



AAI Cargo Logistics and Allied Services Company Limited

**Submission to Airports Economic Regulatory Authority of
India (AERA) for Determination of Tariff for Cargo
Services for Kolkata Airport for the First Control Period –
FY 2017-18 to FY 2023-24**

Date of Submission: 20th November 2019

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1. Overview of AAI Cargo Logistics and Allied Services Company Limited (AAICLAS)

- 1.1.1 AAI Cargo Logistics and Allied Services Company Limited (hereinafter referred to as “AAICLAS” or “the Company”) is company setup exclusively to focus on the growth in aviation cargo business in India. AAICLAS is a 100% subsidiary promoted by Airport Authority of India (AAI).
- 1.1.2 AAI demerged and corporatized the cargo department into a functionally and administratively independent organization. This was done in the background of current economic boom, the importance of air cargo and its impact on the overall economy of India. With a vision to become the foremost integrated logistics network in India, AAICLAS was incorporated on 11th August 2016.
- 1.1.3 AAICLAS will work as multi modal interface linking air, surface & water transport, thus, becoming the largest networked and fastest logistic solution provider company of India. AAICLAS will promote, represent, organize, undertake, establish, conduct, handle, arrange, own, operate, participate, facilitate, sponsor, encourage, and provide the business as Cargo Terminal Operator, Free Trade Zone, Air Freight Station and Inland container depot for cargo and passengers.
- 1.1.4 Currently, AAICLAS operates in the following Major airports as notified by AERA.

- | | |
|----------------|--------------------|
| 1. Ahmedabad* | 11. Kolkata |
| 2. Amritsar | 12. Lucknow |
| 3. Bhubaneswar | 13. Mangalore |
| 4. Calicut* | 14. Patna |
| 5. Chennai | 15. Pune |
| 6. Coimbatore | 16. Srinagar |
| 7. Goa | 17. Trivandrum |
| 8. Guwahati | 18. Varanasi |
| 9. Indore | 19. Visakhapatnam* |
| 10. Jaipur | |

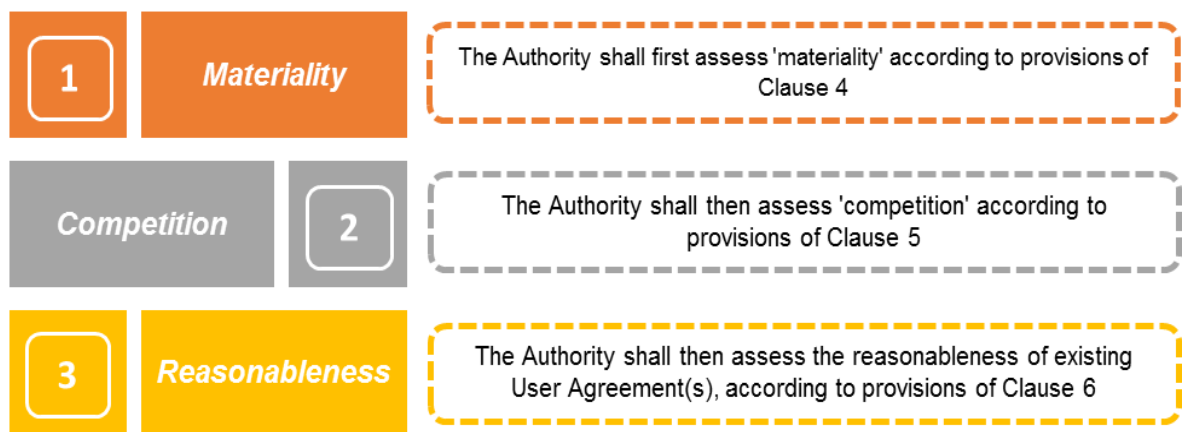
* Operated under outsourced model

2. MYTP submission for First Control Period

- 2.1.1 AAICLAS hereby re-submits the proposal for determination of tariff for cargo and allied services offered at Kolkata airport on a standalone basis, considering updated estimates of various costs and capital expenditure.
- 2.1.2 AAICLAS hereby resubmits the Business Plan for Kolkata airport together with the relevant forms as prescribed by AERA.
- 2.1.3 AAICLAS submits that the tariff determination for Kolkata airport may be done under “Price cap” approach as detailed below.

3. Analysis of Cargo Guidelines issued by the Authority

- 3.1.1 Adherence to the guidelines issued by the Authority in this regard - Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011 (hereinafter referred to as “guidelines”) – dated 10th January 2011 has to be ensured in the course of assessment of the approach to be followed for determination of tariff for cargo operations.
- 3.1.2 The “guidelines” has prescribed the following three stage procedure for determining the approach for determination of tariff:



3.1.3 Based on the results of the Authority's review at stage 1, stage 2 and stage 3, the approach for determination of Cargo operations would be as follows:

Table 1 - Determination of Cargo operations

Stage	Conditions	Case 1	Case 2	Case 3	Case 4
1	Is the volume of cargo handled considered "material"?	×	✓	✓	✓
2	Is the cargo service considered competitive?	∅	✓	×	×
3	Are the terms in the existing user agreement for cargo services considered reasonable?	∅	∅	✓	×
Final Result		Light Touch Approach	Light Touch Approach	Light Touch Approach	Price Cap Approach
Applicable Chapter of the Guidelines		Chapter V	Chapter V	Chapter V	Chapter III & IV

Key:

Legends	✓	×	∅
Meaning	Yes	No	Not Applicable

3.2 Stage 1: Materiality Assessment

3.2.1 Extract of the Guidelines:

3.2.2 The materiality index for service provided for cargo facility at a major airport "A" is defined as:

$$\text{Materiality Index } (MI_c) = \frac{\text{Cargo Volume at Major Airport A}}{\text{Total Cargo Volume at all Major Airports}} \times 100$$

- Where '**Cargo Volume**' represents the total cargo volume in MT per annum handled at major airport A.
- Where '**Total Cargo Volume**' at Major Airports' represents the sum total cargo volume in MT per annum, handled at all major airports.

3.2.3 Where the MI_c , as calculated above is 2.5% or more at a major airport, the service provided for cargo facility at major airport A shall be deemed 'material'.

3.2.4 If MI_c is below 2.5%, then service provided for cargo facility at major airport A shall be deemed 'not material'.

3.2.5 Testing the applicability of guidelines to AAICLAS:

3.2.5.1 The period considered for evaluating applicability of the guidelines to AAICLAS is Apr-18 to Mar-19.

3.2.5.2 Source of the data relating to Cargo: <https://www.aai.aero/en/business-opportunities/aai-traffic-news>

3.2.5.3 To determine the materiality index of Kolkata airport, % of cargo handled by Kolkata in comparison to volume of cargo handled in all the notified major airports is calculated.

3.2.5.4 Calculation of materiality index is as follows:

Table 2- Computation of Materiality Index

Sr. No.	Major Airport	AAICLAS or Non-AAICLAS	Total Freight in MT for 18-19	Materiality %	Materiality
1	Chennai	AAICLAS	4,11,613	12%	Material
2	Ahmedabad	AAICLAS	1,01,731	3%	Material
3	Amritsar	AAICLAS	1,378	0%	Not Material
4	Bengaluru	Non AAICLAS	3,86,849	11%	Material
5	Bhubaneswar	AAICLAS	9,670	0%	Not Material
6	Calicut	AAICLAS	17,283	0%	Not Material
7	Chandigarh	Non AAICLAS	5,051	0%	Not Material
8	Cochin	Non AAICLAS	70,199	2%	Not Material
9	Coimbatore	AAICLAS	12,865	0%	Not Material
10	Delhi	Non AAICLAS	10,42,948	30%	Material
11	Goa	AAICLAS	4,536	0%	Not Material
12	Guwahati	AAICLAS	23,840	1%	Not Material
13	Hyderabad	Non AAICLAS	1,44,126	4%	Material
14	Indore	AAICLAS	11,729	0%	Not Material
15	Jaipur	AAICLAS	18,513	1%	Not Material
16	Kannur	Non AAICLAS	0	0%	Not Material
17	Kolkata	AAICLAS	1,55,232	4%	Material
18	Lucknow	AAICLAS	6,111	0%	Not Material
19	Mangalore	AAICLAS	3,287	0%	Not Material
20	Mumbai	Non AAICLAS	9,63,460	28%	Material
21	Nagpur	Non AAICLAS	9,416	0%	Not Material
22	Patna	AAICLAS	11,435	0%	Not Material
23	Pune	AAICLAS	47,392	1%	Not Material
24	Srinagar	AAICLAS	7,990	0%	Not Material
25	Thiruvananthapuram	AAICLAS	25,167	1%	Not Material
26	Varanasi	AAICLAS	2,657	0%	Not Material
27	Visakhapatnam	AAICLAS	3,513	0%	Not Material
Total			34,97,991	100%	

3.2.6 Conclusion of Materiality Assessment:

3.2.6.1 Materiality Index for Kolkata Airport is above the threshold % of 2.5%. Hence, the cargo operations in Kolkata Airport is considered material.

3.3 Stage 2: Competition Assessment

3.3.1 Kolkata Airport is tested for competition assessment (Stage 2).

3.3.2 AAICLAS is the only cargo operator in Kolkata airport and does not have any competitors in this location.

3.3.3 Hence, cargo services offered by AAICLAS in Kolkata airport is considered “Non-Competitive”.

3.4 Stage 3: Assessment of Reasonableness of user agreements

3.4.1 User agreements are entered into between AAICLAS and customers such as airlines, etc.

3.4.2 AAICLAS submits that no user agreements have been specifically entered into between AAICLAS and the airlines/other customers. All revenues are billed to customers only on the basis of the prevailing tariff cards. ?

3.5 Summary of results of assessment of adherence to “Guidelines”

3.5.1 The results of the assessment of adherence to guidelines is summarized below:

Table 3 -Results of the assessment

Airport	Stage 1	Stage 2	Stage 3	Case	Final Approach
Kolkata	✓	✗	✗	Case 4	Price Cap

Key:

Legends	✓	✗	∅
Meaning	Yes	No	Not Applicable

3.5.2 Cargo services in Kolkata rendered by AAICLAS are material, non-competitive and there are no user agreements. Hence, “price cap approach” as per Chapter III & IV may be adopted.

