

[F. No. AERA/20010/MYTP/KSIE/Calicut/C/2011-12]/1121-1122  
Airports Economic Regulatory Authority of India

Order No. 14/2012-13

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

Date of Order: 24<sup>th</sup> July, 2012  
Date of Issue: 13<sup>th</sup> August, 2012

**In the matter of Annual Tariff Proposal for Second Tariff year submitted by Kerala State Industrial Enterprises Limited in respect of Cargo Services being provided at Kozhikode Airport, Calicut.**

The Authority had considered the Multi Year Tariff Proposal (MYTP) for the 1<sup>st</sup> Control Period (i.e., 2011-12 to 2015-16) submitted by Kerala State Industrial Enterprises Limited (KSIEL) for the Cargo Services being provided at Kozhikode Airport, Calicut and issued Order No. 03/2011-12 dated 26.07.2011 ordering to adopt light touch approach for determination of tariffs. Thereafter, the Authority had issued an Order No. 36/2011-12 dated 14.03.2012 determining tariffs for 1<sup>st</sup> tariff year (i.e. 2011-12) of the current control period under light touch approach.

2. Thereafter, KSIEL, vide letter no. ACC/60/(2)105 dated 19.04.2012, submitted as under:

- (i) The tariff approved by the Authority vide order no. 36/2011-12 dated 14.03.2012 for cargo service provided at Calicut Air Cargo by KSIEL could be made effective from 30.03.2012 only instead of 15.03.2012 after allowing some deductions in the rates with respect to Export Cargo Terminal charges and Import Cargo Warehousing charges, from the maximum rates approved by the Authority. This was necessitated at the interference of the State Government in the wake of protest from the stakeholders.
  - (ii) The Board of Directors of KSIEL discussed that since the tariff applicable for the first Tariff year 2011-12 is being implemented only with effect from 30.03.2012 there is no scope for further revision with effect from 01.04.2012, and requested for approval of the Authority to continue the same tariff notified by the Company for the 1<sup>st</sup> Tariff Year during the year 2012-13 and be exempted from submitting any fresh ATP for the second tariff year.
3. The Authority considered the matter in detail and based on the submissions made by KSIEL, issued Consultation paper No.5/2012-13 for considering the ATP for



second tariff year on 15.06.2012, with 14 days response time. In the Consultation Paper, the Authority made the following proposal for stakeholder consultation:

*“The charges determined by the Authority vide Order No. 36/2011-12 dated 14.03.2012 in respect of Cargo services provided by M/s Kerala State Industrial Enterprises Ltd., at Kozhikode Airport may be approved for second tariff year (i.e. 2012-13) w.e.f. 01.04.2012 or such other prospective date as the Authority may finally decide.*”

4. In response comments were received from KSIEL vide letter dated 26.06.2012, Government of Kerala vide their letter dated 11.07.2012 and AAI vide letter dated 16.07.2012. The Authority observed that in their response to Consultation Paper, KSIEL and Government of Kerala have supported the proposal contained in the Consultation Paper. AAI's comments are general in nature and they have not commented specifically on the proposal contained in the Consultation Paper.

4.1 Authority further noted observations of AAI on para 5 of the Consultation Paper that: -

*“(i) AAI and M/s KSIE signed a MOU on 05.08.2002 for cargo handling operations at Calicut Airport. As per the said MoU, the KSIE Ltd. Customs appointed custodian at Calicut Airport will utilize the buildings and other facilities provided by AAI for handling/ processing of export cargo and other allied activities on revenue sharing between AAI and KSIE Ltd. of 30:70 respectively.*

*(ii) Commercial Directorate AAI vide their letter No. Com/931/1/REGIONS/GHS (WR) dt. 07.12.2009 has awarded the license to M/s Bhadra International India Ltd. (BIIL) for providing Comprehensive Ground Handling Services to various domestic and international airlines at Calicut Airport.*

*(iii) AERA may like to take these aspects into account while deciding on the rates to be charged by M/s KSIE for providing Cargo Services at Calicut International Airport during the second Tariff year.”*

4.2 Further, the Authority also noted the error in “Annexure-II sl no. B Import Cargo – B (iv) Handling Charges” – wherein against weight 76-100 Kg, the charge was indicated as Rs 545/ , instead of Rs.45/-, as informed by KSIEL in response to the Consultation Paper.

