

MINUTES OF THE CONSULTATION MEETING OF STAKEHOLDERS IN PERSON AND IN VIRTUAL MODE BY VIDEO CONFERENCING ON WEBEX TO DISCUSS THE PROPOSED TARIFF HELD ON 6th AUGUST 2021 AT 1200 HRS. AT EICI CONFERENCE ROOM, EICI EXPRESS TERMINAL, DELHI INTERNATIONAL AIRPORT, NEW DELHI- 110 037

I. PARTICIPANTS:

EICI:

1. Mr. Rajiv Goel (Asst. General Manager – Operations)
2. Mr. Nitin Dave – Director (Finance)
3. Mr. Ranjit S. Walia (Regulatory Advisor)
4. Ms. Renuka Singh (Regulatory Advisor)

STAKEHOLDERS PRESENT IN PERSON (signed attendance copy enclosed) :

5	Hardeep Kumar	Aramex India Pvt. Limited	Conference Room
6	Sukanta	DTDC Express Limited	Conference Room
7	Vibhuti Bhushan Das	ECG EASY Connect Logistics Pvt. Ltd.	Conference Room
8	Ashwani Khullar	Overseas Logistics Pvt. Limited	Conference Room
9	Nitin Sharma	Pigeon International Express Cargo & Couriers	Conference Room
10	Vinay Gupta	Skynet Logistics Pvt. Ltd.	Conference Room
11	Ajay Rawal	TNT INDIA PVT LTD	Conference Room
12	Shaijal	Pigeon International Express Cargo & Couriers	Conference Room
13	Amit Kalra	Skynet Logistics Pvt. Ltd.	Conference Room
14	Pardeep Kumar Das	United Business Xpress India pvt. Limited	Conference Room

STAKEHOLDERS PRESENT IN VIRTUAL MODE:

Harmeet Singh	-	Webex
Amit Sharma	DTDC Express Limited	Webex
Arvind Kumar	ESQUIRE EXPRESS	Webex
Deepak Kumar	FAST TRACK EXPRESS LLP	Webex

Raza	Fflybird Shipping Solutions Pvt. Ltd	Webex
Sunil Satija	Lancer Express Services	Webex
Vipin Chandra	SHREE MARUTI COURIER SERVICES PVT LTD	Webex
Dashmesh Banka	PSH Air Private Limited	Webex
Tejinder Singh Bhatia	Reliable International World Wide Courier Services	Webex
Mohit	SB Forwarders	Webex
Shobit Bhatnagar	SB Forwarders	Webex
Navneet Jha	Skynet Logistics Pvt. Ltd.	Webex
Sayed	Speed Max Logistics	Webex
Pawan Bhardwaj	TB Xpress Services	Webex
Kavita Chawla	TNT INDIA PVT LTD	Webex
G S Tanwar	United Business Xpress India pvt. Limited	Webex
Jagarnath G T	Worldwide Express Couriers	Webex
Sanjay Chauhan	Budget Courier Pvt. Ltd.	Webex
Manju	Power Line	Webex
Rohit Kumar	Air Wings Logistics	Webex
Kamal Gupta	Delhivery	Webex

II. INTRODUCTION BY EICI:

The meeting started at 1230 Hrs.

1. Mr. Nitin Dave welcomed all present and asked all stakeholders to introduce themselves. After the Stakeholders introduced themselves the EICI representatives present outlined the agenda for the meeting.
It was informed that all stakeholders will be given an opportunity to speak so that everyone has a say in the Stakeholder Consultation.
2. A presentation was made by Mr Nitin outlining the proposed changes. It was explained that the tariff was proposed for the third control period which is for 5 years from 2021 to 2026. He also explained that :
 - (a) There had been no revision of rates for a very long time

