous Goods Storage



Bifurcation of Sterile & non-sterile area



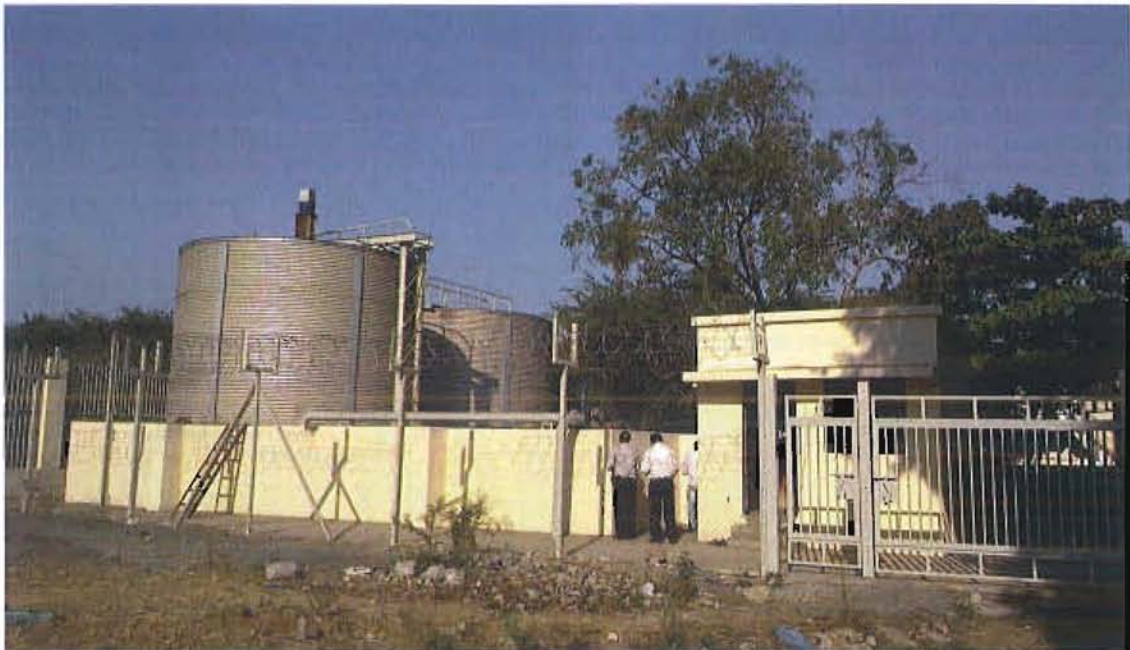
30 MT capacity weighbridge (Capable of generating IATA standard airline ULD tags)



Dedicated storage facility for Pharmaceuticals (40' Containers – 04 Nos)



Improvement of Pass Section Facility for faster processing



Sewage Treatment Plant for Cargo Services



Vehicle holding lanes in the land side



Racking system : Additional 955 Units, 1000MT capacity

Other Developments

1. 04 lane cargo vehicle access to cargo terminal
2. Increase in CCTV cameras from 50 to 136
3. Additional access gate for transfer of ULD's from cargo terminal to apron

Short-term & Mid-term

- 06 Truck Dock Levelers in Exports with 02 customized to meet trade requirements
- State-of-the-art Cold Zone in Imports – World Class
- Dedicated common user warehouse facility for domestic operations – SACT terminal
- Additional ULD unitization facility – Exports
- A dedicated Export heavy & Bonded Cargo acceptance – 08 months



Key Features:

1. Built up area = 1400 Sq Mts
2. Facility area = 900 Sq Mts
3. One time holding capacity = 860MT
4. Volume capacity = 1733 Cu. Mt.
5. 04 Level Racking System = 287 units
6. No. of skid positions = 1148
7. Hi Reach Trucks
8. 16 plug points for refrigerated ULD's
9. Data Loggers & Infrared thermometers
10. Humidity Control
11. Vacuum Dewatered Flooring



Long Term

- Implementation of MIAL Master Plan in phases



- Envisaged over a period of time
- Export capacity enhancement from 0.2MMT to 0.7MMT
- Import capacity enhancement from 0.2MMT to 0.6MMT
- Total throughput capacity: 1.5 MMT
- Increase in truck docks from 44 to 100
- Automated storage and retrieval systems: ULD's & Cargo
- High level automation: ASRS, Electric & Battery operated forklifts, Electric slave pallet movers, Electric forklifts with rider platforms (bulk transport), Truck docks & levelers, automated work stations (40) & ETV systems
- Additional storage areas for special products (PER/VAL/DGR)



- Background
- Traffic Growth
- Master Plan
- **Service Levels**
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase
-

- Enhanced the manpower both of MIAL and outsourced to improve service efficiency and effective monitoring of warehouse operations and vehicle management
- Regular in-house trainings to contract workers effectively addressed deficiencies of Un-traceability and damage to cargo
- Effective co-ordination with custom authorities resulted in faster clearances and effective dwell times through increase in green channel clearances from 22 to 68%
- Streamlined import flight segregation and vehicle turnaround through well defined SOP's and trainings in place
- Flight segregation performance for freighter aircrafts within 5:30 hours and passenger aircrafts within 3:30 hours from the point of receipt of ULD's from the apron. Consistent performance on vehicle turnaround time within 30 minutes after docking.
- Premier importers have increased their imports through CSI airport as a result of marked improvements in the service deliverables.

- MIAL has rolled out GHA module which provides greater flexibility, comprehensive Interface between Freight Forwarders, Airlines, MIAL and Customs and will have capability to receive and send all the Key EDI messages to and from the airlines. The new technology platform of GHA module supports exports and imports processes, Invoicing, SLA management and MIS.
- MIAL has introduced pre-alert concept and key account manager program to offer customized and expeditious handling to the customers.
- MIAL has supported the 24/7 handling program initiated by customs to promote round the clock delivery and acceptance services



| Category | 2011 | 2012 | % Improvement |
|--|-------------|----------------|---------------|
| Overall Dwell Time - Imports | 199 Hrs | 120 Hrs | 40% |
| Imports Dwell Time – MIAL Activity | 20 Hrs | 6 Hrs | 70% |
| % of Import Cargo Clearance in Free Period | 37% | 55% | 49% |
| Un-traceability | 700 Cases | 1 | 99% |
| Damage | 600 Cases | 5 | 99% |
| Break down – Freighter Aircraft | ATA + 9 Hrs | ATA + 5:30 Hrs | 39% |
| Break down – Pax. Flight | ATA + 6 Hrs | ATA + 3:30 Hrs | 42% |

Best in India and at par with International standard

33

Quality Certifications

- ISO 9001:2008 – Quality Management System Certifications
- OHSAS 18001:2007 – Occupational Health and Safety Management System Certifications
- ISO 10002:2004 – First Indian airport to be certified ISO 10002:2004 for Passenger Complaint Handling conforming to international standards
- ISO 27001:2005 – Information Security Management System

- ISO 14001:2004 – Environment Management System Certifications
- First Indian airport and second in Asia to be accredited with prestigious ISO 14064-1:2006 certification for Carbon Emissions Accounting
- First airport in India and second in Asia to receive GRI 'A' rating for its Sustainability Report (G3.1)
- ACI Airport Carbon Accreditation – First airport in India and one of the first three airports in Asia-Pacific to have achieved the Airport Carbon Accreditation at Mapping level .



- Background
- Traffic Growth
- Master Plan
- Service Levels
- **Awards & Achievements**
- Benchmarking of Tariff
- Proposed Increase
-



All India Weekly Edition | February 13 - 19, 2012

Customs and MIAL update industry on trade facilitation measures at CSI Airport, Mumbai

- MIAL to build new 900MT capacity Cold Chain facility for import cargo
- Dwell time reduced from 10-12 days to 6 days
- Theft and pilferage at MIAL down to almost zero
- Additional storage of 75MT for import cold storage products at MIAL
- Flight segregation timings for MIAL best in India
- Urgent need for dedicated facility for hazardous cargo
- Entry of vehicles into the complex is still a challenge
- Super service at competitive cost and first class infrastructure need of the hour



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DELHANI
KENDRAH

2 **AISATS undertakes ground handling for Thai Air Cargo**

2 **CONCOR and CSC set up Mulund Air Freight Station**

6 **Cabinet approves Air India restructuring**

MIAL sets all India performance benchmark

Delivers 847 MT of import cargo to customers in a single working day

Mumbai International Airport Limited (MIAL) scaled new heights and raised the bar by delivering 847 MT of import cargo within just eight hours on April 4, 2012.

MIAL generated close to 3,000 documents comprising bank challans and gate passes and delivered 847 MT of import cargo, which is by far the highest volume of import cargo delivered during a single day at any air cargo terminal in India.

Over the past year, GVK Groups' MIAL has shown a spectacular turnaround by improving its performance on all fronts.

Speaking to 'ACE' Manoj Singh, Head Cargo-MIAL said, "We are committed to providing the trade with globally benchmarked performance levels and this achievement is a step in that direction. The operations team really went all out to achieve this in record time, despite numerous hiccups."

