



## CARGO SERVICE CENTER

-190-

884/CHCAE/11  
11/7/11

7<sup>th</sup> July, 2011

To,  
The Chairman,  
Airports Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi 110 003

Secy, AERA

9/7

28/CHCAE/11  
8/7/2011

AGM (AGS)

OSD-11  
11/7/11

As discussed, may pls  
elaborate the views of the  
stakeholders on CSC's  
comments in this regard

W  
11/7/11

Subject: In response to your letter dated 29<sup>th</sup> June, 2011 with regard to comments received from stakeholders on consultation paper 5 regarding determination of tariff for the Perishable Cargo Terminal at CSI Airport, Mumbai.

Dear Sir,

This is in response to your letter dated 29<sup>th</sup> June, 2011 with regard to comments received from stakeholders on consultation paper 5 regarding determination of tariff for the Perishable Cargo Terminal at CSI Airport, Mumbai.

Having gone through the various representations made by interested stakeholders to the said consultation paper, I hereby give our remarks to each of the observations made by different stakeholders.

### 1. Representation by AAI:-

#### a. Their comments on paragraph 3 & 7 of your consultation paper regarding Custom's approval:-

CSC is an independent service provider even though the custom custodianship is in the hands of MIAL. Under the provisions of the Customs Act, 1962, the Central Board of Excise and Customs has issued the "Handling of Cargo in Customs Areas Regulations, 2009" (Regulations) vide its notification no. 26/2009-Customs (N.T.) dated 17<sup>th</sup> March 2009. There is a provision in these Regulations for appointment of Custom's Cargo Service Provider under the umbrella of a custodian. The relevant extract of the Regulations is provided below:

"2(1)(b) "Customs Cargo Service provider" means any person responsible for receipt, storage, delivery, dispatch or otherwise handling of imported goods and export goods and includes a custodian as referred to in section 45 of the Act and persons as referred to in sub-section (2) of section 141 of the said Act;

Further per section 10 - "Approval of appointment of a Customs Cargo Service provider and review thereof:

(1) Where the Commissioner of Customs is satisfied that the applicant has fulfilled the conditions prescribed in regulation 5, he may approve such an applicant as a Customs Cargo Service provider, for a period of two years from the date of issue of such approval."

It is under this provision that CSC has taken custom's approval for providing cargo handling service at the Perishable Cargo Terminal (a copy of custom's approval is enclosed as **Annexure 1**).



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It may also be seen from the above provisions that Customs Cargo Service provider may be an entity different and independent from the custodian as referred to in section 45 of the Customs Act, 1962. Thus taking custom approval for the facility is requirement of the law and in way undermines the role of CSC as independent cargo handler.

It is fact that unless you get custom's approval no export cargo can be processed. If the export is being processed, then it is clear that necessary approval to start the facility has been obtained.

### **b. Their comments on paragraph 10 of your consultation paper**

CSC is an independent service provider as stated already. Further in the concession agreement between MIAL and CSC, CSC is free to fix its tariff subject to regulatory approval and in consultation with users. MIAL approval is not mandatory or required to be taken.

## **2. Representation by MIAL**

### **a. Comments by MIAL per paragraph 3 of their letter on Custom's cost recovery charges:**

I endorse the view of MIAL that charges/costs, if any, mandated/imposed by Customs Department on CSC for meeting the cost of customs officers etc. should allowed to be recovered/passed through separately over and above the proposed tariffs. This is because the same was not factored in our cost for the purpose of our tariff calculations due to non-availability of its quantum and clarity from customs on the matter.

### **b. Comments by MIAL per paragraph 4 of their letter on Free period confusion:**

Regarding the point No.4 made by MIAL in their submission as well as the clarification asked for by Freightwings regarding the statement in the remarks column of our city side tariff proposal, I would like to clarify that free period in the remarks columns of the said tariff proposal refers to demurrage free period. The corrected tariff proposal is enclosed as **Annexure 2**.

