

**Consultation Paper No. 6/2013-14**



**Airports Economic Regulatory Authority of India**

**Annual Tariff Proposal for Third Tariff Year in  
respect of Cargo Facility Services rendered by  
M/s Hyderabad Menzies Air Cargo Pvt. Ltd at  
Rajiv Gandhi International Airport Shamshabad,  
Hyderabad**

**New Delhi: 9<sup>th</sup> May, 2013**

**AERA Building  
Administrative Complex  
Safdarjung Airport  
New Delhi – 110 003**

The Authority had considered the Multi Year Tariff Proposal (MYTP) for the first Control Period along with Annual Tariff proposal for first and second tariff year submitted by M/s Hyderabad Menzies Air Cargo Pvt. Ltd. (HMACPL) in respect of the cargo services being rendered by them at Rajiv Gandhi International Airport, Shamshabad, Hyderabad. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) and ATOs (for first and second tariff years) vide Order No. 10/2012-13 on 06.07.2012 and decided to “adopt light touch approach” for determination of tariff for the cargo services provided by HMACPL at the above mentioned airport, for the first control period.

2. HMACPL vide letter dated 29.03.2013(**Annexure-I**) informed the Authority that

*“the Company do not intend to revise its tariff for the time being and hence its submitting the same tariff sheets as applicable for Tariff Year 2012-13.  
..During the course of the year, in case Company’s Board is of the opinion that it should revised the tariff, it may approach AERA with request for mid-term revision”*

3.1 As per para 7.4 of the Authority’s Guidelines (“[Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Cargo Facility, Ground Handling and Supply of Fuel to Aircraft) Guidelines 2011]”, after issuance of the Multi Year Tariff Order, the service provider shall submit the Annual Tariff Proposal at least 75 days prior to the start of tariff year.

3.2. As per clause A.I.8.2. of the Appendix to the Guidelines, for Regulated Service(s) deemed either ‘not material’ or ‘material but competitive’ or ‘material and not competitive’ but where the Authority is assured of the reasonableness of the existing User Agreement(s), the Service Providers(s) shall submit, for the consideration of the Authority, an Annual Tariff Proposal for review of Tariff(s) to be charged in the following Tariff Year of the Control Period, in the specified Form B and Form F14 (b). The Tariff(s), as proposed by the Service Provider in the Annual Tariff Proposal, shall be on non- discriminatory basis, with reference to conditions of Tariff(s), volume of the discount, rationale behind giving the discount and such other factors as may be relevant.

4 It is observed that HMACPL have, in their submission, indicated that the Company does not intend to revise its tariff for the time being and hence is submitting the same tariff sheets as applicable for Tariff Year 2012-13. The tariff(s) for the second tariff year for Cargo service provided by HMACPL (i.e. **Annexure-II**) at the airport was determined after due stakeholder consultation by this Authority.

5. The Authority has carefully considered the tariff proposal submitted by Hyderabad Menzies Air Cargo Pvt. Ltd for Cargo Services being provided at Rajiv Gandhi International Airport, Shamshabad, Hyderabad and decided to make the following proposal for stakeholder consultation:

- (i) The tariff(s) for the third tariff year (2013-14) for cargo services provided by Hyderabad Menzies Air Cargo Pvt. Ltd at Rajiv Gandhi International Airport, Shamshabad, Hyderabad airport is tentatively decided to be the maximum rates as were determined vide the Authority’s Order No.10/2012-13 dated 06.07.2012 i.e as at **Annexure II**.

6. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 5 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner,

necessary documents are enclosed as **Annexure I & II**. For removal of doubts; it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

7. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 5 above, **latest by 23.05.2013** at the following address:

**Capt. Kapil Chaudhary (Retd.)**  
**Secretary,**  
**Airports Economic Regulatory Authority of India,**  
**AERA Building,**  
**Administrative Complex,**  
**Safdarjung Airport,**  
**New Delhi- 110003**  
**Email: kapil.chaudhary@aera.gov.in**  
**Tel: 011-24695042**  
**Fax: 011-24695039**

**Yashwant S. Bhave**  
**Chairperson**

# Hyderabad Menzies Air Cargo Pvt. Ltd.



To,  
Mr. C. V. Deepak  
OSD-II  
Airport Economic Regulatory Authority of India (AERA)  
AERA Building, Administrative Complex  
Safdarjung Airport, New Delhi

**Sub.: Annual Tariff Plan 2013-14**

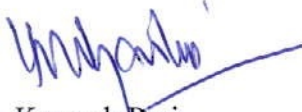
We are hereby submitting our Annual Tariff Proposal for Financial Year 2013-14 in the required format along with the necessary declaration letter.