4. Price Cap Methodology

4.1.1 Price Cap approach involves submission of projections for each of the building blocks. These projections lead to determining the aggregate revenue requirement (ARR) for the control period.

4.1.2 Para 11.2 of the “Guidelines” stipulate as under:

“Service Provider(s), providing Regulated Service(s) deemed either (i) 'not material'; or (ii) 'material but competitive'; or (iii) 'material and not competitive' but where the Authority is assured of the reasonableness of the existing User Agreement(s), shall submit their Annual Tariff Proposals for approval of the Authority, in the manner and form provided in AI.8.1 of Appendix

1. The said proposals shall be supported by the following:

4.1.2.1 Details of consultation with stakeholders along with:

4.1.2.2 Documented evidence that consultations with stakeholders have been undertaken;

4.1.2.3 Summary of concerns raised by the stakeholders;

4.1.2.4 Details of remedial action, if any, undertaken by the Service Provider, with reasons, in respect of the concerns so raised;

4.1.2.5 Reasons for not addressing the balance concerns.

4.1.2.6 AAICLAS is in the process of carrying out the user consultation and shall submit the necessary documents on completion of the process.

4.1.3 Para 8.1, 8.2 & 8.3 of the “Guidelines” stipulate as under:

“...The Multi Year Tariff Framework enunciated in these Guidelines comprises a set of principles covering inter alia those which the Authority shall use in analyzing and determining the Regulatory Building Blocks for calculation of Aggregate Revenue Requirement (ARR) where applicable.

For Regulated Service(s) deemed 'material and not competitive' and where the Authority is not assured of the reasonableness of the existing User Agreement(s), the Authority shall calculate the Aggregate Revenue Requirement (ARR) for a given Control Period based on determination of the following Regulatory Building Block components:

(i) *Fair Rate of Return applied to the Regulatory Asset Base (FRoR x RAB)*

(ii) *Operation and Maintenance Expenditure (O)*

(iii) *Depreciation (D)*

(iv) *Taxation (T)*

(v) *Revenues from services other than Regulated Service(s) (NAR)*

The Aggregate Revenue Requirement for the Control Period (ARR) shall be expressed as under:

$$ARR = \sum_{t=1}^5 (ARR_t)$$

$$\text{And } ARR_t = (FRoR \times RAB_t) + D_t + O_t + T_t - NAR_t$$

Where t is the Tariff Year in the Control Period and ARR_t is the Aggregate Revenue Requirement for year t...

- 4.1.4 The guidelines have prescribed an asset-based return approach for the purpose of determining the ARR under the price cap approach. However, it may be appreciated that this business is human capital intensive rather than being asset intensive. As a result, following an asset-based approach as stipulated in the direction is proposed to be replaced with a PAT based approach.
- 4.1.5 Under PAT based price cap approach, costs are first projected for the control period. Next, revenues are computed after applying a profit after tax margin on the costs. The revenue so computed is compared with the revenues expected to be earned during the control period based on the expected growth in the traffic. This comparison results in “excess revenues” or “shortfall in revenues” during the control period.
- 4.1.6 For the years in the control period where the actual figures are available, the difference between the revenue to be and the revenue earned is calculated as the net excess or surplus. This amount is added to the revenue requirement of the first year when projections are used.
- 4.1.7 The cumulative excess or shortfall during the control period is computed. The tariff is increased/decreased such that the present value of cumulative excess or shortfall is neutralized.

5. Overview of Building Blocks

5.1.1 For the purpose of determining the tariff based on profit after tax approach, the company has projected the figures for the following building blocks. Based on these projections for each individual regulatory block, the excess/shortfall in revenues is computed.

5.1.1.1 Revenue from Operations

5.1.1.2 Operating and Maintenance Expenses

5.1.1.3 Depreciation

5.1.1.4 Taxation

5.1.1.5 Reasonable profit after tax %

5.1.2 Basis of projections for each of the above building blocks is given in the ensuing paragraphs.

5.2 Control Period

5.2.1 As per the AERA Act, a period of 5 years constitutes one control period. AAICLAS came into existence in the year 2016-17 and 2 years have already elapsed.

5.2.2 Accordingly, in case of AAICLAS, the company submits that the control period may be considered as 7 years including the previously elapsed 2 years. During the period of 2 years that has elapsed, the same tariff that was fixed at different points in time was in force.

5.3 Traffic

5.3.1 Historical tonnage for 10 years handled by the Kolkata Airport is as follows:

Table 4- Historical tonnage Handled by Kolkata Airport

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Qty in MT	110,256	129,957	125,593	122,232	129,782
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Qty in MT	136,699	139,888	152,415	163,323	155,232

Source: <https://www.aai.aero/en/business-opportunities/aai-traffic-news>

5.3.2 The 10-year CAGR of traffic handled by Kolkata airport from FY 2009-10 to FY 2018-19 is around 3.48%. AAICLAS submits that the 10-year CAGR of the volume of traffic handled by Kolkata airport reflects the future volume of business in this airport.

5.3.3 Based on the above metric, the tonnage projected for the balance years in the current control period for Kolkata airport is as follows, considering a growth rate of 3.48%:

Table 5 - Tonnage projection for Kolkata Airport

Airports	2019-20	2020-21	2021-22	2022-23	2023-24
Kolkata (in MT)	1,59,152	1,63,170	1,67,290	1,71,514	1,75,845

5.4 Operating and Maintenance Expenses

5.4.1 Component wise historical operating and maintenance costs of Kolkata airport for the past 2 years is as follows:

Table 6 - Component wise historical operating and maintenance costs

Particulars	UoM	2017-18	2018-19
Employee benefit expenses	Rs. Lacs	1,284.27	1,464.71
Operating Expenses	Rs. Lacs	1,296.94	1,061.71
Administrative and Other Expenses	Rs. Lacs	27.18	53.91
Concession Fees	Rs. Lacs	2,373.63	2,231.10
Chq Expenditure allocated	Rs. Lacs	163.49	262.70
Depreciation	Rs. Lacs	460.18	223.30
Total Operating Expenses	Rs. Lacs	5,605.68	5,297.43

5.4.2 Basis of projecting expenses for the future years in the control period is provided below.

5.4.3 Price-Quantum Multiplier:

5.4.3.1 The metric used for forecasting operating and maintenance expenses is a combination of CAGR growth rate to reflect the increase in the quantum of business and CPI index to factor in the inflation. Hence, this metric may be called the “price-quantum multiplier”.

5.4.3.2 Projected CAGR rate is provided in Para 5.3.2 above. The projected CPI index for the first control period is as follows:

Table 7 - The projected CPI for FCP

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Inflation rate, average consumer prices (Annual % change) **	3.58%	4.10%	4.08%	4.00%	4.00%

Source: - IMF data

5.4.3.3 Following is the price-quantum multiplier for the first control period which is worked out by multiplying the CAGR and inflation rates:

Table 8 -
Price-
Quantum
Multiplier
Calculati
on

Particulars	Ref.	2019-20	2020-21	2021-22	2022-23	2023-24
10-year CAGR	A	3.48%	3.48%	3.48%	3.48%	3.48%
Inflation rate, average consumer prices (Annual % change)	B	3.58%	4.10%	4.08%	4.00%	4.00%
Price-Quantum Multiplier	C = A*B	7.18%	7.72%	7.70%	7.62%	7.62%

5.5 Employee Benefit Cost:

5.5.1 The projected employee cost based on the price-quantum multiplier plus additional incremental cost is as follows:

Table 9 - Projected employee cost

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Employee benefit expense	Rs. Lacs	1,690.01	1,820.53	1,960.66	2,110.06	2,270.84
% increase	%	15.38%	7.72%	7.70%	7.62%	7.62%

5.5.2 As per the projections above, employee cost for FY 2020 increases by Rs. 225.30 lacs approx. (15.38%). Out of Rs. 225.30 lacs of increase, Rs. 105.16 lacs is on account of the price-quantum multiplier which translates to 7.18% increase in costs. Balance of Rs 120.14 lacs (Rs 225.30 lacs – Rs 105.16 lacs) is a one-time cost that has been considered to maintain the quality of services provided by the cargo station. In order to improve the quality of services, AAICLAS is in the process of filling in the vacant postings with suitable personnel. An e-portal team is also being set up to ensure that the right persons are recruited for the right jobs. Such accurate staffing would ensure that the allocated tasks are carried out in an efficient and effective manner, thereby leading to fewer delays in execution and increase in the quality of services rendered by each individual in the organization. Cost details are summarized below:-

Table 10 - Employee cost

Particulars	UOM	Cost for FY 2019-20
Employees (Including consultants & ETV Staff)	Rs. Lacs	88.94

Contract employee through Government e- Marketplace Portal	Rs. Lacs	31.20
Total Cost	Rs. Lacs	120.14

5.6 Operating Expenses:

5.6.1 Projected operating expenses based on the price-quantum multiplier plus additional incremental cost is as follows:

Table 11 - Projected operating expenses

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Operating Expenses	Rs. Lacs	1,826.93	1,968.03	2,191.51	2,358.50	2,538.20
% increase	%	72.08%	7.72%	11.36%	7.62%	7.62%

5.6.2 The major costs which are incurred by AAICLAS under the head of operating expenses include repair and maintenance, upkeep expenses and power and fuel. This constitutes about 37% on average of the total operating expenses for FY 2017-18 & 2018-19.

5.6.3 In order to maintain and continuously improve the quality of services rendered by AAICLAS, it is imperative to incur required expenditure for the continuous upkeep of machinery and equipment. Considering the age of the assets, the amount required to be incurred in maintaining assets increases every year. Further, with the addition of new and upgraded assets, fresh Annual Maintenance Contracts have to be entered into for these. All these events lead to additional expenses which is explained below. Hence, the increase in costs in the operating expenses segment is not restricted to the increase as per the price quantum multiplier for the initial period. AAICLAS submits that comparative quotations have been obtained at the time of estimating these expenses.