## **3. Representation by ACAAI:**

### **a. Their comment on paragraph 3 of your consultation paper regarding Lack of discussion and consultation by CSC with stakeholder:**

This facility is created for the handling of perishable and temperature sensitive products like pharmaceuticals requiring temperature control, vaccines, meat, fruits, vegetables, flowers, sea food and such items. When the facility was created, all interested stakeholders were invited namely the pharmaceutical companies, fruits and vegetables exporters, flower exporters, forwarders and custom house agents etc for preliminary discussion and negotiation. The first of such meeting was done way back in December 2010, which is also recorded by AERA in its consultation paper. It is matter of fact that perishable cargo and pharmaceutical cargo are specialized products requiring different environment and handling. It is also known fact that less than 15% of the total forwarders are involved in the trade. Further, in most cases the logistics of the perishable cargo is handled by the exporters themselves instead of any third party independent service provider like forwarders and custom house agents. Even then we called everybody for the discussion regarding Perishable Cargo Terminal, The gist of those deliberations and objections raised by them were submitted to AERA in our proposal document and can be referred to (from page number 30 to 61). It is a matter of fact as can be seen from



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copies of various email exchanges and minutes of meeting attached to our proposal document that all subsequent meetings were held with official representatives of ACAAI and BCHAA in presence of MIAL representative.

It is also a matter of fact that our initial proposal on city side tariff (see page 30 of our proposal document) was higher than the final tariff, which was arrived at by discussion with ACAAI representative. It was at their insistence that the TSP tariff was split into Pharmaceutical related and Non Pharmaceutical related (see minutes of the meeting held on 7<sup>th</sup> March, 2011 at page number 60 of our proposal document and matched with tariff of MIAL and Air India). Right from 10 Dec 2010, we have exchanged emails with ACAAI western region office bearer Mr. Firdos Fanibanda, wherein we have explained each and every query of theirs. These emails are part of the documents filed with the proposal.

Further we have always kept the shippers periodically informed of the development of the facility and its readiness to start commercial operations.

The letters from major pharmaceutical companies and forwarders using the facility contradicts the view of IMC and ACAAI that no proper consultation has been held with users. The copies of these letters are given in **Annexure 3**.

### **b. Their comment on paragraph 5 of your consultation paper**

I have no comments to offer on this. Further this comment has no relevance to the determination of tariff for Perishable Cargo terminal.

Regarding their comments that only MIAL should seek approval of tariff and not CSC, our response is on this is already given in this letter to earlier comments by another stakeholder.

### **c. Their comments on paragraph 7 of your consultation paper - MIAL as a competitor:**

Some Horticulture products may be sent at temperature range of 20-28 degree Celsius (Ambient Temperature). Similarly many pharmaceutical products can also be sent under such ambient temperature range. Further MIAL has cold storage facility by way of refrigerated container space on export side, which the trade can avail off and use for storage of pharmaceutical products. So while MIAL does not have a proper refrigerated facility, the choice of using a particular facility depends upon a shipper and his requirements in terms of price, quality & temperature suitability.

Therefore besides Air India, we consider MIAL as competitor because MIAL is providing perishable cargo handling service.

Not only that but even ACAAI compared our TSP charges for pharmaceutical with that being charged by MIAL (see minutes of the meeting held on 7<sup>th</sup> March, 2011 at page number 60 of our proposal document).

This indicates that MIAL is also competitor for us for this product category and ACAAI acknowledges that aspect. So their contention that MIAL is not competitor is not valid.

Regarding their contention that MIAL as principal, cannot be a competitor is also an incorrect conclusion.



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MIAL is also in the business of cargo handling and they have provision for storage of pharmaceutical cargo in their warehouse. Ground handling regulation of Government of India also states that while airport operator have to also appoint independent operator, the operator themselves if they so choose, can be the handler. In addition, there is competition from Air India, which operates from APEDA facility.

ACAAI acceptance of MIAL and Air India as separate service providers is established from the statement of Mr. Firdos in Exhibit 3 given by ACAAI.

**d. Their comments on paragraph 11 of your consultation paper on Opening PD account and collecting user charges:**

CSC has not charged the users – exporters and airlines for the cargo services rendered since 16<sup>th</sup> May 2011. The details response on this issue has already been submitted to the Authority vide our earlier letter dated 17<sup>th</sup> June, 2011.

**e. On their other comments in subsequent paragraphs of their representation, I state as follows:-**

**• Who is Customer? Limited Users of the facility:-**

For any handler, the airline is the principal customer since cargo handling is the core activities. Only if the airline endorses the handler and its facility, and come to the said facility, we can accept cargo for that carrier. It is the prerogative of the carriers which handlers they want to use and not the other way round. Exhibit 2 given by ACAAI only demonstrates our contention that airlines are principal customers and they have expressed acceptance of tariffs.

