

File No. AERA/20010/AAI/AAICLAS/CC/Kolkata/CP-II/18-19
Airports Economic Regulatory Authority of India

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

Date: 15th December, 2020

Public Notice No. 21/2020-21


Sub: Comments/Submissions received from Stakeholders on the Consultation Paper No. 33/2020-21 dated 17.09.2020 regarding the Determination of tariffs for AAI Cargo Logistics & Allied Services Company Ltd. (AAICLAS) for providing Cargo Handling Services at Netaji Subhash Chandra Bose International Airport (NSCB), Kolkata, for the First Control Period from 01.04.2019 to 31.03.2024.

Attention of all concerned is invited to Consultation Paper No. 33/2020-21 dated 17.09.2020 regarding the Determination of tariffs for AAI Cargo Logistics & Allied Services Company Ltd. (AAICLAS) for providing Cargo Handling Services at Netaji Subhash Chandra Bose International Airport (NSCB), Kolkata, for the First Control Period from 01.04.2019 to 31.03.2024, vide which the Authority had sought comments from the Stakeholders.

2. In response thereof, the Authority has received comments/submissions from the following stakeholders.

| Sl. No. | Stakeholders |
|----------------|---|
| 1. | <u>Airports Authority of India (AAI)</u> |
| 2. | <u>AAI Cargo Logistics & Allied Services Company Ltd. (AAICLAS)</u> |

The comments/ submissions received, as above, are attached for information of all concerned.


(Ram Krishan)
Director (P&S)



भारतीय विमानपत्तन प्राधिकरण AIRPORTS AUTHORITY OF INDIA

FNO- No: AAI/CHQ/Tariff/MYTP-R

Date:13/11/2020

The Director (Policy and Statistic),
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport, New Delhi-110003

Sub: - AAI Comments on Consultation Paper No:-33/2020-21 in the matter of Determination of Tariff for AAI Cargo Logistics & Allied Services Company Ltd for providing Cargo Handling Services at NSCBI, Kolkata for the First Control period from 01.04.2019 to 31.03.2024.

Sir,

Reference is invited to Consultation Paper No:- 33/2020-21 issued by AERA in the matter of Determination of Tariff for AAI Cargo Logistics & Allied Services Company Ltd for providing Cargo Handling Services at NSCBI, Kolkata for the First Control period from 01.04.2019 to 31.03.2024.

The following comments of AAI on Consultation Paper may also be considered for determination of Tariff for AAI Cargo Logistics & Allied Services Company Ltd. for providing Cargo Handling Services at NSCBI, Kolkata

The observations of AAI are as under:

| SL No | Particulars | AAI's Comments/Submission |
|-------|---|--|
| 1 | Proposal No. 4 Regarding Cargo Volume Forecast: The Authority proposes to consider growth in cargo volumes @ 3.48% for the 1st Control Period for Kolkata Airport based on the 10-year CAGR | It is requested to consider the impact of Covid -19 pandemic situation while considering the growth rate for future Revenue. |
| 2 | Proposal No. 5 RAB/Additions to RAB & Depreciation: The Authority proposes not to consider the project cost of the New Cargo Domestic Terminal amounting to Rs.7000.00 lakhs under "Additions to RAB" (CAPEX) for the Calculation of ARR for the 1st Control Period. However, if required AAICLAS can approach the Authority for mid-term review of Tariffs after completion of the Project. Otherwise, the Project Cost and its completion will be considered on actual basis in 2nd Control Period. 5.c The Authority proposes that in addition to normal true up with carrying costs, to impose a penalty of 1% of the Project Cost, if AAICLAS fails to commission and capitalize the CAPEX projects on time as per the Revised CAPEX schedule. | It is requested to consider domestic cargo terminal costing Rs7000lacs in the F.Y 23-24. AAICLAS has proposed the construction to be completed in the F.Y 22-23. It is proposed that in the Covid -19 pandemic situation when the future projection is very uncertain, AERA is requested not to impose penalty of 1% of the Project Cost, if AAICLAS fails to commission and capitalize the CAPEX projects on time. |

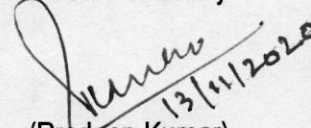
| | | |
|---|---|---|
| | 5.f. AAI should undertake User Stakeholder Consultation process for major capital expenditure items as per the Guidelines. | AAICLAS should undertake user consultation instead of AAI as it is a separate entity. |
| 3 | Proposal No .10 : Revenue from Operation 10.a The Authority proposes to consider revenues from space rent/rent & royalty from third parties in cargo terminal building as revenues from "regulated services" and consequently exclude the same from "other than regulated services" 10.b. The Authority proposes to consider Revenues for the purpose of tariff determination for the 1st Control Period for AAICLAS, Kolkata Airport. 10.c The Authority proposes to true up the Cargo Revenues of 1st Control Period based on Actual Cargo Revenues earned at the time of determination of tariffs for the Next Control Period. | It is requested to consider the impact of Covid -19 pandemic situation while considering the Revenue from Aeronautical and Non-Aeronautical . As per CPMS data available at AAI Website the degrowth in freight upliftments for the period from April'20 to August'20 in comparison to April'19 to August'19 are as under: International : -60% Domestic : -44% Combined : -51% |

In view of above and keeping all other building blocks require for tariff determination by AERA as same, if traffic decreases by 25% for the F.Y 20-21 in comparison to F.Y 19-20 and subsequently overall revenue for the F.Y 20-21 decreases by 25% and increase in traffic by 15% thereafter for the F.Y 21-22, 22-23 & 23-24 on YOY basis, then one-time increase of 25% w.e.f 1/4/2021 is possible as per AERA price cap methodology.

AERA has considered 20% increase in Cargo Tariff for most of proposal of AAICLAS. It is requested to consider one time 20% increase in cargo tariff for the F.Y 21-22 instead of 11.5% as proposed by AERA. The shortfall if any due to 20% increase in cargo tariff is proposed to be carried forward for the second control period.

Thanking you,

Yours sincerely



(Pradeep Kumar)

Executive Director (JVC & Tariff)

AAICLAS/ AERA/ 1351/17/2020/ 115

Dated: 27.11.2020

To,
The Chairperson,
Airports Economic Regulatory Authority of India (AERA),
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

01/12/2020

Sub: **Details on Consultation paper 33/2020 for Kolkata Airport -reg.**

Sir,

Kind reference is made to this office letter No. AAICLAS/AERA/ 2020-21/ 01 dated 08.10.2020, email dated 08.10.2020 and AERA mail dated 02.11.2020 on the above subject.

Pointwise clarifications are submitted as follows for the queries of AERA on the subject matter for kind consideration:

1. Levy of X-Ray Machine Usage Charges/ETD usage charges:-

- a) The X-Ray Machine Usage Charges have already been levied by IAAI/AAI on the Export Cargo Shipment during the period from 1990 onwards at the rate of Rs.1.50 per Kg. Prior to 2002 random packages have been x-ray screened by Operating Airlines and after 2002 when the concept of 100% mandatory X-Ray scanning was introduced by BCAS Authority vide AVSEC Order No. 01/2002 Dated 14.02.2002, AAI positioned number of X-Ray Machines to handle the Export Cargo at various AAI Cargo Terminals. Since, trade as well as Airlines representations received by AAI, a review of X-ray Machine Usage Charges was done by AAI and rate was reduced to Rs.0.75 per Kg w.e.f. 01.04.2005 and the minimum charges per consignment was fixed at Rs.100/- per consignment. **Exhibit-I** - No. Cargo/1351/26/2004-05/1107 dated 01.06.2005.
- b) AAI has been investing on X-Ray Machines continuously for providing 100% X-Ray scanning facilities to the Airlines according to the BCAS Norms and as per Circular No. 15/2005 of BCAS dated 06.05.2005 - copy attached as Annexure.
- c) Consequently all the Single view X-ray Machines have been replaced with Dual Image X-Ray Machines and ETD machines also have been provided as per the BCAS Norms. In the year FY 2019-20 also, AAICLAS has procured 17 No. of Dual Image

Page 1 of 6

X-ray machines (Nuctech) out of which 03 Nos. of X-Ray Machines have been positioned at Kolkata Airport **Exhibit-II** (02 pages). Totally Kolkata AAICLAS facility is having 14 Dual Image XBIS and 03 ETD machines as on 31.10.2020 (05 Domestic, International Import-01 (TP), Export-04, 02-APEDA & Courier Terminal -02)

- d) In the year 2020, AAICLAS is taking action to procure 2 Nos of X-ray machines for Kolkata Airport (Tender action already on hand).
- e) Previously, required x-ray machines have been provided to the operating Domestic Airlines for handling of their Domestic Cargo and from the year 2016 AAI/AAICLAS has established Common User Domestic Air Cargo Terminal and providing Services on Departmental run model at Kolkata Airport.
- f) AAICLAS also planned to commence Regulated Agent Services (RA) at International as well as Domestic Air Cargo Terminals at Kolkata Airport in which AAICLAS Screeners will be providing screening services for Airlines. RA3 EU Validator from London has also conducted her survey during the month of November 2020 at Kolkata and Chennai Airports. Copy of approval of BCAS vide letter No. CAS/7(23)/2019/DIV/1/M/s AAI Cargo Logistics and Allied Services Co. Ltd./RA (E-153193) dated 13.05.2019 declaring RA status to M/s AAICLAS.

