

फा.सं.ऐरा/20010/एमवाईटीपी/ए.ए.आई.सी.एल.ए.एस./11 एयरपोर्टस/सीपी-I/2019-20

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण

ऐरा भवन, प्रशासनिक कॉम्पलेक्स,

सफदरजंग एयरपोर्ट,

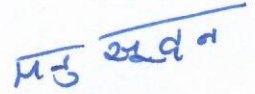
नई दिल्ली -110003

जारी करने की तारीख: 1 सितंबर, 2020

विषय : जय प्रकाश नारायण अंतर्राष्ट्रीय हवाई अड्डा, पटना में कार्गो हैंडलिंग सेवाएं प्रदान करने के लिए मैसर्स एएआई कार्गो लॉजिस्टिक्स एंड एलाइड सर्विसेज कंपनी लिमिटेड के लिए प्रथम नियंत्रण अवधि (वित्त वर्ष 2019-20 से वित्त वर्ष 2023-24 तक) के लिए प्रशुल्क निर्धारित करने के संबंध में।

उपर्युक्त विषय पर दिनांक 01.09.2020 का टैरिफ आदेश संख्या 34/2020-21 सूचना और अनुपालन के लिए संलग्न है।

भवदीय,



(कर्नल मनु सूदन)

सचिव

सेवा में,

मैसर्स एएआई कार्गो लॉजिस्टिक्स एंड एलाइड सर्विसेज कंपनी लिमिटेड,
नई दिल्ली 110 003

प्रतिलिपि: सचिव, नागर विमानन मंत्रालय, राजीव गांधी, भवन, सफदरजंग एयरपोर्ट, नई दिल्ली-
110003

AERA/20010/MYTP/AAICLAS/11Airports/CP-I/2019-20
Airports Economic Regulatory Authority of India
Order No. 34/2020-21

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

Date of Issue: 01st September, 2020

Service : Cargo Handling

Service provider : AAI Cargo Logistics and Allied Services Company Limited
(AAICLAS)

Airport : Jay Prakash Narayan (JPN) International Airport, Patna

In the matter of determination of tariffs for AAI Cargo Logistics & Allied Service Company Limited for providing Cargo Handling Services at Jay Prakash Narayan International Airport, Patna for the First Control Period (FY 2019-20 to FY 2023-24).

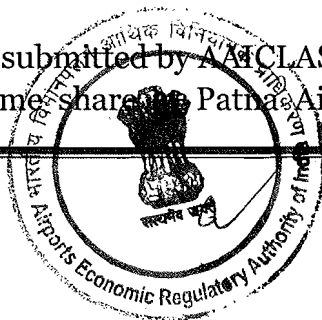
1. M/s AAI Cargo Logistics and Allied Services Company Limited (AAICLAS) is a 100% subsidiary company of Airports Authority of India (AAI) providing Cargo Handling Services at various AAI operated Airports including Jay Prakash Narayan International Airport, Patna. Airport Authority of India (AAI) demerged its Cargo operation from 11th August, 2016 into a subsidiary company i.e. AAI Cargo Logistics and Allied Services Company Limited (AAICLAS) which is setup exclusively to focus on the growth in Aviation Cargo business in India.

Annual Tariff Proposal of M/s AAICLAS.

2. M/s AAICLAS, vide letter dated 30.01.2020 submitted their Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP) towards determination of tariffs from FY 2017-18 to FY 2023-24 for providing Cargo Handling Services at Jay Prakash Narayan (JPN) International Airport, Patna. In their MYTP/ATP proposal AAICLAS also submitted the details of actual and projected Revenue, Operating expenditure, Capital expenditure etc. from FY 2017-18 to FY 2023-24. AAICLAS have sought an increase of 27.29% for FY 2020-21 and thereafter 10% year on year (y-o-y) from FY 2021-22 to FY 2023-24. In the same proposal AAICLAS requested that the Control Period may be considered as 7 years including the previously elapsed 2 years i.e. FY 2017-18 and FY 2018-19.

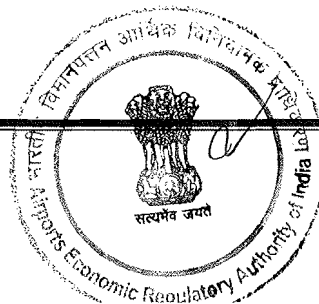
Authority Examination on the MYTP/ATP Proposal.