Further this facility is a common user facility for handling and storage of export Perishable and temperature sensitive cargo, any airline, forwarder and shipper is free to use the same. It may be noted that currently we are only accepting pharmaceutical shipments for reasons mentioned in our earlier letter dated 17<sup>th</sup> June, 2011. We shall commence accepting other types of perishable cargo once the approval of tariff is received. The list of customers using the said facility and volume of cargo handled since 16<sup>th</sup> May to 30<sup>th</sup> June 2011 is marked as **Annexure 4** to this letter. This annexure establishes the truth that CSC has not been selective in its choice of customers.

- ACAAI contends that new additional tariff have been added to discussed tariff as per their exhibit 5. This is factually incorrect statement because exhibit 5 only relates to explanation for various types of proposed tariffs rather than any change in tariffs. Further the fact remains that we have made no changes in the discussed tariff.
- The requisite details for revenue calculation have already been submitted in the proposal document. It is clarified that office space on top of our building is not ours. As such revenue from proposed leasing of office space is not reflected in our calculation.
- As stated by ACAAI that Exhibit 3 does not find any mention in the paper, where as it has already been submitted and can be seen in page number 60 of the proposal document.
- Their contention that no approval has been obtained from regulatory authorities for starting the facility is not correct.



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- The performance parameters are taken care of by adoption of standard IATA agreements coupled with modifications as per user requirements.
- It is clear from Exhibit 3 enclosed by ACAAI, which records "After further deliberations and discussion, the tariff as given in the table in Annexure to this minutes was accepted", that they accepted the annexed tariff. Further, there is no mention of any denial of information in the said Exhibit 3.

#### 4. Representation made by BCHAA

**a) Their comments on paragraph 1 of their letter on "No consultation"**

Our comments on this are already made in earlier paragraph. Even contention by BCHAA of not being consulted flies in face of the fact established by various emails and minutes of meetings copies (page 30 to 60 of our proposal document) which show that Mr. Nilesch Gandhi, President and Mr. Dushyant, Secretary have either singly or jointly attended meetings called by CSC to discuss tariff and other issues, including that in Exhibit 3 given by ACAAI.

**b) Their comments on paragraph 2 of their letter regarding our legal status:**

Our legal status is known to everyone since we are registered Indian company. The fact that customs have approved the company as Custom Cargo Service providers establishes the fact. Further the fact is that both ACAAI and BCHAA have attended our meetings and never questioned our legal status implies that they had no problems then, therefore they cannot raise this issue now.

**c) Their comments on paragraph 3 of their letter regarding competitive environment:**

My comment on this statement is given in earlier paragraph in response to similar statement by another stakeholder.

**d) Their comments on paragraph 4 of their letter:** No comments to offer except to state that it is strange that they make such statement even when they attend meetings called by CSC to discuss tariff and such matters as seen by various emails and minutes of meeting.

Further in the meeting held on 7<sup>th</sup> March 2011 between CSC, MIAL, ACAAI and BCHAA, it was decided that the facility will open by 21<sup>st</sup> March 2011. This meeting minutes copy is enclosed in our proposal set on page 60. The fact is that the opening got delayed due to factors beyond our control.

**e) Their comments on customs not issuing public notice:-**

Whether customs has issued a public notice or not, is not relevant to determination of tariff. In any case it is for customs to determine when to issue public notice.

**f) Regarding the contention of BCHAA in paragraph 6 of their letter that no one was informed of CSC starting the facility, it is hereby informed that in many trade felicitation meetings which are held by customs every month and where all stakeholders are present, the matter of CSC starting the facility has been discussed. Further there is no user agreement between BCHAA and any terminal operators anywhere in the country or the world. So their contention**



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on the matter is superfluous. The user agreements are always with the airlines. Further, this has no bearing on the tariff determination.

- g) Regarding their contention on paragraph 7 on back door Strategy:  
This is an erroneous statement since CSC has applied for tariff approval and started the facility with clear understanding that tariff will be levied on final approval of tariff by AERA. The letter on this was submitted earlier as well (dated 3<sup>rd</sup> & 6<sup>th</sup> May, 2011), a copy of which is enclosed as **Annexure 5**.
- h) Their last statement on the nature of site for constructing the said facility, this has no relevance to determination of tariff.