Exhibit-III

- g) Though AAI/AAICLAS have been levying X-ray Machine Usage Charges for more than Two Decades and accounting the revenue in the total revenue e.g. For 2018-19 (Rs.7878.97 Lakhs in 6.11), no separate mention done while submission of proposal to AERA earlier. It is omitted. At Kolkata Airport, the Export/ CHA are paying X-Ray machine Usage charges as per the local arrangement through TSP receipt itself and at Domestic Cargo Terminal AAICLAS is deducting from the Airlines Pre-Deposit Account (PDA) along with TSP charges. The revenue on a account of X-Ray machine usage charges at Export, TP & Domestic Cargo Terminals to the tune of Rs.7,02,04,042.5/- (aprox.) has already been included in the Total Revenue of 7878.97 Lakhs of the FY 2018-19.
- h) AAICLAS has tried to standardise all the charges that have been levied over the period of time and also propose to drop the charges due to various Regulations like, Customs Regulations declaring Airport Cargo Facility as 24x7 facility e.g. MOT levied on Export Cargo beyond Normal working hours as per "Rate Card" of FY 2013-14 is now proposed for dropping. Similarly, ETV usage charges levied at Re.0.40 per Kg by Kolkata Airport as per the local arrangements w.e.f. Mar'2012 after stakeholders meeting (**Exhibit-IV, 05 pages**, MOM dt 01.02.2012 circular of AAI dt 13.03.2012 & Air India letter dt 16.03.2020) was not mentioned in AERA Tariff in FY 2013-14. However, the revenue earned on this account approx.. Rs.90.12 lakhs has already been shown in the total Income of Kolkata Airport Rs.7878.97 lakhs FY 2018-19. This charges also proposed to be dropped as per the modified "Rate Card" submitted on 08.10.2020 vide 1.1 (q) "No separate ETV charges leviable at Export" after stakeholders meeting (Page 04 & 06 of MOM).



- i) Since all x-ray machines have been converted in to Dual Image Machines and ETD machines also placed additionally to meet the BCAS norms, the existing XBIS usage charges at Re. 0.75 per kg with minimum of Rs. 100/- per consignment proposed for revision to Re.1.00 per kg with minimum of Rs.150/- per consignment in the proposal submitted to AERA. The revenue already earned through x-ray charges have been included in the total revenue of Kolkata.
- j) In view of the above, it is requested that AAICLAS may be permitted to show the XBIS usage charges at Re.1.00 per kg with minimum of Rs.150/- per consignment of Export, Domestic & Courier. If customs authority require to screen the Import Cargo also, the XBIS machine usage from the Importer as a facilitation charges to be levied.
- k) Similarly, the proposed (modified) ETD machine usage charges at the rate of Re.0.50 per kg subject to minimum of Rs.100/- per consignment in the cases of over Dimensional Cargo (ODC) which cannot be x-ray Scanned due to tunnel size and weight of cargo, may be allowed to be levied by AAICLAS as per the modified submission.
- l) It is submitted that the XBIS usage & ETD usage charges will remain constant (without year on year increase) during the entire control period of FY 2019-20 to FY 2023-24. It is submitted that already AERA is kind enough to issue order for other Airports like Patna, Pune, Amritsar, Bhubaneswar, Goa, Guwahati, Jaipur, Lucknow, Trivandrum, Varanasi and Mangalore by considering the submission made by AAICLAS for all changes.
- m) Copies of AVSEC order No. 1/2002 - **Exhibit- V**, (02 page), AVSEC order No. 01/2006 (03 page) dated 14.02.2002 - **Exhibit-VI**, Circular No. 08/2008 dated 10.09.2008-**Exhibit-VII** (37-pages) of BCAS & AVSEC order No. 11/2015 dated 14.12.2015 -**Exhibit-VIII** ^(02 pages) by high lighting relevant points related to provide suitable Infrastructure by Custodian / Air Cargo Terminal Operator for ensuing 100% X-Ray Screening of Cargo, express Cargo Mail and Courier bags, have been enclosed for kind ready reference.

2. Commencement of International Courier Operations at Kolkata Airport:

- a) It is submitted that followed by Ministry of Finance Circular No. 58/2016 dated 02.12.2016 - **Exhibit-IX (02-pages)**, Director General, Directorate General of Systems and Data Management letter No. IV (17)/ 6/2002/SYS (W)/Pt. XII dated 17.08.2017 to Chairman AAI - **Exhibit-X (02-pages)**, Customs Letter F. No. S60(MISC)-306/17CCI dated 26.10.2017 - **Exhibit-XI** from DC Customs Kolkata Airport and Commissioner of Customs Kolkata Airport letter vide F. No S60(MISC)-306/17CCI Pt.XII dated 04.12.2017 - **Exhibit-XII (02-pages)** & DC (Customs) Kolkata Airport letter even No. dated 16.06.2018 - **Exhibit-XIII**, AAICLAS has taken steps to establish International Courier (**Exhibit-XIV**- email dated 11.03.2017) handling facility for which permission was requested from AERA to apply the International Courier "Rate Card" which was readily available




- with AAI for application in the Non-AERA regulated Airports as earlier approved by the AAI board. Accordingly AERA has permitted the same for the interim period.
- b) The required Warehouse facility has been created by AAICLAS, however, there were conflict in providing software connectivity of the ECCS System which was developed earlier by M/s EICI on the behest of the DG Systems through M/s Wipro. The data maintenance and systems maintenance were carried out by M/s EICI and for providing software connectivity the agency have been demanding the charges per Bill of Entry / Shipping Bill at Rs.25 for FY2017-18, Rs.29 for FY 2018-19 & Rs.24 for FY2019-20, apart from that the Custodian was to incur the employee cost for accommodating the representative of M/s Wipro for maintaining the ECCS system at round the clock basis at the respective Courier Terminals. It was mentioned by EICI that the initial cost of the software development was INR 36 Crores incurred by EICI upon the direction of DG Systems and annual maintenance cost including software upgradation was estimated to be INR 10-12 Crores per year. **Exhibit-XV (02 pages)**- email dated 13.06.2018 *22-05/07/2018*
- c) Since, per document cost was too much, considering the initial courier tonnage estimated to be handled at Kolkata Airport and AAI/AAICLAS on its own had developed software model for documentation of Customs procedures at Chennai International Courier Terminal through its own IT System, Permission was sought from the Customs Authority to use the same software at the AAICLAS managed International Courier Terminals although ECCS System was having only provision at that time to process Import Courier cargo only, which was turned down by Customs.
- d) While AAI/AAICLAS has provided all infrastructure like Computers, Printers, Telephone, Internet, furniture's, Vehicle, etc. to the Customs Officials at Chennai Airport and Incurred around Rs.1.25 Crores **Exhibit-XVI** for establishing the required infrastructure in the year 2018 for roll out of ECCS at Chennai Airport apart from lease line connectivity where the International Courier Facility was taken over from M/s EICI by AAI/ AAICLAS in the month of August 2016 and required Training etc. imparted by ADG to all AAI/AAICLAS, Customs Courier agencies at Chennai Airport but due to the Costing factor to the trade, ECCS could not be rolled out but International Courier Cargo handling has been carried out till date using AAICLAS IT System developed for Customs.
- e) The matter was escalated to the Ministry of Finance (MoF) through MoCA and various meetings have been conducted to conclude the decision of MoF on data secrecy to be maintained by DG Systems and the cost associated in roll out of ECCS Systems all over India. It was also assured by MoF that DG Systems has been engaged in developing suitable software for ECCS Systems in the ICES 2.0 version and in the mean while the software developed by M/s EICI will be taken over by DG Systems by Jan 2020. Copies of correspondence between MoCA, AAI & MoF & linked correspondences on Courier Terminal commissioning of Trichy Airport are enclosed. **Exhibit-XVII** MoCA letetr Vide DO No. AV-16026/19/2018/ER dated 12.03.2019. **Exhibit-XVIII** AAICLAS letter dated 25.04.2019 to MoF. **Exhibit-XIX**

AAICLAS Internal Note with Draft brief for Joint Reply by CBIC & AAICLAS in court case at Hon'ble Madras High Court on Trichy Courier Commission (05 pages).

