



सत्यमेव जयते

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Airports Economic Regulatory Authority of India

IN THE MATTER OF DETERMINATION OF TARIFF FOR THE 2nd CONTROL PERIOD (01.04.2016 TO 31.03.2021) OF RAJASTHAN SMALL INDUSTRIES CORPORATION LTD. (RSICL) FOR PROVIDING CARGO FACILITY SERVICES AT AIR CARGO TERMINAL JAIPUR AIRPORT, JAIPUR.

भा.वि.आ.वि.प्रा.

New Delhi: 16th NOVEMBER, 2018

AERA

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi-110002**



1. BRIEF BACKGROUND:

M/s Rajasthan Small Industries Corporation Ltd. (RSICL) was incorporated as a "Private Limited Company" under the Indian Companies Act 1956 on 3rd June 1961 and became a "Public Limited Company" w.e.f. 01.02.1975. **RSICL is a Government of Rajasthan Undertaking** and is the custodian for parcels being cleared through Air Cargo Complex since 1979 as well as parcels imported/exported as personal carriage by passengers through Jaipur Airport since 2004. The Authority, vide its Multi Year Tariff Order (MYTO) No. 19/2013-14 dated 24.05.2013 decided that the cargo facility services provided by RSICL is "**not material**", hence "**light touch approach**" be adopted for determination of tariff for the **1st Control period**. Further, the Authority approved the tariffs as were existing on 31.03.2011 for the period 01.04.2011 to 31.03.2016.

1.1 The Authority allowed RSICL to continue the levy of tariffs existing as on 31.03.2016 up to 31.03.2019 from time to time vide following interim Orders:

- i) Order No.11/2016-17 dated 29.09.2016 up to 31.03.2017;
- ii) Order no.19/2016-17 dated 31.03.2017 up to 30.09.2017;
- iii) Order no.12/2017-18 dated 29.09.2017 up to 31.03.2018;
- iv) Order no.43/2017-18 dated 28.03.2017 up to 30.09.2018;
- v) Order no.21/2018-19 dated 28.09.2018 up to 31.03.2019;

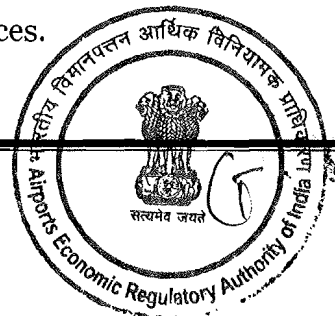
2. MYTP/ATP SUBMISSIONS MADE FOR SECOND CONTROL PERIOD:

RSICL, have submitted their Multi Year Tariff Proposal (MYTP) on line on 30.01.2018 in respect of the cargo facility services being provided at Jaipur Airport in respect of the 2nd Control Period of 5 years commencing w.e.f. 01.04.2016 to 31.03.2021 as prescribed in Chapter II of 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 the Aircraft) Guidelines, 2011 (the Guidelines).

3. PRINCIPLE FOR DETERMINATION OF AERONAUTICAL TARIFF :

As stipulated in the Guidelines, the Authority shall follow a three stage process for determining its approach to the regulation of a regulated service:-

- (i) Materiality Assessment;
- (ii) Competition Assessment;
- (iii) Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated services.



4. AUTHORITY'S EXAMINATION OF THE PROPOSAL

- 4.1 In respect of the regulated service(s) provided for the cargo facility at the airport, the Authority considers that materiality of the service is linked to the cargo volume at the major airport. The percentage share of cargo volume for Jaipur Airport (as per AAI statistics for FY 2014-15), is 0.13% which is less than 2.5% Materiality Index fixed for the subject service. Hence the regulated service is deemed '**not material**'.
- 4.2 In the instant case, the regulated service being provided by RSICL at Air Cargo Complex, Jaipur Airport, is '**not material**' hence, the Authority, decided that in accordance with the provisions of AERA Guidelines the tariff will be determined under "**Light Touch Approach**" for the 2nd Second Control Period.
- 4.3 The Authority, noted that RSICL have submitted all Forms as required under the MYTP. However, as the subject service is deemed 'not material' and will come under the 'light touch approach' for tariff determination, only the completeness in respect of the information submitted has been assessed by the Authority. RSICL has submitted the ACS for FY 2012-13 to FY 2016-17.

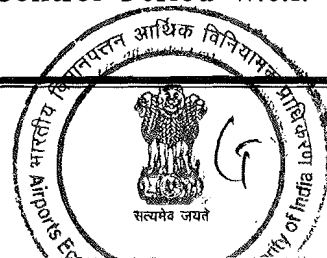
The Authority, further noted that, under the MYTP for 2nd Control Period, RSICL have not sought any revision in the tariff for the cargo facility at the Air Cargo Terminal, Jaipur Airport, Jaipur, from the level as was existing as on 31.03.2016.

The Authority, also noted that the 'Space Licence Fee Agreement' of RSICL with Airport Operator, Airports Authority of India, Jaipur Airport (valid for 10 years) is ending on 31.03.2019.

- 4.4 The Consultation Paper No. 22/2018-19 dated 25.10.2018 was put on AERA's official website. Till date no comments/views have been received from any stakeholders. Hence, the Authority, presumes that the stakeholders have no objection to the proposal.

ORDER

5. Upon careful consideration of material available on record, as well as submissions made by RSICL, the Authority, in exercise of powers conferred by Section 13(1) (a) of the AERA Act, 2008 hereby orders that:
- (i) The cargo service being rendered by RSICL at Jaipur Airport is '**not material**'. Hence, the Authority, will adopt a '**Light Touch Approach**' for determination of tariff for the 2nd Control Period w.e.f. 01.04.2016 to 31.03.2021.