### 5. Representation by Freightwings regarding the Free Period confusion:

Regarding their statement on clearing the confusion on free period application, the same has been explained in earlier paragraph.

### 6. Representation by IMC:-

- a) **Their paragraph 1, 2 and 4:**  
Please see our reply to similar comments by other stakeholders. As already stated that we invited everybody who is interested in using this facility. Airlines, Shippers and forwarders who are customers for this facility have all attended the said consultation process as can be seen from various emails, minutes of meeting and letters from shippers.
- b) **Their paragraph 3:**  
No comments. Submission is part of the tariff approval process.
- c) **Their paragraph 5:**  
Not relevant to us.
- d) **Their paragraph 6:**  
No comments
- e) **Their paragraph 7:**  
Their comment bears no connection to issues put in the consultation paper.  
Regarding the nature of the facilities and services offered, IMC has not verified the facts before making this statement. The letters by shippers (Ranbaxy, Cipla, Torrent) and freight forwarders (Freightwings & Travels, Transline Air Cargo) on performance of CSC (can be seen as *Annexure 3*) is a testimony to high standard of our service and the reasonableness of the proposed tariffs.
- f) **Their paragraph 8:**  
Our submission is made on basis of the guideline by AERA on tariff determination. Analysis of competition outside the airport is not part of the guideline.
- g) **Their paragraph 10:**  
I have already replied to this issue vide our earlier letter and by reference in this letter as well.
- h) **Other comments are general in nature.**

I therefore humbly submit that the objections raised by ACAAI, BCHAA and IMC are not valid and relevant to the tariff determination and are only intended to delay the tariff approval by AERA. Delay in approval will not be in the interest of trade and Indian export.

Your quick tariff approval will enable us to start accepting horticulture, meat and sea products from our facility.



## CARGO SERVICE CENTER

I hope the Authority finds the submission satisfactory and approves the requested charges.

I would be happy to provide any clarification if so required by the Authority.

Yours Sincerely,

Radharamanan Paricker  
Chief Executive Officer

Encl:

- 1) Annexure 1 – Customs Notification
- 2) Annexure 2 – Corrected Tariff Chart
- 3) Annexure 3 – Letter from various pharmaceutical companies and forwarders
- 4) Annexure 4 – Cargo handled for various agents.
- 5) Annexure 5 – Letters submitted with proposal document

**OFFICE OF THE COMMISSIONER OF CUSTOMS ( EXPORT ),  
Air Cargo Complex, Sahar, Andheri (E), Mumbai – 400 099.**

F.No.S/3-Prev.Admn-26/2010 ACC

Date : 03/05/2011.  
05

**To**

M/s Cargo Service Centre India Pvt. Ltd.,  
B-201, Polaris, Off Marol Maroshi Road,  
Andheri (East), Mumbai – 400 059.

Sub : Application form for approval/renewal of Customs cargo service provider under the Handling of Cargo in Customs Areas Regulations 2009 – reg.

Please refer to your application dated 22.2.2011 under Regulation 9(1) of the Handling of Cargo in Customs Areas Regulations 2009 for seeking approval as "Customs Cargo Service Provider" under the above mentioned Regulations.

2. You are to strictly follow the provisions of the Handling of Cargo in Custom Areas Regulations 2009, including Regulation 5 and 6. You will be liable to follow the provisions of Customs Act, 1962 and the Handling of Cargo in Customs Areas Regulations 2009, as and when amended, Rules, Regulations, Orders, Instructions, Public Notices, Facility Notices etc issued by the Central Board of Excise and Customs / Commissioner of Customs, ACC, Mumbai.

3. Your application to perform as a "Customs Cargo Service Provider" stands approved for a period of two years from the date of issue of this letter.



**(Roopam Kapoor)**  
Commissioner of Customs (Export)



Form - 14(b) - 1  
Land Side Tariff

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

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

- Note**
- 1.TSP charges is inclusive of forklift use
  - 2.Charges will be on gross weight or chargeable weight of consignment, whichever is higher
  - 3.Minimum charge for TSP will be for 100 kgs - gross or chargeable weight of consignment, whichever is higher
  - 4.While it is our intention not to allow any other agencies to operate inside the facility, in case for special reason exporters wants to engage their own labour, discount of 5% will be granted in TSP charges for offloading the cargo from truck and putting on custom examination area, and on pallets.
  - 5.All invoices will be rounded off to nearest Rs.5.
  6. Demurrage free period is the period of 24 hours which will not attract any demurrage charges.