- (b) Volumes had been dropping from 2017-18 onwards due to strict enforcement by Customs and after Covid 19 further drop in volumes
- (c) Operating cost like airport rentals have increased and other operating costs generally being fixed in nature have reduced by smaller percentage .
- (d) COVID19 had substantial impact on volumes and so far volumes have fallen drastically.
- (e) Import volumes had drastically fallen over the last 5 years **from a peak of 3,71,99,476 kgs (Three Crores seventy One lakhs Ninety Nine thousand Four hundred Seventy Six only) in 2016-17 to a low in 2020-21 of 51,97,072 (Fifty One Lakhs Ninety Seven Thousand Seventy two) kgs.**
- (f) Export volumes had also fallen from 1,37,68,334 **(One Crore Thirty Seven lakhs Sixty Eight thousand Three Hundred Thirty Four only) in 2019-20 to a low of 41,48,958 (Forty One Lakh Forty Eight Thousand Nine Hundred Fifty Eight) kgs only in 2020-21. The volumes have fallen due to enforcement by Customs and charter flights carrying gifts as courier shipments have stopped leading to fall in volumes.**
- (g) The decline is not just because of the pandemic, and the decline actually started, earlier in the year 2018-19 even before the pandemic.
- (h) With Covid there was a further fall in volumes and there is no certainty as to how long the recovery will take.
- (i) Due to these factors the Delhi Terminal had been making a loss for the last 2 years, however EICI being an industry body, they have been continuing despite the fact that there are losses.
- (j) **That there is no certainty about when the volumes will stabilise.**
- (k) That the Government has revised the minimum wages and increased salary under Minimum Wages Act several times during the said period.
- (l) It has increased wages under Minimum Wages Act thrice in last 15 months leading to increase in operating cost to run the terminal.
- (m) EICI incurred loss during FY 2020-21 (-) Rs. 589 lakhs and FY 2019-20 (-) Rs.338 lakhs. Despite the losses EICI continuing as it is an industry body and does not work for profit though it has to remain commercially viable.
- (n) It was also brought to the notice of all that while the maximum export TSP approved was Rs.7/-, however when the volumes went up, the rates were brought down to even Rs 0.50 paise per kg as will be seen from the table:

Year	Imports	Exports
	Import Rs Per Kg	Export Rs Per Kg
2015-16	6.00	5.50
2016-17	6.00	6.00
Apr 17 to Sept 17	6.00	6.00
01-Aug-18 to 08-Oct-18	7.00	3.50
09-Oct-18 to 08-Nov-18	4.00	1.00
09-Nov-18 to 23-Feb-19	2.00	0.50
24-Feb-19 to 28-Feb-19	3.50	1.00
01-Mar-19 to 15-Mar-19	7.50	5.00

Hence it will be observed that irrespective of the approved rates, EICI had lowered rates when it was viable to benefit the industry as it is an Industry body.

It was explained that the tariff was now based on a sliding scale to ensure that when the volumes go up the rates automatically come down. It was explained that the rates were proposed to be implemented from 15 August, 2021 or as soon as regulatory approval was received.

III. PROPOSED TARIFF

- After the background was explained to the stake holders leading to fixing of the proposed tariff for the Courier Terminal charges relating inter alia to Facilitation Charges, Storage and Processing Charges for express shipments both import and export for the next 05 years.

In order to provide better visibility and have long term plans the following new proposed tariff for the EICI Delhi Express Terminal for the next 5 years, i.e. from 15th August, 2021 till 31 March, 2026

is proposed was read out which is as under and which was also included in the Notice issued for the meeting:

Effective from 15th August, 2021 to 31st March 2022

S.No	Charges	Rate Rs.	Remarks
1	International Imports		
	Facilitation Fees		
a)	If the total weight is below 250 tones per month	Rs 23.50 Per kg. Minimum of Rs.235 per flight	
b)	Total weight above 250 tons but below 350 tons per month	Rs 17.14 Per kg. Minimum of Rs.235 per flight	
c)	Total weight above 350 tons but below 450 tons per month	Rs 11.90 Per kg. Minimum of Rs.235 per flight	
d)	Total weight above 450 tons but below 500 tons per month	Rs 9.10 Per kg. Minimum of Rs.235 per flight	
e)	Total weight above 500 tons per month	Rs 6.94 Per kg. Minimum of Rs.235 per flight	
	Demurrage (Detention Fees)		
	Minimum Demurrage Charges	Minimum Rs.100 per consignment	
	During free period as per Government regulations (currently it is 48 hours from segregation)	Free	
	From 48-96 Hours	Rs. 4.50 Per Kg per 24 Hours or part thereof or Rs. 60.00 whichever is higher	