- f) Accordingly vide F.No. II (3)/2/2015-Sys(W) dated 21.04.2020 **Exhibit-XX (05-pages)** the office of the Additional Director General (Systems) WZU, New Customs House, Mumbai has issued advisory for the Custodians for procuring infrastructure to join ECCS to all the Commissioners of Customs including Kolkata. It was also insisted that Networking, Communication equipment, UPS Systems, Computers/ Personal Computers/Thin Clients, Servers, Printers and other Computer peripherals as specified by the DG Systems shall be provided by the Custodians. It was confirmed that the ECCS software has been taken over by DG Systems from M/s EICI in the 1st quarter of 2020.
- g) Accordingly AAICLAS is also gearing up to roll out ECCS at already established international courier Terminal at Chennai Airport, Proposed Courier Terminal at Kolkata Airport, Trichy Airport (where Court case is there at Hon'ble Madras High Court, Madurai Branch), and at Trivandrum Airport. As a Custodian, AAICLAS is procuring required hardware and lease line connectivity to secure ECCS link from DG Systems. Now the Hardware procurement cost to be incurred by Custodian substantially. It is estimated that around Rs.2,11,48,000/- will be incurred by AAICLAS to provide Hardware at Kolkata Trivandrum and Trichy Airport and additional hardware at Chennai (tender action on hand through GeM portal & other mode). **Exhibit-XXI** in addition to already spent amount of Rs.1,25,00,000/- at Chennai Courier.
- h) At Kolkata Airport, 2 Nos. of X-ray machines have already been positioned in the courier Terminal and some Airport Development work is happening in the Air Side of the courier terminal which will be completed very soon to make the way to commission the Courier Terminal.
- i) In the meanwhile, AAICLAS has proposed the new "Rate Card" during the year 2019 based on the experience gained in the International Courier handling at Chennai Airport where erstwhile tariff card of M/s EICI was followed with modified X-ray machine usage charges at Export Courier at the rate of Re.0.75 per Kg subject to minimum of Rs.100 per bag instead of EICI charged Rs.8 per Kg. The rate was proposed to be Rs.16 per Kg for Import shipment and Rs.12 per Kg was proposed for Export shipment. Modification of Import Courier Tariff was proposed at Rs.12 per Kg (including for X-ray usage done by Customs at 100%) and Rs.10 per Kg for Export Courier (X-Ray usage charges separate) and some more modifications proposed as submitted in the letter dated AAICLAS/AERA/2020-21/01 dated 08.10.2020, which are to be beneficial to the Courier trade & Airlines, after conducting Stakeholders meeting at Chennai & Kolkata and by Comparing Courier Tariff at other Airports.
- j) It is submitted that since, there were issues in implementing ECCS as per the mandate given by DG Systems from the year 2016 to 2019 and now the DG System has taken over the ECCS Software and advised Custodians to establish adequate infrastructure to have a link from DG Systems which will be definitely benefited to



 Page 5 of 6

the stakeholders to the Courier Agencies as no exorbitant cost to be incurred by them except minimal charges to be levied by Customs per Courier Document, the "Rate Card" submitted by AAICLAS with the modifications proposed vide Letter No. AAICLAS/AERA/2020-21/01 dated 08.10.2020 may kindly be considered for approval by discontinuing the interim Courier tariff approval given by AERA during the year 2018.

- k) It is also submitted that the "Rate Card" proposed for International Courier handling at Kolkata Airport will remain unchanged without any increase during the entire control period of AERA.
3. Since AAICLAS is intended to commence Regulated Agent (RA) facilitation for Export and Domestic Outbound Cargo as per the guidelines of BCAS and RA3 EU validation the tariff card proposed (modified) for undertaking screening and certification and for providing escorting of cargo services from cargo terminal to Aircraft and vice versa for Scheduled as well as Non Scheduled Airlines may also be approved.
4. It is also requested that all the Foot Notes Submitted in the modified "Rate Card" vide the above referred AAICLAS letter at 08.10.2020 may kindly be considered for approval in order to maintain standardised / re-structured procedures at AAICLAS facilities which are mostly beneficial to the stakeholder including Airlines.
5. Submitted please for consideration.

Through: CHIEF EXECUTIVE OFFICER

K. Selvakumar
(K/SELVAKUMAR)
CHIEF OPERATING OFFICER

90 pages
Encl: Exhibit-I to XXI (78-pages) and Annexure (01-page)

Copy to:

→ Ms. Geetha Sahu, AGM (Fin),
Airports Economic Regulatory Authority of India (AERA),
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
सफदरजंग एयरपोर्ट, नई दिल्ली - 110003
प्राप्त
डायरी नं० 15763
तारीख 03/12/2020



863

08/06/05

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

FAX

No. Cargo/1351/26/2004-05/ 1107

| | | |
|--|---|--|
| Regional Executive Director, Airports Authority of India, NR /WR/SR/ER & NER / IGIA/Mumbai/Chennai/Kolkata/Guwahati | Airport Director, Airports Authority of India, CSIA/Chennai/NSCBIA, Mumbai / Chennai/Kolkata | General Manager(Cargo), Airports Authority of India, IGIA, Cargo Terminal, New Delhi-110037 |
|--|---|--|

Sub : Rationalization of X-ray charges on account of 100% X-ray screening of export cargo.

Sir,

Refer this Hqrs. letter No. Cargo/1351/26/2004-05/1011 dated 17 May 2005 conveying the approval of AAI board to levy of X-ray charges at the rate of Rs. 0.75 per kg. w.e.f. 01.04.2005 as against the existing X-ray charges of Rs. 1.50 per kg being levied by AAI on account for providing & maintenance of X-ray machine at the airports for providing 100% X-ray screening of export cargo.

2. In this connection, a clarification has been sought regarding minimum X-ray charges per consignment to be levied for export cargo to airlines.

3. It is clarified that the minimum X-ray charges per consignment shall continue to be levied @ Rs. 100/- per consignment as has been circulated vide letter No. Cargo/1351/17/2002(pt) 3015 dated 11.12.2002.

This is for your information & necessary action.

Yours faithfully

Roshan Lal
(Roshan Lal)

Executive Director(Cargo)

Copy to:-

- General Manager(Cargo)/ Dy. Gen. Manager(Cargo), CSIA/Chennai/Kolkata Airports. Cargo Terminals.
- Airport Director, AAI, Guwahati, Lucknow, Nagpur, Coimbatore, Indore, Amritsar & Jammu Airport.

Copy for kind information :

Member(Ops)/Chairman
Member(Finance)
Company Secretary

प्रचालन कार्यालय, गुरुग्रांथ रोड, नई दिल्ली-110 037
Operational Offices, Gurgaon Road, New Delhi-110 037

दूरभाष : 5652465, 66, 67, 68
Phone : 5652465, 66, 67, 68

फैक्स : 5652830
Fax : 5652830

NO.CAS- 25(2A)/2005.Div.I(Insp)
BUREAU OF CIVIL AVIATION SECURITY
(MINISTRY OF CIVIL AVIATION)
GOVERNMENT OF INDIA
A WING, JANPATH BHAWAN,
JANPATIL, NEW DELHI -110001
Date : 6.5.2005

CIRCULAR NO: 15 /2005

Subject: Infrastructure for civil aviation security at the airports in India.

In accordance with National Civil Aviation Security Programme, airport operator is responsible for providing Aviation security infrastructure at the airport. Aviation security infrastructure inter-alia includes provision of Security gadgets like X-ray BIS, DFMD, HHMDs, Explosive detectors etc. for common use area or facility like screening of passengers, screening of cabin baggage and hold baggage, and cargo area owned by airport operator.

2 As infrastructure provider, the airport operator shall install and maintain their security equipment including X-ray BIS for all such areas, which are used commonly by the aircraft operator operating from that airport. As far as practicable, the aircraft operators will not be allowed to install their individual equipment in such areas. However, in case of a 'Single Agency System, there is no harm if the relevant equipment for the specified operation is installed and maintained by that agency. Similarly for an area or facility which is exclusively provided for security operations of an aircraft operator, the airport operator can allow the concerned aircraft operator to install and maintain its own security equipment.

3 As regards existing X-ray BIS machines, which have been installed by some aircraft operators in common use areas or facilities as mentioned above, the airport operator shall fix user charges, in consultation with the relevant stakeholders so that all these machines are utilized during rush hours by the aircraft operators. It will not only ensure effective use of existing equipment but also prevent long queues at security check points. All such machines shall however be replaced by the airport operator in due course of time.

4. All security equipment will conform to the minimum standards prescribed by the appropriate authority. No sub-standard equipment shall be deployed by any agency for screening jobs.

5. The above instructions shall come into force with immediate effect and will remain in force till further orders.

(R C Tayal)
Offg. Commissioner of Security(CA)

Distribution as per list attached.



एएआई कार्गो लोजिस्टिक्स एण्ड एलाइड सर्विसेस कंपनी लिमिटेड AAI CARGO LOGISTICS & ALLIED SERVICES COMPANY LTD.