3. The Multi Year Tariff proposal submitted by AAICLAS examined by the Authority and it is observed that the Cargo volume share at Patna Airport is 0.33% which is below the



threshold limit of 2.5% for the Cargo Handling Service hence, the regulated service is deemed as 'Not Material'. Since the service is "Not Material", the Assessment of Competition and reasonableness of the User Agreements have no relevance for the assessment of regulatory approach. 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.

4. The Authority observed that M/s AAICLAS had not conducted the Stakeholders Consultation meeting on the proposed tariff proposal at the time of submission of its MYTP/ ATP. Therefore, AERA in its Consultation Paper directed that, AAICLAS to conduct a stakeholder Consultation meeting and submit details to the Authority along with Stakeholder's comments before issue of tariff Order on the above proposal.
5. M/s AAICLAS submitted the copy of Concession Agreement between AAICLAS and Airport operator i.e. AAI. As per Concession Agreement, the AAICLAS is paying 30% of the actual Gross Revenue as Concession fee to AAI. The concession agreement is valid for 30 years from the date of execution of Concession Agreement i.e. 01st April, 2017.
6. AAICLAS has requested to consider the Control period as 7 years including the previously elapsed 2 years i.e. FY 2017-18 & FY 2018-19, the Authority is of the view that as per AERA (CGF) guidelines 2011, Control period means a period of 5 years, during which the Multi Year Tariff Order and Tariff (s) determined by the Authority pursuant to such order shall subsist. Therefore, Control Period cannot be considered for more than 5 years. The FY 2017-18 and FY 2018-19 has lapse and AAICLAS has not submitted any proposal, it is inappropriate to recover any shortfall for the past year from the present user. Hence, the Authority considers the First Control Period from FY 2019-20 to FY 2023-24.
7. M/s AAICLAS submitted the actual financial data for FY 2017-18 and FY 2018-19 and projection's from FY 2019-20 to FY 2023-24. On the basis of actual and projected data of Revenue, Operating expenditures, Capital expenditure etc. submitted by the AAICLAS, the Authority observed that the Return on Average RAB was -24.17% in FY 2017-18 and 12.08% in FY 2018-19 (actual) and as per projections for FY 2019-20, FY 2021-22, FY 2022-23 and FY 2023-24, Returns on Average RAB will be -48.71%, -31.32%, -16.41%, -16.09%, and -16.61% respectively mainly due to projected Capital Expenditure. Further, the Authority observed that the Operating profit/turnover ratio was -154.26% in FY 2017-18 and 15.01% in FY 2018-19 (actual) and as per projections for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24, Operating profit/turnover will be -76.54%, -220.50%, -172.72%, -131.38% and -93.77% respectively. AAICLAS have projected Capital Expenditure of Rs 1000 lakhs during the First Control Period for improving and expanding the available infrastructure at Patna Airport in which the major portion will be incurred on new Cargo Terminal Building and purchase of Plant and Machinery.