	From 96-240 Hours	Rs.5.00 Per Kg per 24 Hours or part thereof or Rs. 60.00 whichever is higher	Free storage period for express shipment shall be 48 hrs. including the date and time of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg; per 24 Hours" non-cumulative basis, provided the consignment is cleared within 96 hrs. (Four working days). If clearance is affected after 96 hrs. (04 working days) demurrage will accrue for the entire period from the date/time of the arrival of the flight.
	From 240-480 Hours	Rs.5.50 Per Kg per 24 Hours or part thereof or Rs. 60.00 whichever is higher	
	From 480 to 720 Hours	Rs 7.00 per Kg	
	From 720 Hours	Rs 8.50 per Kg	
2	International Exports		
	Facilitation Fees		
	If the total weight is below 24 kgs	Rs 314 per bag for a maximum weight of 24 kgs	
	If the total weight is more than 24 Kgs, below 80 Kgs	Rs 9.41 per Kg	
	If the total weight is more than 80 Kgs, below 100 Kgs	Rs 8.85 per Kg	
	If the total weight is more than 100 Kgs, below 200 Kgs	Rs 7.14 per Kg	
	If the total weight is more than 200 Kgs,	Rs 6.05 per Kg	
	Amendment Charges*	Rs 100 per amendment	
			Rate Levied
	1. X-Ray machine charges	Exports Rs. 1.70	Per Kg

Effective from 01st April 2022 to 31st March 2023

S.No	Charges	Rate Rs.	Remarks
1	International Imports		
	Facilitation Fees		
a)	If the total weight is below 250 tones per month	Rs 17.48 Per kg. Minimum of Rs.175 per flight	
b)	Total weight above 250 tons but below 350 tons per month	Rs 13.04 Per kg. Minimum of Rs.175 per flight	
c)	Total weight above 350 tons but below 450 tons per month	Rs 10.22 Per kg. Minimum of Rs.175 per flight	
d)	Total weight above 450 tons but below 500 tons per month	Rs 8.39 Per kg. Minimum of Rs.175 per flight	
e)	Total weight above 500 tons per month	Rs 7.14 Per kg. Minimum of Rs.175 per flight	
	Demurrage (Detention Fees)		
	Minimum Demurrage Charges	Minimum Rs.110 per consignment	
	During free period as per Government regulations (currently it is 48 hours from segregation)	Free	
	From 48-96 Hours	Rs. 5.00 Per Kg per 24 Hours or part thereof or Rs. 66.00 whichever is higher	
	From 96-240 Hours	Rs.5.50 Per Kg per 24 Hours or part thereof or Rs. 66.00 whichever is higher	Free storage period for express shipment shall be 48 hrs. from /(including) the date and time of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg; per 24 Hours" non-cumulative basis, provided the consignment is cleared within 96 hrs. (Four working days). If clearance is affected after 96 hrs. (04

			working days) demurrage will accrue for the entire period from the date/time of the arrival of the flight.
	From 240-480 Hours	Rs.6.00 Per Kg per 24 Hours or part thereof or Rs. 66.00 whichever is higher	
	From 480 to 720 Hours	Rs 7.70 per Kg	
	From 720 Hours	Rs 9.40 per Kg	
2	International Exports		
	Facilitation Fees		
	If the total weight is below 24 kgs	Rs 252 per bag for a maximum weight of 24 kgs	
	If the total weight is more than 24 Kgs,below 80 Kgs	Rs 9.10 per Kg	
	If the total weight is more than 80 Kgs,below 100 Kgs	Rs 8.10 per Kg	
	If the total weight is more than 100 Kgs,below 200 Kgs	Rs 7.20 per Kg	
	If the total weight is more than 200 Kgs,	Rs 6.40 per Kg	
	Amendment Charges*	Rs 110 per amendment	
			Rate Levied
	1. X-Ray machine charges	Exports Rs.1.87	Per Kg