(contd. on page 6)



Delivered 847MT of import cargo in a single day

MIAL broke its own benchmark by delivering 1016MT of import cargo in a single day
MIAL also created all India record by accepting 1030MT of export cargo in a single day



Appreciation from Importer – Endress & Hauser



Invitation to MIAL for celebration of 5th Year Completion of E & H

Also received appreciation from below customers for service efficiency

MSD Pharma, Siemens, Intel, Sony, Inditex, Ingram Micro, DELL, Skoda, Wyeth labs, Pfizer, J & J, LH Cargo, DB Schenker, DHL, Khimji Poonja, Expeditors & EKF, Air France/KLM

1. Runner up – International cargo airport of the year 2012 for India Region (Stat Times)
2. Best Airport in terms of cargo upliftment (ACAAI convention)
3. 3rd Best Cargo Airport of the year (ACAAI convention)





- Letter of Appreciation from IMC Chairman
- Letter of Appreciation from Lufthansa Cargo/Turkish/Air France/Emirates/Singapore & Etal
- Appreciation mails from many stakeholders and top key clients from shippers and Consignee.
- Appreciation from CUSTOMS,BAR,ACAAI, BCHAA for facility and Infrastructure upgrade at MAROL import warehouse
- Appreciation in Trade Facilitation meeting conducted by Customs

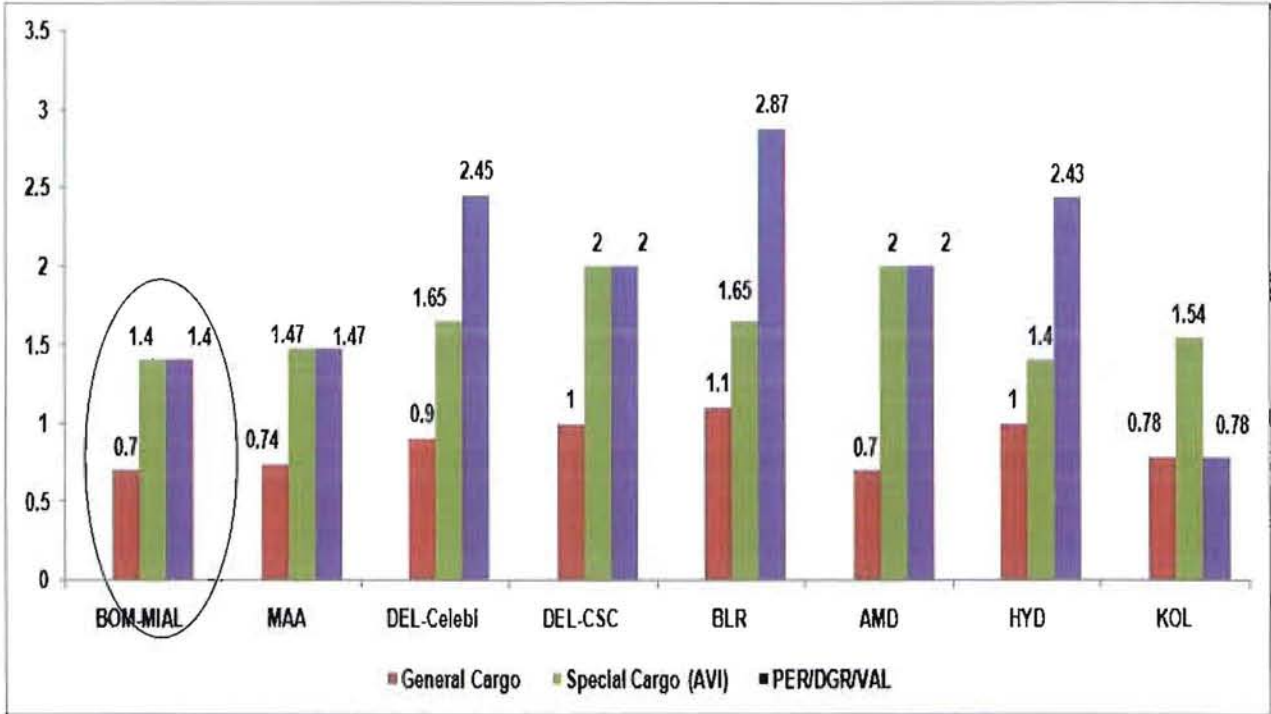


- Background
- Traffic Growth
- Master Plan
- Service Levels
- **Benchmarking of Tariff**
- Proposed Increase
-
-

-31-



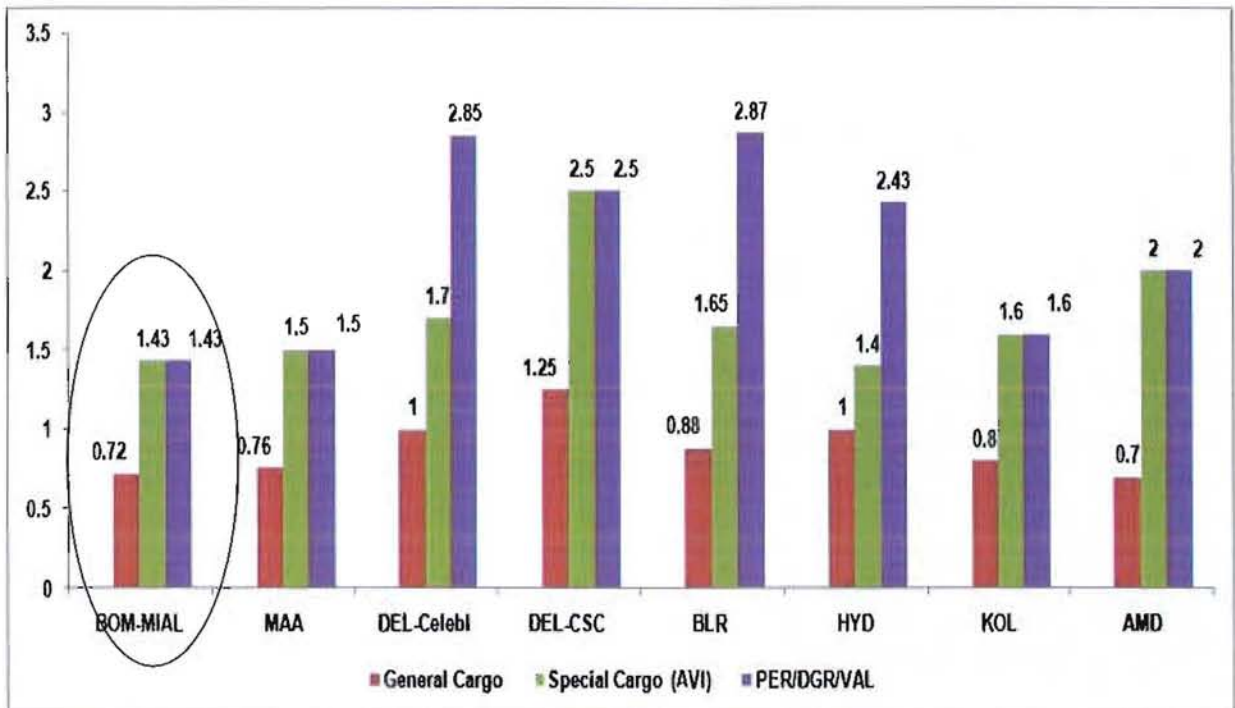
MIAL's International Export Terminal charges are less compared to other major airports in the country



In INR per kg



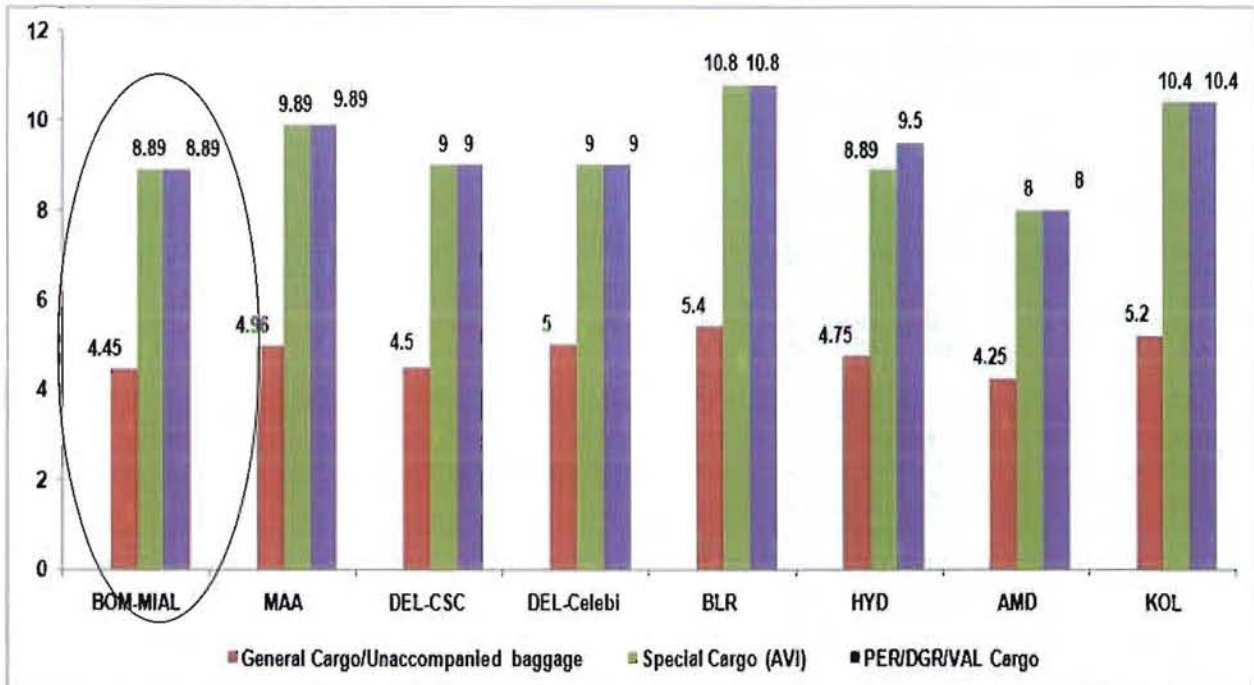
MIAL's International Export Demurrage charges are less compared to other major airports in the country



In INR per kg



MIAL's International Import Terminal charges are less compared to other major airports in the country