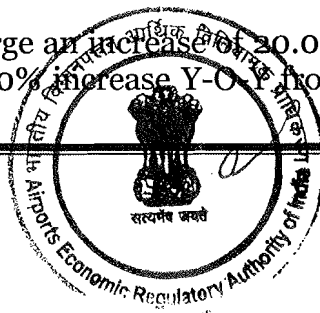


8. The Authority considered the submissions made by AAICLAS and issued a Consultation Paper No. 20/2020-21 dated 23.06.2020 wherein the Authority observed that, AAICLAS would require higher rate of increase in tariff rates at Patna Airport to achieve the sufficient Return on Average RAB & Operating Profit Margin, and, due to low volume of Cargo at the Airport. Considering the substantial change in the prevailing business scenario and higher tariff rate required to AAICLAS, the Authority proposed in the CP to allow M/s AAICLAS to charge an increase of 20.00% from existing tariff for FY 2020-21 and thereafter 10.00% increase Y-O-Y from FY 2021-22 to FY 2023-24 against the 27.29% for FY 2020-21 and thereafter 10% y-o-y tariff increase as sought by AAICLAS. It was further proposed in case AAICLAS feels that there is a need for mid-term review, they may submit the revised proposal along with details of actual financial position of Revenue, OPEX, CAPEX, Cargo volumes expected to be handled etc.
9. The Authority sought written evidence based feedback, comments and suggestions from Stakeholders on the above proposal latest by 14.07.2020. The Authority vide e-mail dated 24.06.2020 informed the same to all concerned stakeholders on their registered e-mail IDs. Since no comments have been received from any stakeholders on Consultation Paper no 20/2020-21 dated 23.06.2020, the Authority presumed that the stakeholders have no objection to the proposal.
10. M/s AAICLAS has conducted stakeholder Consultation meeting on 20.07.2020 and submitted the minutes of the meeting to the Authority. As per the Minutes of the meeting submitted by AAICLAS, they have made some amendments in the tariff rates and notes of the tariff card on the request of the Stakeholder's. AAICLAS has proposed to keep the existing tariff rates for Regulated Agent Facilitation (for Export & Domestic Outbound) and some others line items like Strapping Repacking charges, XBIS charges etc. The Authority has decided to allow M/s AAICLAS to increase 20.00% from existing tariff for FY 2020-21 and thereafter 10.00% increase Y-O-Y from FY 2021-22 to FY 2023-24 except the amended charges proposed by AAICLAS on the request of the Stakeholder's. Further, the Authority has decided to implement the tariff from 01.10.2020 as proposed by the AAICLAS.

11. ORDER

Upon careful consideration of material available on record, as well as submissions made by the service provider, the Authority in exercise of powers conferred upon it by Section 13(1) (a) of the AERA Act, 2008 hereby orders that:

- (i) The Cargo services provided by M/s AAI Cargo Logistics and Company Limited (AAICLAS) at Jay Prakash Narayan International Airport, Patna are "Non Material". Hence, the Authority decides to adopt "Light Touch Approach" for determination of tariff from 1st tariff year to 5th tariff year of the 1st Control Period i.e. FY 2019-20 to FY 2023-24.
- (ii) M/s AAICLAS is allowed to charge an increase of 20.00% from the existing tariff for FY 2020-21 and thereafter 10.00% increase Y-O-Y from FY 2021-22 to FY 2023-24



as per the tariff card attached as **Annexure-I**. The Financial performance and the investment made by AAICLAS during this Control Period shall be reviewed while determining the tariff for the next Control Period.

- (iii) The levy of new tariff rates shall be effective from 01.10.2020. The existing tariff rates for FY 2019-20 & FY 2020-21 (from 01.04.2020 to 30.09.2020) hereby stands regularized.
- (iv) Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied over and above the approved tariff.
- (v) Demurrage free period shall be as per Government orders issued from time to time.

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


**(Manu Sooden)
Secretary**

To,
M/s AAI Cargo Logistics and ALLIED Services Company Limited (AAICLAS)
Hanger No.1, Belmen Building,
Safdarjung Airport, New Delhi, 110003
(Through: Shri Keku Gazder , Chief Executive Officer)

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



**Tariff rates Approved by AERA for AAICLAS at Patna Airport
Domestic Outbound Cargo Charges leviable on Shippers/ Consignor(s) etc.**

Sr. No.	Type of Cargo	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)
1	Standard Charges for processing & Handling at Air Cargo Terminal										
	a) General Cargo	0.91	134	1.09	161	1.20	177	1.32	195	1.45	214
	b) Special (AVI) #/ PER/ HAZARDOUS/ VAL	1.83	268	2.20	322	2.42	354	2.66	389	2.92	428
2	Demurrage Charges / Storage										
	a) General Cargo	0.91/kg/day	134	1.09/kg/day	161	1.20/kg/day	177	1.32/kg/day	195	1.45/kg/day	214
	b) Special (AVI) #/ PER/ HAZARDOUS/ VAL	1.83/kg/day	268	2.20/kg/day	322	2.42/kg/day	354	2.66/kg/day	389	2.92/kg/day	428
3	Amendment of Airway Bill	122 per AWB		146 per AWB		161 per AWB		177 per AWB		195 per AWB	
4	Return Cargo Charges	122 per AWB		146 per AWB		161 per AWB		177 per AWB		195 per AWB	
5	Strapping /Re-packing Charges	12.00 per package subject to minimum of INR 20/ per AWB for the actual services provided by AAICLAS		12.00 per package subject to minimum of INR 20/ per AWB for the actual services provided by AAICLAS		12.00 per package subject to minimum of INR 20/ per AWB for the actual services provided by AAICLAS		12.00 per package subject to minimum of INR 20/ per AWB for the actual services provided by AAICLAS		12.00 per package subject to minimum of INR 20/ per AWB for the actual services provided by AAICLAS	