To  
The Chairman  
Airports/Economics Regulatory Authority of India  
New Delhi

Date 04<sup>th</sup> July 2011

ANNEXURE - III

Dear Sir,

Sub : Temperature controlled facility at the Air Cargo Complex, Sahar, Mumbai

We are referring to temperature controlled facility at the Air Cargo Complex, Sahar, Mumbai, for storing temperature sensitive medicines.

We are happy, that finally we have got a state of the art facility for storing our export pharmaceuticals at this airport, as the existing facility by MIAL and Air India were inadequate and not fulfilling our requirement on service standards.

Our export volumes are huge and all our exports go through Mumbai airport. Many years ago, we were beginning to worry, as we were told by our customers that unless we improve our handling facilities at the airport, they would be constrained to stop accepting all medicines from our country because their FDA authorities strictly adhere to the norms laid down and will not deviate on any account. One of the main conditions put by them was the lack of cool storage facility for pharma items at this airport. Due to high atmospheric temperatures in India, we were facing a lot of rejections of our consignments. This exposed our country in very poor light.

We were quite happy when we were informed that MIAL has given a concession to Cargo Service Center to build, develop and operate a second Perishable Cargo terminal at Mumbai. CSC has been known to be good handler especially of perishable cargo given their similar experience in running CPC at Delhi airport. We were promised that the work would be completed in six months and the facility would be ready. We were invited to see the facility during work in progress. Again after completion we visited the facility and were very impressed and advised our overseas buyers accordingly. Unfortunately there was some delay in opening this facility so we wrote to the Commissioner of Customs and also made a representation to the Chief Commissioner of Customs inquiring about this delay. However the facility was made available and we started using regularly. Many of our colleagues from the industry expressed relief as they had a state of the art facility to store their medicines.

We have now heard that your body, AERA has not given the final approval for the tariff for this facility and in the bargain creating uncertainty for us. We believe that this is based on the wrong representation sent to you by some trade body without taking us into confidence. We want to express our extreme displeasure because, this will definitely affect the exports of pharma items from Mumbai. This is totally unacceptable to us as this is a retrograde step. We find the facility very good and the handling is very efficient. The rates are very reasonable compared to the facility we are offered. We confirm that CSC has discussed the tariff with us and our forwarders and have always kept us in the loop. We are the actual shippers and users of this facility and ultimately we pay for the various services we get from this facility and not anybody else.

.... 2

Sandoz Private Limited

Plot Nos.8-A/2, 8-BTTC-MIDC  
Industrial Area,Kalve block  
Village Dighe, Kalve  
Dist Thane State Maharashtra



:2:

We sincerely request you to consult us before you take any adverse step affecting the continuation of this facility and services therein.

We request you to kindly expedite the clearance of the tariff proposal so that our forwarder can invoice for the services received and we can settle the account with CSC.

Yours faithfully  
For Sandoz Pvt.Ltd

  
Authorised Signatories.

Sandoz Private Limited

Plot Nos.8-A/2, 8-BTTC-MIDC  
Industrial Area,Kalve block  
Village Dighe, Kalve  
Dist Thane State Maharashtra

# RANBAXY

CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA  
PHONE : +91-124-4135000 FAX : +91-124-4135001

July 7, 2011

## TO WHOMSOEVER IT MAY CONCERN

Cargo Service Center India Pvt. Ltd (CSC) has constructed a new state of art Perishable Cargo Terminal at Chattrapati Shivaji International Airport, Mumbai, to address critical and long standing demands of the exporters/ customers for such a facility [temperature controlled facility] at Mumbai.

The facility provides world class handling (to include security) and storage services under temperature controlled environment for perishable and temperature sensitive products (PTSP). Such initiatives are the need of the hour and will radically change the cool chain logistics landscape in the country for the better. It will facilitate Indian perishable/ pharmaceutical industry to be even more competitive globally.

The said facility was designed and constructed with inputs/ in consultation with various stake holders including representatives from the Pharmaceutical industry and the charges proposed to be levied at the said facility have been discussed with the industry and are competitive and comparable with charges for similar services at similar facilities at other gateway airports in the country.

