



EICI/AERA/059
22nd April 2014

The Hon'ble Secretary,
Airport Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Re: Submission of ATPs for the tariff years 2014-15 and 2015-16 for Mumbai as requested vide your letter dtd 20th March 2014.

Sir,

We are in receipt of your letter dated 20.03.2014 bearing File no. AERA/20010/MYTP/EICI/C/Del/2011-12/Vol-I/5549 directing us to re-submit the revised Annual Tariff Proposal (ATP) for Mumbai for the 4th and 5th tariff years of the current control period and annual compliance statements to your office.

We have noted the fact that the Multi Year Tariff Proposal (MYTP) of Express Industry Council of India (EICI) for the first control period w.e.f. 01.04.2011 to 31.03.2016 has been approved by the Airport Economic Regulatory Authority of India (AERA) and the Order (MYTO) issued for Mumbai vide Order No. 26/2013-14 dated 16.07.2013 will remain valid till 31.03.2016.

As requested, we are herewith enclosing the revised Annual Tariff Proposal (ATP) for the 4th and 5th Years of the current control period for the Mumbai Airport. With respect to the same, we would also like to draw your attention to the points mentioned below for your kind consideration while finalizing the tariff:-

EICI had received the MYTO for Mumbai in July 2013. However the MYTP was filed in June 2011 as per the rates prevailing then. During the intervening period there were escalation in various costs including inter alia rentals paid to Mumbai International Airport Pvt. Ltd. (MIAL), Customs Cost Recovery Charges, Repairs and Maintenance, Staff Cost, Administrative Costs, etc. but the rates could not be revised since AERA had not issued the order for Mumbai.

If volumes from 2012-2013 to 2013-2014 are compared there is an increase of 10% in Salaries & Related Expenditure, 16% in Administrative Expenses and 7% in Airport Service Costs.

In the Current Financial Year i.e. 2013-2014 we have made investments in re-engineering the Mumbai Terminal at a cost of Rs. 3.52 Crores. The Depreciation and the AMC will accrue in the current financial year i.e. 2014-2015.



Increase In Customs Charges is asked mainly due to less recovery from the users of the Terminal at Mumbai than the actual staff Cost recovered by Custom Authorities during the F. Y. 2013-2014 for which we are attaching Chartered Accountant M/s. S. R. Gokhale & Co. certificate for your information.

In view of the afore-mentioned details, please find enclosed herewith the revised Form 14(b) for your kind consideration. We request you to kindly approve the rates submitted therein based on our aforesaid submissions.

Kindly note that we would be submitting the annual compliance statement shortly.

Please find enclosed 4 (four) copies of the ATP for 4th and 5th Years for the express terminal of the Express Industry Council of India for the period FY 2014-15 and 2015-16 for Mumbai.

We would be happy to provide any further clarifications that may be required in order to process the approval.

With high regards,

For Express Industry Council of India

A handwritten signature in black ink, appearing to read "Vijay Kumar", written over a horizontal line.

Vijay Kumar
Chief Operating Officer

Encl:

- i) C.A. REPORT FROM S.R. GOKHALE & CO.
- ii) FORM B
- iii) FORM 14(B) - ATP FOR 2014 - 15
- iv) FORM 14(B) - ATP FOR 2015 - 16
- v) COMPARISON TABLE

S R Gokhale & Co.

Chartered Accountants

505, Gold Crest Business Centre, L.T. Road, Borivali (West), Mumbai 400092

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Express Industry Council of India (EICI) has recovered less Customs Charges, from the users of the terminal at Mumbai, than the actual Staff Cost recovered by Customs Authorities, Mumbai during the financial year 2013-14.

The above certificate is issued on the basis of documents and records produced before us for verification and for the purpose of application by EICI for approval of recovery charges by Airports Economic Regulatory Authority of India.

For S R Gokhale & Co
Chartered Accountants

S R Gokhale



S R Gokhale
Proprietor
M No: 038749
Mumbai
Date: 7th April 2014



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

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

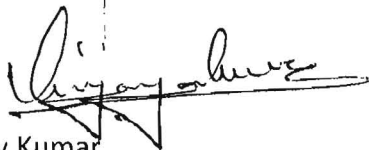
AT NEW DELHI

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

M/S. EXPRESS INDUSTRY COUNCIL OF INDIA

Mr. Vijay Kumar, aged 53 resident of Mumbai acting in my official capacity as Chief Operating Officer in M/s. Express Industry Council of India having its registered office at 501, Crystal Centre, Raheja Vihar, Off. Chandivali Farm Road, Powai, Mumbai – 400 072 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s. Express Industry Council of India in the matter of making this submission before the Airports Economic 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) 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.