- (ii) The Authority, decides that RSICL, may be allowed to continue with the tariff as was existing as on 31.03.2016 (**Annexure-I**) up to the period ending 31.03.2019. The Authority, further decides that, if the Space Licence Fee Agreement of RSICL with Airports Authority of India, Jaipur Airport, is renewed beyond 31.03.2019, then RSICL is allowed to continue the same tariff for the residual years of the 2nd Control Period, i.e. up to 31.03.2021, otherwise this order will cease to be in operation from the date of termination of the 'Space Licence Fee Agreement' of RSICL at Jaipur Airport.

Order issued in the Name of the Authority

(1st-2)

(Ramendra Pratap Shukla)
Deputy Chief

To,

M/s Rajasthan Small Scale Industries Corporation Ltd.,
Udyog Bhawan, Tilak Marg,
'C' Scheme, Jaipur (Rajasthan)

(Through Shri Pankaj, Chairman & Managing Director)

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

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Annexure -I

M/s Rajasthan Small Industries Corporation Ltd. (RSICL)
Maximum Rates of Tariff (Handling) charges for Export /Import Cargo at Air Cargo Complex,
AAI, Jaipur Airport, Jaipur, for 2nd Control period i.e. Tariff Years FY 2016-17 to FY 2020-21

S.No	Name of the Cargo		Value of Cargo	Terminal (Handling) Charges	Remarks
1	Precious and semiprecious cargo	Export/Import	Up to 70,000/-	Rs. 100/-	Office Order No- RSIC/ACC/ 2010-11/429-432 dated 21-12- 2010
2	Precious and semiprecious cargo	Export/Import	From Rs 70001/ to Rs. 250000/-	Rs. 125/- + 0.05% of value of cargo subject to minimum Rs.160/-	
3	Precious and semiprecious cargo	Export/Import	From Rs 250000/- to Rs.1500000/-	Rs. 175/- + 0.05% of value of cargo subject to minimum Rs.300/-	
4	Precious and semiprecious cargo	Export/Import	From Rs 1500001/- to Rs.5000000/-	Rs. 350/- + 0.045% of value of cargo subject to minimum Rs.1050/-	
5	Precious and semiprecious cargo	Export/Import	From Rs 5000001/- to Rs.7500000/-	Rs. 1225/- + 0.03% of value of cargo subject to minimum Rs.2725/-	
6	Precious and semiprecious cargo	Export/Import	From Rs 7500001/- to Rs. 10000000/-	Rs. 1200/- + 0.035% of value of cargo subject to minimum Rs.3825/-	
7	Precious and semiprecious cargo	Export/Import	From Rs 10000001/- to Rs. 15000000/-	Rs. 2650/- + 0.026% of value of cargo subject to minimum Rs.5250/-	
8	Precious and semiprecious cargo	Export/Import	From Rs 15000001/- to Rs. 250000001/-	Rs. 3100/- + 0.03% of value of cargo subject to minimum Rs.7600/-	
9	Precious and semiprecious cargo	Export/Import	From Rs 25000001/- and above	Rs. 3500/- + 0.035% of value of cargo subject to minimum Rs.12250/-	
10	Readymade garments, Handicrafts, Medups, Carpets, Generalet	Export/Import	(a) Upto 50 Kg minimum charges Rs.120/- (b) 70 paise for every additional Kg or part thereof.	Office Order No- RSIC/ACC/ 2010-11/433-436 dated 21-12- 2010
11	Electronics Items	Export/Import	.....	Rs 1/- per Kg. Minimum charges Rs.250/-
12	Gold and Silver	Import	.....	Rs 10/-per Kg minimum charges Rs 1000/-
13	Personal Baggages	Import	.....	Rs 3/- per Kg. Minimum charges Rs.250/-
14	RTS Shipment	Import	Rs 100/-per shipment	Office Order No- RSIC/ACC/2010- 11/610-612 dated 26-03- 2011
15	Electronic Items, Waches and Wach parts	Import	Rs 4/- per Kg. Minimum charges Rs.250/-	

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Ware House Charges

1	R.M. Garments, Handicrafts, carpets and made-ups	Export/Import	(A) free period for the first 72 hours from the receipt of the consignment would be free, but in case exporter fails to have consignment custom-cleared within this free period, the charges would be levied, inclusive of the free period. (B) Minimum charges Rs 30/- upto 500 Kgs and Rs 0.30 on every addl. Kg above 500 Kg. For every 24 hours or part thereof till consignment duly Customs cleared is handed over to Indian Airlines for Export	Office Order No- RSIC/ICD/HO/93- 94/5336-39 dated 31.05- 2013
2	Precious and semiprecious cargo	Export/Import	.....	(i) First 7 days free (ii) Second 7 days @ Rs 100/- per day per consignment (iii) Third 7 days Rs 200/- per day per consignment (iv) Fourth 7 days and thereafter @ Rs 300/- per days per consignment.	

X - Ray Charges

1	All General Items excluding Green Vegetables	Export/Import	.....	Rs 100/- per shipment Maximum 5 packages and after Rs 10/- per packet	Office Order No- RSIC ACC/2015- 16/76-78 dated 26-05-2015
2	Green Vegetables	Export/Import	.....	Rs 100/- per shipment up to 10 packages and after 10 packages Rs 5/- per packet extra	