5.6.4 Details of Additional cost project for FY 2019-20 and next 2 years is as follows: -

Table 12 - Details of Additional cost project for 2019-20 to 2021-22

Particulars	UoM	2019-20	2021-22
Incremental - DGR security (Outsource Activity)	Rs. Lacs	185	
Towards maintenance for New Building	Rs. Lacs		40
Towards ICMS AMC	Rs. Lacs		32
CISF Cost*	Rs. Lacs	464	
JP Aviation Project	Rs. Lacs	40	
Total	Rs. Lacs	689	72

* The expenditure pertaining to CISF personnel deployed at airport for FY-2018-19 were incurred by AAI and it is decided that from FY 2019-20, cost of personnel deployed at Cargo areas will be boned by AAICLAS.

5.7 Administrative Expenses:

5.7.1 Projected administrative expenses based on the price-quantum multiplier is as follows:

Table 13 - Projected administrative expenses

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Administrative and Other Expenses	Rs. Lacs	57.78	62.24	67.03	72.14	77.63
% increase	%	7.18%	7.72%	7.70%	7.62%	7.62%

5.7.2 Administrative and other expenses are incurred to meet day to day running and administrative of the cargo facility at Kolkata Airport.

5.8 Concession Fees:

5.8.1 As per term sheet between AAI and AAICLAS, 30% of the revenues from AAICLAS must be paid to AAI in consideration for right to operate cargo business in AAI Airports across India.

5.8.2 As per the royalty capping order of AERA – Order No. 01/2018-19, this expense is a pass through for the purpose of determination of tariff to the extent of 30% of revenues.

5.8.3 Based on the forecast revenues as mentioned in Para 5.11.2 below, the concession fees is calculated at 30% of the revenues, which works out as follows:

Table 14 - Projected concession fees

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Income from Cargo Operations	Rs. Lacs	8,153.18	9,379.65	9,997.28	10,655.58	11,357.22
Concession Fee	Rs. Lacs	2,445.95	2,813.90	2,999.18	3,196.67	3,407.17
Ratio	%	30%	30%	30%	30%	30%

5.9 Allocation of Central Headquarters (CHQ) expenses:

5.9.1 There are identified common expenses which are incurred by the central head-quarters. This is incurred for the company as a whole. These expenses are allocated to each airport on the basis of the revenues generated from each of these airports. Total estimated cost and share of cost towards Kolkata Airport is summarized as follows:

Table 15 - Allocation of Expenses of Central Headquarters

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Total Chq Expenditure	Rs. Lacs	1,220.97	2,069.86	2,229.18	2,399.04	2,581.83
Additional Chq Cost	Rs. Lacs	700.50				
Total Cost	Rs. Lacs	1,921.47	2,069.86	2,229.18	2,399.04	2,581.83
Share of Expenditure to	%	23.06%	23.06%	23.06%	23.06%	23.06%

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Kolkata basis of the revenues						
Chq Expenditure towards Kolkata Airport	Rs. Lacs	443.10	477.32	514.07	553.23	595.39

5.9.2 Details of additional of additional cost proposed at Chq are detailed as follows: -

Particulars	UoM	2019-20
Additional Chq Cost		
Employee Cost - New Vacancy and impact of salary increase	Rs. Lacs	218.50
Administrative Cost-Maintenance	Rs. Lacs	30.00
Administrative Cost-Electricity	Rs. Lacs	40.00
Administrative Cost-Printing & Advertisement	Rs. Lacs	20.00
Administrative Cost-security	Rs. Lacs	12.00
Administrative Cost-Telephone & expenses & other misc.	Rs. Lacs	20.00
OPEX- Misc. Exp	Rs. Lacs	10.00
OPEX-Sap & Infra- development	Rs. Lacs	150.00
OPEX-Server / Lease Line - Hire charges	Rs. Lacs	50.00
OPEX-ICMS and MPLS connectivity	Rs. Lacs	150.00
Total	Rs. Lacs	700.50

5.9.3 CHQ expenditure of Rs.700.50 lacs have been proposed to be incurred for FY – 2019-20 out of which Rs. 218.50 lacs is planned to be incurred to fill existing vacancy and new post that are created during the CY. Cost towards electricity, telephone exp, etc., were paid by AAI considering non segregation of meters and lease line, etc., AAICLAS plans cost directly hence additional cost towards administrative expenditure has been proposed. AAICLAS also proposes to implement other modules in SAP to integrate the ERP for better use and effective control.

5.10 Depreciation

5.10.1 During the demerger of the cargo business from Airports Authority of India (AAI), assets of Rs. 1,624.05 lacs of Net block were transferred towards Kolkata airport.

5.10.2 The company has projected the following additions to fixed asset for the period 2019-20 to 2023-24 for Kolkata Airport:

Table 16 - Projections in Additions to Fixed Assets

Rs. in lacs

Assets	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Building	1,303.01	4,547.20	7,000.00	1,500.00	800.00	15,150.21
Plant and Machinery	472.71	300.00	150.00	500.00	300.00	1,722.71
Furniture and Fixtures	20.00	30.00	25.00	35.00	20.00	130.00
Office Equipment	3.63	15.00	30.00	30.00	20.00	98.63
Computers	48.18	155.62	25.00	25.00	25.00	278.79

Assets	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Electrical Installation	171.09	1,200.00	800.00	100.00	60.00	2,331.09
Software's	3.17	653.08	100.00	50.00	50.00	856.25
Total	2,021.79	6,900.90	8,130.00	2,240.00	1,275.00	20,567.68

5.10.3 AAICLAS submits that in order to manage the projected growth in the demand for cargo services, the investment in capex is required to be done in order to enhance capacity.

5.10.4 Major capex planned for Kolkata airport is listed below:-

Description of asset planned	Estimated Date of Completion	2020-21	2021-22	2022-23	2023-24	Total
Domestic Cargo Terminal - Planning	30-Sep-21	-	7,000.00	-	-	7,000
Proposed Warehouse in car park area in front of International Cargo Terminal	30-Sep-20	3,000	-	-	-	3,000
Underground reservoir and boring of submersible	2022-23	-	-	1,500.00	-	1,500
Pack house for Agricultural products (Planning)	30-Sep-20	1,100	-	-	-	1,100
New Domestic Cargo Terminal Building	2021-22	-	800.00	-	-	800
New Road and development existing Road	2023-24	-	-	-	800.00	800
New ICMS 2.0 application	30-Sep-20	653	-	-	-	653
Electrification of Warehouse	2020-21	500	-	-	-	500
Separate Electrification of NICT building including metering	2020-21	500	-	-	-	500
Total		5,753	7,800	1,500	800	15,853

5.10.5 Useful lives which have been used by the company for computing depreciation on the opening RAB and the additions thereafter is as follows:

Table 17 - Useful lives of the assets

Category of Assets	No. of Years	Salvage Value	Rate of Depreciation
Building	30	5.00%	3.17%
Plant and Machinery	15	5.00%	6.33%
Furniture and Fixtures	10	5.00%	9.50%
Office Equipment	5	5.00%	19.00%
Road	5	5.00%	19.00%
Computers	3	5.00%	31.67%
Electrical Installation	5	5.00%	19.00%
Software	3	0.00%	33.33%

5.10.6 The above useful lives considered in the projections are in line with the ones adopted by the company in its financial statements.

5.10.7 Based on the RAB and application of useful lives, depreciation projection for the control period for the Kolkata Airport is as under:

Table 18 - Depreciation projection for the control period

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Building	Rs. Lacs	77.00	221.00	442.67	490.17	515.50
Plant and Machinery	Rs. Lacs	82.16	101.16	110.66	142.32	161.32
Furniture & Fixtures	Rs. Lacs	3.20	6.05	8.42	11.75	13.65
Office Equipment	Rs. Lacs	7.80	10.65	16.35	22.05	25.85
Road	Rs. Lacs	1.24	0.00	0.00	0.00	0.00
Computers	Rs. Lacs	20.45	69.73	77.65	79.17	25.00
Electrical Installation	Rs. Lacs	33.76	261.76	413.76	432.76	444.16
Software	Rs. Lacs	1.06	218.75	252.08	268.75	82.28
Total	Rs. Lacs	226.66	889.09	1,321.58	1,446.97	1,267.75

5.11 Revenue from Operations

5.11.1 Revenue from operations for the past 2 years at Kolkata airport is as follows:

Table 19 - Revenue from operations for the period 2017-18 and 2018-19

Particulars	UoM	2017-18	2018-19
Revenue	Rs. Lacs	8,013.02	7,457.57
Other Misc. Income	Rs. Lacs	78.42	421.40
Total		8,091.43	7,878.97

5.11.2 Forecasted revenues for Kolkata cargo operations for the first control period based on the traffic projections without considering increase in rates, is as follows:

Table 20 - Forecast revenues for Kolkata cargo operations for the first control period

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue including other income	Rs. Lacs	8,353.36	9,903.34	11,825.97	12,682.03	13,320.71

5.12 Taxation

5.12.1 Tax has been considered at the rate of 25.17% on the projected profits of Kolkata airports for the first control period. Projected Tax Expenditure (at revised revenues as detailed in Para 5.4.2 is as follows:

Table 21 - Projected Tax Expenditure

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
-------------	-----	---------	---------	---------	---------	---------

Particulars	UoM	2019-20	2020-21	2021-22	2022-23	2023-24
Tax Exp	Rs. Lacs	368.14	1,647.30	1,631.42	1,716.86	1,885.73