We would like to inform the Authority that the Company do not intend to revise its tariff for the time being and hence is submitting the same tariff sheets as applicable for Tariff Year 2012-13.

During the course of the year, in case Company's Board is of the opinion that it should revise the tariff, it may approach AERA with a request for mid-term revision.

Thanking you for your understanding.

Yours Sincerely

  
Kamesh Peri  
Director

Place: Hyderabad  
Date: 29<sup>th</sup> March, 2013

# Hyderabad Menzies Air Cargo Pvt. Ltd.



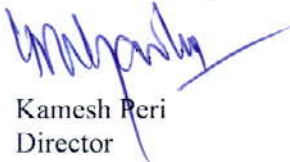
To,  
The Secretary  
Airport Economic Regulatory Authority of India (AERA)  
AERA Building, Administrative Complex  
Safdarjung Airport, New Delhi

**SUBJECT: SUBMISSION OF PROPOSAL FOR DETERMINATION OF 2013-14 ANNUAL  
TARIFF FOR AND ON BEHALF OF: M/S HYDERABAD MENZIES AIR CARGO PVT.  
LTD.**

I, Kamesh Peri, aged 45 years resident of 308, Palm Court, Garden Estate, Jakkur Planatation, Bellary Road, Bangalore (Karnataka) - 560 064, acting in my official capacity as Director of M/S Hyderabad Menzies Air Cargo Pvt. Ltd., Rajiv Gandhi International Airport, Shamshabad having its registered office at Air Cargo Terminal, RGIA, Shamshabad, R.R.District, A.P do hereby state and confirm as under that:

1. That I am duly authorized to act for and on behalf of M/S Hyderabad Menzies Air Cargo Pvt. Ltd. in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ( 'the Authority' );
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records ;
4. The contents of the Annual Tariff Proposal submission which include inter alia
  - i. Proposed detailed break-up of Tariff(s) based on clause 11.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to clause 3.2; and
  - ii. Justification, are correct and true to my knowledge and belief and nothing material has been concealed there from.

