

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 CARGO SERVICE CENTER INDIA PRIVATE LIMITED

I, Radharamanan Panicker, aged 52 year's resident of Flat No. 305, Dheeraj Basera, Opposite Soni Complex, Malad (W), Mumbai- 64, acting in my official capacity as Chief Executive Officer in M/s Cargo Service Center India Private Limited having its registered office at 301-303, Rangoli, Sahar road, Sahar, Andheri (E), Mumbai- 99 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s Cargo Service Center India 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) 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.


Radharamanan Panicker
Chief Executive Officer



Form F14(a): Annual Tariff Proposal for Tariff Year t - Format for providing information on EMAY(ref: Section A1.8 of Appendix I)

| S.No. | Particulars | For Tariff Year t |
|-------|--|-------------------|
| 1 | Yield per Unit | INR 5.88 Per Kg. |
| 2 | Error Correction term (from year t-2) | 0 |
| 3 | Estimated Maximum Allowed Yield (EMAY) | INR 5.88 Per Kg. |

Note:

- | | |
|---|----------------------|
| 1) Year 1 Aggregate Revenue Requirement (ARR) as per guidelines is | INR 21.17 Crores |
| 2) Estimated Volume to be handled from the Perishable Cargo Terminal* | 36,000 Metric Tonnes |

*

The total estimated Tonnage of Temperature Controlled Pharmaceuticals and other Perishable products is around 100000 Ton Per annum and we are expecting around 35% to 36% to handle in the first year. This is also on the higher side because we have only Two Truck docks available for receiving the cargo.

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Form - 14(b)

A - City Side Tariff

**TARIFF FOR TERMINAL STORAGE AND PROCESSING CHARGES (TSP) AT NEW PERISHABLE CARGO TERMINAL
BUILT, MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT MUMBAI AIRPORT
EFFECTIVE FROM 1ST APRIL, 2011 AND VALID FOR ONE YEAR**

| S.No. | Charges | Rate | Chargable to | Remarks |
|--------------------------|---|---|-------------------------------|--|
| 1 | TSP Charges for Non Horticulture product requiring temperature control | Rs 1.50 / Kg subject to minimum of Rs.150 per AWB | Forwarder / Shipper / Airline | Free period shall be one working day(24 hours) for examination/processing by shipper. Charges include offloading from trucks |
| 2 | TSP Charges for Horticulture product like Fruits, Vegetable and flowers | Rs 0.75 / Kg subject to minimum of Rs.75 per AWB | Forwarder / Shipper / Airline | Free period shall be one working day(24 hours) for examination/processing by shipper. Charges include offloading from trucks |
| 3 | Demurrage/Storage Charges beyond 24 hrs free period | Rs.1.50 per kg per day subject to minimum of Rs.150 per AWB | Forwarder / Shipper / Airline | Storage is subject to availability |
| Optional Services | | | | |
| 4 | Special Handling (Pharmaceutical, to maintain product temperature on request) | Rs 2000 / Pallet | Shipper / Airline | Only applicable if special packaging of ULD is required |
| 5 | Back to Town | 50 % of TSP charges | Forwarder / Shipper | If not cleared within 24 hrs of intimation, storage charges will be applicable |

- Note
- 1.TSP charges is inclusive of forklift use
 - 2.Charges will be on gross weight or chargeable weight of consignment, whichever is higher
 - 3.Minimum charge for TSP will be for 100 kgs - gross or chargeable weight of consignment, whichever is higher
 - 4.While it is our intention not to allow any other agencies to operate inside the facility, in case for special reason exporters wants to engage their own labour, discount of 5% will be granted in TSP charges for offloading the cargo from truck and putting on custom examination area, and on pallets.
 - 5.All invoices will be rounded off to nearest Rs.5.



Form - 14(b)

B - Air Side Tariff

**GENERAL TARIFF FOR VARIOUS ELEMENTS OF CARGO HANDLING FOR THE
AIRLINE CUSTOMERS AT NEW PERISHABLE CARGO TERMINAL BUILT
MANAGED AND OPERATED BY CARGO SERVICE CENTER INDIA PVT LTD AT
MUMBAI AIRPORT
EFFECTIVE 1ST APRIL 2011 AND VALID FOR ONE YEAR**

| S.No. | Price Driver | Price | Currency |
|-------|---|-------|----------|
| 1 | Export handling per kg for Horticulture, Sea food and meat products including fruits, vegetable and flowers, subject to a minimum chargeable weight of 500 kgs per flight | 3 | INR |
| 2 | Export handling per kg for all other product including Pharmaceuticals and Vaccines, subject to a minimum chargeable weight of 500 kgs per flight | 2.25 | INR |
| 3 | DGR export acceptance per AWB | 1400 | INR |
| 4 | DRY Ice Checklist per AWB | 700 | INR |
| 5 | DGR-fee, in case shipment above 20 pieces, per additional piece | 50 | INR |
| 6 | ULD cleaning / unit | 5000 | INR |
| 7 | Perishable cargo storage beyond free period after acceptance per kg per day subject to minimum chargeable weight of 100 kgs per AWB | 1.5 | INR |
| 8 | Full HAWB data capture per HAWB | 26 | INR |
| 9 | X-ray screening/physical examination per Kg subject to minimum chargeable weight of 500 kgs per flight | 1.75 | INR |
| 10 | Special Handling (Pharmaceutical, to maintain product temperature on request by shipper/airline) per pallet | 2000 | INR |