Thanking you,

Yours sincerely  
For Ranbaxy Labs Ltd.

  
RAKESH PRASHER  
GENERAL MANAGER-GLOBAL SUPPLY CHAIN



**Torrent Pharmaceuticals Ltd.**

**TPL**

*Corporate Office :*  
Torrent House,  
Off Ashram Road,  
Ahmedabad-380 009.  
India.

Phone : (079) 26585090 /  
26583060

Fax : (079) 26582100

To,

04<sup>th</sup> July 2011

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The AERA Chairman,

AERA

New Delhi

Sub: Perishable Cargo Terminal at Mumbai Airport (Cargo Service Center)

Dear Sir,

This has reference to the Perishable Cargo terminal at Mumbai airport which provides temperature control facility for Pharmaceutical shipments.

The facility has been visited by us and we can confirm that it is a state of the art facility and is need of the hour for the Pharmaceutical fraternity. Cargo Service Center has kept us abreast of the facility from its initiation.

We welcome such new initiatives in the future which can facilitate the growth of the temperature control shipments.

Yours sincerely,

*for*  
**for Torrent Pharmaceuticals Ltd**  
**For TORRENT PHARMA CEUTICALS LTD.**

*[Signature]*  
(Authorised Signatory)

**Cipla**

Cipla Ltd.  
Mumbai Central  
Mumbai 400 008  
India

**Date: 04/07/2011**

**To,  
AERA CHAIRMAN**

Respected Sir,

**SUB: CSC Perishable Cargo Terminal (Mumbai)**

I on behalf of Cipla (Ltd) would like to take this opportunity to express our view on the new Perishable Cargo Terminal set up by CSC at Mumbai.

We were really impressed with the new facility that is available for our temperature sensitive products.

We export a lot temperature control cargo through Mumbai. We were always very disappointed with the facilities at the cargo complex whenever we would visit. The construction of this new facility is like a breath of fresh to us and several of the other Pharmaceutical companies.

This facility is very impressive and we have reviewed the pricing which is in the interest of the trade. Considering the value of our export goods which is in millions, if damaged due to temperature excursion we could suffer bigger losses.

We would like to request you to expedite the go ahead to have this facility operational ASAP to help our fast growing trade.

Thanking you,

Yours truly,



**Satej Nar  
CIPLA LIMITED**



To,  
The AERA Chairman,  
AERA  
New Delhi

2<sup>nd</sup> July 2011

Sub: Your Consultation Paper No.05/2011-12 on Multi Year Tariff Proposal for 1st Control Period submitted by Cargo Service Centre India Private Limited for providing Cargo handling services at Perishable Cargo Terminal, CSI Airport, Mumbai

Dear Sir,

This has reference to the consultation paper No.05/2011-12 on the multi year tariff proposal submitted by Cargo Service Center India Pvt Ltd (CSC India) in respect of their handling service at Perishable Cargo terminal at Mumbai airport.

Having gone thru the said document, I hereby confirm that my company has no objection to the proposed tariff submitted by CSC India.

It is also certified that the service being offered by CSC at the said terminal is very good and there are no hidden charges to be paid while our cargo is processed there.

The proposed charges provided by CSC are aligned to market demands and are competitive for the services rendered for temperature control shipments. Further there are no hidden charges to be paid by the trade.

For sake of understanding, I submit that my company moves approx 200 tons of Perishable and temperature sensitive products from Mumbai airport per month

Yours sincerely,

For Transline Air Cargo Services Pvt Ltd

Branch Manager



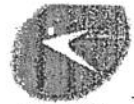
116/117, Sahar Cargo Estate, V.M.Shah Marg, Near Bombay Cambridge School, Chakala, Andheri (E), Mumbai-400 099. India.  
Tel.: (+91-22) 2834 7099, 2836 1082, 2838 4486, 2838 9620, 6729 4700 to 99 • Fax: (+91-22) 2838 8803  
Email: freightmum@translinelogistics.com



Bangalore : Tel.: (+91-80) 2523 9181 / 82 / 84 • Fax: (+91-80) 2523 9183 • Email : freightblr@translinelogistics.com  
Chennai : Tel.:(+91-44) 2256 0014 / 15 • Fax: (+91-44) 2256 0021 • Email: freightmaa@translinelogistics.com  
New Delhi : Tel.: (+91-11) 4081 7315 • Fax: (+91-11) 4165 7767 • Mobile : 99717 93861, 97175 82060  
Email : satish@translinelogistics.com



Website : www.transline-logistics.com



**FREIGHTWINGS™**  
**& TRAVELS PVT. LTD.**

15<sup>th</sup> June 2011

The AERA Chairman,  
AERA,  
New Delhi.