Effective from 01st April 2023 to 31st March 2024

S.No	Charges	Rate Rs.	Remarks
1	International Imports		
	Facilitation Fees		
a)	If the total weight is below 250 tones per month	Rs 17.05 Per kg. Minimum of Rs.175 per flight	
b)	Total weight above 250 tons but below 350 tons	Rs 12.93 Per kg. Minimum of Rs.175 per flight	
c)	Total weight above 350 tons but below 450 tons	Rs 10.09 Per kg. Minimum of Rs.175 per flight	
d)	Total weight above 450 tons but below 500 tons	Rs 7.95 Per kg. Minimum of Rs.175 per flight	
e)	Total weight above 500 tons	Rs 6.94 Per kg. Minimum of Rs.175 per flight	
	Demurrage (Detention Fees)		
	Minimum Demurrage Charges	Minimum Rs.120 per consignment	
	During free period as per Government regulations (currently it is 48 hours from segregation)	Free	
	From 48-96 Hours	Rs. 5.50 Per Kg per 24 Hours or part thereof or Rs. 72.00 whichever is higher	
	From 96-240 Hours	Rs.6.00 Per Kg per 24 Hours or part thereof or Rs. 72.00 whichever is higher	Free storage period for express shipment shall be 48 hrs. from /(including) the date and time of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at “per kg; per 24 Hours” non-cumulative basis, provided the consignment is cleared within 96 hrs. (Four working days). If clearance is affected after 96 hrs. (04 working days) demurrage will accrue for the entire period from the date/time of the arrival of the flight.

	From 240-480 Hours	Rs.6.60 Per Kg per 24 Hours or part thereof or Rs. 72.00 whichever is higher	
	From 480 to 720 Hours	Rs 8.50 per Kg	
	From 720 Hours	Rs 10.35 per Kg	
2	International Exports		
	Facilitation Fees		
	If the total weight is below 24 kgs	Rs 228 per bag for a maximum weight of 24 kgs	
	If the total weight is more than 24 Kgs,below 80 Kgs	Rs 8.00 per Kg	
	If the total weight is more than 80 Kgs,below 100 Kgs	Rs 7.30 per Kg	
	If the total weight is more than 100 Kgs,below 200 Kgs	Rs 7.01 per Kg	
	If the total weight is more than 200 Kgs,	Rs 5.98 per Kg	
	Amendment Charges*	Rs 120 per amendment	
			Rate Levied
	1. X-Ray machine charges	Exports Rs.2.05	Per Kg

Effective from 01st April 2024 to 31st March 2025

S.No	Charges	Rate Rs.	Remarks
1	International Imports		
	Facilitation Fees		
a)	If the total weight is below 250 tones per month	Rs 17.80 Per kg. Minimum of Rs.178 per flight	
b)	Total weight above 250 tons but below 350 tons	Rs 13.20 Per kg. Minimum of Rs.178 per flight	
c)	Total weight above 350 tons but below 450 tons	Rs 10.25 Per kg. Minimum of Rs.178 per flight	
d)	Total weight above 450 tons but below 500 tons	Rs 8.31 Per kg. Minimum of Rs.178 per flight	
e)	Total weight above 500 tons	Rs 7.35 Per kg. Minimum of Rs.178 per flight	
	Demurrage (Detention Fees)		
	Minimum Demurrage Charges	Minimum Rs.130 per consignment	
	During free period as per Government regulations (currently it is 48 hours from segregation)	Free	
	From 48-96 Hours	Rs. 6.10 Per Kg per 24 Hours or part thereof or Rs. 80.00 whichever is higher	
	From 96-240 Hours	Rs.6.50 Per Kg per 24 Hours or part thereof or Rs. 80.00 whichever is higher	Free storage period for express shipment shall be 48 hrs. from /(including) the date and time of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg; per 24 Hours" non-cumulative basis, provided the consignment is cleared within 96 hrs. (Four working days). If clearance is affected after 96 hrs. (04 working days) demurrage will accrue for the entire period from the date/time of the arrival of the flight.