5.13 Determining Reasonable Profit after Tax % for Kolkata Airport

5.13.1 Profitability of the Top 6 airports with cargo volumes were compared to determine a reasonable profit after tax.

5.13.2 Peers were chosen considering the following criteria:

5.13.2.1 Volume of Cargo Handled

5.13.2.2 Size of operations

5.13.2.3 Availability of reliable information.

5.13.3 Based on these criteria, following two airports were fair competitors to AAICLAS, Kolkata:

5.13.3.1 Bangalore

5.13.3.2 Hyderabad

5.13.4 Comparison of profitability is provided below:

Table 22 - Profit Comparison

Rs. In lacs

Particulars	Kolkata FY 2017-18	Kolkata FY 2018-19	Bangalore FY 2017-18	Hyderabad FY 2015-16
Regulated Revenue	8,013.02	7,457.57	11,601.57	8,381.00
Other Miscellaneous Income	78.42	421.40	1,471.39	338.00
Total Revenue	8,091.43	7,878.97	13,072.96	8,719.00
Employee benefit expense	1,284.27	1,464.71	-	1,042.00
Operating Expenses	1,296.94	1,061.71	7,479.97	4,362.00
Administrative and Other Expenses	27.18	53.91	-	16.00
Concession Fee	2,373.63	2,231.10	-	-
Chq Expenditure allocated	163.49	262.70	-	-
Depreciation	460.18	223.30	782.76	200.00
Total Expenditure	5,605.68	5,297.43	8,262.73	5,620.00
Profit Before Tax	2,485.75	2,581.54	4,810.23	3,099.00
Corporate Tax	860.27	902.09	1,030.49	669.00
Profit After Tax	1,625.48	1,679.45	3,779.74	2,430.00
Profit After Tax %	20.09%	21.32%	29%	28%

Source –

1. Menzies aviation bobba Bangalore Pvt ltd: <http://aera.gov.in/upload/cp/5c4ab73156f7ccp281819251819.pdf>
2. Menzies Air Cargo Pvt. Ltd. Hyderabad: <http://aera.gov.in/upload/cp/5996de9d93e57HMACPLCPFinal201718.pdf>

5.13.5 Considering the profitability of the peers, PAT of 25% on Revenues is considered reasonable for Kolkata airport.

5.14 Profit & Loss Account and Proposal for Tariff Increase

5.14.1 Based on the projections as mentioned above, summary of cost projected for the first control period for Kolkata Airport is as follows:

Table 23 - Summary of cost projected for the first control period

(Amount in Rs. Lacs)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actuals	Actuals	Projections	Projections	Projections	Projections	Projections
Expenditure							
Employee benefit expense	1,284.27	1,464.71	1,690.01	1,820.53	1,960.66	2,110.06	2,270.84
Operating Expenses	1,296.94	1,061.71	1,826.93	1,968.03	2,191.51	2,358.50	2,538.20
Administrative and Other Expenses	27.18	53.91	57.78	62.24	67.03	72.14	77.63
Concession Fee	2,373.63	2,231.10	2,308.75	2,389.11	2,472.25	2,558.30	2,647.34
Chq Expenditure allocated	163.49	262.70	443.10	477.32	514.07	553.23	595.39
Depreciation	460.18	223.30	226.66	889.09	1,321.58	1,446.97	1,267.75
Total Costs	5,605.68	5,297.43	6,553.24	7,606.33	8,527.11	9,099.19	9,397.15

5.14.2 If PAT of 25% on revenues is required to be earned from Kolkata in line with its competitors, following are the revenues to be earned when reworked considering costs projected as base:

Table 24 – Revenues to be earned if PAT of 25% is required

Rs. in lacs

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actuals	Actuals	Projection	Projection	Projection	Projection	Projection
Total Costs *	5,605.68	5,297.43	6,553.24	7,606.33	8,527.11	9,099.19	9,397.15
Revenues to be earned **	8,621.27	8,266.03	9,411.45	18,049.25	17,412.34	18,646.05	19,652.56

* Total cost excludes taxes

** ARR required is arrived considering cost incurred/projected for each FY plus concession fees of 30% on revenue plus tax reimbursement.

5.14.3 Considering the revenues and costs as detailed above, the PAT of Kolkata airport is tabulated below:

Table 25 - Profitability statement considering costs and estimated revenues

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actuals	Actuals	Projection	Projection	Projection	Projection	Projection
ARR Required	8,621.27	8,266.03	9,411.45	18,049.25	17,412.34	18,646.05	19,652.56

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actuals	Actuals	Projection	Projection	Projection	Projection	Projection
Employee Cost	1,284.27	1,464.71	1,690.01	1,820.53	1,960.66	2,110.06	2,270.84
O&M Expenses (other than Lease rent, Concession Fee)	1,296.94	1,061.71	1,826.93	1,968.03	2,191.51	2,358.50	2,538.20
Admin cost	27.18	53.91	57.78	62.24	67.03	72.14	77.63
Chq Expenditure allocated	163.49	262.70	443.10	477.32	514.07	553.23	595.39
Depreciation	460.18	223.30	226.66	889.09	1,321.58	1,446.97	1,267.75
Concession Fee - On Revenue	2,373.63	2,231.10	2,445.95	5,041.04	5,372.98	5,726.78	6,103.88
Total Cost	5,605.68	5,297.43	6,690.45	10,258.26	11,427.84	12,267.67	12,853.69
Profit Before Tax	3,015.58	2,968.60	2,721.00	7,790.99	5,984.50	6,378.37	6,798.87
Tax	860.27	902.09	368.14	1,647.30	1,631.42	1,716.86	1,885.73
Net Profit	2,155.32	2,066.51	2,352.86	6,143.69	4,353.09	4,661.51	4,913.14
Profit % to Revenue	25%	25%	25%	34%	25%	25%	25%

5.14.4 For the years which have already elapsed i.e for FY 2017-18 and FY 2018-19, following is the comparison between the revenues earned and the revenues that ought to have been earned, considering the costs incurred and PAT of 25%. The same exercise has also been done for 2019-20 as the tariff increase is proposed only from FY 2020-21.

Table 26 -
Comparison
of
excess/shortfall
in
earnings
for
the elapsed period and for FY 2019-20

Particulars	2017-18	2018-19	2019-20
	Actuals	Actuals	Projections
Revenue that ought to be earned considering a 25% PAT based on costs incurred (Target Revenue)	8,621.27	8,266.03	9,411.45
Revenue earned /estimated for 2019-20 including other income	8,091.43	7,878.97	8,153.18
(Excess) earnings/Shortfall in earnings	529.84	387.06	1,258.27
Cumulative (Excess) earnings/Shortfall in earnings			2,175.16

5.14.5 This shortfall amount of Rs. 2,175.16 lacs have been carried forward in the total ARR of Kolkata airport for the period starting from FY 2020-21. After considering this shortfall amount, the net shortfall/excess is projected for the balance years in the control period. The workings of the same is provided below:

Table 27 - Computation of ARR of Kolkata airport for the first control period

Particulars	Ref.	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
		Actuals	Actuals	Projection	Projection	Projection	Projection	Projection
Revenue that ought to be earned considering a 25% PAT based on costs incurred (Target Revenue)	A	8,621.27	8,266.03	9,411.45	15,874.08	17,412.34	18,646.05	19,652.56
Expected revenues including other income with just traffic increase	B	8,091.43	7,878.97	7,809.36	8,008.76	8,286.69	8,574.30	8,871.91
Shortfall/(Excess)	C = A-B	529.84	387.06	1,602.09	7,865.32	9,125.65	10,071.75	10,780.65
Shortfall/ (Excess) of First 3 years	D				2,518.99			
Adjusted Target Revenue	E = A+D	8,621.27	8,266.03	9,411.45	18,393.07	17,412.34	18,646.05	19,652.56
Discounting factor at 14%	F	1	1	1	1	0.88	0.77	0.67
Discounted Adjusted Target Revenue	G = E*F	8,621.27	8,266.03	9,411.45	18,393.07	15,322.86	14,357.46	13,167.22

5.14.6 The discounted target revenue from year 2020-21 to 2023-24 totaling to Rs. 61,240.60 lakhs has to be recovered from approx. 6.79 lacs MT over the same period. If a 3% increase in the yield per MT (discounted revenues in a year/ discounted MT) is allowed from year 2021-22 onwards, then the expected increase in the yield for year 2020-21 ought to be 99.17%. The calculations are explained below:

Table 28 - Determination of yield

Particulars	Ref.	2019-20*	2020-21	2021-22	2022-23	2023-24
		Projections	Projections	Projections	Projections	Projections
Discounted Adjusted Target Revenue	A	24,446.70	24,553.82	25,405.95	23,745.75	21,667.35
Discounted Adjusted MT	B	4.22	4.33	4.01	3.71	3.44
Yield	C = A/B	5,076	10,109	10,412	10,724	11,046
% increase in yield	D		99.17%	3.00%	3.00%	3.00%

* Given only for comparison for determining the increase in 2020-21

5.14.7 Revised revenues for the balance years in the control period are as follows:

Table 29 - Revised revenues after price increase

Particulars	Ref.	2020-21	2021-22	2022-23	2023-24
		Projections	Projections	Projections	Projections
Yield	A	10,109	10,412	10,724	11,046

Particulars	Ref.	2020-21	2021-22	2022-23	2023-24
		Projections	Projections	Projections	Projections
Traffic	B	1.66	1.72	1.78	1.84
Revised expected revenues (lacs)	$C = A*B$	16,803.48	17,909.95	19,089.27	20,346.26
Discount Factor	D	1.00	0.88	0.77	0.67
Discounted Revised expected revenues (lacs)	$E = C*D$	16,803.48	15,710.48	14,688.58	13,733.14

5.14.8 AAICLAS envisages that one-time rate increase of 99.17% for 2020-21 and 3% PA thereon for FY 2021-22 to 2023-24 would result in drop in volume and loss of customer base considering Kolkata Cargo operations being price significantly.

5.14.9 AAICLAS proposes to recover approx. 64.% of its eligible ARR (Computed based on 25% margin on revenue) and requests Authority to allow AAICLAS to carry forward the shortfall in second control period considering increase volume of business in second control period and to give smoothing effect of price increase.