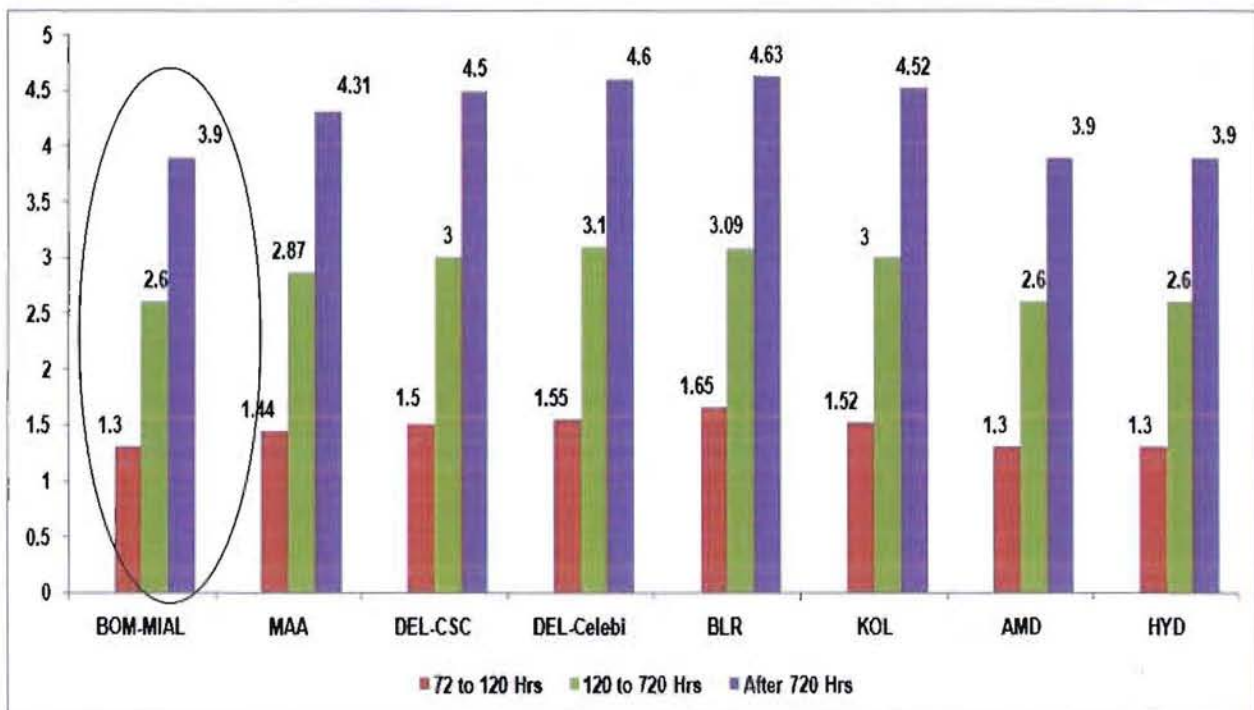


In INR per kg

45



MIAL's International Import General Cargo Demurrage charges are less compared to other major airports in the country



In INR per kg

46



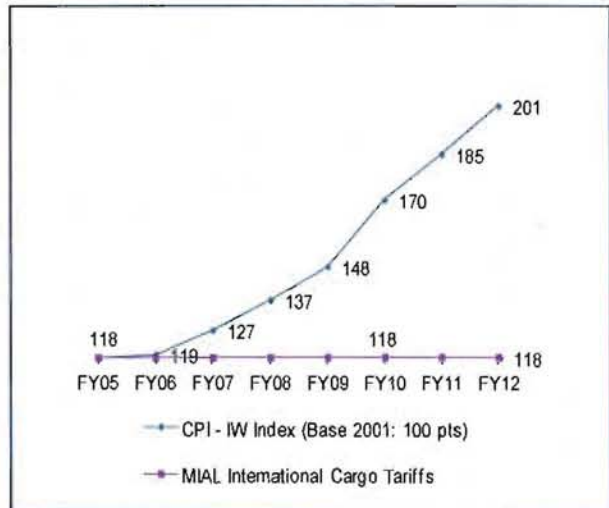
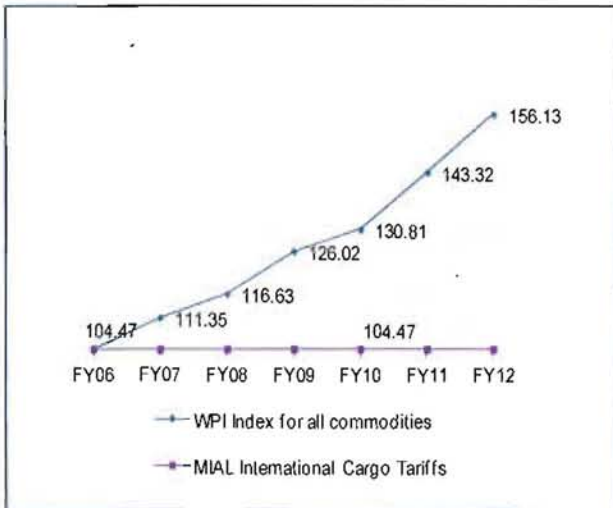
- Background
- Traffic Growth
- Master Plan
- Service Levels
- Benchmarking of Tariff
- **Proposed Increase**
-
-



The CPI – IW index and WPI index, which are reflective of inflation, have risen 70% and 50% respectively since the last time MIAL has established its cargo tariffs in 2006



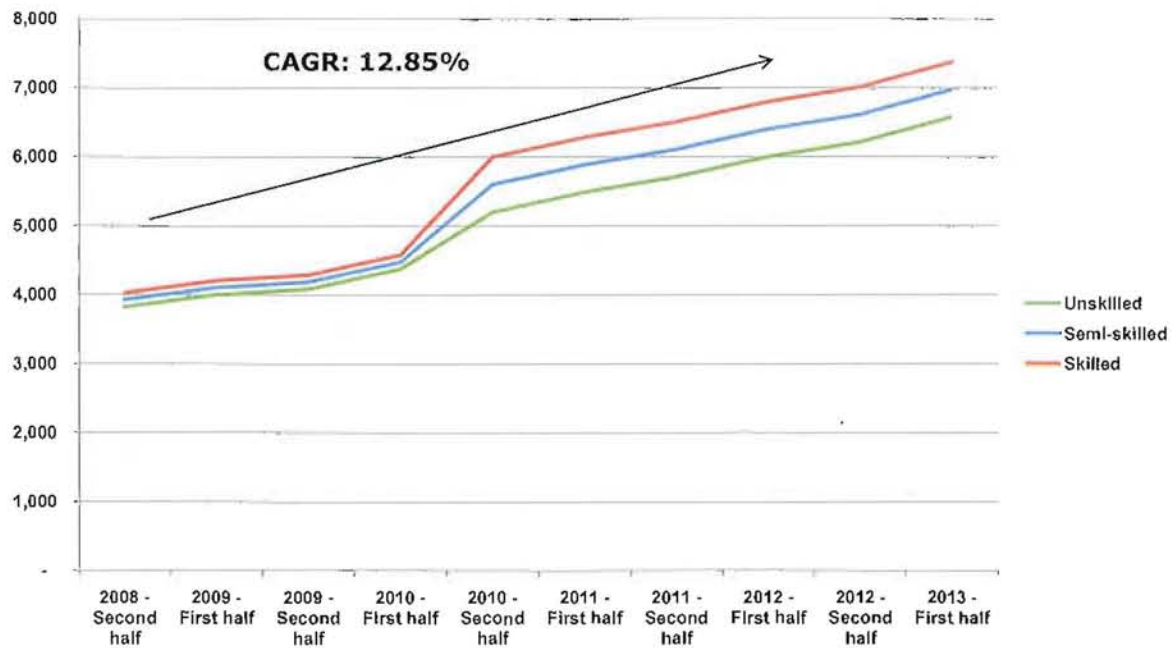
While MIAL hasn't changed its cargo tariffs for the last 7 years, all other cargo operators in the major airports in India have revised their cargo tariffs in the last 3 years



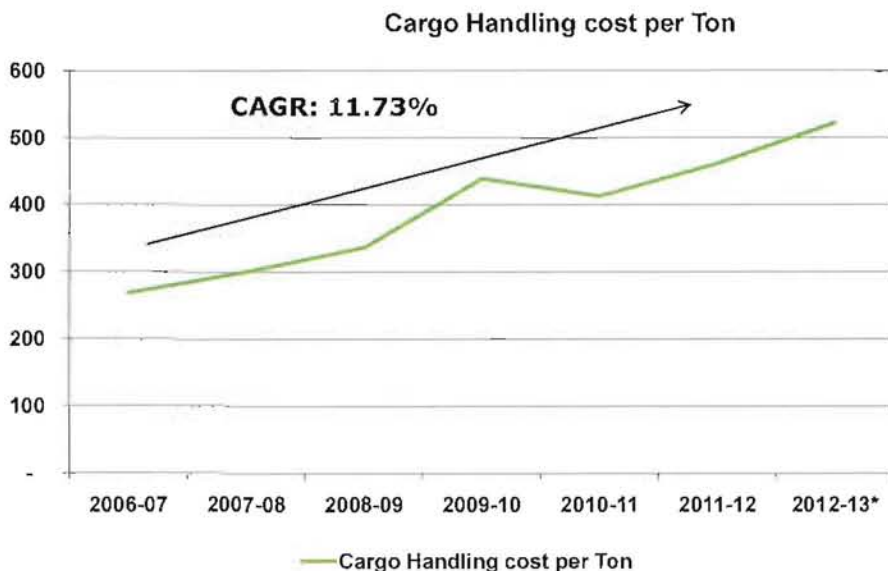
Inflation alone demands the need for revision of the tariffs set by MIAL



Minimum wages itself has increased by over 83% since 2008



Cargo Handling cost per ton has increased by 95% from 2006 i.e. CAGR of 11.73%



*estimated



Proposed Increase by MIAL



In spite of Many fold increase in cost, MIAL proposes to increase the rates by only 15% in FY 14 for International cargo handling.

Comparison of major charges in exports before and after increase: -

| | Existing | Revised |
|-----------------------------------|----------|---------|
| Exports – Terminal charges | | |
| General cargo | 0.70 | 0.81 |
| Special and Valuable cargo | 1.40 | 1.61 |
| Perishable/ Dangerous/ Valuable | 1.40 | 1.61 |
| | | |
| Demurrage | | |
| General cargo | 0.72 | 0.83 |
| Special cargo | 1.43 | 1.64 |
| Perishable/ Dangerous/ Valuable | 1.43 | 1.64 |

Note: Similarly all other charges related to exports will increase by 15%

51



Proposed Increase by MIAL



In spite of Many fold increase in cost, MIAL proposes to increase the rates by only 15% in FY 14 for International cargo handling.