Thanking you.  
Yours Sincerely,

  
Kamesh Peri  
Director

Place: Hyderabad  
Date: 29<sup>th</sup> March, 2013



**HYDERABAD MEZIES AIR CARGO PVT. LTD.**  
**Form F14 (b) - Annual Tariff Proposal For Tariff Year 3**

**MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO**

S.No.	LIST OF CHARGES	FY 2013-14 Tariff Year 3	
		MINIMUM RATE in INR	RATE PER KG in INR
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] - (per Shipping Bill)		
a)	General cargo	120/AWB	1.00
b)	Special cargo (AVI)	200/AWB	1.40
c)	PER/DGR/VAL cargo	230/AWB	2.43
d)	Fruits & Vegetables (no cold room usage)	75/AWB	0.65
e)	Meat Products	200/AWB	1.10
2	DEMURRAGE / STORAGE CHARGE (rate per kg per day)		
a)	General cargo	200/AWB	1.00
b)	Special cargo (AVI)	200/AWB	1.40
c)	PER/DGR/VAL cargo	250/AWB	2.43
3	COURIER HANDLING CHARGE	120/AWB	1.20
4	PACKING/REPACKING/STRAPPING CHARGE	5/-Per package	
5	RETURN CARGO CHARGE	500/AWB	
6	AIR WAYBILL AMENDMENT CHARGE	100/AWB	
7	WEIGHT / VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	120/AWB	2 times of differential weight
b)	More than 5% variation	120/AWB	5 times of differential weight
8	Bonded trucking (loading charge)	120/AWB	1.00
9	MERCHANT OVERTIME CHARGE (beyond customs working hours)	55/- per Shipping Bill	
	VAL cargo	1000/- per AWB	
IMPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] - (per Bill of Entry)		
a)	General cargo/Unaccompanied Baggage	200	4.75
b)	Special cargo (AVI)	200	8.89
c)	PER/DGR/VAL cargo	250	9.50
3	DEMURRAGE / STORAGE CHARGE (rate per kg per 24 hours)		
a	General cargo/Unaccompanied baggage	Overall minimum 295/BoE	
i)	From Actual Time of Arrival of flight (ATA) upto 72 hours	No Charges	No Charges
ii)	Cargo cleared between 72 hours and 120 hours		1.30
iii)	Cargo cleared between 120 hours and 720 hours		2.60
iv)	Cargo cleared after 720 hours		3.90
b	Special cargo (AVI)	Overall minimum 580/BoE	
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No Charges	No Charges
ii)	Cargo cleared between 72 hours and 120 hours		2.60
iii)	Cargo cleared between 120 hours and 720 hours		5.20
iv)	Cargo cleared after 720 hours		7.80
c	PER/DGR/VAL cargo	Overall minimum 1160/BoE	
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No Charges	No Charges
ii)	Cargo cleared between 72 hours and 120 hours		5.20
iii)	Cargo cleared between 120 hours and 720 hours		10.40
iv)	Cargo cleared after 720 hours		15.60
4	COURIER HANDLING CHARGE	200/AWB	

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5	AIR WAYBILL AMENDMENT CHARGE	100/ per AWB	
6	<u>TRANSHIPMENT CHARGE- International to Domestic</u>		
a	General cargo	125	1.80
b	PER/DGR/VAL/AVI cargo	235	1.80
	Documentation Charges	100/AWB	
7	MERCHANT OVERTIME CHARGE (beyond customs working hours)		
a	General cargo	215/- per Bill of Entry	
b	VAL cargo	1000/- per AWB	
8	Bonded trucking (Breakdown/unloading)	200	0.65
9	PACKING/REPACKING/STRAPPING CHARGE	5/-Per package	

**Note: Applicable for international and domestic handling**

(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 mis declaration of the Gross or chargeable weight on the AWB, the actual Gross weight or Actual Chargeable weight will be used for the charges which ever is higher.

**(3) Free period:**

**Export Cargo -** One working day (24hrs) for examination/processing by Shipper's on 'Per Kg Per day'.

**Import Cargo -** Shall be 72 hours from the Actual time of arrival of flight. For the next 48 hours , demurrage will be charged at "Per Kg Per Day" on non cumulative basis, provided the consignment is cleared within 120 hrs. If the clearance is effected after 120 hrs ( from the time of landing) demurrage will accrue for the entire period from the Actual time of arrival of flight.

(4) 50% of the General Cargo Charges will be applicable to Newspapers (Daily) TV Reels, applicable to domestic cargo.

(5) All bills will be rounded off to the next INR 5 as per rules.

(6) VAL Cargo consists of Gold Bullion, Currency Notes, Shares, Shares Coupons, Traveller's Cheques, Diamonds (Incl Diamonds for Industrial Use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD 1000/Kg and above.

(7) For Consolidation TP Cargo-TSP Charges will be levied to all types of Cargo, in addition to Transhipment charges mentioned above . Demurrage Charges will be applicable as per General Cargo tariff.

(8) All charges above are excluding Service Tax. Service Tax will be charged as per rules.