	From 240-480 Hours	Rs.7.20 Per Kg per 24 Hours or part thereof or Rs. 80.00 whichever is higher	
	From 480 to 720 Hours	Rs 9.50 per Kg	
	From 720 Hours	Rs 11.40 per Kg	
2	International Exports		
	Facilitation Fees		
	If the total weight is below 24 kgs	Rs 233 per bag for a maximum weight of 24 kgs	
	If the total weight is more than 24 Kgs,below 80 Kgs	Rs 8.67 per Kg	
	If the total weight is more than 80 Kgs,below 100 Kgs	Rs 7.92 per Kg	
	If the total weight is more than 100 Kgs,below 200 Kgs	Rs 7.20 per Kg	
	If the total weight is more than 200 Kgs,	Rs 6 per Kg	
	Amendment Charges*	Rs 150 per amendment	
			Rate Levied
	1. X-Ray machine charges	Exports Rs.2.25	Per Kg

Effective from 01st April 2025 to 31st March 2026

S.No	Charges	Rate Rs.	Remarks
1	International Imports		
	Facilitation Fees		
a)	If the total weight is below 250 tones per month	Rs 18.20 Per kg. Minimum of Rs.182 per flight	
b)	Total weight above 250 tons but below 350 tons	Rs 13.70 Per kg. Minimum of Rs.182 per flight	
c)	Total weight above 350 tons but below 450 tons	Rs 10.72 Per kg. Minimum of Rs.182 per flight	
d)	Total weight above 450 tons but below 500 tons	Rs 8.60 Per kg. Minimum of Rs.182 per flight	
e)	Total weight above 500 tons	Rs 7.60 Per kg. Minimum of Rs.182 per flight	
	Demurrage (Detention Fees)		
	Minimum Demurrage Charges	Minimum Rs.140 per consignment	
	During free period as per Government regulations (currently it is 48 hours from segregation)	Free	
	From 48-96 Hours	Rs. 6.80 Per Kg per 24 Hours or part thereof or Rs. 90.00 whichever is higher	
	From 96-240 Hours	Rs.7.50 Per Kg per 24 Hours or part thereof or Rs. 90.00 whichever is higher	Free storage period for express shipment shall be 48 hrs. from /(including) the date and time of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at “per kg; per 24 Hours” non-cumulative basis, provided the consignment is cleared within 96 hrs. (Four working days). If clearance is affected after 96 hrs. (04 working days) demurrage will accrue for the entire period from the

			date/time of the arrival of the flight.
	From 240-480 Hours	Rs.8.00 Per Kg per 24 Hours or part thereof or Rs. 90.00 whichever is higher	
	From 480 to 720 Hours	Rs 10.00 per Kg	
	From 720 Hours	Rs 12.55 per Kg	
2	International Exports		
	Facilitation Fees		
	If the total weight is below 24 kgs	Rs 247 per bag for a maximum weight of 24 kgs	
	If the total weight is more than 24 Kgs,below 80 Kgs	Rs 8.82 per Kg	
	If the total weight is more than 80 Kgs,below 100 Kgs	Rs 7.96 per Kg	
	If the total weight is more than 100 Kgs,below 200 Kgs	Rs 7.39 per Kg	
	If the total weight is more than 200 Kgs,	Rs 6.18 per Kg	
	Amendment Charges*	Rs 200 per amendment	
			Rate Levied
	1. X-Ray machine charges	Exports Rs.2.42	Per Kg

4. Mr Nitin ran through the rates and explained that the proposed rates were higher in 20-21 but subsequently in 2022-23 and 2023-24 , the rates would be brought down when the volumes were

expected to rise. Thereafter the rates would be increased in 2024-25 and 2025-26 to ensure that the operation remains feasible and viable.