Comparison of major charges in imports before and after increase: -

| | Existing | Revised |
|---|----------|---------|
| Imports – Terminal charges | | |
| General cargo | 4.45 | 5.12 |
| Special and Valuable cargo | 8.89 | 10.22 |
| | | |
| Demurrage charges (72 hrs – 120 hrs) | | |
| General cargo | 1.30 | 1.50 |
| Special cargo | 2.60 | 3.00 |
| Valuable cargo | 5.20 | 5.98 |

Note: Similarly all other charges related to imports will increase by 15%

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Thank you

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MIAL – Cargo Operations Annual Tariff Proposal for FY 14



Stakeholder's Consultation

30th April 2013



Agenda



- Background
- Traffic Growth
- Master Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase



Background

Traffic Growth

Master Plan/Development Plan

Service Levels

Awards & Achievements

Benchmarking of Tariff

Proposed Increase

3

 Back Ground

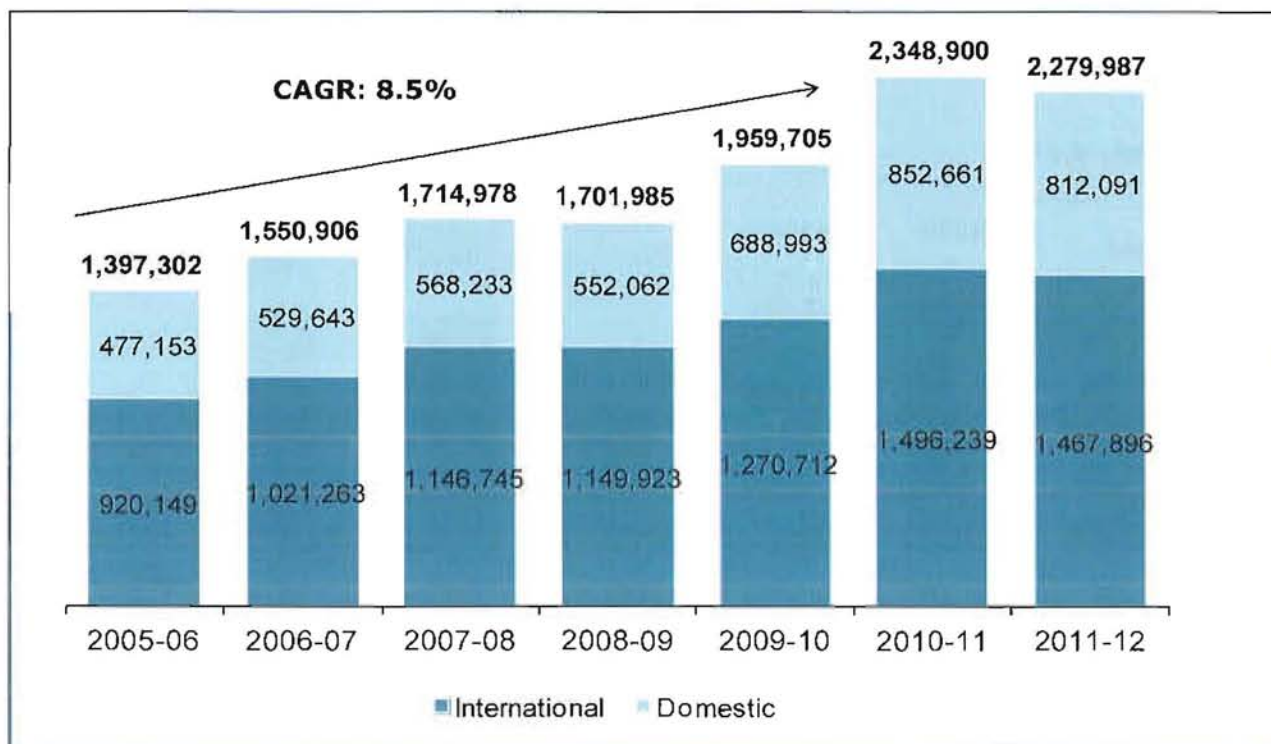
- MIAL took over the functions of operation, maintenance, development, design, construction, up-gradation, modernization, finance and management of the CSI Airport, Mumbai (CSIA) from AAI w.e.f. 3rd May 2006
- The SSA read with other Project Agreements including OMDA provides the framework for Tariff Determination for CSIA
- AERA has decided in its Order no. 32/2012-13 dated 15.01.2013 that tariff for Cargo facility services shall be determined under "Light touch approach" for the current control period from FY 10 to FY 14.
- MIAL would like to propose revision in tariffs for international cargo handling services for the period 1st May 2013 to 31st March 2014.



- Background
- **Traffic Growth**
- Master Plan/Development Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
- Proposed Increase
-