Note:

- The free period for outbound domestic cargo shall be 12 hours for examination/processing by the shipper/consignor/authorized representative etc. and 12 hours for Airlines at SHA.
- 10% discount in the domestic cargo handling charges will be granted to the shippers/consignors who opt for engaging their own manpower for offloading cargo from their vehicles at Truck Dock and shifting to the examination/storage area before handing over to the airlines concerned, wherever it is applicable.
- Consignment of human remains, coffin including unaccompanied baggage of deceased and human eyes will be exempted from the preview of domestic cargo handling & demurrage charges. No XBIS/ETD usage charges will also leviable on these shipments.
- The domestic cargo handling charges are inclusive of forklift charges wherever forklift usage is involved. No separate forklift charges will be levied.
- *As per IATA definition, Special cargo consists of cold storage, live animals, hazardous goods & valuable cargo.
- Charges will be levied on the 'gross weight' or the chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
- For mis-declaration of weight above 2% and up to 5% of declared weight, penal charges @ double the applicable domestic cargo handling charges and for variation above 5%, the penal charges % 5 times the applicable domestic cargo handling charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum domestic cargo handling Charges. No penal charges will be leviable for variation up to and inclusive of 2%. No weight deviation permissible in VAL cargo.
- XBIS usage charges INR 1 per kg subject to minimum of INR 150 per Airway Bill. The same is applicable at 50% per kg subject to minimum of INR 100 per ODC shipment where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs. (There will not be year on year increase till next revision takes place)
- All the minimum charges shall be rounded off to the nearest Rupee 1/-.
- All the Bills shall be rounded up to the nearest higher of Rupee 1/-.
- All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.



**Tariff rates Approved by AERA for AAICLAS at Patna Airport
Domestic Inbound Cargo Charges leviable on Consignee(s) etc.**

Sr. No.	Type of Cargo	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)	INR Per Kg	Minimum Charges (INR)
1	Standard Charges for processing & Handling at Air Cargo Terminal										
	a) General Cargo	0.91	134	1.09	161	1.20	177	1.32	195	1.45	214
	b) Special (AVI) #/ PER/ HAZARDOUS/ VAL	1.83	268	2.20	322	2.42	354	2.66	389	2.92	428
2	Demurrage Charges / Storage										
	a) General Cargo	0.91/kg/day	134	1.09/kg/day	161	1.20/kg/day	177	1.32/kg/day	195	1.45/kg/day	214
	b) Special (AVI) #/ PER/ HAZARDOUS/ VAL	1.83/kg/day	268	2.20/kg/day	322	2.42/kg/day	354	2.66/kg/day	389	2.92/kg/day	428

Note:

- a) The free period for inbound domestic cargo shall be one working day for processing/delivery by the consignee/authorized representative etc.
- b) 10% discount in the domestic cargo handling charges will be granted to the consignee/authorized representative who opts for engaging their own manpower for loading cargo into their vehicles for delivery at designated areas from the airlines concerned, wherever it is applicable.
- c) Consignment of human remains, coffin including unaccompanied baggage of deceased and human eyes will be exempted from the purview of domestic cargo handling & demurrage charges.
- d) The domestic cargo handling charges are inclusive of forklift charges wherever forklift usage is involved. No separate forklift charges will be levied.
- e) Charges will be levied on the 'gross weight' or the chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
- f) #As per IATA definition, Special cargo consists of cargo stored in cold storage, live animals, valuable & hazardous goods.
- g) *Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum & items valued at US\$ 1000 and above.
- h) All the minimum charges shall be rounded off to the nearest Rupee 1/-.
- i) All the Bills shall be rounded up to the nearest higher of Rupee 1/-.
- j) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.