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ANNEXURE - II

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

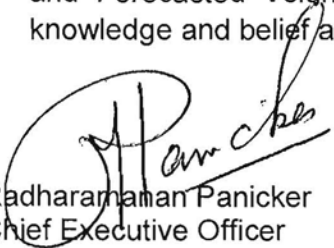
AT NEW DELHI

SUBMISSION OF MULTI YEAR TARIFF PROPOSAL FOR AND ON BEHALF OF:

M/S CARGO SERVICE CENTER INDIA PRIVATE LIMITED

I, Radharamanan Panicker, aged 52 year's, resident Flat No. 305, Dheeraj Basera, Opposite Soni Complex, Malad (W), Mumbai- 64 of acting in my official capacity as Chief Executive Officer in M/s Cargo Service Center India Private Limited having its registered office at 301-303, Rangoli, Opposite Air Cargo Complex, Sahar Road, Andheri (E), Mumbai- 99 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s Cargo Service Center India Private Limited in the matter of making this submission before the Airports Economic Regulatory 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 this submission which include inter alia (i) Business Plan; (ii) Information relating to the Regulatory Building Blocks; (iii) Competition Assessment; (iv) Historical and Forecasted Volumes; and (v) Historical Revenues, are correct and true to my knowledge and belief and nothing material has been concealed there from.


Radharamanan Panicker
Chief Executive Officer

Form F1(a): Historical and Proposed Revenue Requirement

| Figures in INR Cr | | | | | | |
|-------------------|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| S No | Aggregate Revenue Requirement | Tariff Year 1 | Tariff Year 2 | Tariff Year 3 | Tariff Year 4 | Tariff Year 5 |
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Return on RAB | 3.33 | 3.34 | 3.30 | 3.26 | 2.95 |
| | Regulatory Asset Base (RAB) | 19.16 | 17.61 | 17.44 | 17.22 | 15.55 |
| | Fair Rate of Return (FRR) | 18.9% | 18.9% | 18.9% | 18.9% | 18.9% |
| 2 | Depreciation | 1.49 | 1.62 | 1.72 | 1.72 | 1.73 |
| 3 | Expenses | 15.49 | 19.17 | 21.17 | 22.73 | 24.74 |
| | Concession Fees | 5.97 | 6.82 | 7.11 | 7.39 | 7.65 |
| | Payroll Costs | 4.12 | 4.76 | 5.45 | 5.73 | 6.22 |
| | Administrative and General Costs | 2.43 | 2.90 | 3.26 | 3.58 | 4.01 |
| | Utilities and Outsourcing Costs | 2.26 | 2.90 | 3.28 | 3.70 | 4.18 |
| | Repair and Maintenance Costs | 0.14 | 1.06 | 1.18 | 1.31 | 1.45 |
| | Interest on Working Capital | 0.11 | 0.13 | 0.15 | 0.17 | 0.19 |
| | Other Outflows | 0.45 | 0.59 | 0.71 | 0.86 | 1.03 |
| 4 | Tax | 0.86 | 0.87 | 0.86 | 0.85 | 0.77 |
| 5 | Revenue from non-regulated Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | Aggregate Revenue Requirement | 21.17 | 24.99 | 27.06 | 28.56 | 30.18 |

Form 1(b) - Competition Assessment (Ref: Sec A1.3 of Appendix 1)

| SI No | Details of competitive facilities |
|-------|---|
| 1 | Air India |
| 2 | Mumbai International Airport Limited (MIAL) |
| 3 | Cargo Service Center (CSC) |



Form F7: Format for identifying Initial Regulatory Asset Base (ref:Section A1.5 of Appendix I)