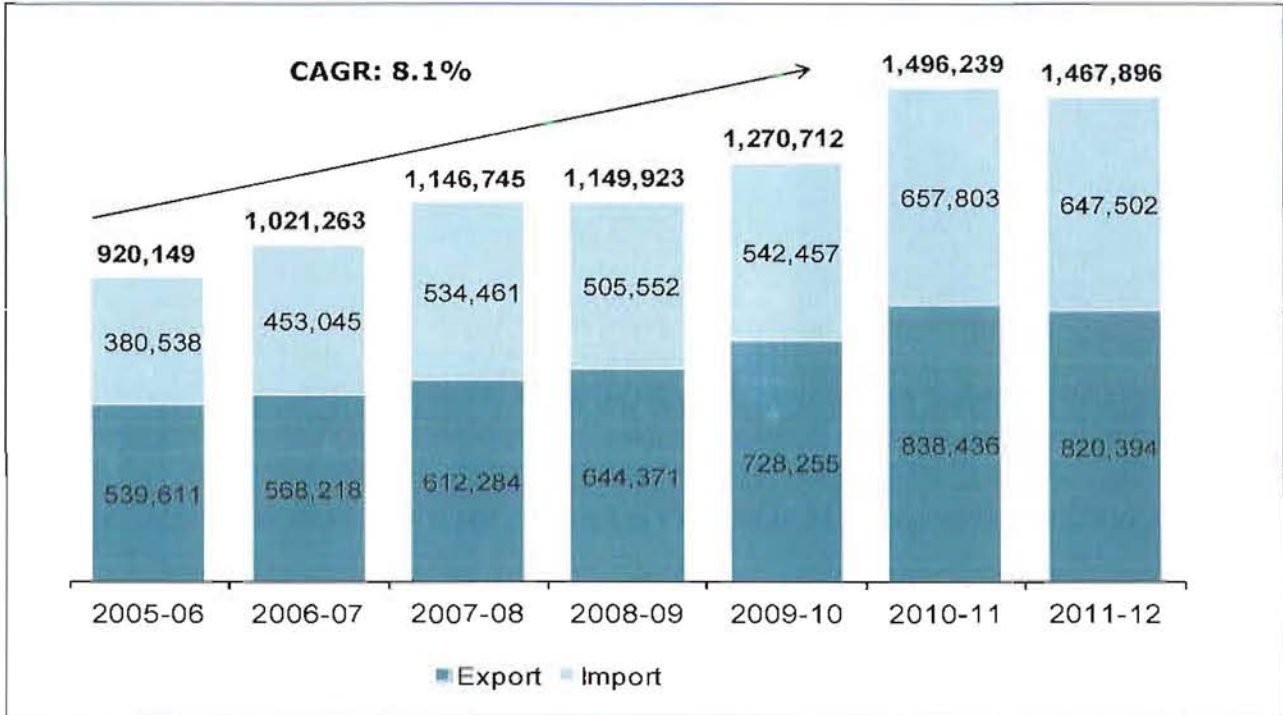


All India Cargo Volumes in the last 7 years have been growing at a steady 8.5%



In tons

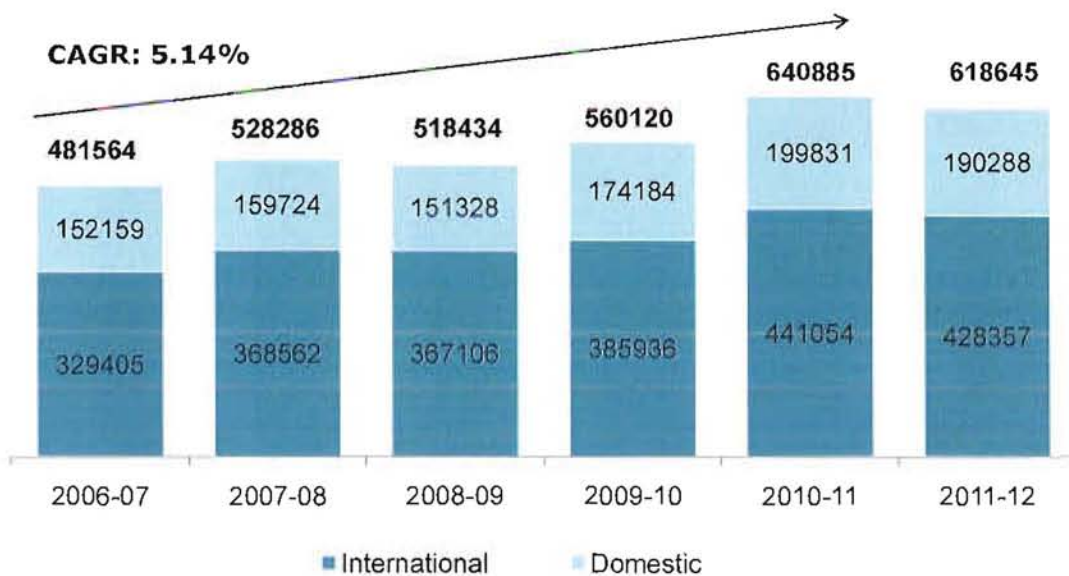
Source - AAI



In tons

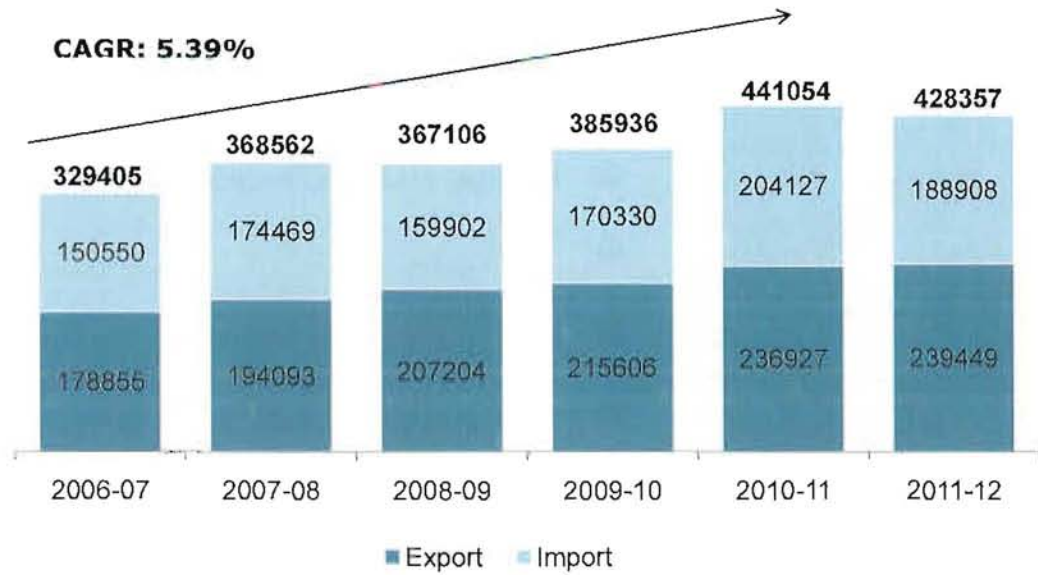
Source - AAI

7



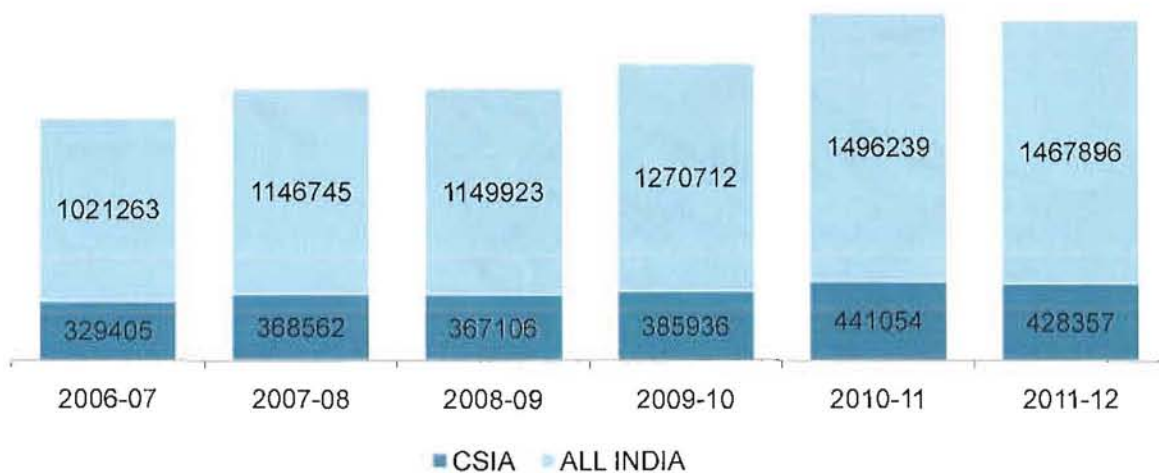
In tons

Source - MIAL



In tons

Source - MIAL



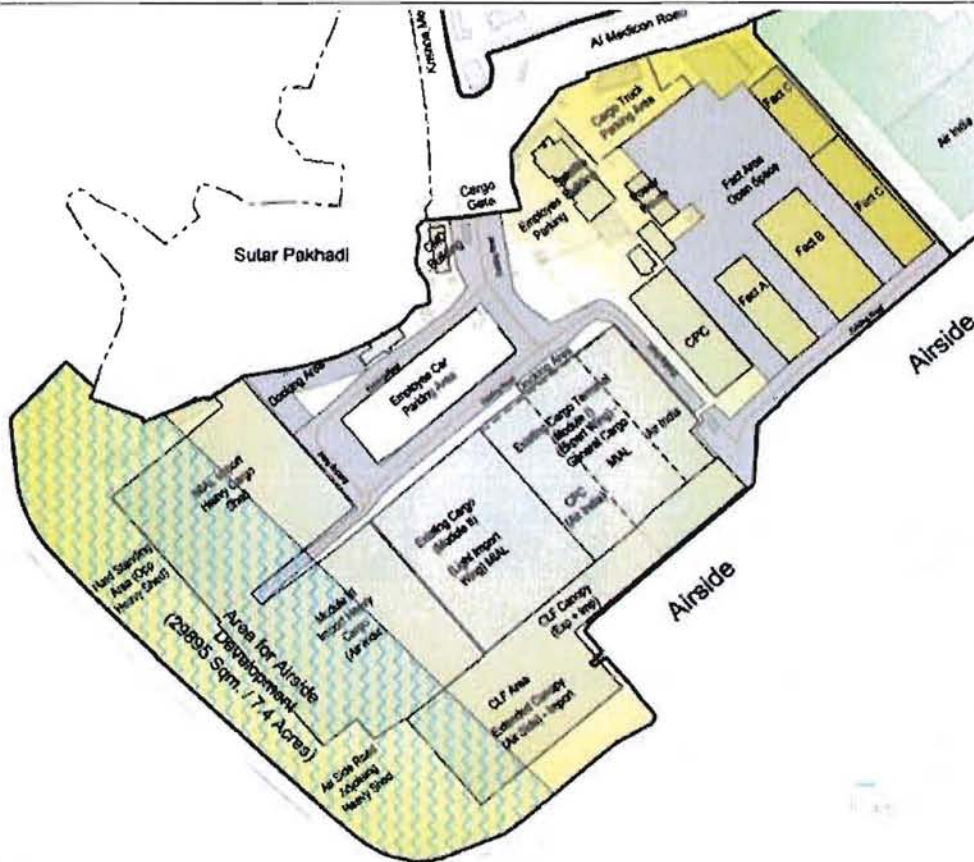
In tons

Source - MIAL



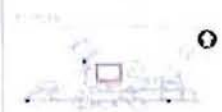
- Background
- Traffic Growth
- Master Plan / Development Plan
- Service Levels
- Awards & Achievements
- Benchmarking of Tariff
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Sahar Cargo - MIAL + AI Area (Existing)



Existing CSIA Cargo Complex Layout

- Legend :**
- Existing Airport Property Line
 - Proposed Airport Operational Fence
 - Proposed Drain Realignment
 - Existing Buildings
 - Cargo Complex (MIAL + Air India)
 - Air India
 - Existing Roads
 - Proposed Area



| | |
|---|---------|
| | |
| Chhatrapati Shivaji Maharaj International Airport Planning Unit Cargo Complex Layout | |
| Scale | 1:1000 |
| Date | 2011-12 |
| Prepared by | GVK |
| Checked by | GVK |
| Approved by | GVK |



Interim Measures & Progress Status



1. Additional Parking provisions in & near CPWD colony – **Completed**
2. Office space of App 19,900 sft above the CPC – **Completed**
3. One MLD capacity new sewage treatment Plant – **Completed**
4. 33 K V capacity new DSS – **Completed**
5. Proposed Junction Improvement – **Completed**
6. Import Perishable Shed – **Launching Service from 01st May 2013**
7. Office space of App 23,600 sft in the CPWD colony – **Under Progress (CC Obtained, Tender being awarded)**
8. 26 Lakh ltr Capacity New under ground water tank – **Under Progress**
9. Additional Truck Dock with Levelers – **Under Progress**
10. New 15 meters wide road through CPWD colony – **To be taken up after Temple relocation in April 2013**
11. Heavy Cargo Shed – **Alternative measures taken & capacity created**



Operational Issues – Solutions



| | | |
|--|---|--|
| 1) Congestion at export truck dock | ➔ | 1) Truck dock extension and dock levelers is under process |
| 2) Congestion in import warehouse | ➔ | 2) Enhanced forklifts, hydraulic and platform trolleys; Expedited the flight breakdown activity; Enhanced multilevel racking systems; Created additional storage area; Re-defined and streamlined import process flow and enhanced the delivery truck docks; |
| 3) Congestion in approach roads and landside area | ➔ | 3) Inducted 04 lane vehicle access in approach roads and removed unauthorized vehicle parking |
| 4) Congestion in export sterile area | ➔ | 4) Expedited carting process, screening activity and established ground handling wise storage area to ease out carting process |
| 5) Delay in export screening process | ➔ | 5) Enhanced X-Ray machines, bifurcated the sterile and non-sterile holds |
| 6) Inadequacy of space in import cold storage | ➔ | 6) Added 03 reefer containers of capacity 80MT and creation of state of the art import cold zone (750MT) in pipeline |
| 7) Lack of dedicated storage facility for pharmaceutical products in exports | ➔ | 7) Added 04 reefer containers to facilitate dedicated handling for pharmaceuticals and medicines |



| Year | SL No | Development |
|------|-------|--|
| 2007 | 1 | Additional storage area of 5000 Sqm for import heavy cargo |
| | 2 | Permanent CLF canopy over 4676 Sqm to accommodate heavy cargo |
| | 3 | Permanent canopy in extended import shed over 3705 Sqm to accommodate heavy cargo |
| | 4 | Exclusive DGCA approved faculty with required infrastructure for Dangerous Goods trainings |
| 2008 | 1 | Two cold chambers in imports each with capacity 28MT |
| | 2 | One cold chamber in export of capacity 28MT |
| 2009 | 1 | Exclusive common user domestic cargo handling facility in marol pipeline |
| | 2 | Commencement of user friendly, web based cargo management system |
| 2010 | 1 | Two cold storage facilities of capacity 225 MT in imports for storage of Pharmaceuticals and Medicines |



| Year | SL No | Development |
|------|-------|--|
| 2011 | 1 | Additional landside export admittance gate |
| | 2 | Re-modeling of unaccompanied baggage warehouse with exclusive rest room for passengers |
| | 3 | Additional landside import delivery gate with 03 truck docks |
| | 4 | State of the art export perishable facility over area of 1844 Sqm |
| | 5 | Re-modelling of car parking to provide additional parking space for 80 cargo vehicles in Air Cargo Complex |
| | 6 | Demarcation of operational areas for safe movement of equipment and manpower with suitable signages |
| | 7 | Facilitated 17 heavy duty printers for export and import clearances |
| | 8 | Re-laid storm water drainage system to arrest flooding of parking and storage areas in landside/airside |
| | 9 | Customer Kiosk centre for online tracking, queries and self generation of documents |
| | 10 | Installed fume exhaust system to contain air pollution within acceptable levels |



| Year | SL No | Development |
|------|-------|--|
| 2012 | 1 | Commissioning of 03 additional reefer containers in imports each with a capacity of 25MT |
| | 2 | Commissioning of 03 additional reefer containers in exports with a capacity of 25MT |
| | 3 | Facilitated printer to customs for unaccompanied baggage clearance |
| | 4 | Added 200 fire extinguishers under effective risk assessment program |
| | 5 | Installed additional 955 racking systems which enhance import onetime holding capacity by 1000MT |
| | 6 | Additional material handling equipment (Forklifts-70 No's, Platform trolleys-90, Hydraulic pallet trucks-40) |
| | 7 | Improved approach road network by recarpeting the roads creating 04 lane access to the cargo terminal |
| | 8 | Exclusive DGCA and AERB approved Dangerous goods facility in exports and imports and dedicated radioactive goods storage facility in imports |
| | 9 | CCTV surveillance upgraded by deploying 135 cameras. |
| | 10 | Creation of sterile and non-sterile holds by aligning 17 X-ray machines of various stakeholders |
| | 11 | Installation of 30MT capacity weighbridge also capable of generation ULD tags of international standards |
| | 12 | Additional plug points for refrigerated ULD's |
| | 13 | Air Conditioned office space for stakeholders in the first floor of CSC |
| | 14 | Additional gate between Apron and Air Cargo Complex for transfer of ULD's |
| | 15 | Exclusive cargo vehicle holding/movement lanes in the landside for effective turnaround of vehicles |



Infrastructure Development

Re-Organized x-ray screening machines in Fact A shed to bifurcate sterile & non-sterile areas

Numbers enhanced to 17 x-ray machines, operating 24/7 to speed up screening & certification process and optimize the existing infrastructure.