(An AAI Subsidiary)

CIN: U74990DL2016GOI304348

AAICLAS/AERA/2020-21/01

8th October, 2020

To,
Secretary,
Airports Economic Regulatory Authority of India (AERA),
AERA Administrative Complex,
Safdarjung Airport,
New Delhi – 110003, India

Dear Sir/ Madam,

Sub: Comments on Consultation Paper (33/2020-21) In the matter of Determination of tariffs for AAI Cargo Logistics & Allied Services Company Ltd. (AAICLAS) for providing Cargo Handling Services at Netaji Subhash Chandra Bose International Airport (NSCB), Kolkata, for the First Control Period from 01.04.2019 to 31.03.2024

We take pleasure in submitting our comments on consultation paper for 1st Control period as follows

1. **Penalty towards unspent on Capex planned:** In the Proposed No. 5D, AERA has planned to impose penalty of 1% on proposed capex plan if not spent as per the plan in addition to normal true up with carrying costs.

AAICLAS understand that the price cap mechanism is already inherent with penalty at cost of FRoR, in case the service provider revenue exceeds ARR (which is after considering OPEX and Depreciation, etc.,) and further adding penalty may result in additional burden on the service provider.

AAICLAS also understands that MYTP submitted to AERA is based on certain assumptions and considering current business scenario where the business is evolving and business needs are changing every day, imposing penalty may not give flexibility to service provider to revise the plan or cut certain capex considering the new business needs.

Further, current pandemic situation and uncertainty prevailing in the aviation sector is burdened the sector with ambiguity in growth, traffic, cashflows & meeting day to day expenses (fixed cost), hence adding penalty will discourage service provider to plan CAPEX.

AAICLAS request AERA not to impose penalty considering flexibility to business and current pandemic

2. **User Consultation:** In the Proposed No. 5F, Authority has proposed AAICLAS to undertake Stakeholder Consultation process for major capital expenditure. AAICLAS bring to the notice of the Authority that User Consultation was carried on 6th Jan 2020 at The Swissotel (Zurish Hall), New Town, Rajarhat, Kolkata where detailed presentation was made explaining the current facility and Capex planned to meet the proposed new facility at the Airport Cargo Terminal. Presentation to the stakeholders and Minutes of the meeting has already been submitted to the Authority. Signed copy of the minutes of meeting is enclosed herewith for ready reference.
3. **Modification to existing Tariff Card:** AAICLAS proposes modification / add to existing tariff card (Specifically in notes to the rate card) considering ambiguity /clarification /development in Trade & incorporating certain amendment announced by MoCA in Free Storage period w.e.f 01.04.2017. Details of the existing rate card and proposed change is listed in **Exhibit A**. MoCA circular mandating/ requesting such changes are enclosed herewith with revised/ updated tariff card.

AAICLAS prays to Authority to consider the above comments and assures to remain at your disposal, to clarify any queries on the same.

Yours Sincerely,


[KEKU BOMI GAZDER]
CHIEF EXECUTIVE OFFICER

CC,
Ms. Gita Sahu,
Airports Economic Regulatory Authority of India (AERA),
AERA Administrative Complex,
Safdarjung Airports,
New Delhi - 110003, India

1. Airport - Form F14(b) - Annual Tariff Proposal for tariff year for FY – 2019-20

Cargo Charges at Netaji Subhas Chandra Bose International Airport, Kolkata

1.1 Export Cargo

| Sr. No. | Type of Cargo | Terminal, Storage & Processing charges | | Demurrages charges (leviable from shippers) | |
|---------|--------------------|--|------------------------------------|---|------------------------------------|
| | | INR Per Kg | Minimum Rate per Consignment INR/p | INR Per Kg | Minimum Rate per Consignment INR/p |
| 1. | General | 0.91 | 160.00 | 0.93 | 160.00 |
| 2. | Special & Valuable | 1.79 | 305.00 | 1.86 | 305.00 |
| 3. | Perishable | 0.91 | 160.00 | 0.93 | 160.00 |

NOTES: [Export Cargo]

- The free period for export cargo shall be 12 hours, or as applicable based on the government regulations, for examination/processing by the Shipper
- 10% discount in the Terminal, Storage and Processing charges will be granted to Exporters, who opt for engaging their own manpower for offloading cargo from their vehicles at Truck Dock and shifting to Custom Examination Area and handing over to Airlines/Terminal Operator, wherever it is applicable. In case AAICLAS is unable to provide equipment for loading/unloading of Over Dimensional Cargo (ODC), the same criteria will be followed.
- Consignments of human remains coffin including unaccompanied baggage of deceased and human eyes will be exempted from the purview of Terminal, Storage and Processing charges & Demurrage charges. No XBIS/ETD usage charges will also leviable on these shipments.
- Terminal, Storage and processing charges are inclusive of Forklift charges wherever Forklift usage is involved. No separate Forklift charges will be levied.
- Special cargo consists of live animals, hazardous goods and valuable cargo.
- Charges will be levied on the 'gross weight' or the 'chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
- For mis-declaration of weight above 2% and up to 5% of declared weight, penal charges @ double the applicable Terminal, Storage and Processing charges and for positive variation above 5%, the penal charges @ 5 times the applicable Terminal, Storage and Processing charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum Terminal, Storage and Processing charges. No penal charges will be leviable for variation up to and inclusive of 2%. (For any variation, all the documents/ records to be invariably amended). No weight variation acceptable in the case of VAL consignments.
- Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum and items valued at USD 1000 per Kg. & above.
- Terminal Operator shall levy packing/repacking charges @ 2% of packages per shipping bill with a minimum of INR20/= per Airway Bill. Packing / Repacking charges will be at INR10/= per packet. (There will not be year on year increase till next revision takes place)
- XBIS usage charge is Re.1/= per kg subject to minimum of INR 150/= per shipment. The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through

XBIS, no charges to be levied for usage of ETDs. (There will not be year on year increase till next revision takes place)

- k) The export TSP charges paid in advance through online by the shippers/agents will be refunded in case the export cargo is not physically brought to the Air Cargo Terminal for processing on the same day subject to retention of minimum rate per consignment of General/Special/Valuable cargo respectively. Proportionate applicable GST on minimum rate will also be retained.
- l) For the export cargo withdrawal from examination area, withdrawal Demurrage charges will be collected equivalent to examination area demurrage charges. Similarly, for the withdraw of Export Cargo from the bonded area, applicable bonded area demurrage charges will be collected.
- m) Any other Agencies operating at the Airport utilizing AAICLAS Equipment like Forklift, Tractor and any other equipment shall be charges separately.
- n) No XBIS uses charges applicable / leviable for the Customs cleared Export Cargo moving by Bonded trucks to other destination Airports.
- o) Charges shall be leviable separately for installation/ commissioning/ maintenance of air cargo inspection system (ACIS) as stipulated by CBIC, as & when implemented.
- p) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- q) No separate ETV usage charges leviable at Export.
- r) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.2 Import Cargo

a. Terminal, storage and processing charges:

| Sr. No. | Type of Cargo | INR Per Kg | Minimum Rate per Consignment (INR/p) |
|---------|--------------------|------------|--------------------------------------|
| 1. | General | 6.10 | 170.00 |
| 2. | Special & Valuable | 12.10 | 330.00 |

b. Demurrage Charges: -

Free storage period for import cargo shall be 48 hrs (02 working days) from the date and time of segregation reflected in the ICEGATE. For the next 48 hrs (02 working days), demurrage will be charged at “per kg. per day” non-cumulative basis, provided the consignment is cleared within 96 hrs (04 working days), from the date and time of segregation reflected in the ICEGATE. If clearance is affected after 96 hrs (04 working days), demurrage will accrue for the entire period from the date/time of segregation reflected in the ICEGATE as follows:

| Sr. No. | Type of Cargo | Period | INR Per Kg | Minimum Rate per Consignment (INR/P) |
|---------|---------------|---|------------|--------------------------------------|
| 1. | General | Up to 96 hrs (4 working days) including free period | 1.80 | 400.00 |
| | | Between 96 hrs and 720 hrs (5 and 30 days) | 3.47 | |
| | | Beyond 720 hrs (beyond 30 days) | 5.25 | |
| 2. | Special | Up to 96 hrs (4 working days) including free period | 3.47 | 775.00 |
| | | Between 96 hrs and 720 hrs (5 and 30 days) | 6.93 | |
| | | Beyond 720 hrs (beyond 30 days) | 10.45 | |
| 3. | Valuable | Up to 96 hrs (4 working days) including free | 6.93 | 1560.00 |

| | | |
|--|--|-------|
| | period | |
| | Between 96 hrs and 720 hrs (5 and 30 days) | 13.97 |
| | Beyond 720 hrs (beyond 30 days) | 20.90 |

- c. **Opening/ Repacking Charges:** INR10/= per pkg. subject to minimum of INR20/= per consignment. (There will not be year on year increase on Opening/Repacking Charges till next revision takes place)

NOTES: [Import Cargo]

