

Airports Economic Regulatory Authority of India

Order No. 41/2018-19

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

Date of Issue: 25th February, 2019.

Service : Cargo Handling Services.
Service provider : Menzies Aviation Bobba (Bangalore) Private Limited
Airport : Kempegowda International Airport, Bengaluru.

In the matter of Annual Tariff Proposal(ATP) for FY 2018-19, FY 2019-20 and FY 2020-21 for the second control period in respect of M/s MENZIES AVIATION BOBBA (BANGALORE) PRIVATE LIMITED for providing Cargo Handling Services at Kempegowda International Airport, Bengaluru.

1. M/s Menzies Aviation Bobba (Bangalore) Pvt. Ltd. (MABB) is one of the Cargo Handling agencies appointed by Bangalore International Airport Ltd. for carrying out Cargo Handling (CH) at Kempegowda International Airport, Bengaluru (BIAL). The Authority vide its Order No. 18/2016-17 dated 28th March, 2017 decided to determine tariff under "Light Touch Approach" for the whole duration of second control period. Simultaneously the Authority determined/approved tariff for FY2016-17 of the second control period. The Authority vide the following Orders allowed AOs/ISPs to continue with the existing tariff till the determination of tariffs for Second Control period:

- a) Order No.50/2015-16 dated 31st March, 2016
- b) Order No. 11/2016-17 dated 29th September, 2016.
- c) Order No. 19/2016-17 dated 31st March, 2017.
- d) Order No. 43/2017-18 dated 28th March, 2018.
- e) Order No. 21/2017-18 dated 28th September, 2018.

2. Financials submitted by M/s MABB.

M/s MABB vide their letter dated 13th December, 2017 submitted the Balance Sheet and ACS for FY 2016-17. Further M/s MABB has also submitted the audited ACS for FY2017-18.



3. Determination of Aeronautical Tariff under “Light Touch Approach”.

The Authority vide its Order No. 18/2016-17 dated 28th March, 2017 decided to adopt “**Light Touch Approach**” for the Second Control Period (FY. 2016-17 to FY. 2020-21).

4. Authority’s View.

- (i) The Authority considered the submissions by M/s MABB and issued a Consultation paper No. 28/2018-19 dated 25th January, 2019. The Authority proposed in the above Consultation Paper that M/s MABB may be allowed to continue with the existing tariff, as determined by Authority vide its Order No. 18/2016-17 dated 28th March, 2017 for the residual period of FY2018-19, and, for tariff years FY2019-20 and FY2020-21 of the Second Control Period.
- (ii) The Authority noted that M/s MABB has planned/forecasted substantial Capital Expenditure for FY2018-19, FY2019-20 and FY2020-21.
- (iii) The Authority observed that M/s MABB has not sought any increase in tariff from the existing tariff approved by AERA vide order No. 18/2016-17 dated 28th March, 2017.
- (iv) The Authority sought written evidence based feedback, comments and suggestions from stakeholders on the above mentioned consultation paper (CP) by 15th February, 2019. The Authority vide email dated 28.01.2019 informed the same to all concerned stakeholders on their registered email IDs. In response, no comment has been received from Stakeholders. Only M/s MABB has commented on the above mentioned Consultation Paper.

ORDER

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

- (i) The Authority vide its Order No. 18/2016-17 dated 28th March, 2017 decided to determine tariff under “**Light Touch Approach**” for the whole duration of second control period. Simultaneously the Authority determined/approved tariff for FY2016-17 of the second control period. The Authority vide above mentioned order directed M/s MABB to continue with the existing rates.
- (ii) M/s MABB is allowed to continue with the existing tariff, as determined by the Authority vide its Order No. 18/2016-17 dated 28th March, 2017 for the residual period of FY2018-19, and, for tariff years FY2019-20 and FY2020-21 of the Second Control Period from the date of issue of tariff order to 31.03.2021 for Cargo Handling Service rendered at Kempegowda International Airport, Bengaluru as per **Annexure-I**.
- (iii) Tariff determined as above will be the maximum tariff to be charged. No other charge is to be levied over and above the approved tariff.



- (iv) M/s MABB should submit Annual Compliance Statements duly audited and conduct the Stakeholders consultation with the users on the proposed Annual Tariff Proposals (ATPs) in future before approaching AERA for tariff determination.