Exclusive Dangerous Goods Storage



Bifurcation of Sterile & non-sterile area



30 MT capacity weighbridge (Capable of generating IATA standard airline ULD tags)



Dedicated storage facility for Pharmaceuticals (40' Containers – 04 No's)



Improvement of Pass Section Facility for faster processing



Sewage Treatment Plant for Cargo Services



Vehicle holding lanes in the land side



Racking system : Additional 955 Units, 1000MT capacity

Short-term & Mid-term

- 06 Export Truck Dock Levelers – 02 months
- State-of-the-art Cold Zone in Imports (World Class) – 01 month
- Dedicated common user warehouse facility for domestic operations (SACT terminal) – 04 months
- Additional Export ULD unitization facility – 04 months
- A dedicated Export heavy & Bonded Cargo acceptance – 08 months

 **Export Unitization Facility – Key Features**

- Total Area = 6000 Sq. Meters
- Work Stations (For ULD build up)
- ULD storage positions
- 30 MT Capacity weighbridge – ULD weighing and Generation of ULD tags
- Dedicated Material Handling Equipment (Forklifts, Hydraulic Pallet Trucks)





- Heavy & Bonded Cargo
- 12 Truck Docks
- Dock Levelers
- 05 X-Ray machines (01 machine dedicated for bonded cargo)
- Total Area = 1812 Sq. Meters
- Non-Sterile Area = 794 Sq. Meters
- Sterile Area = 1018 Sq. Meters
- Dedicated Material Handling Equipment (Forklifts, Articulated High Reach trucks, Hydraulic Pump Trolleys, Storage Racks)
- Office space for MIAL & Customs

Concept and Design under process



1. Built up area = 1400 Sq Mts
2. Facility area = 900 Sq Mts
3. +15 to +25 Degree Celsius
4. One time holding capacity = 860MT
5. Volume capacity = 1733 Cu. Mt.
6. 04 Level Racking System = 287 units
7. No. of skid positions = 1148
8. Holding capacity of each rack = 750 Kgs
9. High Reach Trucks
10. 12 plug points for refrigerated ULD's
11. Data Loggers & Infrared thermometers
12. Humidity Control & Vacuum Dewatered Flooring



Quality and Safe & Secured handling

Long Term

- Implementation of MIAL Master Plan in phases



 Master Plan – Salient Features

- Envisaged over a period of time
- Export capacity enhancement from 0.2MMT to 0.7MMT
- Import capacity enhancement from 0.2MMT to 0.6MMT
- Domestic capacity enhancement from 0.1MMT to 0.2MMT
- Total throughput capacity: 1.5 MMT
- Increase in truck docks from 44 to 100
- Automated storage and retrieval systems: ULD's & Cargo
- High level automation: ASRS, Electric & Battery operated forklifts, Electric slave pallet movers, Electric forklifts with rider platforms (bulk transport), Truck docks & levelers, automated work stations (40) & ETV systems
- Additional storage areas for special products (PER/VAL/DGR)



- Background
- Traffic Growth
- Master Plan
- **Service Levels**
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- Benchmarking of Tariff
- Proposed Increase
-

 Service Improvements

- Enhanced the manpower both of MIAL and outsourced to improve service efficiency and effective monitoring of warehouse operations and vehicle management
- Regular in-house trainings to contract workers and effectively addressed deficiencies of Un-traceability and damage to cargo
- Effective co-ordination with custom authorities resulted in faster clearances and effective dwell times through increase in green channel clearances from 22 to 68%
- Streamlined import flight segregation and vehicle turnaround through well defined SOP's and trainings in place
- Flight segregation performance for freighter aircrafts within 5:30 hours and passenger aircrafts within 3:30 hours from the point of receipt of ULD's from the apron. Consistent performance on vehicle turnaround time within 30 minutes after docking.
- Premier importers have increased their imports through CSI airport as a result of marked improvements in the service deliverables.

- MIAL has introduced pre-alert concept and key account manager program to offer customized and expeditious handling to the customers.
- MIAL has supported the 24/7 handling program initiated by customs to promote round the clock delivery and acceptance services
- MIAL has rolled out GHA module which provides greater flexibility, comprehensive Interface between Freight Forwarders, Airlines, MIAL and Customs and will have capability to receive and send all the Key EDI messages to and from the airlines. The new technology platform of GHA module supports exports and imports processes, Invoicing and MIS.
- MIAL has made significant investments towards below stated IT developments
 1. Cargo Application Support Management by vendor
 2. Cargo Application New Enhancements
 3. GHA Implementation
 4. Software License's
 5. Recurring Marol IT Maintenance
 6. Cargo Server Hosting

 **GHA Module - Key Features**

- 1) Messaging Capability: FFM, FWB, FSU, BKD, RCS, RCF, RCT, DEP, NFD, DLV, DIS, TFD, FAD, FHL, FBL
- 2) SLA Management – SLA's can be defined and monitored on the basis of special handling code's
- 3) ULD Management – Inventory and Track & Trace (Within MIAL warehouse's)
- 4) Online access of segregation report
- 5) Supports Bar Coding
- 6) Generation of CTM for transshipments
- 7) Advantage Airlines: Better flight planning and optimization, Cost benefit, Time benefit, End-End shipment tracking

Objective: To create 100% interface with stake holders linking all essential handling parameter's



| Category | 2011 | 2012 | % Improvement |
|--|-------------|----------------|---------------|
| Overall Dwell Time - Imports | 199 Hrs | 120 Hrs | 40% |
| Imports Dwell Time – MIAL Activity | 20 Hrs | 6 Hrs | 70% |
| % of Import Cargo Clearance in Free Period | 37% | 55% | 49% |
| Un-traceability | 700 Cases | 1 | 99% |
| Damage | 600 Cases | 5 | 99% |
| Break down – Freighter Aircraft | ATA + 9 Hrs | ATA + 5:30 Hrs | 39% |
| Break down – Pax. Flight | ATA + 6 Hrs | ATA + 3:30 Hrs | 42% |

Best in India and at par with International standard



| Service Parameter | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 |
|---|--------|--------|--------|--------|--------|--------|
| Break Down- Freighter Aircraft (Hrs/Min) | 5:33 | 5:59 | 4:44 | 5:07 | 4:32 | 5:54 |
| Break Down- Passenger Aircraft (Hrs/Min) | 3:20 | 3:20 | 3:03 | 3:03 | 3:09 | 3:41 |
| Vehicle queue time (Min) | 25 | 27 | 27 | 30 | 30 | 22 |
| Vehicle turnaround time (Min) | 30 | 30 | 33 | 35 | 37 | 30 |
| Average Dwell Time(Mumbai Station of all Stake Holders) - Import Clearance (Days) | 6.2 | 6.7 | 5.8 | 6.2 | 5.7 | 5.5 |

Consistent Performance



| Exports | | |
|----------------|---|--|
| | 1 | Generation of ULD tag |
| | 2 | C2K Messaging |
| | 3 | ULD inventory |
| Imports | | |
| | 1 | Online Segregation Report |
| | 2 | Issue of delivery orders |
| | 3 | Accounts & Cash collection – Delivery Orders & Charges Collect |
| | 4 | Customs Liasoning – EDI regularizations, Amendments |
| | 5 | C2K Messaging |
| Other Services | | |
| | 1 | Ramp Supervision & Coordination |
| | 2 | APEDA/EICI supervision & Coordination |

One stop solution

- ISO 9001:2008 – Quality Management System Certifications
- OHSAS 18001:2007 – Occupational Health and Safety Management System Certifications
- ISO 10002:2004 – First Indian airport to be certified ISO 10002:2004 for Passenger Complaint Handling conforming to international standards
- ISO 27001:2005 – Information Security Management System

- ISO 14001:2004 – Environment Management System Certifications
- First Indian airport and second in Asia to be accredited with prestigious ISO 14064-1:2006 certification for Carbon Emissions Accounting
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- Flight segregation timings for MIAL best in India
- Urgent need for dedicated facility for hazardous cargo
- Entry of vehicles into the complex is still a challenge
- Super-service at competitive cost and first class infrastructure need of the hour



(L to R) Mr. Roupin Kapoor, Commissioner of Customs-Capacity, Mumbai; Mr. Anil Kumar, Chief Commissioner of Customs; Mr. Ajit Kumar, Commissioner of Customs Imports and Mr. Rajeev Singh, Assistant Vice President (Cargo), MIAL.

Healthy Synergy with Regulators

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SPECIALIZED IN AIR CARGO CHARTER HERCULES AVIATION

AISATS undertakes ground handling for Thai Air Cargo

CONCOR and CSC set up Mulund Air Freight Station

Cabinet approves Air India restructuring

MIAL sets all India performance benchmark

Delivers 847 MT of import cargo to customers in a single working day

Mumbai International Airport Limited (MIAL) scaled new heights and raised the bar by delivering 847 MT of import cargo within just eight hours on April 4, 2012.

MIAL generated close to 5,000 documents comprising bank challans and gate passes and delivered 847 MT of import cargo, which is by far the highest volume of import cargo delivered during a single day at any air cargo terminal in India.

Over the past year, GVK Groups' MIAL has shown a spectacular turnaround by improving its performance on all fronts.

Speaking to 'ACE' Manoj Singh, Head Cargo-MIAL said, "We are committed to providing the trade with globally benchmarked performance levels and this achievement is a step in that direction. The operations team really went all out to achieve this in record time, despite numerous hiccups."