5.14.10 From the above tables, the increase in the tariff/yield is computed in such a way that the discounted target revenue for the balance years in the control period is matched with the revised revenues based on revised tariff yield, which is explained in the table below:

Table 30 - Equalizing the Revenues

Particulars	Ref. No.	2020-21	2021-22	2022-23	2023-24	Total
		Projections	Projections	Projections	Projections	
Discounted Adjusted Target Revenue (lacs)	A (from G of table 27 above)	18,049.25	15,273.98	14,347.53	13,264.92	60,935.68
Discounted Revised expected revenues (lacs)	B (from E of table 29 above)	16,803.48	15,710.48	14,688.58	13,733.14	60,935.68
Recovery of ARR at 64.05 % of eligible ARR		10,762.63	10,062.56	9,408.04	8,796.08	39,029.30
Shortfall to be carried forward to 2 nd Control period		6,040.85	5,647.92	5,280.54	4,937.06	21,906.38

5.14.11 In view of the above, following tariff increase is proposed for cargo operations in Kolkata airport.

5.14.11.1 27.56% increase in tariff for year 2020-21

5.14.11.2 3% increase in tariff thereafter from 2021-22 till 2023-24.

5.15 Justification for proposed tariff increase

- 5.15.1 Cargo operations at Kolkata Airport continues to incur cost while the volumes have not significantly increase resulting in the need to increase prices to upgrade and maintain the quality of service.
- 5.15.2 AAICLAS proposes to spend 20,567.68 Lacs towards CAPEX which the company proposes to fund from internal accruals
- 5.15.3 A onetime increase of 27.56% for FY 2020-21 and a nominal increase of 3% for the next year 3 years is proposed considering CPI index, to manage its cash flows and fund Capex such as ICMS software implementation, Domestic cargo terminal, Underground reservoir and boring of submersible, WMS for Logistics warehouse, X-ray machines, forklifts, etc., so as to maintain the quality of service to meet the customers' expectations and be at par with international standards.
- 5.15.4 Balance unrecovered ARR beyond the increased revenue is requested to be allowed to be carried forward and recovered in the next control periods.

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AAICLAS | Kolkata | AERA Minutes

From : Ranjit Kumar Das <ranjitkdas@AAI.AERO>
Subject : AAICLAS | Kolkata | AERA Minutes
To : Karri Narsimha <karry@aera.gov.in>

Fri, Feb 14, 2020 01:53 AM

1 attachment

Dear Karrie

Please find attached Kolkata Minutes as desired by you .

With Regards,
R.K. Das
Chief Financial Officer
AAI Cargo Logistics and Allied Services Company Limited
(An AAI Subsidiary)

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**MINUTES OF THE STAKEHOLDER'S CONSULATATIVE MEETING ON THE
AERA TARIFF PROPOSAL HELD ON 6TH JANUARY, 2020 AT 11:30 HRS. AT
THE SWISSOTEL (ZURICH HALL), KOLKATA, NEW TOWN, RAJARHAT,
KOLKATA - 700 157**

AAI/ AAICLAS

1. Shri Kaushik Bhattacharya	Airport Director, Kolkata Airport
2. Shri Keku Bomi Gazder	CEO - AAICLAS
3. Shri K Selvakumar	COO - AAICLAS
4. Shri Ranjit Kr. Das	CFO - AAICLAS
5. Shri D Murlidharan	Regional Manager - SR
6. Shri Rahul Nandy	Regional Manager - ER
7. Shri Pradeep Kr. Singh	Sr. Manager (Cargo)
8. Shri V S Rawat	Sr. Manager (Cargo)
9. Shri Z A Ahmed	Sr. Manager (Cargo)
10. Shri B Dutta	Manager (PS)
11. Shri Rahul Ranjan	Manager (Cargo)
12. Shri Nirupom Das	Manager (Cargo)
13. Shri Shubham Saurabh	JE (Cargo)
14. Shri S Guha	Engineer - Civil
15. Shri Sanjay Lahiri	Sr. Exe. (Finance)

AERA

16. Shri K Narsimha

CII

17. Shri Rhitam Das

STAKEHOLDERS

18. Shri Farid Zamal	CCHAA
19. Shri P C Maity	CCHAA
20. Shri Sudip Dey	CCHAA
21. Shri Arjun Singh	M/s Spice Jet
22. Shri Prantick Chowdhury	M/s Air Asia
23. Shri Debu Biswas	M/s Blue Dart
24. Shri Siddhartha Bose	M/s Blue Dart
25. Shri Amin Khan	M/s Emirates
26. Shri Indranil Banerjee	M/s Air India
27. Shri Prabhat Chandra	M/s Air India
28. Shri Amit Ghosal	M/s Air India
29. Shri Debanjan Sen	M/s Indigo
30. Shri Prodyut Saha	M/s Vistara
31. Shri Amit Koley	M/s Saila Shipping
32. Shri P K Sinha	M/s Continental

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| 33. Shri Arup Kumar Das | M/s Continental |
| 34. Shri Louis Alphonso | Chairman – CFC, M/s Singapore Airlines |
| 35. Smt. K M Indra | M/s Spice Jet |
| 36. Shri Victor Banerjee | M/s Air Asia |
| 37. Shri Satinder Dasgupta | M/s Robinsons Cargo & Logistics |
| 38. Shri Jaideep Raha | Chairman, ACAAI – ER |
| 39. Shri Subhasis Majumder | ACAAI |
| 40. Shri Goutam Sarkar | ACAAI |
| 41. Shri Arindam Sarkar | PSAFL SPEED MARK |
| 42. Shri Pallab Kr. Mukerjee | PSAFL SPEED MARK |
| 43. Shri Subhasish Majumder | Thai Airways |
| 44. Shri Shibabrata Ghosh | Qatar Airways |

Mr Keku Bomi Gazder, Chief Executive Officer – AAICLAS welcomed all the guests and thanked them for sparing their valuable time to attend the meeting on determination of tariff Kolkata Air Cargo under AERA. He stated that the tariff for Chennai Airport has already been finalized last week and now we are doing for Kolkata Airport. He introduced AERA represented Shri K Narsimha who has come from AERA, New Delhi to observe the proceedings of the meeting.

CEO-AAICLAS formally started the meeting and requested Shri Rahul Nandy, Regional Manager – ER to give his presentation about the existing facilities and upcoming facilities at Kolkata Air Cargo Complex.

RM-ER gave a brief presentation about the existing facilities, AAICLAS is having at Kolkata, then the running projects which will be completed by the end of March 2020 and the upcoming facilities viz. New State of the Art Domestic Terminal and a multilevel warehouse for e-commerce facilities as well as storage of Custom cleared cargo.

Next, Shri Ranjit Kumar Das, Chief Financial Officer of AAICLAS gave his presentation regarding the parameters for determination of AERA tariff and the justification of the increase in prevailing rates. He proposed an increase of 27.56% in 2020-21 and thereon 3% per annum till 2024-25.

Finally, Shri K Selvakumar, Chief Operating Officer, AAICLAS gave presentation regarding various components the AERA is considering for the proposed rates. He highlighted the various components where discount is given to the trade or where the rates are increased. 10% discount are offered to the trade where they use their own manpower from offloading at Truck Dock till handing over of the cargo to Airlines. Increase in X-ray charges from 0.75/kg to Re.1/kg in line with other private airports. He explained all the charges included in the tariff at length.

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750

COO-AAICLAS further informed that RA for Chennai ACC has been approved by BCAS and RA for Kolkata will be approved very shortly. Thereafter, AAICLAS will take over the security screening functions and charges for screening and escorting are already incorporated in the present tariff under consideration. After the presentation were completed, the forum was opened for interactive session for discussion / queries on tariff determination.

Mr Jaideep Raha, Chairman, ACAAI-ER raised certain points / views on increase in tariff. He expressed his concern about financial data provided by CFO-AAICLAS and total CAPEX investments. The detailed observations appended by Mr Raha are enclosed for understanding. It has been narrated that if AAICLAS couldn't meet the CAPEX and OPEX then AERA would review it. The true-up of each year would ensure whether tariff would be same or change in future.

On the issue of 50% discount to Air Freight Stations (AFS), Shri Jaideep Raha stated that Kolkata is having no AFS at present but in future there may be AFS operating from Kolkata, hence there should be one tariff for AFS on PAN india basis and Airport should only to pass thru' way. CEO-AAICLAS explained that the AFS facility is operational in Chennai only and we are giving 50% discount for Import Cargo. He stated that logistic cost should be based on transport and commodity & Administrative cost.

On the above, CFO AAICLAS clarified about the Administrative cost that after the formation of AAICLAS three years already gone and the Administrative cost which appears to be 27-77% is actually 53-77%. AAICLAS is charging on 15% Price cap model while DIAL / HIAL are charging 25% return. In a situation of increased rate, AERA will eventually reduce the rate. Therefore, increase rate is justified. The shortfall if any on 25% return model would be carried forward to the next control period.

On the issue of 10% on export shipments, where CHAs, Exporter has an option to use their own manpower for offloading the cargo from truck and shifting to examination and subsequently hand it over to Airlines, Mr Raha, Chairman, ACAAI-ER expressed his objection on this as shippers' / trade do not want to bring their own manpower, quoting security issues including issuance of AEPs. He further stated that he will put above points on paper and request AAICLAS to review on this.

On the free period issue, COO-AAICLAS stated that the free period is being discussed at Ministry level and the existing 12 hrs and 36 hours may come down to 24 hours with Customs working on 24*7 pattern. He further stated that now ICEGATE downtime is reduced and trade has also appreciated. Now ICES 2.0 will be rolled out soon wherein, provision for Courier software will also be developed and it will be taken over by Customs.

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781

Shri Louis Alphonso, Chairman CFC raised the issue of higher bonded area demurrage charges and requested to be equal to examination area demurrage. As regards handing over of cargo within 4 hours, he raised the issue insufficient space in the flight check area. He also expressed that 4 hours' time to bring the ULDs of a 100 MT freighter is practically impossible.

CFC Chairman also mentioned that the ETV charges should be a part of the facility and no additional charges should be levied. With regard to ETV charges, RM - ER explained that AAICLAS is incurring huge maintenance charges i.e. 4.5 Crores for three years, on ETV and therefore, a small charge is imposed so as to keep the facility in good condition.