Vijay Kumar
Chief Operating Officer

Place: Mumbai
Date: 22nd April 2014

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भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण सफदरजंग एयरपोर्ट, नई दिल्ली-110003
प्राप्त
डायरी नं० : 2858
तारीख : 11/7/14



EICI/AERA/211
10th July 2014

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

Sir,

Sub: In the matter of determination of tariff(s) for the fourth and fifth tariff years in respect of Express Industry Council of India (EICI) for providing Courier Handling Facility Services at Cargo Terminal in respect of Mumbai International Airport, Mumbai.

We have the honor to refer to your letter bearing F. No. AERA/20010/MYTP/EICI/C/MUM/2011-12/Vol – I/6029 dated 17th June 2014 in response to our letter dtd 22 April, 2014 with respect to the above mentioned subject. In response to your observations it is submitted as under:

(i) Auditor's certificate relating to Customs charges

In view of the cost recovery raised for customs officials on retrospective basis for the past period on account of the revised pay scales based on the latest Pay Commission recommendation, EICI has been paying these retrospective and enhanced charges as per the MYTP approved by AERA. The details of amounts recovered and paid to Customs are enclosed. Pursuant to reconciliation of accounts for the FY 2013-2014, it has been observed that there is a shortfall of cost recovery charges already paid to Customs warranting an increase in the cost recovery charges for FY 2014-15 and FY 2015-16. The Members of EICI during their last meeting held on 24th March 2014 had expressed their serious concern regarding this issue and sought increase in Cost recovery charges accordingly to recoup the additional charges to be paid to Customs. The Chartered Accountant certificate for the same is being enclosed accordingly.

(ii) Evidence of stakeholder consultation

We would like to reiterate our earlier submission that while the MYTP/ATP format is designed for profit making entity, EICI does not fit the criteria outlined in the MYTP/ATP as EICI is a co-operative of Express Industry Companies and users and more particularly – a) does not make investments on the basis of return on investments; b) is a not for profit Section 25 Company and hence does not function with profit as a motive and c) does not distribute dividend to shareholders.

It may be noted that being a co-operative of users and express courier companies, the Members themselves approve the tariff as the EICI Board comprises of their representatives. Accordingly, the tariff for the ATP 2014-15 and 2015-16 has been approved by the members of the Committee who constitute the bulk of the courier companies which use the services provided by EICI at Mumbai, hence a due consultation of all the stakeholders involved has already been done by us during the Meeting of the Committee, and a certified true copy of the extract of the minutes of the meeting is enclosed herewith for your reference.

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DGM (CARS)

Express Industry Council of India

501, Crystal Centre, Raheja Vihar,

CP No. 11/2014-15/MYTP/EICI/C/MUM/2011-12/Vol-I/6029, Powai, Mumbai - 400 072.

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



(iii) Late clearance charges

The period of charge per day/per week for late clearance charges and Detention fee have now been included in the tariff in Form 14(b).

(iv) ATPs signed and stamped

Enclosed herewith is the revised Form 14 (b) of the ATP for the Financial Year 2014-15 and 2015-16 for Mumbai duly signed and stamped for your kind approval.

(v) Omission of X-ray charges

The X-ray screening charges continue to remain a pass through item to MIAL at the same rates as approved by AERA for the MYTP, hence the same were omitted to be mentioned in the ATP. The rates of X-ray charges payable to MIAL by airline/courier companies are as under:

X-ray screening (by Airline) – Rs.1.38

X-ray screening (Other than by Airline) – Rs.1.70

The same has now been included in the tariff in Form 14(b).

Hope the above clarifies. The rest of the ATP has already been submitted and is on record and we understand it does not require any further clarification.

We do hope that our proposal will be approved at your earliest convenience.

Thanking you,

Yours sincerely,

For **EXPRESS INDUSTRY COUNCIL OF INDIA**

A handwritten signature in blue ink, appearing to read "Vijay Kumar", with a large, stylized flourish underneath.