- a) Consignments of human remains, coffin including baggage of deceased & human eyes will be exempted from the purview of Terminal, Storage and Processing charges & Demurrage charges.
- b) Terminal, Storage and processing charges are inclusive of Forklift charges wherever Forklift usage is involved. No separate Forklift charges will be levied.
- c) Charges will be levied on the 'gross weight' or the 'chargeable weight' of the consignment whichever is higher. Wherever the 'gross weight' and (or) volume weight is wrongly indicated on the Airway Bill and is actually found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight' or 'chargeable weight' whichever is higher.
- d) Special Import Cargo consists of cargo stored in cold storage, live animals and hazardous goods.
- e) Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum and items valued at USD 1000 per Kg. & above.
- f) Any product/ commodity having inbuilt/ mounted with Lithium batteries will be continued to be treated as Hazardous Cargo for storage / handling purpose but attract only general cargo TSP rate during the clearance within the free period this Facility is for all Importers including AFS, SEZ, ICD, EPZ Cargo etc. However Special charges (both TSP & Demurrage) leviable beyond the free period.
- g) Wherever 24 hours operations are NOT implemented due to lack of presence of all related/ regulatory agencies, INR 250/- per consignment will be levied as overtime charges in addition to next working day demurrage charges. (There will not be year on year increase till next revision takes place)
- h) Import consignment meant for Air Freight Station (AFS) only in ULD forms will attract 40% of TSP charges (presently it is Rs 2.50 per kg) subject to clearance from Air Cargo Terminal within the period stipulated by Customs at the Station in order to achieve reduced dwelling time at Air Cargo Terminal.
- i) XBIS usage charges Re. 1/= per kg subject to minimum of INR 150/= per consignment (as per the requirement of Customs for speedy clearance of import cargo). (There will not be year on year increase till next revision takes place)
- j) Charges shall be leviable on airlines separately for installation/ commissioning/ maintenance of Air cargo Inspection System (ACIS) as stipulated by CBIC, as and when implemented.
- k) While AAICLAS make efforts to provide equipment for Loading / Unloading of Over Dimensional Cargo (ODC), in case of difficulty in providing equipment, proportionate 10% of Terminal, Storage and Processing Charges shall be refunded.
- l) Any other Agencies operating at the Airport utilizing AAICLAS Equipment like Forklift, Tractor and any other equipment shall be charges separately.
- m) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- n) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.3 Schedule of Charges/ Discounts/ Incentives leviable/ payable on/ to Airlines for various Cargo Handling Services rendered by AAICLAS at the Cargo Terminal:

1.

| Sr. No. | Particulars of Services | Charges (INR/p) |
|---------|---|------------------------|
| 1. | Storage charges for General export uplifted beyond free period | 2.20/Kg./day |
| 2. | Storages charges for valuable Export Cargo Perishable/ Live Animals and Hazardous Cargo uplifted beyond free period shall be two times of normal | 4.40/Kg./day |
| 3. | Penal/storage charges on Airlines /Agencies for not handing over of general import cargo (i/c courier cargo) to the customs appointed custodian within 04 05 hours of flight landing (subject to Customs stipulation) | |
| | i. General Bulk Cargo | 2.20 (Kg/day) |
| | ii. Loaded ULD | 885 (ULD/day) |
| 4. | Penal / storage charges on Airlines / Agencies for not handing over of 'Val'/Haz/Perishable/Live Animal import cargo (i/c courier cargo) to the customs appointed custodian within 04 05 hours of flight landing (subject to Customs stipulation) | |
| | i. Valuable | 5.60 (Kg/day) |
| | ii. Haz./PER/Live Animals | 3.70 (Kg/day) |
| | iii. Minimum per consignment / AWB | Rs. 310.00 |
| 5. | Sector AWB Charges | |
| | (i) Sector AWB Charges | 1.50 per Kg |
| | (ii) Minimum | 160.00 per consignment |

2. NOTES:

- Demurrage charges on Import Transshipment cargo will be as applicable to Import cargo except that no handling charges shall be levied on the airlines handled by AAICLAS where the TP cargo handed over to the airlines on airside designated area on the airport. 50% discount will be applicable on TSP/ handling charges where the import transshipment cargo moved in ULD form to the other Airports of AAI by road. In both the cases, subject to payment of minimum charge as applicable in respective category.
- Demurrage charges on transshipment cargo from Domestic to International and from International to International shall be treated as same as applicable for export cargo, after allowing the normal free period and subject to payment of minimum applicable Export Demurrage Charges.
- The free period for export cargo for the carrier from the time of entry in bonded area till upliftment shall be 36 hrs as per Government Directives as of now.
- No free period may be allowed on second time handling/upliftment of export cargo from cargo terminal. Applicable charges (Demurrage/Storage) shall be levied.
- In case of Transit ULDs brought by the Airlines handed over to AAICLAS for Storage in the Bonded Area/ETV stacker for any reasons, the storage charges as per para 3.1 & 3.2 above) shall be levied.
- The free period for export cargo for the NSOs in the bonded area, would be same as applicable for scheduled carrier as per the government regulations issued from time to time, accounted from the time of physical acceptance at bonded area.
- XBIS usage charges Re. 1 per kg subject to minimum of INR 150 per consignment. The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines

after scanning through XBIS, no charges to be levied for usage of ETDs. (There will not be year on year increase till next revision takes place)

- h) Charges shall be leviable separately for installation/ commissioning/ maintenance of Air Cargo Inspection System (ACIS) as stipulated by CBIC as & when implemented.
- i) Additional Packing services required by Airlines for any shipment shall be additionally chargeable.
- j) All the Scheduled Airlines shall maintain Security deposit for adequate amount as prescribed by AAICLAS for the cargo operations apart from the security deposit for License fee and enter into an agreement for availing credit facility as per the policy prescribed from time to time.
- k) Any other Agencies operating at the Airport utilizing AAICLAS Equipment like Forklift, Tractor and any other equipment shall be charged separately.
- l) The above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- m) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.4 Domestic Outbound Cargo Charges leviable on Shippers/ Consignor(s) etc.

| Sr. No. | Type of Cargo | INR Per Kg | Minimum Charges (INR/p) |
|---------|--|----------------|-------------------------|
| 1. | Standard Charges for processing & Handling at Air Cargo Terminal | | |
| | a) General Cargo | 0.93 | 135.00 |
| | b) Special (AVI) #/ PER/ HAZARDOUS/ VAL | 1.86 | 268.00 |
| 2. | Demurrage Charges / Storage | | |
| | a) General Cargo | 0.93 /kg /day | 135.00 |
| | b) Special (AVI) #/ PER/ HAZARDOUS/ VAL | 1.86 /kg /day | 268.00 |
| 3. | Amendment of Airway Bill | 120.00 per AWB | |
| 4. | Return Cargo Charges | 120.00 per AWB | |
| 5. | Strapping /Re-packing Charges | Outsourced | |

Notes:

- a) The free period for outbound domestic cargo shall be 12 hours for examination/processing by the shipper/consignor/authorized representative etc. and 12 hours for Airlines at SHA.
- b) 10% discount in the domestic cargo handling charges will be granted to the shippers/consignors who opt for engaging their own manpower for offloading cargo from their vehicles at Truck Dock and shifting to the examination/storage area before handing over to the airlines concerned, wherever it is applicable.
- c) Consignment of human remains, coffin including unaccompanied baggage of deceased and human eyes will be exempted from the purview of domestic cargo handling & demurrage charges. No XBIS/ETD usage charges will also leviable on these shipments.
- d) The domestic cargo handling charges are inclusive of forklift charges wherever forklift usage is involved. No separate forklift charges will be levied.
- e) #As per IATA definition, Special cargo consists of cold storage, live animals, hazardous goods & valuable cargo.
- f) Charges will be levied on the 'gross weight' or the chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.