It was explained that as the volumes go up then prices come down. When the volumes come down prices go up.

5. It was explained that there are certain fixed costs for running the Terminal which have to be paid such as License fee rentals, salaries, wages, utilities etc which have to be paid irrespective of volume. These operational costs are divided over all the shipments that are processed. When the volume of shipments falls then these costs are divided over fewer shipments leading to higher rates and when volumes increase these costs are divided over a larger volume leading to reduction in rates.

In order to make sure that this reduction and increase is not discretionary and comes into play automatically as a matter of right, the sliding scale of tariff has been proposed.

He also explained the following key highlights of the proposed tariff :

- (i) New proposed rates are volume based, higher the volume lower rate.
- (ii) That EICI has submitted the proposal for new rates to AERA and hopes that it will be effective from 15 August 2021, but would be subject to AERA approval
- (iii) That the Proposed rates were higher in FY 2021-22 but subsequently get reduced in FY 2022-23 as we have to recoup the losses to remain viable
- (iv) There are marginal and small rates increases in FY 2024-25 and 2025-26
- (v) It was explained that the following new charges were proposed:

1) Amendment charges

These charges are charges for amending the paperwork such as change in weight, shipper etc. which entails administrative work. It was explained that while all other cargo terminals charge this, EICI had not charged these till date, however they are now proposed to be levied as it entails administrative costs which had to be recouped

2) X-ray machine charges

It was explained that while all other Cargo Terminals charge two charges for X-ray machines usage and for screening and certification respectively, EICI had been charging only one charge which was consolidated and which had not been revised for several years.

EICI was in fact incurring losses on this count. Hence it was proposed that for usage of the X-ray machine, EICI would charge X-ray machine usage charges.

As the certification and screening was done by M/s Celebi, they would be charging these charges to the airlines.

IV. DISCUSSIONS WITH STAKEHOLDERS

6. After going through the proposed tariff the stakeholders expressed their views on the following issues which were discussed:

A. What is the cause for increase in tariff and why it is needed

Mr Ajay from TNT and other stakeholders wanted to know that why was there such a steep increase proposed. It was explained to them that this was due to a combination of factors which are as under:

- (i) There had been no revision of rates for a very long time
- (ii) Volumes had been dropping from 2017-18 onwards due to strict enforcement by Customs and after Covid 19 further drop in volumes
- (iii) Operating cost like airport rentals have increased and other operating costs generally being fixed in nature have reduced by smaller percentage.
- (iv) COVID19 had substantial impact on volumes and so far volumes have fallen drastically.
- (v) Import volumes had drastically fallen over the last 5 years from a peak of 3,71,99,476 kgs (Three Crores Seventy One lakhs Ninety Nine thousand Four hundred Seventy Six only) in 2016-17 to a low in 2020-21 of 51,97,072 (Fifty One Lakhs Ninety Seven Thousand Seventy two) kgs.
- (vi) Export volumes had also fallen from 1,37,68,334 (One Crore Thirty Seven lakhs Sixty Eight thousand Three Hundred Thirty Four only) in 2019-20 to a low of 41,48,958 (Forty One Lakh Forty Eight Thousand Nine Hundred Fifty Eight) kgs only in 2020-21. The volumes have fallen due to enforcement by Customs and charter flights carrying gifts as courier shipments have stopped leading to fall in volumes.
- (vii) The decline is not just because of the pandemic, and the decline actually started, earlier in the year 2018-19 even before the pandemic.