(contd. on page 6)



Manoj Singh, Head cargo-MIAL

Delivered 847MT of import cargo in a single day

MIAL broke its own benchmark by delivering 1016MT of import cargo in a single day
 MIAL also created all India record by accepting 1030MT of export cargo in a single day



Appreciation from Importer – Endress & Hauser



Also received appreciation from below customers for service efficiency

MSD Pharma, Siemens, Intel, Sony, Inditex, Ingram Micro, DELL, Skoda, Wyeth labs, Pfizer, J & J, LH Cargo, DB Schenker, DHL, Khimji Poonja, Expeditors & EKF, Air France/KLM

Invitation to MIAL for celebration of 5th Yr Completion

Customer Focus is top priority



1. Runner up – International cargo airport of the year 2012 for India Region (Stat Times)
2. Best Airport in terms of cargo upliftment (ACAAI convention)
3. 3rd Best Cargo Airport of the year (ACAAI convention)





- Letter of Appreciation from IMC Chairman
- Letter of Appreciation from Carriers
- Appreciation mails from many stakeholders and top key clients from shippers and Consignee.
- Appreciation from CUSTOMS, BAR, ACAA, BCHA for facility and Infrastructure upgrade at MAROL import warehouse
- Appreciation in Trade Facilitation meeting conducted by Customs



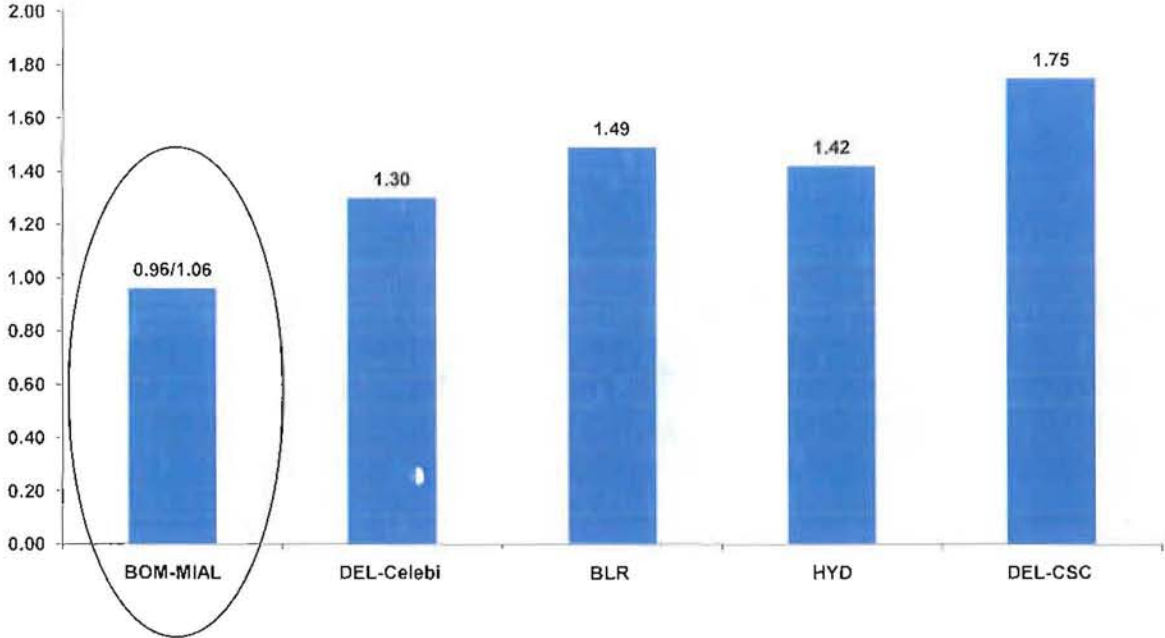
- Background
- Traffic Growth
- Master Plan
- Service Levels
- **Benchmarking of Tariff**
- Proposed Increase
-
-



MIAL's International Import De-stuffing charges are less compared to other major airports in the country



Import De-stuffing Charges



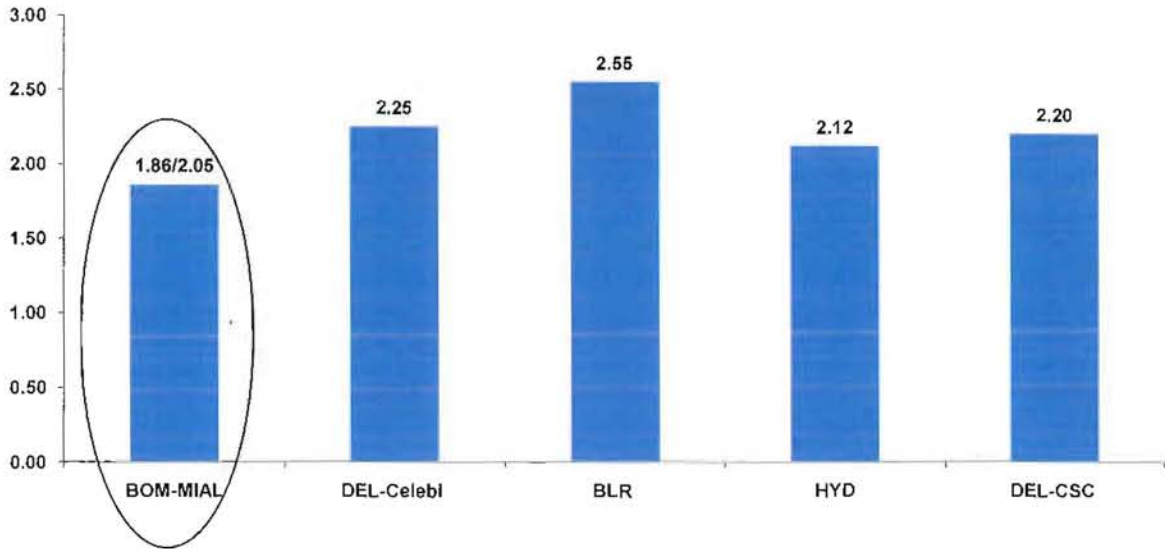
In INR per kg



MIAL's International Import Transshipment Carting charges are less compared to other major airports in the country