| Fixed Asset already commissioned as on... | | | | | | | | |
|---|---|-------------------------|--------------------------------------|-----------------|-------------------|------------------------|-------------------|--------------------------|
| | Asset Name | Asset Type | Description of the Asset | Commission Date | Useful Life years | Original Cost of Asset | Depreciation Rate | Accumulated Depreciation |
| 1 | Material Handling | Plant & Machinery | Material Handling | 1st April, 2011 | 10 | 6.73 | 10% | - |
| 2 | Handling Equipments | Plant & Machinery | Material Handling | 1st April, 2011 | 10 | 0.59 | 10% | - |
| 3 | Civil | Building | Building Construction Cost | 1st April, 2011 | 30 | 1.55 | 3% | - |
| 4 | PEB | Building | Building Construction Cost | 1st April, 2011 | 30 | 1.76 | 3% | - |
| 5 | Architect | Building | Building Construction Cost | 1st April, 2011 | 30 | 0.11 | 3% | - |
| 6 | Electrical | Building | Building Construction Cost | 1st April, 2011 | 30 | 0.86 | 3% | - |
| 7 | Fire Hydrant | Building | Building Construction Cost | 1st April, 2011 | 30 | 0.33 | 3% | - |
| 8 | External wiring & Peripheral construction | Building | Building Construction Cost | 1st April, 2011 | 30 | 0.10 | 3% | - |
| 9 | Misc. | Building | Building Construction Cost | 1st April, 2011 | 30 | 0.58 | 3% | - |
| 10 | Interior Cost | Furniture & Fittings | Office Setup Cost | 1st April, 2011 | 16 | 1.44 | 6% | - |
| 11 | Airconditioning | Furniture & Fittings | Office Setup Cost | 1st April, 2011 | 16 | 0.15 | 6% | - |
| 12 | Puf Panel & Refrigeration Cost | Electrical Installation | Refrigeration | 1st April, 2011 | 7 | 1.75 | 14% | - |
| 13 | X-Ray | Electrical Installation | Security Equipments | 1st April, 2011 | 14 | 1.35 | 7% | - |
| 14 | Security Access System | Electrical Installation | Security Equipments | 1st April, 2011 | 14 | 0.10 | 7% | - |
| 15 | IT Hardware & software | Electrical Installation | IT Hardware & Software Cost | 1st April, 2011 | 6 | 0.45 | 16% | - |
| 16 | Other Project related Expenditure Capitalised | | Finance & Legal Expences capitalised | 1st April, 2011 | | 2.05 | | - |
| | Total | | | | | 19.91 | | - |

| | Last available audited year | Financial year before tariff | Tariff Year 1 | Tariff Year 2 | Tariff Year 3 | Tariff Year 4 | Tariff Year 5 |
|---|-------------------------------|------------------------------|---------------|---------------|---------------|---------------|---------------|
| A | Opening RAB | | 19.91 | 18.42 | 16.80 | 18.08 | 16.36 |
| | Building | | 5.90 | 5.72 | 5.52 | 8.22 | 7.93 |
| | Plant & Machinery | | 8.15 | 7.38 | 6.54 | 5.69 | 4.85 |
| | Electrical Installation | | 4.08 | 3.65 | 3.19 | 2.72 | 2.25 |
| | Furniture & Fittings | | 1.77 | 1.67 | 1.56 | 1.44 | 1.33 |
| B | Additions- WIP Capitalization | | | | 3.00 | | 0.12 |
| | Building | | | | 3.00 | | |
| | Plant & Machinery | | | | | | |
| | Electrical Installation | | | | | | 0.12 |
| | Furniture & Fittings | | | | | | |
| C | Disposals / Transfers | | | | | | |
| | Building | | | | | | |
| | Plant & Machinery | | | | | | |
| | Electrical Installation | | | | | | |
| | Furniture & Fittings | | | | | | |
| D | Depreciation Charges | | 1.49 | 1.62 | 1.72 | 1.72 | 1.73 |
| | Building | - | 0.18 | 0.20 | 0.30 | 0.30 | 0.30 |
| | Plant & Machinery | - | 0.77 | 0.84 | 0.84 | 0.84 | 0.84 |
| | Electrical Installation | - | 0.43 | 0.47 | 0.47 | 0.47 | 0.48 |
| | Furniture & Fittings | - | 0.10 | 0.11 | 0.11 | 0.11 | 0.11 |
| E | Closing RAB (A+B-C-D) | | 18.42 | 16.80 | 18.08 | 16.36 | 14.74 |
| | Building | | 5.72 | 5.52 | 8.22 | 7.93 | 7.63 |
| | Plant & Machinery | | 7.38 | 6.54 | 5.69 | 4.85 | 4.01 |
| | Electrical Installation | | 3.65 | 3.19 | 2.72 | 2.25 | 1.89 |
| | Furniture & Fittings | | 1.67 | 1.56 | 1.44 | 1.33 | 1.22 |
| F | Average RAB | | 19.16 | 17.61 | 17.44 | 17.22 | 15.55 |

- # Projected values to be provided
- # fields in italics are indicative only
- # information for last financial year for which audited accounts are available

Form 11 (a) : Employee Strength (ref: Section AI.5 of Appendix I)

| S.N. | Particulars - with detailed breakup | Tariff Year 1 | Tariff Year 2 | Tariff Year 3 | Tariff Year 4 | Tariff Year 5 |
|------|--|---------------|---------------|---------------|---------------|---------------|
| A | Department-wise Full-Time Employees | | | | | |
| | Management | 7 | 7 | 7 | 7 | 7 |
| | Operations | 116 | 116 | 131 | 138 | 144 |
| | Security | 43 | 43 | 43 | 45 | 49 |
| | Support Staff | 11 | 11 | 11 | 12 | 12 |
| | Total | 177 | 177 | 192 | 202 | 212 |
| B | Department Part-Time/Contractual Employees | | | | | |
| | Department 1 | | | | | |
| | Department 2 | | | | | |
| | Department 3 | | | | | |
| | Department 4 | | | | | |

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