



VAFA FRESH VEGETABLES & FRUITS EXPORTERS ASSOCIATION  
C/O. M/S. Asar Brothers, Plot No. C-496, MIDC, TTC Industrial Area, Pawane, Navi Mumbai 400 705.  
C.I.N. U01100MH2017NPL301052

To,  
Director (P&S, Tariff)  
Airports Economic Regulatory Authority of India (AERA),  
AERA Administrative Complex,  
Safdarjung Airports,  
New Delhi – 110003,

Date : 09/12/2022

Sir,

**Subject:** Comments on Consultation Paper No. 13/2022-23 pertaining to Delhi Cargo Service Center Pvt Ltd(DCSC) dated 25.11.2022 ---regarding.

Reference is made to the Consultation paper no 13/2022-23 dated 25-11-2022 issued by AERA in the matter of determination of tariff for Cargo Handling Services for M/s Delhi Cargo Service Center Pvt. Ltd (DCSC). at Indira Gandhi International Airport, Delhi for the third control period (FY 2021-22 to FY 2025-26), as displayed on AERA web site.

The same has been duly perused by our members.

We reiterate our observations to AERA on issuance of various consultation papers duly recommending the hike in tariff by CTOs.

When the Perishable exporters industry is in the process of finding its feet in global market during the post Covid period for their products, subsidies in the form of freight reduction and discounts in CTO cargo handling tariff chart was expected from AERA while seeking comments from the various stakeholders on the consultation papers.

While on the one hand, our members are having issue(s) with the CTOs on non-maintenance of the cool chain while transporting/loading the perishables on Aircrafts, resulting in deterioration of the product quality, on the other hand, this hike in tariff by CTOs has left our members aggrieved on the part of AERA.

Before we submit our observations on the subject Consultation Paper, it is requested that AERA may include penal/deterrent action on CTOs in the AERA orders for non-maintenance of the cool chain, as desired by the exporters, so that quality deterioration is avoided and our products are not rejected/returned back in the global market.





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➤ **Levy of 'DRY Ice checklist' charges for handling Domestic(inbound/outbound) cargo.**

DCSC has proposed to levy the above charges @ Rs 9.92/- per kg (Rs 1654/- per AWB) leviable on Agent /Shipper/Consignee/Airline.

In the absence of details of the services/activities, proposed to be provided for levy of this charge, the **same may be rejected** and deleted from the tariff chart.

➤ **Levy of 'Documentation & Supervision Services' charges for handling Domestic(inbound/outbound) cargo.**

DCSC has proposed to levy the above charges @ Rs 2.47/- per kg (minimum of Rs 200/- per AWB) for Special cargo(which includes perishable cargo) leviable on Agent /Shipper/Consignee/Airline.

In the absence of details of the services/activities, proposed to be provided for levy of this charge, the **same may be rejected** and deleted from the tariff chart.

➤ **Levy of Domestic Security Handling charges.**

The tariff chart indicates levy of Domestic Security handling charges exclusive of X-ray/physical examination on Agent/Shipper/Airlines @ Rs 2.07 per kg (Minimum rate Rs 165 /- per AWB). In the absence of details of the services/activities, proposed to be provided for levy of this charge, the **same may be rejected** and deleted from the tariff chart.

➤ **Miscellaneous charges and Miscellanous activity charges.**

Provision of the Misc charges has been made in the tariff chart for levy @ Rs 2.89 per kg (Minimum rate Rs 180 /- per AWB) and Rs 1854/- per AWB for Misc activities on city side on Agent/Shipper/Consignee/Airlines. In the absence of details of the services/activities, proposed to be provided for levy of these charges, the **same may be rejected** and deleted from the tariff chart.





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➤ **X ray charges and Demurrage charges on 'Withdraw' shipments.**

DCSC has proposed levy of X ray charges and Demurrage charges on 'Withdraw shipments' @ Rs 2.04 per kg (minimum Rs 204/- per AWB) & Rs 2.33 per kg per day (minimum Rs 232/- per AWB) respectively, whereas for normal export cargo these charges are Rs 1.90 per kg (minimum Rs 190/- per AWB) & Rs2.16 per kg per day (minimum Rs 216/- per day) respectively.