- (viii) With Covid there was a further fall in volumes and there is no certainty as to how long the recovery will take.
- (ix) Due to these factors the Delhi Terminal had been making a loss for the last 2 years, however EICI being an industry body they have been continuing despite the fact that there are losses.
- (x) That there is no certainty about when the volumes will stabilise.
- (xi) That the Government has revised the minimum wages and increased salary under Minimum Wages Act several times during the said period.
- (xii) It has increased wages under Minimum Wages Act thrice in last 15 months leading to increase in operating cost to run the terminal.
- (xiii) EICI incurred loss during FY 2020-21 (-) Rs. 589 lakhs and FY 2019-20 (-) Rs.338 lakhs. Despite the losses EICI continuing as it is an industry body and does not work for profit though it has to remain commercially viable.

It was also brought to the notice of all that while the maximum import TSP approved was Rs.7/- , however when the volumes went up, the rates were brought down to even Rs 0.50 paise per kg

Some stakeholders suggested that the increase should be spread over a period of time, however it was explained that EICI could not subsidise the operations as it was already making losses for 2 years and could not continue making losses any further. In case the operation becomes unviable, it will have to close down operations as was done in Mumbai.

B. What will happen when the volumes increase and will the rates come down

The stakeholders wanted to know whether rates would be decreased when the volumes go up. They felt that the drop in volumes was temporary and the volumes could go up in the future. It was explained that the Tariff had been based on a sliding scale and as and when the volumes would go up the rates would automatically fall. This would also ensure that there was incentive to increase volumes and bring more express cargo to Delhi as they would get more competitive rates. Each express company would be eligible for the discounts as and when their volumes increased. The Tariff was explained in detail based on the various slabs.

C. Need for additional space and restrictions to increasing volumes by Customs

Mr. Asif Ali Syed of Speed Speed Max Logistics who is also the Chairman of Bangalore Courier Association and has his operations in Delhi raised the issue of limitation to increasing volumes

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by Customs. He stated that while they are willing to bring more volumes, however, they understand that there are limitations put to increasing volumes when Customs does more examination and hence requires more space. He wanted to know if EICI would take more space in Delhi once volumes increased and would more space be made available.

It was explained that at present the volumes had fallen drastically, however, in case the volumes increased, then EICI could look at taking more space if it was necessary and justified.

As additional issue regarding availability of space at Bangalore was raised. It was clarified that EICI had already taken up additional space and there was adequate space in Bangalore.

It was explained that EICI being an industry body is always under pressure to maintain bear minimum rates. It was explained that while EICI was a not for profit body, however, it had to strike a balance between providing efficient and professional services which are also sustainable and commercially viable while providing services at the lowest possible rates. **It was pointed out that as the operations were no longer viable in Mumbai, EICI had to close down operations in Mumbai.**

It was pointed out that in the past when the approved rate was Rs.7/- per Kg EICI had reduced its rates to 50 paise per Kg which clearly established that EICI had adopted a self-regulating mechanism EICI whereby it charges the lowest possible rates.

D. Request to have different charges for organised couriers and gift shipments:

It was explained that EICI does not differentiate between member companies and non-members and all are charged the same rates and similarly gift shipments and normal shipments also attract the same rates. Similarly it was explained that the charges for all the services provided by EICI were the same for all express companies irrespective whether they were members of EICI or not.

E. Clarification regarding amendment charges

Certain stakeholders requested a clarification and expressed concerns on the proposed amendment charges of Rs 100 per amendment, which would add to the cost.

It was clarified that in the normal course these charges would not be applicable in case there were no mistakes or amendments. It was explained that making amendments requires administrative costs and efforts on the part of EICI which needs to be compensated. Hence only a small amount

of Rs 100 per amendment was proposed to bring about discipline and efficiency in the operations of the courier companies so that lesser number of amendments would be required, once the charges are implemented.

F. Request of Stakeholders to convey to Customs to make processing easier so that volumes can increase

Various stakeholders were of the opinion that Customs imposes very strict checks which at times leads to delays in processing of shipments. It was also pointed out that Customs had changed its regulations recently whereby many restrictions had been put on import of gifts shipments. This has also led to fall in volumes.

