

[F. No. AERA/20010/MYTP-GSEC/C/AHMD/CP-II/2016-17]  
Airports Economic Regulatory Authority of India  
Order No. 44/2017-18

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

Date of Issue : 28th March, 2018

**Service : Cargo Handling Services.**  
**Service Provider : M/s Gujarat State Export Corporation Limited.**  
**Airport : Sardar Vallabhbhai Patel International Airport (SVPIA),**  
**Ahmedabad.**

**In the matter of the Multi Year Tariff Proposal (MYTP) for the second control period (.1.04.2016 to 31.03.2021) and Annual Tariff Proposal of M/s Gujarat State Export Corporation Limited (M/s GSEC) for providing cargo handling services at Sardar Vallabhbhai Patel International Airport, Ahmedabad.**

1. The Authority vide its Multi-Year Tariff Order (MYTO) No. 09/2011-12 dated 23.09.2011, decided to adopt '**Light Touch Approach**' for determination of the tariffs for the first control period in respect of M/s GSEC. Subsequently, the Authority determined the annual tariffs for M/s GSEC for the 1<sup>st</sup> control period vide its Order No.42/2012-13 dated 01.03.2013 and again vide Order No. 20/2014-15 dated 04.03.2015 for the 4<sup>th</sup> and 5<sup>th</sup> tariff year of the 1<sup>st</sup> control period.
2. Since the Multiyear tariff order for the 1<sup>st</sup> control period expired on 31.03.2016, the Authority vide it's Order 50/2015-16 issued on 31<sup>st</sup> March 2016, authorized M/s GSEC (among other service providers and Airport Operators) to continue to charge the tariffs prevalent on 31.03.2016 for a period of 6 months w.e.f 01.04.2016 or till determination of tariffs for the 2<sup>nd</sup> control period of whichever is earlier. The Authority vide Order no. 11/2016-17 dated 29.09.2016 further extended the continuation of the levy of tariffs prevalent on 31.03.2016 for a period of 6 months w.e.f 01.10.2016 or till determination of the tariffs for the 2<sup>nd</sup> control period, whichever is earlier. Again on 31<sup>st</sup> March 2017, the Authority vide order no. 19/2016-17, authorized M/s GSEC (among other service providers and Airport Operators) to continue to charge the determination of tariffs for the 2<sup>nd</sup> control period of 6 months w.e.f 01.04.2017



or till the determination of tariffs for the 2<sup>nd</sup> control period whichever is earlier. The Authority has issued a further order on 29<sup>th</sup> Sept 2017 (Order No. 12/2017-18), authorizing M/s GSEC (among other service providers and Airport Operators) to continue levy of the tariffs for the further period of 6 months w.e.f 01.10.2017 or till determination of tariffs for the 2<sup>nd</sup> control period whichever is earlier.

3. M/s GSEC submitted their Multi Year Tariff Proposal (MYTP) for the second control period commencing on 01.04.2016 and the Annual Tariff Proposal (ATP) for the first to fifth tariff year of the 2<sup>nd</sup> control period for determination of tariffs for the cargo handling services provided at Sardar Vallabhbhai Patel International Airport, Ahmedabad. M/s GSEC proposed for an increase in tariff applicable on 31.03.2016.
4. In respect of the regulated service(s) provided for ground handling for cargo at an airport, the Authority considers that materiality of the service is linked to the cargo volume at the major airport. The materiality shall be assessed based on cargo volume at the major airport as a percentage of total cargo volume at all major airports, in terms of Clause 4.4 of 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 Aircraft) Guidelines, 2011]. The materiality Index for Sardar Vallabhbhai International Airport, Ahmedabad (ad per the AAI statistics for FY. 2014-15) is 2.38% which is lower than 2.5% materiality Index thresholds limit fixed for cargo handling service. Hence the service is deemed '**not material**'.
5. As per clause 5.1 of the guidelines, 2011, where a Regulated Service is being provided at a major airport by two or more service providers, it shall be deemed "competitive" at that Airport.
6. As per Clause 3.2 (i) of the guidelines, 2011, wherever the regulated service provided is 'not material', the Authority shall determine Tariff(s) for service Provider (s) based on a 'light touch approach' for the duration of the control period, according to the provisions of chapter V.
7. Along with the Multi Year tariff proposal for the second control period, M/s GSEC has also submitted copy of the concession agreement entered with the Airport Operator.
8. As per Clause 11.2 of the Guidelines, the ATPs is required to be submitted in the manner and form provided in AI.8.1 of Appendix I to the guidelines and should be supported by the following documents:
  - a. Form B –Submission of ATP



- b. Form 14(b)- Proposed Tariff Card
- c. Details of consultation with stakeholders
- d. Evidence of User Agreements clearly indicating the Tariff proposed by the Service Provider.

M/s GSEC has submitted Form B and Form 14(b) with their Annual Tariff Proposal for the 1<sup>st</sup> and 2<sup>nd</sup> control period. No stakeholder consultation has been held. M/s GSEC has not entered into any agreement with the airlines as per their letter dated 28.12.2017.