By the Order of and in the
Name of the Authority



(Geetha Sahu)
AGM (Finance)

To,

M/s Menzies Aviation Bobba(Bangalore) Pvt. Ltd.
Cargo Terminal 1,
Kempegowda International Airport,
Devanahalli, Bangalore – 560300,
Karnataka, INDIA.

(Through Shri K. Venkata Reddy, Chief Executive Officer)

Copy to:- Secretary, Ministry of Civil Aviation, Rajiv Gandhi
Bhawan, New Delhi – 110003.

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AERA



Annual Tariff for FY 2018-19, FY 2019-20 & FY 2020-21

Menzies Aviation Bobba (Bangalore) Pvt. Ltd.

Maximum Rates To Be Paid By Freight Forwarder For International Cargo

		FY2018-19, FY2019-20 & FY2020-21	
S.no.	List of Charges	Minimum Rate (INR)	Rate per Kg (INR)
A) International Cargo			
Export Cargo			
1	Terminal, Storage and Processing Charges (TSP)- (Per Shipping Bill)		
a)	General Cargo	131	1.10
b)	Special Cargo	263	1.65
c)	PER/DGR/VAL cargo	263	2.87
2	Customs Cargo Service Provider Charge (Per Shipping)	30	0.65
3	Demurrage Charges (Rate per Kg per day)		
a)	General Cargo	137	0.88
b)	Special Cargo	263	1.65
c)	PER/DGR/VAL cargo	263	2.87
4	Courier Handling Charge	158	1.65
5	Packing/Repacking/Strapping Charge	6/-per carton/bag	
6	Return Cargo Charge	525/AWB	-----
7	Air way Bill Amendment Charge	105/AWB	-----
8	Weight/Volume Mis-Declaration Charge		
a)	2-5% variation	2times	
b)	More than 5% variation	5times	
9	Overtime Charge (beyond customs working Hours)	53/- per Shipping Bill	
	Val Cargo	1050/-Per AWB	
Import Cargo			
1	Terminal, Storage and Processing Charges (TSP)- (Per Shipping Bill)		
a)	General Cargo	131	5.40
b)	Special Cargo	263	10.80
c)	PER/DGR/VAL cargo	263	10.80
2	Customs Cargo Service Provider Charge (Per HAWB)	30	1.85
3	Demurrage/Storage Charge(rate per kg pe day)		
a)	General Cargo		
i)	Flight Actual Time of Arrival(ATA) plus 72 hours	No Charge	-----
ii)	Cargo cleared between 72 hours and 120 hours	336	1.65
iii)	Cargo cleared between 120 hours and 720 hours	336	3.09
iv)	Cargo cleared after 720 hours	336	4.63
b)	Special Cargo (AVI)		
i)	Flight Actual Time of Arrival(ATA) plus 72 hours	No Charge	-----
ii)	Cargo cleared between 72 hours and 120 hours	656	3.09
iii)	Cargo cleared between 120 hours and 720 hours	656	6.17
iv)	Cargo cleared after 720 hours	656	9.26
c)	PER/DGR/VAL cargo		
i)	Flight Actual Time of Arrival(ATA) plus 72 hours	No Charge	-----
ii)	Cargo cleared between 72 hours and 120 hours	1339	6.17
iii)	Cargo cleared between 120 hours and 720 hours	1339	12.40
iv)	Cargo cleared after 720 hours	1339	18.58
4	Courier Handling Charge	210	6.06
5	Air way Bill Amendment Charge	105/- per AWB	
6	Transshipment charge-International to Domestic		
a)	General Cargo	131	1.98



b)	PER/DGR/VAL cargo	247	1.98
7	Documentation Charges	105/-per AWB	
8	Overtime Charge (beyond customs working Hours)		
a)	General Cargo	210/-per beg of entry	
b)	Val Cargo	1050/- per AWB	
9	Packing/Repacking/Strapping Charge	6/-per Carton/Bag	

For demurrage charges on export/ Import cargo the free period shall be governed as per the instructions of govt of India issued from time to time.

