

[F.No. AERA/20010/MYTP/KSIE/TVM/C/2011-12]

Airports Economic Regulatory Authority of India

Order No. 37/2011-12

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003**

**Date of Order: 6th March, 2012
Date of Issue: 14th March, 2012**

In the matter of Annual Tariff Proposal (ATP) submitted by Kerala State Industrial Enterprises Limited in respect of Cargo Services being provided at Thiruananthapuram International Airport, Thiruananthapuram.

The Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Kerala State Industrial Enterprises Limited (KSIEL) for the cargo services rendered at Thiruananthapuram International Airport and after due stakeholder consultation had issued a Multi Year Tariff Order, ordering that

- (i) Services provided for the cargo facility by the Kerala State Industrial Enterprises Ltd., at Air Cargo Terminal, Thiruananthapuram International Airport, Thiruananthapuram are 'not material'. Hence these shall be regulated under 'light touch' approach during the first control period of 5 years commencing 01.04.2011.
- (ii) KSIEL may submit the ATP for the first tariff year of the first control period for the consideration of the Authority within a period of 75 days of the issue of this Order in accordance with the Guidelines.

KSIE was required to submit its Annual Tariff Proposal (ATP) within 75 days of issue of the subject Order. KSIEL vide letter dated 10.10.2011 sought for extension of time limit upto 15.11.2011 for submission of ATP which was accordingly granted by the Authority.

2. KSIEL vide letter no. ACC/60(1)/1082 dated 11.11.2011 submitted the ATP for the 1st tariff year. In its proposal, KSIEL submitted that they have not entered into any written agreement with the users and that the tariff proposal is on non-discriminating basis with reference to condition of tariff and there are no discounts (other than volume based tariffs).



3. The ATP submitted by KSIEL, was put up for stakeholder Consultation vide Consultation Paper No. 34/2011-12 on 24.01.2012.

4. In response to the Consultation Paper, comments were received from KSIEL vide letter no. ACC/60(02)/1580 dated 06.02.2012 and Government of Kerala vide letter no. 3356/B1/12/ID dated 15.02.2012.

5. KSIEL, vide letter no. ACC/60(02)/1580 dated 06.02.2012 submitted that:

“KSIE have no further comments to offer except to bring to the kind notice of the Authority that it is not practically possible to collect arrears from the Exporters/ Importers and other customers even if a revision with retrospective effect is approved by the Authority. At the same time any delay in implementing the revised charges will be detrimental to the interest of the company on account of increasing costs. Under the circumstances, KSIE requested the Authority to expedite the approval for implementing the revised charges with prospective effect from 01.03.2012.”

6. Government of Kerala, vide letter no. 3356/B1/12/ID dated 15.02.2012, stated that the concerns raised by the stakeholders have been clarified by KSIEL in the subject stakeholder meeting itself; that any business has to be viable and profit making for sustenance and it should not be a bar in the matter of periodical revision of rates as demanded by commercial interests and in the case of Airport related services, as regulated by AERA. They have also stated that the stakeholders have generally taken a stand that the revision should only be reasonable, maintaining the existing pattern of low tariff for perishable items in the interest of retaining the business at these Airports. As regards the tariff revision proposed by KSIEL, the Govt stated that :-

“.....it seem that the above concerns are more or less taken care of. Government have also noted that the existing tariff came into force with effect from 01.04.2007 and an upward revision has become imperative for the Company in view of the rising costs as well as additional costs involved in providing the infrastructural facilities, meeting the customs costs as per customs cargo service provider regulations, the CISF cost as per BCAS directions etc. Under the circumstances, it is requested that the Annual Tariff Proposal submitted by KSIEL may be approved and the Authority may issue necessary orders in the matter as requested by the company.”

7. The Authority noted the comments/views of the stakeholders and observed that the stakeholder have supported the proposal contained in the Consultation Paper. However, it has been requested by KSIEL that the revision in tariff may be approved with prospective effect.



ORDER:

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

- (i) The tariff for the cargo services provided by KSIEL at Thiruananthapuram International Airport is determined as at **Annexure –I** for the 1st tariff year (i.e. 2011-12) w.e.f. 15.03.2012, of the 1st five year Control Period (i.e., w.e.f. 01.04.2011).

