

# Brihanmumbai Custom Brokers Association

(Formerly known as Brihanmumbai Custom House Agents' Association)



BCBA /NT/12:111/2025

Date:21.3.2025

To  
Mr Rajan Gupta  
Deputy General Manager (Finance)  
Airports Economic Regulatory Authority of India  
Udaan Bhawan, 3rd Floor, D Block  
Rajiv Gandhi Bhawan, Safdarjung Airport  
New Delhi - 110003,

Respected Sir

*Sub : Objection to Tariff Increase – Stakeholder Consultation Meeting (Hybrid mode) on 25.03.2025 in r/o determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport, Mumbai (CSMIA) for the Fourth Control Period (01.04.2024 to 31.03.2029).*

*We refer to your Issuance of Public Notice no. 25/2024-25 dated 17.03.2025 reg. Stakeholder Consultation Meeting (Hybrid mode) on 25.03.2025 in r/o determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport, Mumbai (CSMIA) for the Fourth Control Period (01.04.2024 to 31.03.2029).*

*We refer to your call given for Stakeholder Consultation Meeting (Hybrid mode) to be held on 25.03.2025. In this connection, we write to bring to your immediate attention the critical issues affecting trade at the Air Cargo Complex (ACC), Mumbai.*

*Over the past several years, stakeholders have consistently raised concerns regarding the severe infrastructural inadequacies, operational in-efficiencies, and unjustified rate increases imposed on the trade community. Any tariff hike at this stage will add to logistics cost affecting the Ease of Doing Business and key National initiatives like Make in India and Digital India.*

- 1) The cost of handling EXIM Cargo has been rising every year. The Custodian has continuously imposed rate increases in various forms. This practise of annual tariff revision should be discontinued. Automatic rate increase is completely unjustified. Such increases should be linked to verifiable service improvements and infrastructure development.*
- 2) Despite repeated request from the Trade Community, ACC Mumbai has seen little to no improvement in general import cargo, infrastructure over the last 20 years. The same outdated infrastructure is being used, leading to severe congestion and operational delays.*
- 3) Despite assurances, there has been no significant developments in facilities for handling general import cargo. Further, there is no visible road map or commitment towards enhancing capacity or modernising exiting facilities, despite the exponential growth in cargo volumes over the years.*
- 4) Infrastructure expansion has primarily benefited specialised cargo such as perishable, temperate-sensitive goods and cold storage which generate higher revenue per kilogram. However, there is an urgent need for better infrastructure to handle general cargo efficiently.*

73/74 Mittal Tower, 'C' Wing, 7th Floor, Nariman Point, Mumbai 400021  
Tel No. : 91-22-43119100/9101 • Fax : 91-22- 2285 2561 • Email : info@bcbaind.com • Website : www.bcbaind.com  
CIN. No: U63090MH1984NPL034904





- 5) Due to outdated Infrastructure and poor traffic management, within the ACC premises, trucks are taking 6 – 7 hrs just to enter the facility, causing massive delays and financial losses for trade.
- 6) Over the past 3 years, MIAL has already benefited from significant revenue increases due to :
  - a) 2015 – 16 – Increase in THC & Demurrage charges Vide Notification No 10/2015-16 dated 27.5.2015.
  - b) 2016 – 17 - Reduction in demurrage free period from 72 hrs to 48 hrs w.e.f 1.4.2017.
  - c) 2017 – 18 - More than 100 % increase in cargo volumes being handled at ACC Mumbai since 1<sup>st</sup> July 2017 after abolition of Octroi.
  - d) 2023 – 24 – Increase in THC & demurrage vide CSC Circular dt 25.02.2023
  - e) 2023 – 24 – revision in tariff for Cold Chain handling vide CSC Circular dt 27.03.2023

Despite this steady revenue growth, infrastructure development has not kept pace. Considering these pressing issues, we strongly urge the Airports Economic Regulatory Authority of India (AERA) to take immediate corrective measures. Specifically, we request:

- A well-defined time line must be established for upgrading facilities for import and export shed and modernising the cargo handling infrastructure at ACC Mumbai.
- The focus should be on increasing the trade volume rather than imposing higher per kilogram charges.
- Immediate relocation of sheds and facilities should be undertaken to streamline traffic flow and reduce delays for decongesting the premises.
- Specific time frame should be set for each activity within ACC Mumbai through enhanced supervision and accountability to ensure efficiency and compliance i.e. for Import, all activities right from landing till delivery & vice-versa for Export.
- Any additional or hidden charges levied on trade should be eliminated, unless justified by a transparent and service linked cost structure.

Given the above challenges, we strongly urge that no further increase in Terminal Handling Charges (THC) or Demurrage fees be considered until significant improvements in infrastructure are made at ACC Mumbai. Further, any rate increase should be only with approval of AERA after necessary infra and performance improvements are carried out.

Increasing cost without upgrading facilities, contradicts the Govt. of India's goal of reducing logistics cost for importers and exporters.

We request your co-operation in addressing these concerns in the best interest of the EXIM Trade

Thanking you,

Yours faithfully,  
For Brihanmumbai Custom Brokers Association

Nirav Thakker  
Hon. Secretary  
Mobile : 9820520777