The levy of the x-ray charges on 'withdraw' shipments is not justified since there is no requirement of x-ray screening for 'withdraw' export shipments.

In view of the above, **these charges are rejected by our members** and may accordingly be removed from the tariff chart.

➤ **Repacking charges:**

Further, it is informed that DCSC is levying 'repacking charges' on those consignments (10% of the packages) also which are cleared by the Customs under 'green channel' of RMS (Risk Management System) wherein there is no opening/closing of the packages as no examination is carried out by the Customs. AERA may consider **insertion of 'foot note' indicating that 'repacking charges' to be levied on those package(s) only, opened physically by the CTO for Customs examination.**

**Movement of perishable cargo as 'Domestic to International' transhipment cargo**

Presently, the perishable cargo after x-ray screening and LEO at Domestic Airport of Departure, moving as domestic bonded cargo is being x ray screened again at IGIA Airport (Airport for international departure), leading to payment of double x ray charges for the single perishable shipment i.e., once at point of domestic departure and another at the point of international departure.

It is suggested that bonded perishable cargo, moving as 'Domestic to International' transhipment, once x-rayed at Airport of Domestic Departure should not be subjected to 2<sup>nd</sup> X ray screenings at Airport for international departure.





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### **ASSOCIATION RECOMMENDATIONS**

- **Penalty/discount in TSP/demurrage charges and other type of charges for delay in delivery of cargo.**
  - The tariff chart must stipulate the time period for each activity/service proposed to be provided by the DCSC. The tariff chart should also include penalty/discount in TSP/demurrage charges and other type of charges for any delay in processing/delivery of cargo on the part of DCSC, to the consignee. This tariff chart should form the part of the SLA with the VAFA- VEGETABLES AND FRUITS EXPORTERS ASSOCIATION
  
- **Levy of single “rate per kg.**
  - On perusal of the said consultation paper, it is observed that DCSC has submitted plethora of ‘other charges’ for handling of both domestic and international cargo in addition to the TSP/Demurrage charges. These charges, if approved by AERA, will lead to the confusion and avoidable duplication of the levy of charges, as already pointed out above.
  
  - In order to have complete transparency of the levy of charges on handling of both international and domestic by the Cargo terminal Operator and avoid duplication in levy of the charges, FFAI is of the opinion that Cargo Service Center Pvt. Ltd. (DCSC) at Indira Gandhi International Airport (IGIA), Delhi, may be advised to have a **single “rate per kg” policy** for handling of all type of cargo for the levy on shippers/consignee(s), which will include all gamut of activities/services required to be performed/provided for handling of both international (Export/Import) and Domestic (Inbound/outbound) cargo at their Cargo Terminal, irrespective of nature/type of cargo. This policy will avoid levy of ambiguous charges viz., Misc. charges/activities, Quick ramp transfer, customs facilitation fee, express delivery etc.





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• **Discounted rate for Perishable cargo**

- During and post Covid 19 pandemic, Ministry of Civil Aviation (MoCA) encouraged the movement of perishable cargo with a subsidy of 50% in freight charges through Air.
- However, as per the said consultation paper, it is observed that perishable cargo has been treated as a 'Special' cargo thereby levying TSP/Demurrage charges much more than the General Cargo.
- On similar lines, keeping the MoCA initiative(s) in sight, AERA may consider 50% reduction in TSP/Demurrage and other charges, cargo in the tariff chart for DCSC for the growth of perishable.

The above-mentioned suggestions/recommendations will not only help in augmenting farmers' incomes but will also act as a small step towards making India 'Atma Nirbhar' in the perishable sector, boosting the perishable cargo movement through Air and make it more competitive in the global market for Indian exporters.

It will provide a big boost to the growth of related infrastructure and help in streamlining the perishable cargo supply chain, generate direct and indirect employment opportunities in rural areas, provide better prices to farmers and end-users, and benefit allied sectors.

In view of the above, AERA is requested to review their recommendations on the levy of charges as submitted vide above mentioned Consultation Paper.

FOR VAFA FRESH VEGETABLES AND FRUITS EXPORTERS ASSOCIATION

  
EKRAM HUSAIN

(VICE PRESIDENT)