- g) For mis-declaration of weight above 2% and up to 5% of declared weight, penal charges @ double the applicable domestic cargo handling charges and for variation above 5%, the penal charges % 5 times the applicable domestic cargo handling charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum domestic cargo handling Charges. No penal charges will be leviable for variation up to and inclusive of 2%. No weight deviation permissible in VAL cargo.
- h) XBIS usage charges is Re.1/= per kg subject to minimum of INR 150/= per shipment. The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs. (There will not be year on year increase till next revision takes place)
- i) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- j) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.5 Domestic Inbound Cargo Charges leviable on Consignee(s) etc.

| Sr. No. | Type of Cargo | INR Per Kg | Minimum Charges (INR/p) |
|---------|--|---------------|-------------------------|
| 1. | Standard Charges for processing & Handling at Air Cargo Terminal | | |
| | a) General Cargo | 0.93 | 135.00 |
| | b) Special (AVI) # / PER/ HAZARDOUS/ VAL | 1.86 | 268.00 |
| 2. | Demurrage Charges / Storage | | |
| | a) General Cargo | 0.93 /kg /day | 135.00 |
| | b) Special (AVI) # / PER/ HAZARDOUS/ VAL | 1.86 /kg /day | 268.00 |

Note:

- a) The free period for inbound domestic cargo shall be one working day for processing/delivery by the consignee/authorized representative etc.
- b) 10% discount in the domestic cargo handling charges will be granted to the consignee/authorized representative who opts for engaging their own manpower for loading cargo into their vehicles for delivery at designated areas from the airlines concerned, wherever it is applicable.
- c) Consignment of human remains, coffin including unaccompanied baggage of deceased and human eyes will be exempted from the purview of domestic cargo handling & demurrage charges.
- d) The domestic cargo handling charges are inclusive of forklift charges wherever forklift usage is involved. No separate forklift charges will be levied.
- e) Charges will be levied on the 'gross weight' or the chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
- f) #As per IATA definition, Special cargo consists of cargo stored in cold storage, live animals, valuable & hazardous goods.
- g) *Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum & items valued at US\$ 1000 and above.
- k) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- l) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.6 Schedule of Charges leviable on Non-Scheduled Operators

| Sr. No. | Particulars of Services | Charges (INR/p) |
|---------|---|------------------|
| 1. | Storage charges for export cargo uplifted beyond free period | 3.68 / Kg. / day |
| 2. | Storage charges for export valuable perishable cargo, live animals and hazardous cargo uplifted beyond free period | 7.35/ Kg. / day |
| 3. | Penal / Storage charges on Airlines / Agencies for not handing over of general import cargo (i/c Courier cargo) to the customs appointed custodian within 04 05 hours of flight landing -(subject to Customs stipulation) | |
| | i. General Bulk Cargo | 3.65 Kg. / day |
| | ii. Loaded ULD | 1455/ULD/day |
| 4. | Penal / Storage charges on Airlines /Agencies for not handing over of 'Val'/Haz/Perishable/Live Animal import cargo (i/c Courier cargo) to the customs appointed custodian within 05 hours of flight landing (subject to Customs stipulation) | |
| | i. Valuable | 9.19/ Kg. / day |
| | ii. Haz./PER/Live Animal | 6.07/ Kg. / day |
| | iii. Minimum charges per consignment (AWB) | 505.00 |

Note:

- a) Demurrage charges on Import Transshipment cargo will be as applicable to Import cargo except that no handling charges shall be levied on the airlines handled by AAICLAS where the TP cargo handed over to the airlines on airside designated area on the airport.50% discount will be applicable on TSP/ handling charges where the import transshipment cargo moved in ULD form to the other Airports of AAI by road. In both the cases, subject to payment of minimum charge as applicable in respective category.
- b) Demurrage charges on transshipment cargo from domestic to international and from international to international shall be treated as same as applicable for export cargo, after allowing the prescribed free period and subject to payment of minimum applicable Export Demurrage Charges.
- c) The free period for export cargo for the NSOs in the bonded area, would be same as applicable for scheduled carrier as per the government regulations issued from time to time, accounted from the time of physical acceptance at bonded area.
- d) NSO operators/their authorized agencies shall register with Terminal operator along with all required permission/documents from Customs & DGCA and various other regulatory agencies and are required to maintain security deposit with AAICLAS equivalent to two month's transactions or as advised. In addition to security deposit, NSO operators may maintain running account with AAICLAS with adequate balance to avoid Cash & carry model.
- e) No free period may be allowed on second time handling / upliftment of export cargo from cargo terminal. Applicable charges (storage) shall be levied.
- f) In case of transit ULDs brought by the Airlines handed over to AAICLAS for storage in the bonded area / ETV stacker for any reasons, the storage charges as per para 3 shall be levied.
- g) XBIS usage charges Re. 1 per kg subject to minimum of INR 150 per consignment. The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs. (There will not be year on year increase till next revision takes place)
- h) Any other Agencies operating at the Airport utilizing AAICLAS Equipment like Forklift, Tractor and any other equipment shall be charges separately.

- i) Charges shall be leviable separately for installation/ commissioning/ maintenance of air cargo inspection system (ACIS) as stipulated by CBIC, as & when implemented.
- j) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- k) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.7 International Courier Cargo Tariff / Rates

(Proposed to implement International Courier operations within F.Y.2020-21)

(There will not be year on year increase till next revision takes place)

| S. No. | Tariff Heading | Rates with minimum charges |
|--------|--|---|
| a) | Import: | |
| | Facilitation Charges (segregation, handling, XBIS usage, Customs facilitation etc.) | INR12per Kg, minimum of INR120 per flight |
| b) | Export: | |
| | Facilitation Charges | INR 10 per kg subject to minimum of INR 120/- per Master |
| c) | X-Ray machine usage charges-Export | a) Re. 1/- per kg subject to minimum of INR 150 per Master AWB The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, No charges to be levied for usage of ETDs.(There will not be year on year increase till next revision takes place) |
| d) | Import Demurrage Charges: | |
| | Minimum demurrage charges | Minimum INR 100/- per consignment |
| | Clearance During the free period as per government regulations (currently it is 48 Hours from segregation) | No demurrage charges |
| | Clearance Beyond 48 hrs-upto 96 hours | INR 3 per kg per day (non-cumulative) |
| | Clearance Beyond 96 hrs-upto 720 hrs | INR 4 per kg per day (cumulative with no free period) (up to 48hrs- Rs 3 per kg per day Plus 48hrs to 96 hrs- Rs 3 per kg per day Plus 96hrs to 720hrs at Rs 4 per kg per day) |
| | Clearance Beyond 720 hrs (beyond 30 days) | INR 5 per kg per day (up to 48hrs- Rs 3 per kg per day Plus 48hrs to 96 hrs- Rs 3 per kg per day Plus 96hrs to 720hrs at Rs 4 per kg per day Plus Beyond 720hrs at Rs 5 per kg per day) |
| e) | Amendment Charges* | INR 100 per amendment |

Note:

- 10% discount allowable on Export facilitation charges for the courier agencies using their own manpower in off-loading their courier cargo from Trucks, shifting to Customs examination area before handing over to respective Airlines with Customs LEO, wherever applicable.

2. Amendment Charges* would be applicable, if only there are any changes that are required to be carried out on the Airway Bill, Way bill and/ or marking of the package at the request of the user or Customs, at any stage of handling of consignment, whether for export or import or Transshipment.
3. On introduction of Express Cargo Clearance System (ECCS), the charges stipulated by CBIC & for maintenance of ECCS by AAICLAS, separate charges shall be leviable on Courier Agencies.
4. Charges shall be leviable separately for installation/ commissioning/ maintenance of Air Cargo Inspection System (ACIS) as stipulated by CBIC, as & when implemented.
5. All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
6. All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

1.8 Regulated Agent Facilitation (for Export & Domestic Outbound):

(There will not be year on year increase till next revision takes place)

| S. No. | Particulars of Services | Charges per kg (INR/p) | Minimum per shipment (INR/p) |
|--------|--|---|---|
| a) | X-ray machine usage charges | 1.00 | 150.00 |
| | | The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs. (There will not be year on year increase till next revision takes place) | |
| b) | Screening & Certification charges | | |
| | i) Export | 1.50 | 150.00 |
| | ii) Domestic Outbound | 1.32 | 120.00 |
| c) | Security Services for escorting of cargo from cargo terminal to Aircraft and vice versa and handing over to the Airlines representatives (For both Scheduled Airlines and Non-scheduled Airlines) | 0.10 | 1000.00 per flight (Subject to negotiation based on type of Aircraft & Load) |

Note:

- a) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.
- b) All bills shall be rounded up to the nearest higher of Rupee 1.00.