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


**(Capt. Kapil Chaudhary)
Secretary**

To

**M/s Kerala State Industrial Enterprises Limited,
St. Joseph's Press Buildings,
Cotton Hill,
Thiruananthapuram,
Kerala – 695 014
(Through: Shri Febi Varghese, Managing Director)**

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AERA



Air Cargo Complex Trivandrum KSIE Limited

Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
A	EXPORT CARGO	
I	Terminal charges	
1	Terminal charges- Perishable Cargo	Rs.0.45 per kg subject to minimum Rs. 100/- per consignment
2	Terminal charges- General Cargo	Rs.0.70 per kg subject to minimum Rs. 120/- per consignment
3	News paper	Rs. 0.45 per kg subject to minimum Rs. 100/- per consignment
4	Terminal charges-Valuable Cargo	Rs. 5/- per kg per day, subject to a minimum of Rs. 1000/- per consignment
II	Demurrage charges*	Rs. 0.50/- per kg per day beyond 36 hours subject to a minimum of Rs. 100/- per consignment
III	Export Transshipment Cargo	Rs. 0.50 per Kg for perishable and general cargo and Rs. 1/- per kg for valuable cargo, in addition to TC/ Demurrage charges
IV	X- ray Screening charges	a) Rs. 1/- per kg for perishable cargo and Rs. 1.50 per kg for general cargo wherever screening and security certification is done by the concerned Airline
V	Facilitation charge (paid by Airlines)	b. Rs. 0.20/kg
VI	Forklift Charges	As per rates fixed for import cargo
B	IMPORT CARGO	
1	Warehousing / Demurrage charges*	
i	Unaccompanied Baggage/Commercial	
	Is ^t Week (1 to 7 days)	1 st week – Minimum Rs. 145/- per package upto 50. kg and Rs 55/- for every additional 50 Kg or part thereof
	II nd Week (8 to 14 days)	2 nd week – 65 paise per Kg per day from the date of arrival subject to minimum charges
	III rd Week (15 to 21 days)	3 rd week – 80 paise per Kg per day from the date of arrival subject to minimum charges
	IV th Week onwards (from 22 nd day onwards)	4 th week onwards – Rs 1/- per Kg per day from the date of arrival subject to minimum charges



Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
ii	Commercial Cargo	
	1 st week (1 to 7 days)	1 st week – Minimum Rs. 120/- per package upto 50 kg and Rs 45 for every additional 50 Kg or part thereof
	II nd week (8 to 14 days)	2 nd week – 65 Paise per Kg per day from the date of arrival subject to minimum charges
	III rd Week (15 to 21 days)	3 rd week – 80 paise per Kg per day from the date of arrival subject to minimum charges
	IV th Week onwards (from 22 nd day onwards)	4 th week onwards – Rs 1/- per Kg per day from the date of arrival subject to minimum charges
ii	Valuable Cargo	
	(Gold, Silver, Currency, Jewellery etc requiring locker facility)	
	1 st Week (1 to 7 days)	Rs 5/- per day subject to minimum of Rs. 1000/- per consignment
	8 th day onwards	8 th day onwards – Rs 10/- per Kg per day from the date of arrival subject to Rs 1500/- per consignment
II	Cooling Chamber charges	Rs 1.40 per Kg per day subject to minimum Rs. 250/- per day per consignment, in addition to demurrage charges as applicable
III	Refrigerator/Deep Freezer Charges	Rs. 100/- upto one week and Rs. 150/- per week or part thereof above one week per consignment, in addition to demurrage charges
IV	Charges for handling Transshipment Cargo	
1	Handling charges for out-bound TP cargo destined to CACC	Rs. 2.50 per kg
2	Charges for out-bond TP Cargo destined to other places	RS. 2.50 per kg
i	Handling charges at TACT	Rs. 2.50 per kg
ii	Storage charges per kg for maximum 3 days	Rs. 2.00 per kg
iii	Total	Rs. 4.50 per kg
iv	Charges beyond 3 days	Rs. 0.50/kg/day in addition to Rs. 4.50 as per item (iii) above
3	Handling charges for in-bound TP Cargo	Rs. 2.00/- kg
V	Forklift charges Upto 250kg	Rs.100/-
	(per piece) 251-500kg	Rs. 150/-
	501-750kg	Rs.200/-
	751-1000kg	Rs. 250/-



Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
	Above 1000kg	Rs. 250/- + Rs. 100 for every 250 kg or part thereof
C	Cooling Chamber charges	Rs. 1.40 per kg per day subject to minimum Rs. 250/- per day per consignment, in addition to demurrage charges as applicable
D	Refrigerator/ Deep Freezer charges	Rs. 100/- upto one week and Rs. 150/- per week of part thereof above one week per consignment, in addition to demurrage charges

* Demurrage free period shall as per government orders issued from time to time.



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