**HYDERABAD MENZIES AIR CARGO PVT. LTD.**  
**Form F14 (b) - Annual Tariff Proposal For Tariff Year 3**

**MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO**

S.NO.	LIST OF CHARGES	FY 2012-13 Tariff Year 3	
		MINIMUM RATE in INR	RATE PER KG in INR
B) DOMESTIC CARGO			
OUTBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP]		
a)	General cargo	100/AWB	0.65
b)	Special cargo (AVI)	200/AWB	2.05
c)	PER/DGR/VAL cargo	200/AWB	2.05
d)	Postal Dept. Mails	232/Flight	0.75
2	DEMURRAGE / STORAGE CHARGE (rate per kg per day beyond 24 hrs)		
a)	General cargo	125/AWB	0.65
b)	Special cargo (AVI)	200/AWB	2.05
c)	PER/DGR/VAL cargo	200/AWB	2.05
3	COURIER HANDLING CHARGE	100/AWB	0.75
4	PACKING/REPACKING/STRAPPING CHARGE	5/- per package	
5	RETURN CARGO CHARGE	100/AWB	
6	AIR WAYBILL AMENDMENT CHARGE	100/AWB	
7	WEIGHT / VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	120/AWB	2 times of differential weight
b)	More than 5% variation	120/AWB	5 times of differential weight
INBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP]		
a)	General cargo/Unaccompanied Baggage	125/AWB	1.10
b)	Special cargo (AVI)	200/AWB	2.10
c)	PER/DGR/VAL cargo	200/AWB	2.10
d)	Postal Dept. Mails	348 / Flight	1.28
2	DEMURRAGE / STORAGE CHARGE (rate per kg per day beyond 24 hrs)		
a	General cargo	200/AWB	1.25
b	Special cargo (AVI)	250/AWB	2.20
c	PER/DGR/VAL cargo	250/AWB	2.20
3	COURIER HANDLING CHARGE	125/AWB	1.20
4	PACKING/REPACKING/STRAPPING CHARGE	5/- per package	





**HYDERABAD MENZIES AIR CARGO PVT. LTD.**  
**Form F14 (b) - Annual Tariff Proposal For Tariff Year 3**

**MAXIMUM CHARGES PAYABLE BY AIRLINES**

S.No.	Description of Service	Unit	FY 2013-14 Tariff Year 3	
			MINIMUM RATE in INR	RATE PER KG in INR
A) INTERNATIONAL CARGO				
EXPORT CARGO				
1	Unitization/Build-up/Palletization	Per Kg	338 Per flight	1.42
2	Courier /Mail Charges	Per Kg	338 Per flight	1.42
3	DEMURRAGE / STORAGE CHARGE (rate per kg per day beyond 48 hrs.)			
a)	General Export Cargo	Per Kg	175/AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.,	Per Kg	303/AWB	4.02
4	X-Ray screening charges	Per Kg	117/AWB	2.39
IMPORT CARGO				
1	De-unitization/Break-down/De-Palletisation	Per Kg	338 Per flight	1.42
2	DEMURRAGE / STORAGE CHARGE (rate per kg per day)			
a)	General Export Cargo	Per Kg	175/AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.,	Per Kg	338/AWB	5.34
TRANSHIPMENT CHARGES				
1	Transshipment charges-International to International General Cargo	Per Kg	338 Per flight	2.12
2	Transshipment charges-International to Domestic General Cargo	Per Kg	338 Per flight	2.12
B) DOMESTIC CARGO				
OUTBOUND CARGO				
1	Unitization/Build-up/Palletization	Per Kg	259 Per flight	1.06
2	Courier /Mail Charges	Per Kg	259 Per flight	1.11
4	X-Ray Screening Charge	Per Kg	129/AWB	1.64
INBOUND CARGO				
1	De-unitization/Break-down/De-Palletisation	Per Kg	259 Per flight	1.06
2	Courier /Mail Charges	Per Kg	323 Per flight	1.11
TRANSHIPMENT CHARGES				
1	Domestic to Domestic/International General Cargo	Per Kg	155 Per flight	1.06
	Special Cargo		203 Per flight	1.11

- User agreements( Airlines or their agents ) shall have the rates subject to maximum specified above. The agreements are in line with the IATA, AHM 810 Standard Ground Handling Agreement 2004/2008 (SGHA) as amended from time to time.
- The rates with each Airline are based on negotiations and as agreed between the Service Provider ( HMA CPL) and the Airline depending on the specific service levels agreed such as Usage of equipment, credit period, indemnity/insurance, and other services necessary thought fit by the Airline.