Example

- (i) TSP = INR 263.59 (Actual Calculated Amount)
- (ii) GST @ 18% of (i) = INR 47.45 (Actual Calculated Amount)
- (iii) Total Amount (i)+(ii) = INR 311.04 (Actual Calculated Amount)
- (iv) Bill Amount = INR 312/- (rounded up to nearest higher Rupee 1.00/-)

Exhibit A –Modification proposes to the existing Tariff Card

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|---------------------------------------|---|--|
| 1. | Modification to notes on Export Cargo | All Bills shall be rounded off to the nearest of Rs.5/= . As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5. | All Bills shall be rounded off to the nearest of Rupee 1/-. |
| 2. | Additions to notes on Export Cargo | | <ul style="list-style-type: none"> Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum and items valued at USD 1000 per Kg. & above. Terminal Operator shall levy packing/repacking charges @ 2% of packages per shipping bill with a minimum of Rs.20/= per Airway Bill. Packing / Repacking charges will be at Rs.10/= per packet. XBIS usage charges is Re.1/= per kg subject to minimum of Rs. 150/= per shipment. <u>The same is applicable for ODC shipment where physical check with the help of ETDs are facilitated.</u> Charges shall be leviable separately for installation/ commissioning/ maintenance of air cargo inspection system (ACIS) as stipulated by CBIC, as & when implemented. The export TSP charges paid in advance by the shipper/ agents will be refunded in case the export cargo is not physically brought to the Air Cargo terminal for processing on the same day subject to retention of Minimum Rate per consignment of General/ Special/ Valuable cargo |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|--|---|--|
| | | | respectively. |
| 3. | Modification to Tariff Demurrage Charges as per the circular of MoCA # | Free storage period for import cargo shall be 72 hrs. (03 working days) from the date and time of segregation reflected in the ICEGATE. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg. per day" non-cumulative basis, provided the consignment is cleared within 120 hrs. (05 working days), from the date and time of segregation reflected in the ICEGATE. If clearance is affected after 120 hrs. (05 working days), demurrage will accrue for the entire period from the date/time of segregation reflected in the ICEGATE | |
| 4. | Additions to Tariff card - Opening/ Repacking Charges | | Rs.10/= per pkg. subject to minimum of Rs.20/= per consignment. |
| 5. | Modification to notes on Import Cargo | No separate Forklift charges will be levied. | Terminal, Storage and processing charges are inclusive of Forklift charges wherever Forklift usage is involved. No separate Forklift charges will be levied. |
| 6. | Modification to notes on Import Cargo | All Bills shall be rounded off to the nearest of Rs.5/=. As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5. | All Bills shall be rounded off to the nearest of Rupee 1/-. |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|------------------------------------|--------------------------|---|
| 7. | Additions to notes on Import Cargo | | <ul style="list-style-type: none"> Any product/ commodity having inbuilt/ mounted with Lithium batteries will be continued to be treated as Hazardous Cargo for storage / handling purpose but attract only general cargo TSP rate during the clearance within the free period. However Special charges leviable beyond the free period. Wherever 24 hours operations are NOT implemented due to lack of presence of all related/ regulatory agencies, Rs. 250/- per consignment will be levied as overtime charges in addition to next working day demurrage charges. Import consignment meant for Air Freight Station (AFS) only in ULD forms will attract 40% of TSP charges (presently it is Rs 2.50 per kg) subject to clearance from Air Cargo Terminal within the period stipulated by Customs at the Station in order to achieve reduced dwelling time at Air Cargo Terminal. XBIS usage charges Re. 1/= per kg subject to minimum of Rs. 150/= per consignment (as per the requirement of Customs for speedy clearance of import cargo). Charges shall be leviable on airlines separately for installation/ commissioning/ maintenance of Air cargo Inspection System (ACIS) as stipulated by CBIC, as and when implemented. All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time. |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|--|--------------------------|--|
| 8. | Additions to Tariff Card - Sector AWB Charges | | Rs. 1.50 per Kg subject to minimum of Rs. 160/- per consignment |
| 9. | Modification to notes on Schedule of Charges / Discounts / Incentives leviable/ payable on/ to Airlines for various Cargo Handling Services rendered by AAICLAS at the Cargo Terminal: | | 50% discount will be applicable on TSP/ handling charges where the import transshipment cargo moved in ULD form to the other Airports of AAI by road in the free period. |
| 10. | Additions to Notes on Schedule of Charges / Discounts / Incentives leviable/ payable on/ to Airlines for various Cargo Handling Services rendered by AAICLAS at the Cargo Terminal: | | <ul style="list-style-type: none"> The free period for export cargo for the NSOs in the bonded area, would be same as applicable for scheduled carrier as per the government regulations issued from time to time, from the time of physical acceptance at bonded area. XBIS usage charges Re. 1 per kg subject to minimum of Rs. 150 per consignment. <u>The same is applicable for ODC consignment where physical check with the help of ETDs are facilitated.</u> Charges shall be leviable separately for installation/ commissioning/ maintenance of Air Cargo Inspection System (ACIS) as stipulated by CBIC as & when implemented. Addl. Packing services required by Airlines for any shipment shall be additionally chargeable. All the Scheduled Airlines shall maintain Security deposit |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|---|--|--|
| | | | for adequate amount as prescribed by AAICLAS for the cargo operations apart from the security deposit for License fee and enter into an agreement for availing credit facility as per the policy prescribed from time to time. |
| 11. | Removal of service from Tariff Card: Domestic Outbound Cargo Charges leviable on Shippers/Consignor(s) Etc - Strapping Charges | Rs.13/- per Bag | <ul style="list-style-type: none"> Strapping /Re-packing Charges/ shrink wrapping has been outsourced |
| 12. | Modification to notes on Domestic Outbound Cargo Charges leviable on Shippers/Consignor(s) Etc., | The free period for outbound domestic cargo shall be one working day for examination/processing by the shipper/consignor/authorized representative etc. | The free period for outbound domestic cargo shall be 12 hours for examination/processing by the shipper/consignor/authorized representative etc. and 12 hours for Airlines at SHA. |
| 13. | Modification to notes on Domestic Outbound Cargo Charges leviable on Shippers/Consignor(s) Etc., | All Bills shall be rounded off to the nearest of Rs.5/=. As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5. | All Bills shall be rounded off to the nearest of Rupee 1/-. |
| 14. | Modification to notes on schedule of Charges leviable on Non-Scheduled Operators | Demurrage charges on Import Transshipment cargo will be as applicable to Import cargo except that no handling charges shall be charged. | Demurrage charges on Import Transshipment cargo will be as applicable to Import cargo except that no handling charges shall be levied on the airlines handled by AAICLAS where the TP cargo handed over to the airlines on airside designated area on the airport. |
| 15. | Modification to notes on schedule of Charges | Demurrage charges on transshipment cargo from domestic to international | Demurrage charges on transshipment cargo from domestic to international and from international to international shall be |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|--|--|---|
| | leviable on Non-Scheduled Operators | and from international to international shall be treated as same as applicable for export cargo, after allowing the prescribed free period | treated as same as applicable for export cargo, after allowing the prescribed free period. Export TSP/ handling charges and Sector AWB Charges are leviable as per tariff on International to International Transshipment Cargo |
| 16. | Modification to notes on schedule of Charges leviable on Non-Scheduled Operators | All Bills shall be rounded off to the nearest of Rs.5/=. As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5. | All Bills shall be rounded off to the nearest of Rupee 1/-. |
| 17. | Modification to notes on schedule of Charges leviable on Non-Scheduled Operators | All charges by NSOs shall be on cash and carry basis. | NSO operators/their authorized agencies shall register with Terminal operator along with all required permission/documents from Customs & DGCA and various other regulatory agencies and are required to maintain security deposit with AAICLAS equivalent to two month's transactions. In addition to security deposit, NSO operators may maintain running account with AAICLAS with adequate balance to avoid Cash & carry model. |
| 18. | Modification to notes on schedule of Charges leviable on Non-Scheduled Operators | In case of transit ULDs brought by the Airlines handed over to AAICLAS for storage in the bonded area / ETV stacker for any reasons, the storage charges as per para -3 shall be levied. | In case of transit ULDs brought by the Airlines handed over to AAICLAS for storage in the bonded area / ETV stacker for any reasons, the storage charges as per para 1 & 2 shall be levied. |
| 19. | Additions to notes on schedule of Charges leviable on Non- | | <ul style="list-style-type: none"> 50% discount will be applicable on TSP/ handling charges where the import transshipment cargo moved in ULD form to the other Airports of AAI by road in the free period. |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|---|--------------------------|--|
| | Scheduled Operators | | <ul style="list-style-type: none"> The free period for export cargo for the NSOs in the bonded area, would be same as applicable for scheduled carrier as per the government regulations issued from time to time, from the time of physical acceptance at bonded area. XBIS usage charges Re. 1 per kg subject to minimum of Rs. 150 per consignment. The same is applicable for ODC consignment where physical check with the help of ETDs are facilitated. <p>Charges shall be leviable separately for installation/ commissioning/ maintenance of air cargo inspection system (ACIS) as stipulated by CBIC, as & when implemented.</p> |
| 20. | Additional to notes on International Courier Cargo Tariff / Rates | | <ul style="list-style-type: none"> 10% discount allowable on Export facilitation charges for the courier agencies using their own manpower in off-loading their courier cargo from Trucks, shifting to Customs examination area before handling over to respective Airlines with Customs LEO, wherever applicable. Amendment Charges* would be applicable, if only there are any changes that are required to be carried out on the Airway Bill, Way bill and/ or marking of the package at the request of the user or Customs, at any stage of handling of consignment, whether for export or import or Transshipment. On introduction of Express Cargo Clearance System (ECCS), the charges stipulated by CBIC & for maintenance of ECCS by AAICLAS, separate charges shall be leviable on Courier Agencies. Charges shall be leviable separately for installation/ commissioning/ maintenance of Air Cargo Inspection |

| Sr. No. | Category | As per the old Rate card | Proposed in the New Rate card |
|---------|----------|--------------------------|---|
| | | | System (ACIS) as stipulated by CBIC, as & when implemented. <ul style="list-style-type: none">All Bills shall be rounded off to the nearest of Rupee 1/-. |

Note#:

Comment [DR1]: Referencing of MoCA circular will be given by Selva Sir



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA
NEW INTEGRATED CARGO TERMINAL
N.S.C.B.I. AIRPORT, KOLKATA - 700 052
(DEPARTMENT OF CARGO)

No. AAC/CARGO-20/2016/ 733

DATE: 16-12-2016

NOTIFICATION

Subject: - **Reduction in Free Period for Air Cargo.**

In pursuance of National Civil Aviation Policy (NCAP) released by Ministry of Civil Aviation on 15th June, 2016 and subsequent deliberation in Government of India on reduction of air cargo dwell time, Ministry of Civil Aviation vide their order No. AV-16011/3/2016 -ER dated 02/12/2016 has reduced the free period applicable for air cargo at all airports as follows: -

- a) For import cargo, free period is reduced from 72 hours to 48 hours. (i.e Two working days). The time of reckoning of Free Period would start from segregation time reflected in ICEGATE.
- b) For export cargo, free period for airlines is reduced from 48 hours to 36 hours and free period for exporters is reduced from 24 hours to 12 hours. Thus the total free period available for export cargo would be 48 hours (i.e. Two working days).
- c) Till such time Customs facilitation is available 24x7, the Free Period will not include holidays.