Notes:

- 1 Consignments of Human Remains, Coffins including unaccompanied Baggage of deceased and Human Eyes will be exempted from the purview of the TSP and Demurrage charges.
- 2 The charges will be levied on "Gross Weight" or "Chargeable Weight" whichever is higher. Wherever there is a misdeclaration of the Gross or chargeable weight on the AWB, the actual Gross weight or Actual Chargeable weight will be used for the charges whichever is higher.
- 3 Storage Charges
 - (i) Export Cargo- Free period shall be one day (24 hours), or as decided by the Government of India, from time to time, for examination/processing by Shipper's on 'Per Kg Per day'.
 - (ii) Import Cargo- Free period shall be 72 hours, or as decided by the Government of India, from time to time, from the Actual time of arrival of flight. For the next 48 hours demurrage will be charged at 'Per Kg Per Day' on non commulative basis, provided the consignment is cleared within 120 hours. If the clearance is effected after 120 hours (from the date of landing) demurrage will accrue for the entire period from the Actual time of arrival of flight.
- 4 50% of General Cargo charges will be applicable to newspaper(Daily) TV Reels. Applicable to per kilo charge only.
- 5 All bills will be rounded to the next INR 5 as per IATA rules.
- 6 VAL Cargo consists of Gold Bullion , Currency Notes, Shares, Shares Coupons, Traveler's Cheque, Diamonds (including Diamonds for industrial use), Diamond Jewelry, Watches made of silver, Gold, Platinum and items valued at USD 1000/KG and above.
- 7 Special Cargo (AVI) consist of Live Animals and Day old chicks.
- 8 For consolidation TSP Cargo-TSP Charges will be levied to all types of Cargo, in addition to Transshipment charges mentioned above. Demurrage Charges will be applicable per General Cargo tariff.
- 9 No outside labour will be allowed to handle the cargo in the terminal.
- 10 All statutory taxes as per the Govt. norms will be charged extra.
- 11 Charges such as rent and parking fee are not considered in this Annual Tariff Proposal as the same are unregulated services.
- 12 All charges mentioned above include concession fee charged by the Airport Operator.
- 13 Complete shipment should be physically available prior to payment of TSP charges.



Annual Tariff for FY 2018-19, FY 2019-20 & FY 2020-21
Menzies Aviation Bobba (Bangalore) Pvt. Ltd.
Maximum Rates To Be Paid By Freight Forwarder For Domestic Cargo

		FY2018-19, FY2019-20 & FY2020-21	
S.no.	List of Charges	Minimum Rate (INR)	Rate per Kg (INR)
A) Domestic Cargo			
Outbound Cargo			
1	Terminal, Storage and Processing Charges (TSP)		
a)	General Cargo	105	0.72
b)	Special Cargo	210	2.26
c)	PER/DGR/VAL cargo	210	2.26
2	Demurrage Charges (Rate per Kg per day)		
a)	General Cargo	131	0.72
b)	Special Cargo	210	2.26
c)	PER/DGR/VAL cargo	210	2.26
3	Courier Handling Charge	105	0.72
4	Packing/Repacking/Strapping Charge	6/- per carton/per bag	
5	Return Cargo Charge	105	-
6	Air way Bill Amendment Charge	105	-
Inbound Cargo			
1	Terminal, Storage and Processing Charges (TSP)		
a)	General Cargo/Unaccompanied Baggage	131	1.21
b)	Special Cargo (AVI)	210	2.32
c)	PER/DGR/VAL cargo	210	2.32
2	Demurrage/Storage Charge(rate per kg per 24 hours)		
a)	General Cargo	210	1.38
b)	Special Cargo (AVI)	263	2.43
c)	PER/DGR/VAL cargo	263	2.43
3	Courier Handling Charge	131	1.21
4	Air way Bill Amendment Charge	105	-
5	Packing/Repacking/Strapping Charge	6/- per carton/per bag	

For demurrage charges on export/ Import cargo the free period shall be governed as per the instructions of govt of India issued from time to time.