CFC Chairman mentioned that TSP charges are not applicable on TP shipments as in practice at other airports to which CEO-AAICLAS contradicted him stating that TSP charges on TP is applicable at all airports.

With regard to the query raised by CFC Chairman on the print slips from the weighing scales, it was cleared that AAICLAS is planning to introduce new ICMS system, wherein all the weighing scales will be integrated to ICMS system and all the details will be captured electronically. Regional Manager, AAICLAS, ER informed that AAICLAS is changing all the load cells and display system of all the weighing scales and there will be no complaint as far as calibration of scales is concerned.

Shri Louis Alphonso, Chairman CFC pointed out that weighing scale at heavy shed is not functional and Xray machines in exports are not maintained 24*7 as there is no maintenance engineer available during odd hours. RM ER informed that AAICLAS has called quotations not only for 10 MT capacity weighing scale in heavy shed but one more machine with a capacity of 30 MT which would be used to weigh 20" pallets. As regards Xray machine maintenance, he stated that till date Xray machines are maintained by AAI and once the assets are transferred to AAICLAS, maintenance engineers would be available 24*7.

Shri Sudip Dey, Customs Broker Association raised the issue of 12 hours and 36 hours' free period in export. He stated that he has no issue on reduction in free period, but the delay in processing for screening and shifting to bonded area should be reduced. He said that even if they are completing all the formalities within the time, even than demurrage is levied, hence the infrastructure facilities should be increased. RM-ER stated that there are lot of instances where cargo is cleared and LEO is given but the same is lying in exam

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area awaiting for screening due to non-availability of challans. He also stated that once AAICLAS obtains RA status, this problem will be eradicated as AAICLAS will do the screening for all cargo in International and Domestic and would ensure shifting of ready cargo immediately to the bonded area.

CHA representative further pointed out that penal charges should not be levied on shipper / CHAs for weight variation, he requested that the trade should not be penalized and requested to drop this. CEO AAICLAS stated that this is a safety violation; there are some Airports who charge 10% but find the mechanism and we must include this charge as a deterrent, to those who frequently misdeclares the weight.

Shri Jaideep Raha raised the issue of calibration of weighing scales in export, he stated that it should be done frequently but not happening. He highlighted the typical practice in Kolkata that most of the cargo is directly coming to Cargo terminal from exporters warehouse, hence there should be two layer weighment check and weight variation for more than five instances by same Shipper / CHA should be penalized.

Finally, Shri Jaideep Raha appreciated the improvements brought in after the formation of AAICLAS and conveyed that ACAAI is thankful for everything which was not there before 2016. He stated that trade is not against increase in rates /tariff, but they also need increase in service level.

CEO AAICLAS stated that whatever justification is presented is only the proposal and will be submitted to AERA on which AERA will take a final call.

He further stated that AAICLAS is going into wallet payments by moving to electronic payment mode. GHA policy will be released very shortly by AAI where GHA will be restricted only to handover the loaded ULDs to Flight receiving area and taking loaded ULDs from export staging area to the Aircraft for onward upliftment and not inside the cargo terminal. There will be SLAs between Airlines and GHA which inter-alia will improve the service level. In order to reduce dwell time, AAICLAS is preparing by updating their software for paper less transactions.

Issue of demand charge on electricity bills was raised by the house wherein RM-ER informed that these charges are calculated by AAI Finance Deptt, on the basis of that AAICLAS is charging demand charges and these charges are for the State Government.

CEO AAICLAS introduced Airport Director, Shri Kaushik Bhattacharya and requested him to say few words. The Airport Director thanked CEO and his team for the meeting with all stakeholders in presence of AERA Representative and

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said that the cargo movement has grown and developed in much better way. He further stated that there are some International Flights added in the schedule of Kolkata which will definitely benefit the exports and trade.

CEO AAICLAS thanked all for acknowledging the investments made by AAICLAS and for their observations on the ATP. He also requested for their feed backs on the ATP.

The meeting ended with a vote of thanks to one and all.

(V S RAWAT)
Senior Manager (Cargo/Admn)

AAICLAS | Kolkata | Responses to stakeholder comments

From : Ranjit Kumar Das <ranjitkdas@AAI.AERO>
Subject : AAICLAS | Kolkata | Responses to stakeholder comments

Fri, Feb 14, 2020 01:55 AM
2 attachments

To : Karri Narsimha <karry@aera.gov.in>

Dear Karri

Please find attached the comments of the stake holders as desired by you .

With Regards,

R.K. Das

Chief Financial Officer

AAI Cargo Logistics and Allied Services Company Limited

(An AAI Subsidiary)

From: Aditya Chawla <Aditya.Chawla@pkflp.onmicrosoft.com>

Sent: 13 February 2020 17:12

To: Ranjit Kumar Das <ranjitkdas@AAI.AERO>

Cc: Dinesh Raisinghani <dinesh.c@pkfindia.in>; Harini Vijayakumar <harini@pkfindia.in>

Subject: FW: AAICLAS | Kolkata | Responses to stakeholder comments

Importance: High

CAUTION: This email has originated from Outside of AAI. Do not click links or open attachments unless you recognize the sender and know the content is safe. Malware/ Viruses can be easily transmitted via email.

Dear Sir

Please find the responses to stakeholder's comments for your review and forwarding the same to Rajiv.

--

Best Regards

Aditya Chawla

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**POINTS RAISED BY CFC CHAIRMAN, CARGO EASTERN REGION
ON DETERMINATION OF AERA TARIFF**

Sr No	Description
1.	<p>The airlines main area of concern is that why the demurrage charges for the airlines are just double of the agent/shipper demurrage charges?</p> <p>With the current slow-down of the cargo demand, and swindling revenues, we request that the airlines demurrage be made same as the agents demurrage charges which is at a lower level.</p>
Response	<p>Reasons for difference in demurrage charges for examination area and bonded area are as follows:</p> <ol style="list-style-type: none"><li data-bbox="400 629 1433 734">1. It is stated that examination area is a processing zone only. Hence they are given 12 hours' free period and charges are approximately at par with TSP exports.<li data-bbox="400 734 1433 875">2. Free period for bonded area is 36 hours and the facility should not be used as warehouse, instead should be used as a terminal space. Hence, charges are higher as a deterrent to use the bonded area as a warehouse. <p>Hence, in our opinion, demurrage charges for examination and bonded area cannot be same.</p>

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WHITE PAPER ON AERA CONSULTATIVE TARIFF INCREASE PROPOSAL – ACAA

Sr No.	Description / Responses
1.	<p>We have not been given your proposed rate structure of the charges, but it was made to understand that it would be around 30% increase overall. Which according to us is very high considering the present slump in EXIM Trade due over all slump in business in India.</p> <p>Last but not the least, considering the fact that Govt Of India is seriously evaluating to reduce 14.5% Logistics Costs of GDP particularly when India is higher in Logistics costs compare to global standard which is in the range of 7.5% to 9%.</p> <p>This increase in charges should be either done away with for the time being or the overall efficiency needs to be increased if the charges are to be increased.</p> <p>Since we feel a big chunk of income comes from demurrages and rents to the Terminal Operators/ Airport Operators and which is primarily contributed by inefficient handling and processing at the Airport Terminals and this is largely contributed due to Customs Processing systems and Ground Handling Agents who does not have any accountability. This area needs highest degree of improvement if we have to pay hike in charges.</p>
Response	<p>There is a need to improve the facilities in Kolkata Airport. This is required keeping in mind the need for enhanced facilities, expansion considering the demand in this terminal and with the vision to provide the best quality services in all AAICLAS terminals.</p> <p>In order to achieve these objectives, AAICLAS proposes to invest approximately INR 205.68 Crores over a period of 5 years. AAICLAS proposes to fund this investment from internal accruals.</p> <p>The above investment will lead to reduction in the turn-around time. This will in-turn increase the efficiency thereby offering faster processing of cargos.</p> <p>This will be required to efficiently manage its cash flows and fund Capex such as ICMS software implementation, Domestic cargo terminal, Underground reservoir and boring of submersible, WMS for Logistics warehouse, X-ray machines, forklifts, etc., so as to maintain the quality of service to meet the customers' expectations and be at par with international standards.</p> <p>It may be noted that for an investment of INR 205.68 Crores, AAICLAS had estimated the tariff increase to be about 99% in year 1 of the control period. However, AAICLAS has only requested for about 30% of the required increase of 99% i.e about 27% increase in year 1. It may be appreciated by the stakeholders that AAICLAS, in its intent to provide the best quality services to all its stakeholders, will not be able to make the profits that other competitors in this industry are making across India. The ideal profit scenario is being postponed to future control periods in the interest of its stakeholders.</p>
2.	<p>Further this increase in rate particularly for CCU Airport Terminal in comparison with the traffic volume with other Airports is not very appropriate since the volumes are much lower in Kolkata Airport. This will further experience exodus of air cargo volumes and conversion to ocean freight. Hence our apprehension.</p> <p>The justification given that AAICLAS is looking at 28% PAT as its bottom-line margin is not very favorable when the air cargo average PAT is in the range of 13% to 15%</p>
Response	<p>Bangalore and Hyderabad are earning profitability of 29% and 28% respectively for the FY 2017-18. These two airports are considered as the fair competitors to AAICLAS (Kolkata).</p>

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These two airports were selected on the following criteria:

1. Volume of Cargo Handled
2. Size of operations
3. Availability of reliable information.

For FY 2018-19, cargo volumes handled at Kolkata Airport (155,232 MT) is more than that at Hyderabad Airport (144,126 MT). Cargo handled in Kolkata is about 40% of the volumes handled at Bangalore Airport. It may be noted that Hyderabad and Bangalore are matured airports with high levels of quality of service. Since Kolkata is on the path to maturity and is committed in this control period to enhance the user experience and level of quality of service, AAICLAS submits that Hyderabad and Bangalore are fair comparables for PAT.