The above reduction in free period will come into effect from 1st April, 2017.


(ATUL DIKSHIT)
AIRPORT DIRECTOR

Distribution:

- 1) All Airlines - by name
- 2) Chairman - AOC/CFC
- 3) Chairman - ACAAI (ER)
- 4) President - CCHAA
- 5) Dy. Commissioner of Customs
- 6) General Manager - M/s Bhadra International India Pvt. Ltd.
- 7) Notice Board (s) at Cargo Terminal

Copy to:

- 1) General Manager (Fin), AAI, NSCBI Airport, Kol - 52
- 2) All Cargo Officers by name -do-
- 3) Manager (Fin/Cargo) -do-
- 4) ICMS -do-

No.AV-16011/3/2016-ER
Government of India
Ministry of Civil Aviation
(ER Division)

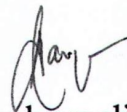
'B' Block, Rajiv Gandhi Bhawan
Safdarjung Airport
New Delhi, Dated: 02/12/2016

ORDER

Subject: Reduction in Free Period for Air Cargo.

In pursuance of the National Civil Aviation Policy (NCAP) released by Ministry of Civil Aviation on 15th June, 2016 and subsequent deliberations in Government of India on reduction of air cargo dwell time, the Free Period applicable for air cargo at all airports is reduced as follows:

- a) For import cargo, free period is reduced from 72 hours to 48 hours. (i.e. Two working days). The time of reckoning of Free Period would start from segregation time reflected in ICEGATE.
 - b) For export cargo, free period for airlines is reduced from 48 hours to 36 hours and free period for exporters is reduced from 24 hours to 12 hours. Thus the total free period available for export cargo would be 48 hours (i.e., Two working days)
2. Till such time Customs facilitation is available 24x7, the Free Period will not include holidays.
3. This issues with the approval of the Competent Authority and would come into effect from 1st April, 2017.


(Angshumali Rastogi)
Director

To

1. The Secretary, Department of Commerce, Ministry of Commerce and Industry, Udyog Bhawan, New Delhi.
2. The Secretary (Revenue), Ministry of Finance, Department of Revenue, North Block, New Delhi.
3. The Secretary, Ministry of Agriculture & Farmers Welfare, Krishi Bhawan, New Delhi-110001
4. Joint Secretary (Customs), Central Board of Excise & Custom, Ministry of Finance, Department of Revenue, North Block, New Delhi.
5. The Chief Executive Officer, NITI Aayog, Yojana Bhawan, Sansad Marg, New Delhi.

6. The Chairman, Airports Authority of India, "C" Block, Rajiv Gandhi Bhawan, New Delhi
7. The Chairman, Airports Economic Regulatory Authority, AERA Building, Administrative Complex, Safdarjung Airport, New Delhi- 110 003
8. The Director General, Directorate General of Civil Aviation, Opp. Safdarjung Airport, New Delhi.
9. The Director General, Bureau of Civil Aviation Security, Janpath Bhawan, New Delhi
10. The Chairman, The Marine Products Export Development Authority, MPEDA House, Panampilly Avenue, P.B. No. 4272, Kochi-682036
11. The Chairman, Agricultural & Processed Food Products Export Development Authority, 3rd Floor, NCUI Building 3, Siri Institutional Area, August Kranti Marg, (Opp. Asiad Village), New Delhi - 110 016
12. The Director General, Central Drugs Standard Control Organization, Directorate General of Health Services, Ministry of Health and Family Welfare, FDA Bhavan, ITO, Kotla Road, New Delhi -110002
13. The Chairman & Managing Director, Air India Limited, Airlines House, 113 Gurudwara Rakabganj Road, New Delhi-110001
14. Shri Ujjwal Day, Associate Director, Federation of Indian Airlines, I-1734, First Floor, Chittaranjan Park, New Delhi-110019.
15. Shri Amitabh Khosla, Country- Director, International Air Transport Association, #702-704, Tower 4A, DLF Corporate Park, Phase-III, M.G. Road, Gurgaon-122 002
16. Shri Sanjiv Edward, Head-Cargo, Delhi International Airport (P) Limited (DIAL) New Udaan Bhawan, Opp. Terminal-3, Indira Gandhi International Airport, New Delhi – 110037
17. Shri Manoj Singh, Sr. Vice President & Head-Cargo, Mumbai International Airport (P) Limited (MIAL), Chhatrapati Shivaji International Airport, 1st Floor, Terminal 1B, Santacruz (E), Mumbai-200 099.
18. Shri Vijay Kurian, Managing Director, Cochin International Airport (P) Limited (CIAL), Kochi Airport P.O., Ernakulam-682111 (Kerala).
19. Shri Hemanth DP., COO, Hyderabad International Airport Limited (HIAL), Rajiv Gandhi International Airport, Project Office, Shamshabad, Hyderabad-500 409
20. Shri Hari Marar President- Airport Operation, Bangalore International Airport Limited (BIAL), Devanahalli, Administrative Block, Kempegawda International Airport, Bangalore-560 300
21. Ms. Tulsi Mirchandani, MD, Blue Dart Aviation Ltd. (Cargo), No. 88-89 old International Terminal, Meenambakkam Airport, Chennai-600 027

22. Shri Vipin Jain, Chairman, BAR-India Cargo Committee, C/o Lufthansa Cargo AG, Room No. 202-204, Cargo Complex, Export Building, IGI Airport, New Delhi- 110 037.
23. Shri Amit Kamat, Honorary Secretary, Federation of Freight Forwarders' Associations in India, 311-313, Mahinder Chambers, W.T. Patil Marg, Chembur, Mumbai-400 071.
24. Shri Tushar Jani, President, Air Cargo Forum India, Room No. 25, Ground Floor, Project Office, New Udaan Bhawan, Opposite T-3, IGI Airport, New Delhi-110037.
25. Shri Hemant Bhatia, President, Air Cargo Agents Association of India, 28-B, Nariman Bhavan, Nariman Point, Mumbai-400 021.
26. Shri Vijay Kumar, COO, Express Industry Council of India, 501, Crystal Centre, Raheja Vihar, Off. Chandiwali Farm Road, Pawai, Mumbai-400072.
27. Shri Ramesh Mamidala, CELEBI, Room No. CE-01, Import Building 2, International Cargo Terminal, IGI Airport, New Delhi – 110037
28. Shri Venugopal Bangera, CEO, Cargo Service Centre, Cargo Terminal 2, Gate 5, Air Cargo Complex, IGI Airport, New Delhi-110037
29. Shri Venkata Reddy, Menzies Bobba, Plot No-C-04L, Cargo Terminal-1, Kempegowda International Airport Rd, Karnataka 560300
30. Shri Hoa Kaiee, Air India SATS Airport Services Pvt. Ltd (AISATS), Plot No. C-05L, Kempagawda International Airport, Bangalore-560 300
31. Shri Ajay Sahai, Director General & CEO, The Federation of Indian Export Organizations (FIEO), Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi-110 057

Copy to:

1. PS/OSD to HMCA
2. PS/OSD to HMoSCA
3. PPS to Secretary, MoCA
4. Sr. Adviser, MoCA
5. All JSs, MoCA

**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 |

| | |
|------------------------------|--|
| 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 3% in 2019-20, 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.

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. He requested that these points should be discussed in the next consultative meeting.

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 further clarified that AFS does not come under AERA tariff determination. Secondly, 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% return model while DIAL / HIAL are charging 25% return. In a situation of increased rate, AERA will chip in eventually and reduce the rate. Therefore, every increase of rates is justified.

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.

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.

The detailed observations appended by CFC Chairman are enclosed for understanding.

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 then 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

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

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)