Notes:

- 1 Consignments of Human Remains, Coffins including Unaccompanied Baggage of the deceased and human eyes will be exempted from the purview of the TSP and Demurrage charges.
- 2 The charges will be levied on "Gross weight" or Chargeable weight" whichever is higher, wherever there is a misdeclaration of the gross or chargeable weight on the AWB, the actual Gross weight or actual chargeable weight will be used for the charges whichever is higher.
- 3 **Storage charges**
(i) Export Cargo - shall be one day (24 hours) or as decided by the Government of India, from time to time, for examination/ processing by shipper's on 'Per by Per day'.
(ii) Import Cargo - Free period shall be 72 hours or as decided by the Government of India, from time to time, from the actual time of arrival of flight. For the next 48 hours demurrage will be charged at "per kg Per day" on non-consultative basis, provided the consignment is cleared within 120 hours. If the clearance is effected after 120 hours (from the date of landing) demurrage will accrue for the entire period from the Actual time to arrival of flight.
- 4 50% of the General Cargo charges will be applicable to newspaper (Daily) TV reels. Applicable to per kilo charge only.
- 5 All bills will be rounded off the next INR 5 as per IATA rules.
- 6 VAL Cargo consists of Gold Bullion , Currency Notes, Shares, Shares Coupons Traveler's Cheque, Diamonds (including Diamonds for industrial use), Diamond Jewelry, Watches made of silver, Gold, Platinum and items valued at USD 1000/kg and above.
- 7 Special Cargo (AVI) consist of Live Animals and Day old chicks.
- 8 For consolidation TP Cargo-TSP Charges will be levied to all types of Cargo, in addition to Transshipment charges mentioned above. Demurrage Charges will be applicable as per General Cargo tariff.
- 9 No outside labour will be allowed to handle the cargo in the terminal.
- 10 All statutory taxes as per the Govt. norms will be charged extra.
- 11 Charges such as rent and parking fee are not considered in this Annual Tariff Proposal as the same unregulated services.
- 12 All charges mentioned above include concession fee charged by the Airport Operator.
- 13 Complete shipment should be physically available prior to payment of TSP charges.



Annual Tariff for FY 2018-19, FY 2019-20 & FY 2020-21
Menzies Aviation Bobba (Bangalore) Pvt. Ltd.
Maximum Charges Payable By Airlines

		FY2018-19, FY2019-20 & FY2020-21	
S.no.	List of Charges	Minimum Rate (INR)	Rate per Kg (INR)
A) International Cargo			
Export Cargo			
1	Palletization	404	1.71
a)	Courier/Mail Charges	404	1.75
3	Demurrage Charges (Rate per Kg per day)		
a)	General Export Cargo	300	2.29
b)	Valuable/Perishable/Hazardeous Cargo/Live Animal etc	338	4.59
4	X-ray Charges	140	2.90
5	Dangerous Goods Certification	800	-----
6	Export General	300	-----
Import Cargo			
1	De-Palletization	404	1.64
2	Courier Mail Charges	404	1.75
3	Demurrage/Storage Charge(rate per kg pe day)		
a)	General Export Cargo	300	2.29
b)	Valuable/Perishable/Hazardeous Cargo/Live Animal etc	404	6.23
4	Import General	300	-----
Transshipment Charges			
1	Transshipment Charges-International to International		
a)	General Cargo	189	2.76
b)	Special Cargo	364	2.76
c)	Documentation Fee	155	-----
2	Transshipment Charges-International to Domestic		
a)	General Cargo	189	2.76
b)	Special Cargo	364	2.76
c)	Documentation Fee	155	-----
B) Domestic Cargo			
Outbound Cargo			
1	Palletization	314	1.21
2	Courier/Mail Charges	314	1.21
3	X-ray Charges	152	2.14
Inbound Cargo			
1	De-Palletization	314	1.21
2	Courier Mail Charges	314	1.21

For demurrage charges on export/ Import cargo the free period shall be governed as per the instructions of govt of India issued from time to time.

Notes:

- The above rates are maximum rates to be charged.
- User agreement (Airline or other agencies) shall have the rates subject to maximum specified above. The agreement are in line with the IATA. AHM 8.10 standard Ground Handling Agreement 2004/2008 (SCHA) as amended from time to time with mutual consent by.
- The rates with each Airlines are based on negotiations and as agreed between Company (MABB) and the Airline depending on the specific service levels agreed such as usage equipment credit period, insurance and other services necessary.
- All statutory taxes as per the Govt. norms will be charged extra.