Further, for maintaining same level of profits as of Bangalore and Hyderabad Airports (i.e. 25%) AAICLAS submits that the tariff increase in year 1 should be 99%. However, AAICLAS has sought only 27.56% increase in tariff in year 1. This increase in revenue will only result in 15% PAT as against the comparable PAT of 25%

It may be appreciated by the stakeholders that AAICLAS, in its intent to provide the best quality services to all its stakeholders, will not be able to make the profits that other competitors in this industry are making across India. The ideal profit scenario is being postponed to future control periods in the interest of its stakeholders.

3 As per your presentation your overhead costs are on very higher side, if we have understood it correctly and are in the range of 35% on gross average. Therefore, it is not as per any corporate overhead structure that's prevailing in India.

Further there has been no data provided in your presentation on your operation costs and operative profits. Whilst we cannot really make any comment on your profit margin but since the presentation by your finance team given to us, gives that impression.

Response Operating costs have been listed in the presentation and the submission document. For FY 17-18 and FY 18-19, the entity has considered the actual costs, as per books. Cost Projections from FY 19-20 to FY 23-24 are based on the price-quantum multiplier taking into account the GDP growth rate and Inflation Rate applicable to the respective year as per IMF data. All costs will be trued up in the next control period. Hence, any excess/shortfall in estimation will be adjusted in the ARR required of the subsequent control period.

The operating cost and operating profits are as under:

Particulars	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Rs. in lakhs	Actuals		Projections				
Revenues to be earned	8,621	8,266	9,411	18,049	17,412	18,646	19,652
Expenditure							
Employee benefit	1,284	1,465	1,690	1,821	1,961	2,110	2,271
Operating Expenses	1,297	1,062	1,827	1,968	2,192	2,359	2,538
Concession Fee	2,374	2,231	2,309	2,389	2,472	2,558	2,647
Depreciation	460	223	227	889	1,322	1,447	1,268
Operative Costs	5,415	4,981	6,053	7,067	7,947	8,474	8,724
Operative Profits	3,206	3,285	3,358	10,982	9,465	10,172	10,928
Operating Cost to Revenue	63%	60%	64%	39%	46%	45%	44%

It may be noted from the above table that the operating cost to revenue % is about 60% currently. However, this cost has been rationalized over the years and maintained at an average % of 40 to 45%. These are direct operating costs. Following are the other

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overheads apart from the direct costs:							
Particulars	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Rs. in lakhs	Actuals		Projections				
Adm & Other Exp	27	54	58	62	67	72	78
CHQ Exp allocated	163	263	443	477	514	553	595
Total other overheads	190	317	501	539	581	625	673
% other overheads to revenue	2%	4%	5%	3%	3%	3%	3%
Other overheads only account for about 3% of the total revenue.							

4.	The CAPEX and optimum productivity output per kg or your thru put costs is not defined in your presentation in order to quantify the justification of the rate increase.																																																																																																
Response	<p>Total projected Capex for CCU for the control period is around INR 205.68 Crores.</p> <p>Throughput cost = Revenue – Variable cost (Raw material cost) Productivity = Throughput/ Operating Expenses</p> <p>For Service Industry, Productivity = Revenue/ Operating Expenses</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>17-18</th> <th>18-19</th> <th>19-20</th> <th>20-21</th> <th>21-22</th> <th>22-23</th> <th>23-24</th> </tr> <tr> <th></th> <th colspan="2">Actuals</th> <th colspan="5">Projections</th> </tr> </thead> <tbody> <tr> <td>Revenues to be earned*</td> <td>8,621</td> <td>8,266</td> <td>9,411</td> <td>18,049</td> <td>17,412</td> <td>18,646</td> <td>19,652</td> </tr> <tr> <td>Expenditure</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Employee benefit</td> <td>1,284</td> <td>1,465</td> <td>1,690</td> <td>1,821</td> <td>1,961</td> <td>2,110</td> <td>2,271</td> </tr> <tr> <td>Operating Expenses</td> <td>1,297</td> <td>1,062</td> <td>1,827</td> <td>1,968</td> <td>2,192</td> <td>2,359</td> <td>2,538</td> </tr> <tr> <td>Adm & Other Exp</td> <td>27</td> <td>54</td> <td>58</td> <td>62</td> <td>67</td> <td>72</td> <td>78</td> </tr> <tr> <td>Concession Fee</td> <td>2,374</td> <td>2,231</td> <td>2,309</td> <td>2,389</td> <td>2,472</td> <td>2,558</td> <td>2,647</td> </tr> <tr> <td>CHQ Exp allocated</td> <td>163</td> <td>263</td> <td>443</td> <td>477</td> <td>514</td> <td>553</td> <td>595</td> </tr> <tr> <td>Depreciation</td> <td>460</td> <td>223</td> <td>227</td> <td>889</td> <td>1,322</td> <td>1,447</td> <td>1,268</td> </tr> <tr> <td>Operating Costs**</td> <td>5,606</td> <td>5,297</td> <td>6,553</td> <td>7,606</td> <td>8,527</td> <td>9,099</td> <td>9,397</td> </tr> <tr> <td>Productivity (%)</td> <td>154%</td> <td>156%</td> <td>144%</td> <td>237%</td> <td>204%</td> <td>205%</td> <td>209%</td> </tr> </tbody> </table> <p>* ARR required is arrived considering cost incurred/projected for each FY plus concession fees of 30% on revenue plus tax reimbursement. ** Total cost excludes taxes</p> <p>Further, for maintaining 25% profit margin, we are getting 99.17% of Price Increase, whereas we have asked for only 27.56% of price increase which can be achievable at 15.5% PAT only.</p> <p>We further propose to carry-forward the shortfall to be made at 25% profit margin to the next control period.</p>	Particulars	17-18	18-19	19-20	20-21	21-22	22-23	23-24		Actuals		Projections					Revenues to be earned*	8,621	8,266	9,411	18,049	17,412	18,646	19,652	Expenditure								Employee benefit	1,284	1,465	1,690	1,821	1,961	2,110	2,271	Operating Expenses	1,297	1,062	1,827	1,968	2,192	2,359	2,538	Adm & Other Exp	27	54	58	62	67	72	78	Concession Fee	2,374	2,231	2,309	2,389	2,472	2,558	2,647	CHQ Exp allocated	163	263	443	477	514	553	595	Depreciation	460	223	227	889	1,322	1,447	1,268	Operating Costs**	5,606	5,297	6,553	7,606	8,527	9,099	9,397	Productivity (%)	154%	156%	144%	237%	204%	205%	209%
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5.	Your Admin costs taken into consideration from FY 17-18 to FY 23-24 is from Rs. 27.8 lakhs to Rs. 77 lakhs which looks bit out of shape to us.
Response	For FY 17-18 and FY 18-19, the entity has considered the actual costs, as per books. Price-quantum multiplier – which works out to about 7% per annum is used for projecting

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	expenses for rest of the years in the control period. Further, the admin expenses on a year on year basis is only 0.3% to 0.5% of the total revenues from each year. Hence, in our opinion, this cost is immaterial and assumptions for projections are reasonable.
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6.	Regarding your discounts on Built up ULD's thru AFS / FEZ/ SEZ of 50% is very vague and one really cannot calculate the actual costs per KG since the AFS charges are not mentioned and presently there is no AFS operational in CCU and hence one really cannot determine real time costs. According to us it should be a one separate rate must be given to the trade and the Airport Operator and the AFS operator needs to share between them mutually. Otherwise, the 50% discount does not make any sense at all.
Response	50% discount on charges is given to AFS because AFS will take away complete ULD to their warehouse and then importer can clear the goods from AFS as per their convenience as and when required. AFS is not under the purview of AERA, hence their charges cannot be included in Cargo Terminal Operators' charges.

7.	ULD escorting charges proposed for both import and export have not been defined whether they are inclusive of tare weight of the ULD's or that is on actual weight of the cargo? Moreover, is this rate a breakup of the costs or justification of the increase of 30% rates? Or they are in addition to the TSP/ TC charges and trade needs to factor it as well in case of ULD shipments? This is not clear to the trade. And in the event these costs need to be factored then the % increased proposed is not correct and would be higher This point needs clarifications.
Response	AAICLAS has applied for Regulated Agent (RA) Certification and once the RA is granted, AAICLAS will undertake all security functions including escorting of ULDs from Apron area to Cargo Terminal, hence the charges are proposed in Tariff. These charges will be on actual weight. These charges will be leviable on Airlines. At present also these charges are charged by either GHA or the agency who is doing security functions on behalf of the particular Airlines.

8.	We would also like to place on record that due to Customs and GHA's inefficient and deficient services the trade will be penalized on demurrages and detention charges which will ultimately affect the EXIM Growth from CCU Airport considering the present scenario. The trade demands a clear-cut accountability, liability and responsibility on these two agencies in terms of delayed services and processing and a well-defined rule should be in place prior to implementation of any increase in tariff. Also, ICEGATE down time must be considered as well and appropriate waiver mechanism must be worked out. Instead of claims post the clearance and payment of demurrage by the payee. The demurrage charges of short landing of cargos needs some sort of reprieve or relief to the trade, since the customs procedures of part clearance is very stringent, cumbersome and time consuming. On top of that penalties are been levied at times. And in the event the part shipment which don't arrive Customs also take duty in consideration. Therefore, in case of lost in transit of part shipments, the Importers demands the refund of the proportionate duty amount on the lost cargo that is paid and holds the CHA/ Forwarder to ransom and even at times drag him to Court for heavy compensation. Hence, this area also needs to be covered and well defined in terms of TSP and rent.
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Response	GHA policy will be released very shortly by AAI where GHAs will be restricted only to handover the loaded ULDs to Flight receiving area and taking loaded ULDs from export staging area to the Aircraft for onward upliftment and not inside the cargo terminal. There will be SLAs between Airlines and GHAs which inter-alia will improve the service level. AAICLAS is in constant touch with Customs for paper less transactions wherein process time will also reduce.
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9.	The trade is not in favour of doing loading and unloading activities with their own loaders at the costs of mere 10% discounts inside the Terminal particularly at the Truck Dock area due security threat foremost and competition foul play. This is more of Security concern particularly with the implementation of AEP guidelines rules. The trade under no circumstances wishes to endanger and compromise with the Airport Security and aircraft safety in wake of Terrorism threat to our Country.
Response	This is a proposal only and if any agency/ Shipper/ CHA wants to use their own manpower, they will be given 10% discount. This is not mandatory.