Mr. Jagannath G T of Worldwide Courier Express and other stakeholders wanted EICI to take up the matter with Customs. The stakeholders were informed that their concern had been noted and the issue may be discussed at an appropriate forum. It was pointed out that EICI supports growth of the industry and would render support to ensure growth of volumes in compliance with the law. It was also advised that a separate meeting could be held to discuss Customs issues and to remove bottlenecks which would contribute to ensure increase in volumes.

Mr. Nitin Sharma of Pigeon Intl Express was of the opinion that earlier while almost 100 tonnes of cargo was processed in a day, volumes have now fallen to almost 10 tonnes per day as a result of strict Customs enforcement. Gifts were the main contributors to volumes which have fallen drastically.

G. Fall in Volumes due to diversion to sea freight

Mr. Nitin Sharma of Pigeon Intl Express was of the opinion that the volumes have fallen drastically because of customs being very strict. It was also pointed out that the gift shipments are not always time bound hence are sometimes tend to be sent through air cargo or sea-freight.

H. Fall in Volumes due to change in Customs regulations

Mr. Nitin Sharma of Pigeon Intl Express pointed out that large volumes of gifts originate in the Gulf, and they had made representations to the Prime Minister to increase the maximum value of

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the gifts, as a result of which there was a surge in import volumes of gift shipments. Towards the end of 2019, Customs came down heavily on Gift Operators mainly due to misuse of gift provisions by certain Chinese e-commerce operators, because of which the entire gift industry got impacted. Customs has also increased the duty rate of courier shipments which had adversely impacted import volumes of gifts.

I. Demurrage Charges

Mr. Vibhuti Bhushan of ECG Easy Connect Logistics pointed out that some customers often abandoned their shipments because of high demurrage charges. Due to strict examination by different wings of Customs even small mistakes are pointed out and it takes a long time to clear the shipments leading to demurrage charges.

It was pointed out by EICI that in cases of delay due to no fault of couriers, Customs can recommend waiver of demurrage charges. However in case of change in value of goods or other discrepancy attributable to the Courier, the Customs authorities do not recommend any waiver of demurrage charges and the demurrage has to be borne by the courier.

J. Increase in air cargo transportation costs leading to reduction in courier import volumes

It was also pointed out that increase in air cargo transportation costs has led to reduction in courier import volumes.

Some other stakeholders including Mr. Nitin Sharma of Pigeon Courier pointed out that courier shipments are being cleared in the cargo terminal. He indicated that courier shipments can also be processed from the cargo terminal.

It was explained to him that EICI is mindful of the fact that there is competition to some extent as express is a sub-set of cargo and users can also process the same shipments in the cargo terminal instead of the express courier terminal.

K. Need for more meetings

Mr. Syed of Speed Max Logistics expressed his satisfaction on attending the meeting and the explanations provided by EICI. He felt that the meeting was meaningful and constructive as he

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got a better understanding of various issues and concerns leading to an increase in costs that he was not aware of before. He indicated that more regular meetings should be held to interact with the stakeholders so that they can understand the situation from time to time and work together to take up issues. He was also advised to send in his suggestions to EICI in writing which would help in increase in volumes and EICI would take then up those issues with the concerned authorities.

Mr. Syed explained that he had taken up several issues with the Customs Board and wanted EICI to support and work together for implementing more trade friendly measures so that volumes could increase.

L. Other issues

Mr. Hardeep Kumar of Aramex stated that there were certain operational issues such as processing of odd-sized shipments which require the use of a fork-lift. He was asked to take up the matter with Mr Goyal.

Towards the end of the meeting, once again each and every member present in the room and virtually present were asked if they had anything more to add and as no one had anything more to add, the meeting was concluded.

All stakeholders were informed that they could send their comments by email to Mr. Rajiv Goel of EICI at rajiv@eiciindia.org by 12 August, 2021.

There being no other matter to discuss the meeting ended at 1345 hrs with a vote of thanks to all stakeholders for attending the stakeholder consultation meeting and for their feedback and suggestions.

For Express Industry Council of India



Nitin Dave
Director Finance