5. In view of the above facts, the Authority noted that:

(i) The Authority while considering the MYTP of KSIEL, in respect of the Cargo handling services at Kozhikode Airport, Calicut, had after due stakeholder consultation, issued a MYTO for determining the tariff for the above services being rendered by KSIEL under “light touch approach” as the services were deemed “not material”.



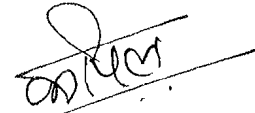
- (ii) The Annual tariff proposal(s) i.e. for the year (2011-12) was also approved under the light touch approach.
- (iv) The company does not propose to revise its tariff for the second tariff year i.e. 2012-13 and proposes to continue with the tariff as approved by the Authority for the year 2011-12. However, the charges under "handling charges" of "S.No. Import Cargo in Annexure – II for 76-100 kg category may be determined as Rs. 45/- in place of Rs. 545/- as submitted by KSIEL."
- (v) Stakeholders have agreed to the proposal.

**ORDER:**

Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airport Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) The tariff for the cargo services provided by M/s Kerala State Industrial Enterprises Limited at Kozhikode Airport, Calicut is determined, as at **Annexure- I** for the Second tariff year 2012-13, w.e.f. 01.04.2012.

**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)**

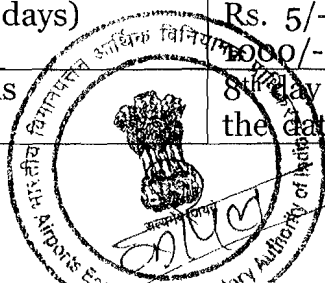
**Copy to:**

**Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi – 110003.**



## Air Cargo Complex Karipur KSIE Limited

Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
<b>A</b>	<b>EXPORT CARGO</b>	
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 Transhipment 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	Forklift	As per rates fixed for import cargo
<b>B</b>	<b>IMPORT CARGO</b>	
1	Warehousing / Demurrage charges*	
i	Unaccompanied Baggage/Commercial	
	I <sup>st</sup> Week (1 to 7 days)	1 <sup>st</sup> week – Minimum Rs. 145/- per package upto 50 kg and Rs 55/- for every additional 50 kg or part thereof
	II <sup>nd</sup> Week (8 to 14 days)	2 <sup>nd</sup> week – 65 paise per Kg per day from the date of arrival subject to minimum charges
	III <sup>rd</sup> Week (15 to 21 days)	3 <sup>rd</sup> week – 80 paise per Kg per day from the date of arrival subject to minimum charges
	IV <sup>th</sup> Week onwards (from 22 <sup>nd</sup> day onwards)	4 <sup>th</sup> week onwards – Rs 1/- per Kg per day from the date of arrival subject to minimum charges
ii	<b>Valuable Cargo</b>	
	(Gold, Silver, Currency, Jewellery etc requiring locker facility)	
	1 <sup>st</sup> Week (1 to 7 days)	Rs. 5/- per day subject to minimum of Rs. 1000/- per consignment
	8 <sup>th</sup> day onwards	8 <sup>th</sup> day onwards – Rs 10/- per kg per day from the date of arrival subject to Rs. 1500/- per



Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
		consignment
iii	<b>Transportation Charges</b>	
	Upto 50kg	Rs. 40/-
	51-75 kg	Rs. 65/-
	76-100kg	Rs. 90/-
	101-150kg	Rs. 140/-
	For every additional 50kg or part thereof	Rs. 50/-
iv	<b>Handling Charges</b>	
	Upto 25kg Rs. 15/- 26-50kg	Rs. 25/-
	51-75 kg Rs. 35/- 76-100 kg	Rs. 45/-
	101-150kg Rs. 65/-	
	For every additional 50kg or part thereof	Rs. 20/-
	<b>Handling charges for in-bound TP Cargo</b>	Rs. 2.00/- kg
v	<b>Forklift charges</b> Upto 250kg	Rs.100/-
	(per piece) 251-500kg	Rs. 150/-
	501-750kg	Rs.200/-
	751-1000kg	Rs. 250/-
	Above 1000kg	Rs. 250/- + Rs. 100 for every 250 kg or part thereof
<b>C</b>	<b>Cooling Chamber charges</b>	Rs. 1.40 per kg per day subject to minimum Rs. 250/- per day per consignment, in addition to demurrage charges as applicable
<b>D</b>	<b>Refrigerator/ Deep Freezer charges</b>	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 apply as per government orders issued from time to time.