VIJAY KUMAR
CHIEF OPERATING OFFICER

Encl: As above.

S R Gokhale & Co.

Chartered Accountants

505, Gold Crest Business Centre, L.T. Road, Borivali (West), Mumbai 400092

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Express Industry Council of India (EICI) has following amounts of recovery towards Customs Charges, from the users of the terminal at Chhatrapati Shivaji International Airport, Mumbai, and Staff Cost of Customs Authorities, Mumbai, during the financial year 2013-14.

Particulars	Amounts Rs.
Recovery towards Customs Charges	3,91,01,072
Staff Cost of Customs Authorities	5,09,72,360
Shortfall	1,18,71,288

The above certificate is issued on the basis of documents and records produced before us for verification and for the purpose of application by EICI for approval of recovery charges by Airports Economic Regulatory Authority of India.

For S R Gokhale & Co
Chartered Accountants

S R Gokhale



S R Gokhale
Proprietor
M No: 038749
Mumbai
Date: 9th July 2014



EXTRACT OF THE MINUTES OF FOURTH MEETING OF THE MANAGING COMMITTEE OF EICI HELD ON 24TH MARCH 2014 AT 11.00 AM AT THE CONFERENCE ROOM, EICI EXPRESS TERMINAL, SAHAR, MUMBAI – 400 099.

3) Finances of the Council

ix. AERA – Annual Tariff Proposal filing with AERA for Mumbai:

Thereafter the Committee reviewed the Income and Expenditure Account of Mumbai to discuss and determine the rates at the Mumbai facility. The Committee noted that EICI had received the MYTO for Mumbai July 2013 while the MYTP was filed in June 2011 as per the rates prevailing then. During the intervening period there were escalations in the costs relating to inter alia

- a. the rentals paid to Mumbai International Airport Pvt. Ltd. (MIAL),
- b. Customs Cost Recovery Charges,
- c. Repairs and Maintenance,
- d. Staff Cost,
- e. Administrative Costs, etc.

The Members discussed and agreed that an increment would be required in the Facilitation Fees due to escalation in costs under various heads. After review of the comparison between the Cost recovery charges received and charges payable to Customs, the Members agreed that increase in Customs Charges is necessary mainly due to less recovery from the users of the Terminal at Mumbai than the actual Staff Cost recovered by Custom Authorities during the F.Y. 2013-2014.

The increase in rates for the FY 2014-15 and FY 2015-16 were discussed in view of the comparative increase proposed. The following table was presented for discussion and review by the Committee which outlined the existing and proposed rates for the said FYs:

TABLE				
Express Industry Council of India				
Proposed Rates for ATP 2014-15 and ATP 2015-16 for Mumbai Airport				
Sr. No.	Rate for MYTP 2013-14 as approved vide AERA Order No.26/2013-14	Rate for ATP 2014-15	Rate for ATP 2015-16	
1	International Imports			
	Facilitation Fees	Rs. 6.00 Per Kg.	Rs.7.00 Per Kg.	Rs.8.00 Per Kg,
	Customs Charges	Rs. 1.50 Per Kg.	Rs.2.00 Per Kg.	Rs.3.00 Per Kg.
	Surcharge on Import fees	Rs.0.40/- Per Kg	Rs.0.40/- Per Kg	Rs.0.40/- Per Kg
	TOTAL	Rs. 7.90 Per Kg.	Rs. 9.40 Per Kg.	Rs. 11.40 Per Kg.





2	International Exports			
	Facilitation Fees	Rs. 5.50 Per Kg.	Rs. 7.00 Per Kg,	Rs.8.00 Per Kg,
	Customs Charges	Rs.0.50 Per Kg.	Rs. 2.00 Per Kg	Rs. 3.00 Per Kg
	Surcharge on Export fees	Rs.0.40/- Per Kg	Rs.0.40/- Per Kg	Rs.0.40/- Per Kg
	TOTAL	Rs. 6.40 Per Kg.	Rs. 9.40 Per Kg.	Rs. 11.50 Per Kg.

The C.O.O. pointed out that before bringing this into effect EICI will have to present it before Airports Economic Regulatory Authority of India (AERA) and take their approval. During the course of discussion the Committee agreed to the rates proposed and agreed to implement the same once AERA approval is received.

For Express Industry Council of India

Rajkumar Saboo

R. K. Saboo
Chairman