10.	The Mis-declaration of weight and Volume from 2% to 5% penal charges are very high. And the weight variation is always not intentional and could be due to faulty weighing scale as well. It is also due to calibration difference due to capacity of the weighing scales as experienced. We would therefore suggest that, 2% to 5% variation in weight and volume let there be a nominal fee of Rs. 350/- to 500/- be levied and that too only in case of above 3% and within 5%. Your suggested penal charges may be levied for repeat offenders e.g. after 3 times per month either by the same Forwarder/ CHA or the Exporter. We may even suggest even more stringent measure of penalties like temporary suspension of acceptance of the cargo from the same forwarder/ CHA or the Exporter after due consideration and examination of a willful offender only. The same also should well defined and the name of the willful offender should be circulated to the trade bodies which would act as a deterrents.
Response	The weight variation between 2% to 5% is nominal charge only (double the normal TSP charges per kg) and well within Rs.500/-. The penal charges are on higher side when the variation is more than 5% which is not acceptable and to be charged as a deterrent.

11.	The trade does not agree to levy of any packing and repacking charges since if there is RMS shipping bill it is the Customs Computer systems which dictates opening of the packages a certain percentages of packages which the CHA or the forwarder does not have any say. Hence this is not acceptable. This is acceptable only when poor packing and poor quality of the packaging materials are used by the Exporters and they are found or detected in open condition at the time of unloading of the cargo at the Export Truck Dock area.
Response	AAICLAS has proposed to invest INR 6.53 Crores for implementation of new ICMS 2.0 application by FY 2020-21. The aforesaid issue will get addressed after implementation of ICMS.

12.	The trade would urge real time payment module of TSP/ TC charges online 24x7 by the Forwarder/ Shipper/ Consignee/ CHA's instead of PD accounts.
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Annexure-III

Detailed CAPEX Schedule (Revised) submitted by AAICLAS for Kolkata International Airport for the 1st Control Period (FY 2019-20 to FY 2023-24);

(Rs. In Lakhs)

Fund Centre Description	PDC	2019-20	2020-21	2021-22	2022-23	2023-24	Total
RENOVATION AND UPGRADATION OF CUDCT FLOOR AT NSCBI KOLKATA	30-Sep-19	307.52					307.52
DEVELOPMENT OF CAR PARK FOR ATC OFFICIALS AND DOMESTIC CARGO (CUDCT) I/C ACCESS ROAD FOR CFT	31-Dec-19	370.77					370.77
EXTENSION OF TRUCK DOCK AT INTERNATIONAL CARGO NSCBI AIRPORT, KOLKATA. (WIP)	28-Feb-20	168.74					168.74
MISC. CAPITAL WORK AND RENOVATION WORK AT INTERNATIONAL CARGO AND CUDCT. (WIP)	31-Dec-19	230.00					230.00
MODIFICATION OF ROLLING SHUTTER AT DIFFERENT LOCATION OF NICT KOLKATA	30-Nov-19	4.79					4.79
Provision of Second ULD's Platform in front of second X-Ray Machine of APEDA at NICT, Kolkata (WIP)	31-Dec-19			221.19			221.19
Creation of separate transshipment processing zone (Planning)	30-Sep-20	-		400.00			400.00
Pack house for Agricultural products (Planning)	30-Sep-20	-		-	1,100.00		1,100.00
Domestic Cargo Terminal – Planning	30-Sep-21	-	-		7,000.00		-
Proposed Warehouse in car park area in front of International Cargo Terminal	30-Sep-20	-		3,000.00			3,000.00
WAREHOUSE FOR E COMMERCE CLIENTS IN CAR PARK AREA (WIP)	31-Dec-19	-	47.20				47.20
Underground reservoir and boring of submersible	2022-23				1,500.00		1,500.00

New Road and development existing Road	2023-24					800.00	800.00
Additions to RAB - Buildings Total in 1st Control Period		1,081.82	47.20	3,621.19	9,600.00	800.00	15,150.21
PROCUREMENT OF COMPUTER FOR KOLKATA FROM GEM, ABT DESKTOP AND LAPTOP	31-Dec-19	22.38					22.38
PROCUREMENT OF COMPUTER FOR KOLKATA FROM GEM, ABT DESKTOP AND LAPTOP	30-Sep-20		25.00				25.00
PROCUREMENT OF COMPUTER FOR KOLKATA FROM GEM, ABT DESKTOP AND LAPTOP	30-Sep-21			25.00			25.00
Printer HP 1005 MFP - 4 pcs	31-Dec-19	0.61					0.61
2Nos of laptop	31-Dec-19	1.26					1.26
HP 4005G SFF i56 8500 WIN 10P 813 WITH N220 tco (20n Computer)	31-Dec-19	11.33					11.33
Printer HP 1005 MFP - 4 pcs	31-Dec-19	0.61					0.61
New website development with 3 years support & maintenance AAICLAS CPP-e-tendering portal + In house Resource support	31-Dec-19	8.74				-	8.74
AAICLAS Data center & networking infrastructure	31-Dec-20			130.62			130.62
BATTERY FOR UPS	31-Dec-19	3.25					3.25
Purchase of Workstations & accessories for Logistics warehouse	2022-23				25.00		25.00
Purchase of Workstations & accessories for Domestic Cargo terminal	2023-24					25.00	25.00
MS Office Software	31-Dec-19	3.17					3.17
New ICMS 2.0 application	30-Sep-20	-	653.08	-	-	-	653.08
S/W for ECCS,	2021-22			100.00			100.00
S/W for logistics warehouse	2022-23				50.00		50.00
Up-gradation of S/W for ECCS	2023-24					50.00	50.00

Additions to RAB - Computers & S/W Total in 1st Control Period		51.35	678.08	255.62	75.00	75.00	1,135.05
ELECTRICAL WORKS AT 1ST FLOOR OF ECCS TERMINAL OF NICT, KOLKATA	31-Dec-19	20.10					20.10
NEW ELECTRICAL ITEM SUPPLY, INSTALLATION & COMMISSIONING JOB NICT BUILDING & CUDCT.	31-Dec-19	150.00					150.00
Procurement of Electrical items for completing Misc. Electrical job at NICT Building /Area, NSCBI Airport Kolkata	31-Dec-19	0.99					0.99
Electrification of Ware House	2020-21				500.00		500.00
Modification of APEDA	2020-21			200.00			200.00
Separate Electrification of NICT building including metering	2020-21			500.00			500.00
New Domestic Cargo Terminal Building	2021-22				800.00		800.00
Pump motor	2022-23				100.00		100.00
Electrification of Air side	2023-24					60.00	60.00
Additions to RAB - Elec. Installations Total in 1st Control Period		171.09	-	700.00	1,400.00	60.00	2,331.09
PROCUREMENT OF OFFICE FURNITURE	31-Dec-19	20.00					20.00
office furniture for Int'l cargo & CUDCT	2020-21		30.00				30.00
Office Furniture for Logistics Warehouse	2021-22			25.00			25.00
office furniture for New Domestic Cargo terminal & ECCS terminal	2022-23				35.00		35.00
office furniture for New Domestic Cargo terminal	2023-24					20.00	20.00
Additions to RAB - Furniture & Fixtures - Total in 1st Control Period		20.00	30.00	25.00	35.00	20.00	130.00
Purchase of Ceiling Fans 1400 mm	31-Dec-19	0.24					0.24
Purchase of Wall Fan Orient 400 mm Wall 47	31-Dec-19	0.21					0.21
Electrical items for export	31-Dec-19						

counter		0.23					0.23
Purchase of Ceiling Fans for import examination area	31-Dec-19	0.66					0.66
Ceiling Fans (15 Nos) installation at CUDCT, NSCBI Airport, Kolkata	31-Dec-19	0.90					0.90
Rewinding of burnt out roof air extractor fan Motor including allied work	31-Dec-19	1.38					1.38
Automation of Existing Int'L terminal & CUDCT	2020-21		15.00				15.00
Automation of ECCS	2021-22			30.00			30.00
Automation of Logistics warehouse	2022-23				30.00		30.00
Automation of new domestic cargo terminal	2023-24					20.00	20.00
Additions to RAB - Office Equipment Total during 1st Control Period		3.63	15.00	30.00	30.00	20.00	98.63
2 NOS OF DUAL VIEW CARGO XRAY MACHINES WITH TUNNEL SIZE OF 1000 MMX 1000MM AND 1 NOS OF DUAL VIEW CARGO XRAY MACHINE WITH TUNNEL SIZE OF 1450 MMX 1800 M	31-Dec-19	221.47					221.47
ONE NOS ETD FOR CARGO AIRPORT AAICLAS	31-Dec-19	19.38					19.38
Modification of Rolling Shutter at different location of NICT, Kolkata	31-Dec-19	2.78					2.78
XBIS	31-Mar-20	210.00					210.00
UVSS	31-Mar-20	0.10					0.10
ETD	31-Mar-20	14.00					14.00
DMFD	31-Mar-20	3.00					3.00
HHMD	31-Mar-20	0.48					0.48
Boom barrier	31-Mar-20	1.00					1.00
Manual Tyre killer	31-Mar-20	0.50					0.50

WMS for Transshipment	2020-21		300.00				300.00
WMS for ECCS terminal	2021-22			150.00			150.00
WMS for Logistics warehouse	2022-23				500.00		500.00
WMS for New Domestic Cargo terminal	2023-24					300.00	300.00
Additions to RAB - Plant & Machinery- Total during 1st Control Period		472.71	300.00	150.00	500.00	300.00	1,722.71
Additions to RAB during 1st Control Period as per AAICLAS submissions		FY 20	FY 21	FY 22	FY 23	FY 24	Total CAPEX
		1,800.59	1,070.28	4,781.80	11,640.00	1,275.00	20,567.68