Import Transshipment Carting Charges

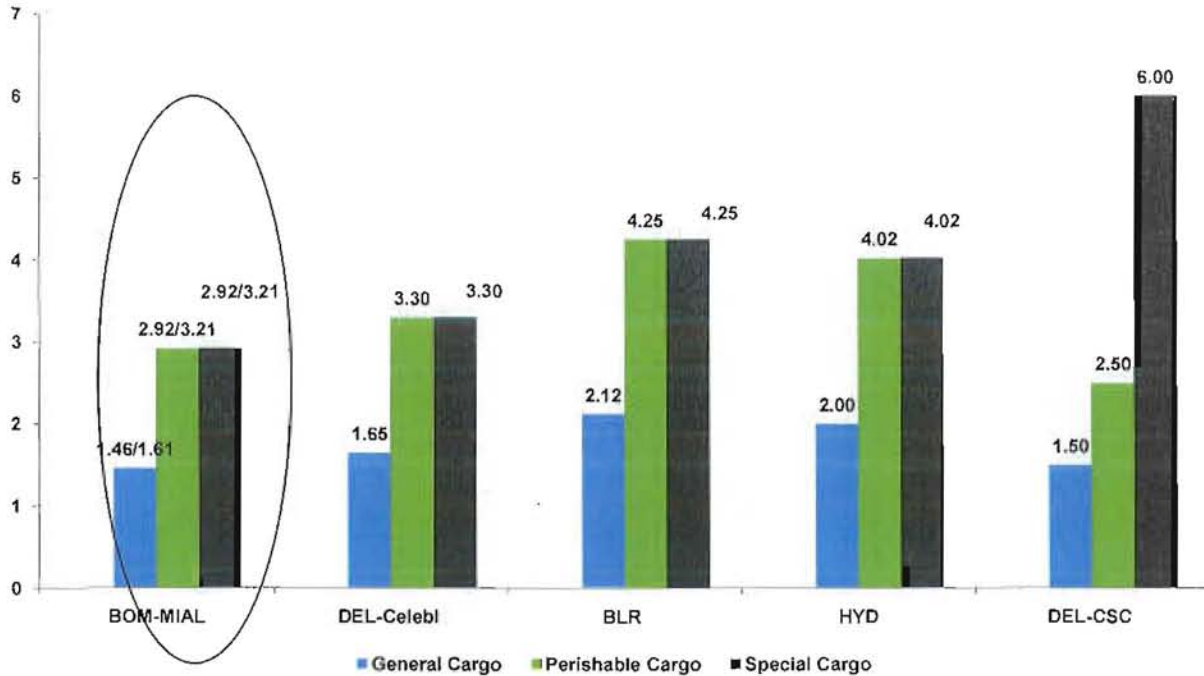


In INR per kg

81



Export Demurrage Charges

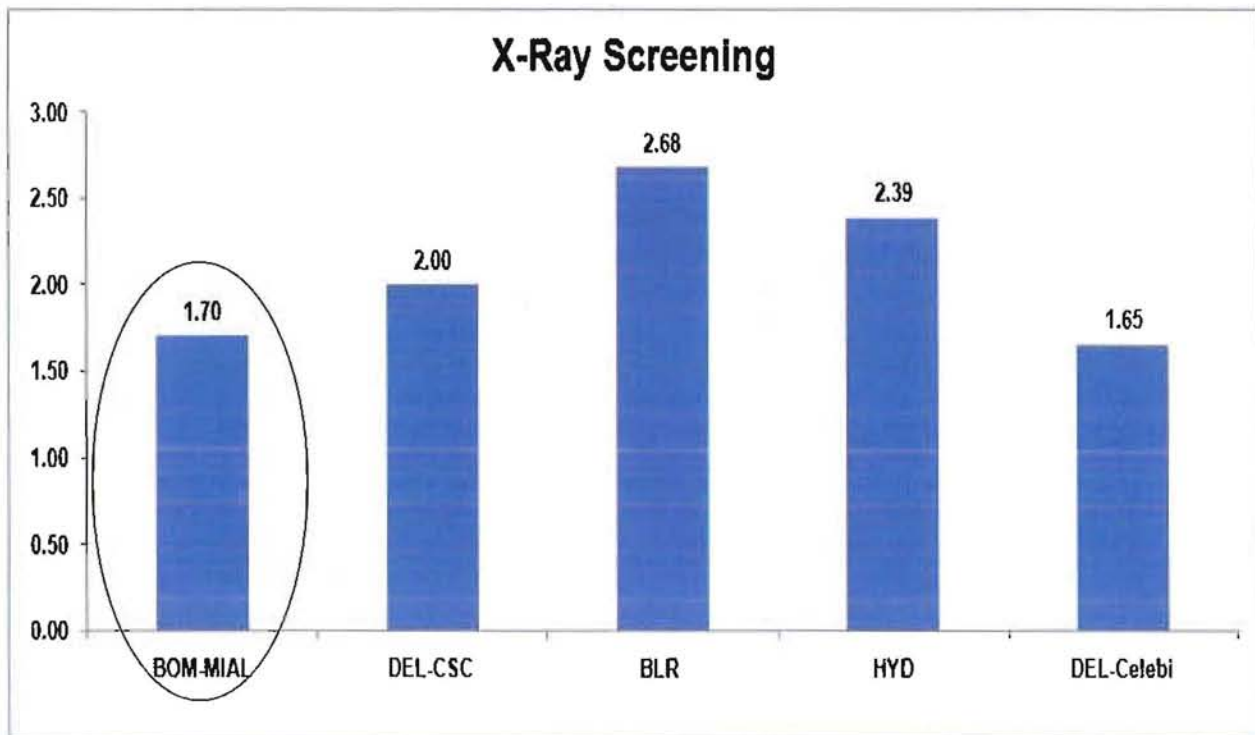


In INR per kg

Note: Demurrage if free period of 48 hrs is exceeded beyond screening



X-Ray Screening



In INR per kg

X-Ray screening & certification through regulated agent : INR 1.70

X-Ray screening (Only Machine Usage) : INR 1.25



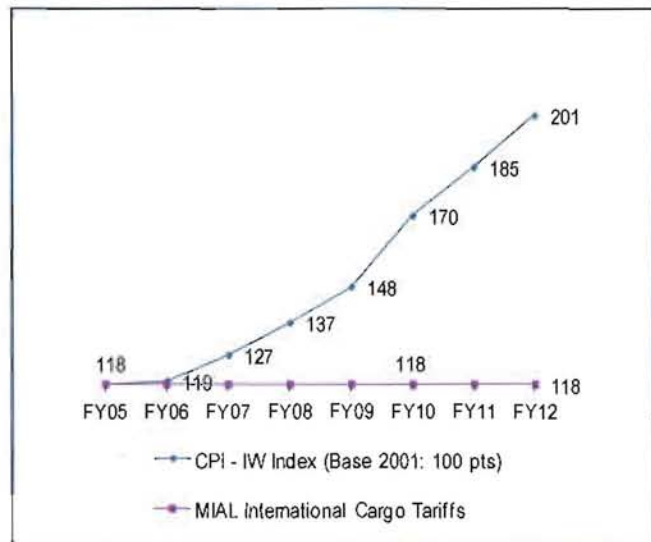
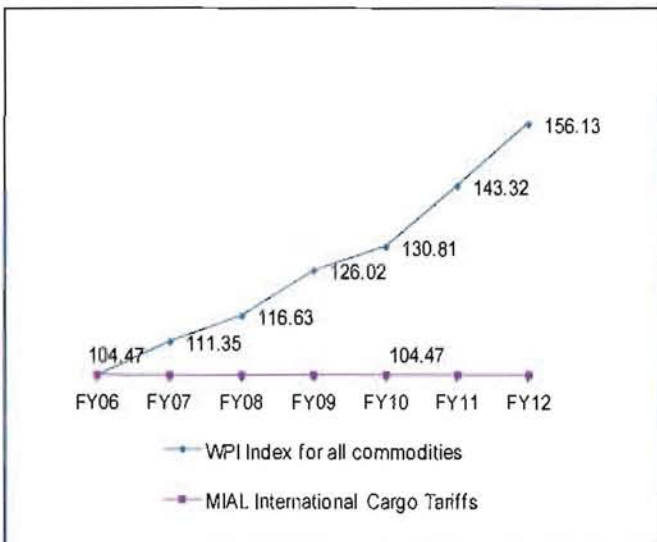
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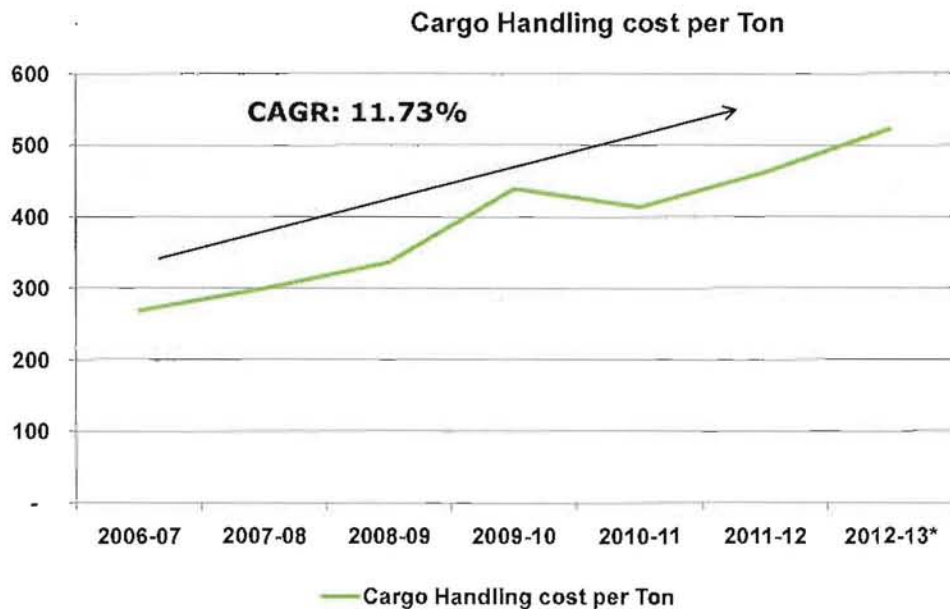
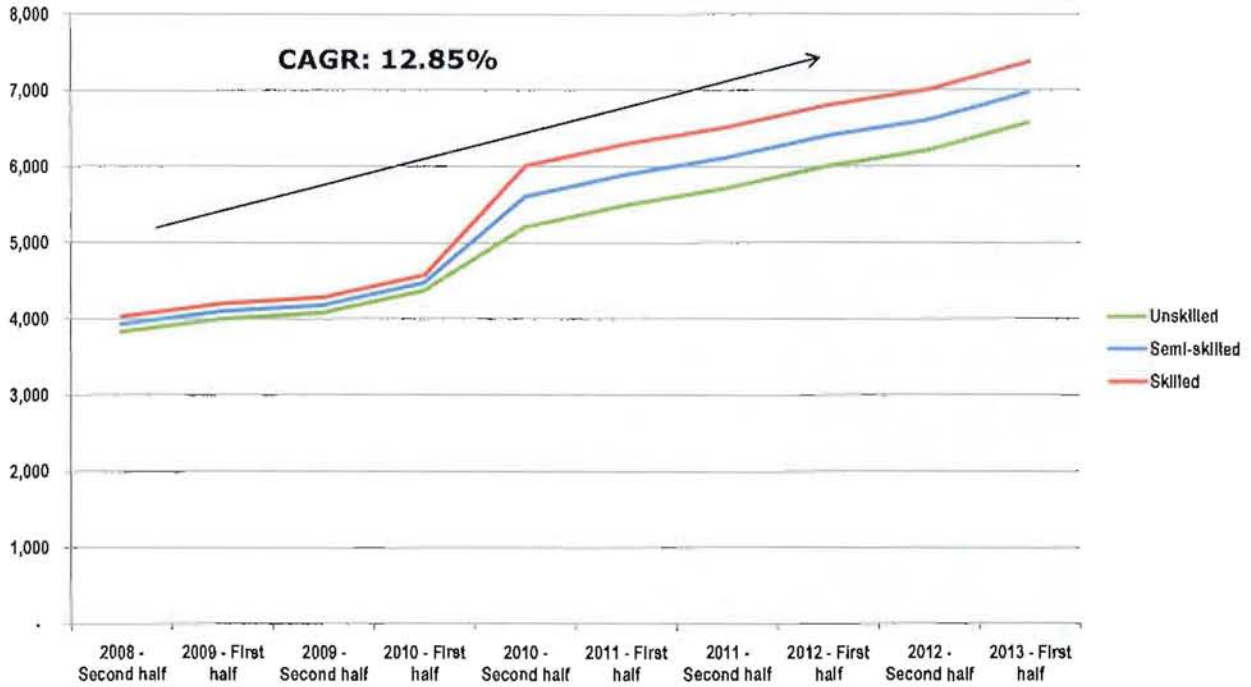
The CPI – IW index and WPI index, which are reflective of inflation, have risen 70% and 50% respectively since the last time MIAL has established its cargo tariffs in 2006



While MIAL hasn't changed its cargo tariffs for the last 7 years, all other cargo operators in the major airports in India have revised their cargo tariffs in the last 3 years



Inflation alone demands the need for revision of the tariffs set by MIAL



*estimated

84



Proposed Increase by MIAL



In spite of Many fold increase in cost, MIAL proposes to increase the rates by only 15% in FY 14 for International cargo handling.

Comparison of major charges in exports before and after increase: -

| Airline Charges | Existing | Revised |
|---|-----------|-----------|
| Exports | | |
| Carting Charges | 1.00/1.10 | 1.15/1.27 |
| X-Ray Screening (Only Machine Usage) | 1.25/1.38 | 1.44/1.59 |
| X-Ray Screening & Certification | 1.70 | 1.96 |
| | | |
| Demurrage (If exceeds free period of 48 hrs beyond screening) | | |
| General cargo | 1.46/1.61 | 1.68/1.86 |
| Special cargo | 2.92/3.21 | 3.36/3.70 |

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Proposed Increase by MIAL



In spite of Many fold increase in cost, MIAL proposes to increase the rates by only 15% in FY 14 for International cargo handling.

Comparison of major charges in imports before and after increase: -

| Airline Charges | Existing | Revised |
|-------------------------------|-----------|-----------|
| Imports | | |
| De-stuffing Charges | 0.96/1.06 | 1.10/1.22 |
| Transshipment Carting Charges | 1.86/2.05 | 2.14/2.36 |
| | | |



Thank you