CORPORATE OFFICE:  
FREIGHTWINGS HOUSE,  
MAKWANA ROAD,  
OFF ANDHERI-KURLA ROAD,  
MAROL ANDHERI (EAST),  
MUMBAI 400 059, INDIA.  
TEL: 91 22 4001 6300  
FAX: 91 22 4001 6365 (GEN)  
91 22 4001 6367 (EXP)  
91 22 4001 6381 (SEA)  
EMAIL: [fwtbom@freightwings.com](mailto:fwtbom@freightwings.com)  
WEB: [www.freightwings.com](http://www.freightwings.com)

**Sub: Your Consultation Paper No.05/2011-12 on Multi Year Tariff Proposal for 1st Control Period submitted by Cargo Service Centre India Private Limited for providing Cargo handling services at Perishable Cargo Terminal, CSI Airport, Mumbai**

Dear Sir,

This has reference to the Consultation Paper No.05/2011-12 on the multi-year tariff proposal submitted by Cargo Service Center India Pvt Ltd (CSC India) with regard to their handling service at Perishable Cargo Terminal, at Mumbai airport.

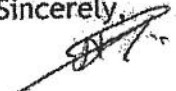
I have gone through the said document and hereby confirm that my company has no objection to the proposed tariff submitted by CSC India. The said tariff proposal was discussed by CSC India with the Trade and the Shippers before it was finalized by them.

I would also like to certify that the service offered by CSC at the said terminal is very commendable and there are no hidden charges to be paid while our cargo is processed.

The proposed charges provided by CSC are aligned to market demands and are competitive for the services rendered for temperature control shipments. Further there are no hidden charges to be paid by the trade.

For the sake of understanding, I would like to inform that my company has been moving substantial cargo of Perishable and Temperature Sensitive Products from Mumbai airport, from quite some time now.

Sincerely,

  
Prabhakar Nairi  
Managing Director

BRANCHES:  
● NEW DELHI  
● CHENNAI  
● BANGALORE  
● AHMEDABAD  
● PUNE  
● TUTICORIN





## Appendix A

Statement of Pharmaceutical cargo handled at Perishable Terminal, Mumbai from 16th May 2011 to 30th June 2011 airline wise and agent wise  
( in kilograms)

Sr.No	Agents	9W	AF	BA	CX	EK	EY	FX	IT	KL	LH	LX	TK	Grand Total
1	APT INTERNATIONAL SHIPPING PVT LTD					540	97							637
2	CONSOLIDATED FREIGHT FORWARDERS					317						16861		17178
3	DB SCHENKER INDIA PVT LTD										9694			9694
4	DHL LEMUIR LOGISTICS		55								15365	7798		23218
5	EXPO FREIGHT PRIVATE LTD	7944												7944
6	FREIGHTWINGS & TRAVELS			6854	26885	250156					18630	1990		304515
7	HELLMANN WORLDWIDE LOGISTICS				3671	16474	49247				200298	15203		284892
8	JEENA & COMPANY		142			96		58097						58334
9	JET AIRFREIGHT	5805												5805
10	MAGNUM CARGO PVT. LTD.	52701	412	10595		4875		3767	5040	335	60501			138225
11	ONLINE TOURISM & FREIGHT PVT LTD	21512	7471			9184		1577		4670	17838			62252
12	OSCAR FREIGHT PVT LTD							129004			906			129910
13	P S BEDI & CO. PVT.LTD										14000	28847		42847
14	PENTA FREIGHT PVT. LTD.		1588	1165		489				441	70031	9548	546	83807
15	SDV INTERNATIONAL				9754									9754
16	SHINE TRAVEL & CARGO PVT LTD										13162			13162
17	SKYLINE TRIUMPH LOGISTICS PVT LTD												3973	3973
18	TRANSLINE AIR CARGO SERVICE			232760		15098					40671	19946		308476
19	ZEUS AIR SERVICES PVT. LTD		479		10810	18111					14350	21170		64920
	Grand Total	87961	10148	251374	51120	315340	49344	192445	5040	5446	475444	121363	4519	1569544



CARGO SERVICE CENTER

May 03<sup>th</sup>, 2011

To,  
The Chairman,  
Airports Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi 110 003

Recd. -  
for  
15/5/11  
SPPS

Subject: Submission of Multi Year Tariff Plan Proposal for CSC Perishable Cargo Terminal at CSI Airport, Sahar Cargo Complex, Mumbai.

