

[F.No. AERA/20010/MYTP/EICI/C/Del/2011-12/Vol - I]

**Airports Economic Regulatory Authority of India**

**Order No. 22/2015-16**

AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi -110003

Date of Order: 24<sup>th</sup> June, 2015

Date of Issue: 3<sup>rd</sup> July, 2015

**Service : Cargo Handling Services (Express Courier Handling)**  
**Service provider : M/s Express Industry Council of India (EICI)**  
**Airport : IGI Airport, New Delhi**

**Determination of tariff for the fourth (2014-15) and fifth (2015-16) tariff year of the first control period.**

The Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [The Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft), Guidelines, 2011] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period.

2. The Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by M/s Express Industry Council of India (EICI) in respect of Cargo Handling Services provided at IGI Airport, New Delhi for the first control period of 5 years commencing w.e.f. 01.04.2011. After due stakeholder consultation, the Authority issued a Multi-Year Tariff Order (MYTO) vide Order no. 28/2012-13 dated 26.11.2012 wherein, inter-alia, it was decided that the services provided for courier cargo facility at IGI Airport, New Delhi are "*material but competitive*" and hence "*Light Touch Approach*" be adopted for determination of tariff. The Authority also determined the Tariff for the first, second and third tariff years vide above referred order.

3. EICI, vide their letter dated 22.04.2014 submitted its revised Annual Tariff Proposal (ATP) for the fourth and fifth tariff years, for providing Courier Cargo Handling Facility at Cargo Terminal, IGI Airport, New Delhi.





4. The Authority, after careful consideration, proposed to determine the tariff for the cargo services provided by Express Industry Council of India (EICI) at IGI Airport, New Delhi, for the fourth and fifth tariff year and issued Consultation Paper no. 09/2014-15 dated 01.10.2014 in accordance with the provisions of Section 13(4) of the AERA Act 2008.

5. In response to the consultation paper only one comment was received from Airports Authority of India-AAI which is general in nature.

6. The submissions on annual compliance of EICI were found incomplete as not in conformity with the Guidelines and were conveyed for resubmission of same along-with details of Customs Cost Recovery charges. EICI, vide letters dated 17.12.2014, 05.03.2014, 25.03.2015 and 07.04.2015 submitted the requisite documents/information.

7. EICI made a presentation before the Authority on 05.06.2015 in respect of ATP submitted for the fourth and fifth tariff years for Delhi, Mumbai and Bangalore Airport and MYTP /ATP for Chennai Airport. The Authority considered revenue, profit, reserves and return on RAB as per Financial Accounts submitted by EICI and on query, EICI was not able to justify increase in tariff over earlier approved tariff(s).

8. It was discussed that less than one year is left for completion of the 1<sup>st</sup> Control Period, which is set to expire on 31.03.2016. Considering the time period remaining after issue of order, the effective period for implementation of revised tariffs would be 6-8 months only. EICI agreed for continuation of the existing tariff for Delhi Airport and submitted confirmation vide letter dated 08.06.2015 stating that

*".....as indicated during our presentation, in the case of Delhi the volumes have grown beyond our estimated projections and hence we are willing to accept your directions for no increase at Delhi....."*

## **ORDER**

9. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) Express Industry Council of India (EICI) to continue the tariffs in respect of Cargo Handling Services (Express Courier Handling) at IGI Airport, New Delhi for the remaining period of the current control period at the same level as was approved vide Authority's Order No. 28/2012-13 dated 26.11.2012 for the third tariff year (**Annexure-I**).
- (ii) Express Industry Council of India (EICI) shall maintain a separate account for the recovery of Customs cost/ arrears of customs cost on account of the salary revision, and also submit to Authority, details of customs cost recovery charges duly certified by Chartered Accountant and reconciled with Audited financial account along with every MYTP/ ATP.





- (iii) Express Industry Council of India (EICI) shall indicate the custom cost recovery as separate line item in its tariff card while submitting its proposal for the second Control Period.

**By the Order of and in the  
Name of the Authority**

*Alok Shekhar*  
**(Alok Shekhar)  
Secretary**

**To,**

**Express Industry Council of India,  
501, Crystal Centre, Raheja Vihar,  
Off. Chandivali Farm Road, Powai,  
Mumbai – 400 072  
(Through Shri Vijay Kumar, Chief Operating Officer)**

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AERA



# ANNEXURE - I

DELHI

Express Industry Council of India  
Form 14(b)

Tariff for Delhi Terminal: Facilitation Fees, Storage & Processing Charges at EICI Express Terminal Built,  
Managed and operated by Express Industry Council of India at Delhi Airport  
Effective from April 2013

Submitted on 23/07/2013

Sr. No.	Charges	Rate Rs.	Chargeable to	Remarks
1	International Imports			
	Facilitation Fees cum import xray screening charges	Rs 7.50 Per Kg.	Users	Currently we are charging Rs. 0.50 as X-Ray Charges for Imports. So the proposed rate is comprises of Facilitation Fees and X-Ray Charges
	Detention Fees			
	0-3 Days	Free	Users	
	From 04 - 10 Days	Rs 2/- Per Kg. or part thereof or Rs. 30/- whichever is higher	Users	
	From 11 - 20 Days	Rs.3/- Per Kg. or part thereof or Rs. 30/- whichever is higher	Users	
	From 21 - 30 Days	Rs.4.50 Per Kg.	Users	
	From 31st Day	Rs.6/- Per Kg.	Users	
	Demurrage Charges	Rs.5/- Per Kg.	Users	
2	International Exports			
	Facilitation Fees	Rs.7/- Per Kg.	Users	

The above tariff are all inclusive charges charged for facilitating Import and Export Shipments. In addition to the above certain charges are to be paid to DIAL and CSC for the services that they provide for X-Ray screening which are separately regulated by AERA

3	X-Ray Charges (Exports)	Rs.1.75 Per Kg.	Users	Charged to the users and simultaneously paid to DIAL and CSC. As these charges are regulated by AERA, if these charges are increased then simultaneously EICI will have to increase accordingly under intimation to AERA
4	Customs Charges (Imports)	Rs.0.30 Per Kg.	Users	These charges may vary as indicated above and same will be changed under intimation to AERA. We further state that once Customs stop demanding the Cost Recovery, we will also stop collecting these charges
5	Customs Charges (Exports)	Rs.0.70 Per Kg.	Users	

Due to 6th Pay Commission Arrears demanded by Customs, we have proposed to levy a surcharge of Rs. 3/- Per Kg. till total recovery of arrears of Rs. 2,73,11,835/-. This charge will not be levied once the arrears are collected at paid.

6	Customs Cost Recovery Arrears' charges	Rs.3/- Per Kg.	Users	
	EDI Clearance Charges		Users	As per MoU signed with Customs, there would be a certain levy on the shipments cleared through EDI. The CAPEX for these charges are not included in our MYTP proposal. These charges would be levied once it is approved by Customs
	<p>Note: The charges are on per kg basis and there is no minimum charge. For a 1 kg shipment the per kg rate is applicable. Express shipments are generally small shipments and hence this benefits our users as no minimum charge is levied.</p>			