**Tariff rates Approved by AERA for AAICLAS at Patna Airport
Schedule of charges leviable on Airlines for Domestic Cargo Handling:**

Activity	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	Minimum per flight (INR)	Per Kg. (INR)	Minimum per flight (INR)	Per Kg. (INR)	Minimum per flight (INR)	Per Kg. (INR)	Minimum per flight (INR)	Per Kg. (INR)	Minimum per flight (INR)	Per Kg. (INR)
A) Unloading of incoming cargo loaded on trolleys (Bulk cargo Handling)	100	0.75	120	0.90	132	0.99	145	1.09	160	1.20
B) Loading of outgoing cargo on trolleys (Bulk cargo handling)	100	0.75	120	0.90	132	0.99	145	1.09	160	1.20
C) Loading of Container/ Pallet	250	1.33	300	1.60	330	1.76	363	1.93	399	2.12
D) De-stuffing of container / pallet	250	1.33	300	1.60	330	1.76	363	1.93	399	2.12

Note:

- All the minimum charges shall be rounded off to the nearest Rupee 1/-.
- All the Bills shall be rounded up to the nearest higher of Rupee 1/-.
- All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.



**Tariff rates Approved by AERA for AAICLAS at Patna Airport
Regulated Agent Facilitation (for Export & Domestic Outbound)**

Sr. No.	Particulars of Services	FY 2019-20 Charges (INR)	FY 2020-21 Charges (INR)	FY 2020-21 Charges (INR)	FY 2020-21 Charges (INR)	FY 2020-21 Charges (INR)
a)	i) X-ray machine usage charges	INR 1.00 per kg, subject to minimum of INR 150.00 per reconsignment/ Airway Bill	INR 1.00 per kg, subject to minimum of INR 150.00 per reconsignment/ Airway Bill	INR 1.00 per kg, subject to minimum of INR 150.00 per reconsignment/ Airway Bill	INR 1.00 per kg, subject to minimum of INR 150.00 per reconsignment/ Airway Bill	INR 1.00 per kg, subject to minimum of INR 150.00 per reconsignment/ Airway Bill
	ii) Use of ETD for ODC	INR 0.50 per kg subject to minimum of INR 100.00 per shipment/ Airway Bill where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs.	INR 0.50 per kg subject to minimum of INR 100.00 per shipment/ Airway Bill where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs.	INR 0.50 per kg subject to minimum of INR 100.00 per shipment/ Airway Bill where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs.	INR 0.50 per kg subject to minimum of INR 100.00 per shipment/ Airway Bill where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs.	INR 0.50 per kg subject to minimum of INR 100.00 per shipment/ Airway Bill where physical check with the help of ETDs are facilitated. However, in random check cases in ETDs by Airlines after scanning through XBIS, no charges to be levied for usage of ETDs.
b)	Screening & Certification charges					
	ii) Domestic outbound	INR 1.32 per kg, subject to minimum of INR 120.00 per shipment /AWB	INR 1.32 per kg, subject to minimum of INR 120.00 per shipment /AWB	INR 1.32 per kg, subject to minimum of INR 120.00 per shipment /AWB	INR 1.32 per kg, subject to minimum of INR 120.00 per shipment /AWB	INR 1.32 per kg, subject to minimum of INR 120.00 per shipment /AWB
c)	Security Services for escorting of Cargo from Cargo Terminal to Aircraft and vice versa and handing over to the Airlines representative (For both Scheduled Airlines and Non-scheduled Airlines)	INR 0.10 per kg, subject to minimum of INR 1,000 per flight(Subject to negotiation based on type of Aircraft & Load)	INR 0.10 per kg, subject to minimum of INR 1,000 per flight(Subject to negotiation based on type of Aircraft & Load)	INR 0.10 per kg, subject to minimum of INR 1,000 per flight(Subject to negotiation based on type of Aircraft & Load)	INR 0.10 per kg, subject to minimum of INR 1,000 per flight(Subject to negotiation based on type of Aircraft & Load)	INR 0.10 per kg, subject to minimum of INR 1,000 per flight(Subject to negotiation based on type of Aircraft & Load)

Note:

- a) All the Bills shall be rounded up to the nearest higher of Rupee 1/-.
b) All the above charges are excluding GST, which will be levied at applicable rates announced by GoI from time to time.