9. The Authority considered the submissions made by M/s GSEC and issued the Consultation Paper No. 40/2017-18 dated 03.01.2018 proposing the following for stakeholder consultation:
  - a. Cargo Handling Service being provided by M/s GSEC is “not Material”. Therefore the Authority proposes to adopt “Light Touch Approach” for determination of tariffs for the 2<sup>nd</sup> control period w.e.f 01.04.2016 to 31.03.2021.
  - b. As financial year 2016-17 is already over, the Authority allows the continuation of the tariff as on 31<sup>st</sup> March 2016 for the year 2016-17 (T1).
  - c. As only few days are left in the FY 2017-18, the Authority allows continuation of the tariff as on 31.03.2016 for the FY 2017-18(T2).
  - d. In view of the good financial performance (regulated profit margin in the range of 35-40%) of M/s GSEC, the Authority has proposed not to allow any tariff increase for the tariff year 2018-19 (T3) and allow the continuation of the tariff as on 31<sup>st</sup> March for the year 2018-19 (T3) also.
10. In response to the aforesaid Consultation Paper, no comments have been received from any of the stakeholder.


## ORDER

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

- i. The services provided by M/s GSEC, at Sardar Vallabhbhai Patel International Airport, Ahmedabad are “**not material**”. Hence, “**Light Touch Approach**” for determination of tariff for the 2<sup>nd</sup> Control Period w.e.f 01.04.2016 is adopted.
- ii. Since financial year 2016-17 is already over, the Authority is allowed the continuation of the tariff as on 31<sup>st</sup> March 2016 for the year 2016-17 (T1).



- iii. Since only eight days are remaining in financial year 2017-18, the Authority is allowed the continuation of the tariff as on 31<sup>st</sup> March 2016 for the year 2017-18 (T2).
- iv. The tariffs for the 3<sup>rd</sup> (01.04.2018 to 31.03.2019) tariff years of the 2<sup>nd</sup> control period is determined at the rates mentioned in Annexure-I.
- v. M/s GSEC should not exceed the tariff charges for its Non-Schedule cargo handling Operations and should levy the same charges/tariff as determined above.
- vi. For Demurrage charges, the free period should be governed as per the instructions of Govt. of India issued from time to time.
- vii. Tariff determined as above will be maximum tariff to be charged form the users of the cargo handling service. No other charges to be levied over and above the approved tariff.

  
By the Order of and in the  
Name of the Authority

To

  
सत्यमेव जयते  
M/s Gujarat State Export Corporation Limited.  
2<sup>nd</sup> Floor, Gujarat Chamber Building, Ashram Road  
Ahmedabad-380009

(Through: Samir Hanskumar Mankad, (CEO & Executive Director)

(Copy to: Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan  
Safdarjung Airport New Delhi-110003).

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AERA



<b>M/s Gujarat State Export Corporation Ltd. Ahmedabad</b>		
<b>Station: Sardar Vallabhabhai Patel International (SVPI), Airport, Ahmedabad</b>		
<b>Tariff rates for Cargo Handling for the FY 2016-17, 2017-18, 2018-19(T1 to T3)</b>		
<b>Sn. No.</b>	<b>Tariff Heading</b>	<b>Conditions of Tariff</b>
<b>(i) Exports</b>		
1	General Cargo	Rs. 0.70 per Kg. (Minimum Rs. 110)
2	Perishable & Cold storage cargo	Rs. 1.75 per Kg. (Minimum Rs. 200)
3	DGR cargo, Valuable cargo, Silver & Live animals	Rs. 2.00 per Kg. (Minimum Rs. 250)
4	Diamond	As per the \$ tariff list
5	Gold, Gold Plain Jewellery & precious stone etc.	Rs. 50 per Kg. (Minimum Rs. 1100)
6	X-ray Charges	Rs. 1.50 per Kg.
	Working Hours	1030 Hrs to 2000 Hrs.
7	Overtime Charges	Rs. 300/- per S.B. or AWB
8	Amendment Charges	Rs. 175/- per shipping bill
9	Miss-declaration	Upto 2% wt. diff. - No charge 2 to 5% wt. diff. - 2 times Above 5% wt. Diff. - 5 times
<b>(ii) Demurrage</b>		
1	General Cargo	Rs. 110/- per day
2	Perishable & Cold storage cargo	Rs. 200/- per day
3	DGR cargo, Valuable cargo, Silver & Live animals	Rs. 250/- per day
	Diamond	Handling * Day
	Gold, Gold Plain Jewellery & precious stone etc.	Handling * Day
<b>(iii) Import</b>		
1	General Cargo	Rs. 4.25 per Kg (Minimum Rs. 120)
2	Perishable & Cold storage cargo, DGR cargo, Valuable cargo, Silver & Live animals	Rs. 8.00 per Kg (Minimum Rs. 220)
3	Diamond	As per the \$ tariff list
4	Gold Plain or studded with precious/semi precious stone etc.	Rs. 50.00 per Kg (Minimum Rs. 1000)
	Working Hours	1030 Hrs to 2000 Hrs.
5	Overtime Charges	Rs. 300/- per S.B. or AWB