Dear Sir,

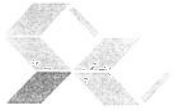
Cargo Service Center India Private Limited (hereinafter referred to as "CSC") registered under the Company's Act, 1956 has been awarded a concession to Design, Develop, Build, Manage and Operate a second Perishable Cargo Terminal (hereinafter referred to as "Terminal") at Mumbai airport by Mumbai International Airport Ltd (hereinafter referred to as "MIAL"). This project is on Built, Operate and Transfer basis with tenure of five years commencing from April 1<sup>st</sup> 2011.

The Terminal is now ready for commencement for its commercial operations and will provide cargo handling and warehousing services for Perishable and Temperature Sensitive Product (PTSP) meant for export out of Mumbai Airport.

The aforesaid service being defined as Regulated Service under *Section 2(a)(4)(5)* of AERA Act, 2008 and your order dated Feb. 21<sup>st</sup> 2011 requiring such service provider to seek Tariff approval by filing Multi Year Tariff Proposal (hereinafter referred to as 'MYTP'), I'm hereby submitting the MYTP for providing Cargo handling and Warehousing service at the said Terminal at Mumbai.

The Company has substantially complied with the Authority's requirement and have justified it's proposed tariff in the proposal (submitted herewith the present letter). The existing charges are determined after undergoing an extensive stakeholder consultation process (refer Paragraph 3.1 and Annexure 1 of the Proposal) and the existing charges at other Perishable Cargo Terminals located at Mumbai & Delhi Airport's (refer Annexure 2 of the Proposal).

There is strong demand from the trade and industry to commence the operation of the said Terminal at the earliest. However since the Custom's approval is taking time and other formalities of signing and registering the Concession and Licence agreement with MIAL took time, this submission was delayed.

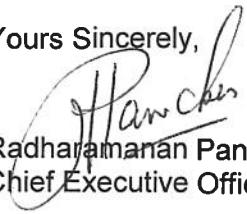


## CARGO SERVICE CENTER

Since it is proposed to start the Terminal operation by May 15<sup>th</sup> 2011, I seek the indulgence of the Authority to grant us an Interim tariff approval to commence operation. I submit that once the final order on our Tariff is received, the company shall comply with the order in terms of fixation of Tariff. I further submit that any over recovery or under recovery will be adjusted accordingly.

I would be happy to provide any clarification if so required by the Authority.

Yours Sincerely,

  
Radharamanan Panicker  
Chief Executive Officer

Encl:

1) Multi Year Tariff Proposal & the annexes attached there with.



CARGO SERVICE CENTER

Date: 06<sup>th</sup> May 2011.

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

*Handwritten notes:*  
Recd.  
by  
@/S/11  
S/11

Subject: Interim approval for starting the CSC Perishable Cargo Terminal at CSI Airport, Sahar Cargo Complex, Mumbai.

Dear Sir,

Reference to our application dated May 03<sup>rd</sup> 2011 for approval of Multi Year Tariff Proposal for providing Cargo Handling Services at CPC Mumbai.

The commencement of commercial operating of the said facility has been long delayed for reason beyond our control. I am happy to inform that custom's notification dated May 03<sup>rd</sup> 2011 approved our application as Customs Cargo Service Provider.

Since the summer season has started, the demand for temperature controlled handling facility has become immense.

It therefore proposed that commencement of commercial operation at facility be started by May 16<sup>th</sup> 2011, if not early. I therefore, mark this application to AERA under section 7.1 to seek interim approval to start Cargo Handling Service at the facility and approval of proposed tariff till the final order by AERA on MYTP is received.

I further state and commit that any changes in the said tariff in MYTP as per the AERA final order shall be complied with and adjusted subsequently.

I look forward to your early reply on the matter.

Yours Sincerely,

  
Radharamanan Panicker  
Chief Executive Officer

Encl:

1) Tariff for interim approval as per submitted Multi Year Tariff Proposal.