(iv)	Demurrage (Import)	Demurrage Charges
1	General Carago	Up to 120 hours including free period Rs. 1.30 per Kg. per day (Minimum Rs. 225/-) Between 120 to 720 hours. Rs. 2.60 per Kg. per day (Minimum Rs. 225/-) Beyond 720 hours. Rs. 3.90 per Kg. per day (Minimum Rs. 225/-)
2	Perishable cold Storage, Hazardous Cargo	Up to 120 hours including free period Rs. 3.25 per Kg. per day (Minimum Rs. 350/-) Between 120 to 720 hours. Rs. 4.50 per Kg. per day (Minimum Rs. 350/-) Beyond 720 hours. Rs. 6.25 per Kg. per day (Minimum Rs. 350/-)
3	Valuable & Silver Cargo	Up to 120 hours including free period. Rs. 4.50 per Kg. per day (Minimum Rs. 500/-) Between 120 to 720 hours. Rs. 8.50 per Kg. per day (Minimum Rs. 500/-) Beyond 720 hours Rs. 12.00 per Kg. per day (Minimum Rs. 500/-)
4	Gold, Diamond & Jewellery	After stipulated free period of 72 hours Rs. 50/- per Kg. per day on 4th and 5th day on non-cumulative basis. From 6th day onwards the charge will be levied on cumulative basis from the date & time of actual arrival of cargo
(v)	Demurrage	
1	General Cargo	Up to 120 Hrs. incl. free period of Rs. 1.30 per day (Minimum Rs. 225/-) Between 120 to 720 hrs. Rs. 2.60 per Kg. per day (Minimum Rs. 225/-) Beyond 720 hrs. (30 days) Rs. 3.90 per Kg. per day (Minimum Rs. 225/-)
2	Diamond	Handling * day (Mini 500)
3	Perishable, Cold Storage cargo, DGR cargo & Live animal	Up to 120 Hrs. including free period of Rs. 3.25 per Kg. per day (Minimum Rs. 350/-) Between 120 to 720 hours. Rs.4.50per Kg. per day (Minimum Rs. 350/-) Beyond 720 hrs. (30 days) Rs. 6.25 per Kg. per day (Minimum Rs. 350/-)
4	Valuable & Silver Cargo	Up to 120 hours including free period. Rs. 4.50 per Kg. per day (Minimum Rs. 500/-) Between 120 to 720 hours. Rs. 8.50 per Kg. per day (Minimum Rs. 500/-) Beyond 720 hrs. (30 days) Rs. 12.00 per Kg. per day (Minimum Rs. 500/-)
5	Gold Plain or studded with precious/ semi precious stone etc.	Up to 120 hours including free period. Rs. 50.00 per Kg. per day (Minimum Rs. 1000/-) Between 120 to 720 hours Rs 50.00 per Kg. per day (Minimum Rs. 1000/-) Beyond 720 hrs (30 days) Rs. 50.00 per Kg. per day (Minimum Rs. 1000/-)



(vi)	<b>Miscellaneous Charges</b>	
1	Inspection/Repacking Charges	
	Bonding & Hand over Charges	Rs. 1.00 per Kgs from Bonded truck
2	Fork Lift Charges	001 to 250 kgs Rs. 75/-, 251 to 500 kgs Rs. 100/-, 501 to 1000 kgs Rs. 150/-, 1001 & more kgs Rs. 200/-
	All bills to be rounded off	Nearest Rs. 1/-
3	Duplicate Copy	Rs. 200 per document
	Parking Charge	
(vii)	<b>Courier Charges (Export)</b>	
1	Handling charges	Rs. 4 per kg.
2	X-ray Charges	Rs. 4 per kg.
(viii)	<b>Courier Charges (Import)</b>	
1	Handling Charges	Rs. 6 per kg.
2	X-ray Charges	Rs. 4 per kg.
(ix)	<b>Polished Diamonds and Jewellery (Import)</b>	
	value Ranges (US Dollars)	Handling Charges in INR
1	1 to 50,000	525
2	50,000 to 1,00,000	770
3	100,001 to 150,000	875
4	150,001, to 200,000	910
5	200,001 to 250,000	980
6	250,001 to 300,000	1050
Note:-		
1	All the charges mentioned above include the prevailing concession fee, royalty, airport levy charged by the Airport Operator.	
2	All the charges mentioned above are excluding statutory taxes and other levied as and when applicable.	
3	Tariff determined as above will be maximum tariff to be charged from the users of the cargo handling service. No other charges to be levied over and above the approved tariff.	
4	Demurrages (w.e.f. 1st April,2017): <b>Export Cargo-</b> Ref. to MoCA Order No. AV-16011/3/2016-ER dated 02.12.2016 total free period available for export cargo would be 48 hrs. (i.e. Two Working Days) as decide by Govt. of India from time to time. <b>Import Cargo-</b> Free period shall be 48 Hrs from segregation time or as decided by Govt. of India from time to time.	

