

फा. सं. ऐरा/20010/एमवाईटीपी/केएसआईई/सी/कालीकट/सीपी- III/2021-26

File No. AERA/20010/MYTP/ KSIE/C/Calicut/CP-III/2021-26

**भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण**  
**Airports Economic Regulatory Authority of India**  
\*\*\*\*\*

**आदेश संख्या 42/2022-23 दिनांक 23.03.2023 का परिशिष्ट**  
**Addendum to Order No. 42/2022-23 dated 23.03.2023.**

ऐरा भवन/AERA Building  
प्रशासनिक कॉम्प्लेक्स/Administrative Complex  
सफदरजंग हवाईअड्डा/Safdarjung Airport  
नई दिल्ली/New Delhi – 110003

जारी करने की तारीख/Date of Issue: 01.06.2023

Service	:	कार्गो हैंडलिंग सेवाएं / Cargo Handling Services
Service provider	:	केरल स्टेट इंडस्ट्रियल इंटरप्राइजेज़ लिमिटेड (केएसआईईएल) / Kerala State Industrial Enterprises Limited (KSIEL)
Airport	:	कालीकट अंतरराष्ट्रीय हवाई अड्डा / Calicut International Airport
Airport Operator	:	भारतीय विमानपत्त प्राधिकरण (एएआई) / Airport Authority of India (AAI)

दिनांक 23.03.2023 के आदेश संख्या 42/2022-23 का परिशिष्ट - मैसर्स केरल स्टेट इंडस्ट्रियल इंटरप्राइजेज़ लिमिटेड (केएसआईईएल) द्वारा कालीकट अंतरराष्ट्रीय हवाईअड्डा (सीसीजे), कालीकट में प्रदान की जाने वाली विनियमित एजेंट (आरए) सेवाओं के संदर्भ में 01.06.2023 से 30.09.2023 तक के लिए तदर्थ टैरिफ प्रदान करना।

**Addendum to Order No. 42/2022-23 dated 23.03.2023 providing Ad-hoc Tariff related to Regulated Agent (RA) Services to be provided by M/s Kerala State Industrial Enterprises Limited (KSIEL) at Calicut International Airport (CCJ), Calicut, from 01.06.2023 to 30.09.2023.**

**ISP's submission:**

1. Kerala State Industrial Enterprises Limited (KSIE), a state PSU fully owned by the Kerala Government, is operating the Air Cargo Complex (ACC) at Calicut International Airport (CCJ). KSIE had been appointed as the Custodian of Calicut Air Cargo Complex (CACC) for both Imports and Exports Cargo by the Commissioner of Customs.
2. As per the ISP's submission, Kerala State Industrial Enterprises Ltd. is the only service provider at Calicut International Airport (CCJ) for providing International Cargo Handling Services. M/s KSIE had signed MoU with AAICLAS for providing Export Cargo Handling Services at Calicut International Airport, which is valid up to 16.08.2023.
3. M/s KSIE, vide its letter dated 25.02.2023, submitted Multi-Year Tariff Proposal (MYTP) to the Authority for the period from FY 2021-22 to FY 2025-26 along with the following documents:
  - a) Annual Tariff Proposal (ATP) Forms as per AERA guidelines.



- b) Memorandum of Understanding (MoU) between Kerala State Industrial Enterprises Limited (KSIE) & AAI Cargo Logistics and Allied Services Limited (AAICLAS).
- c) Minutes of the Meeting with Stakeholders.
4. Subsequently, M/s KSIE vide letter dated 16.05.2023, has informed the Authority that they have been awarded the Regulated Agent (RA) status for the Calicut Air Cargo Complex at Calicut International Airport and as per the instructions from BCAS, the time limit for cessation of the Common User Domestic Cargo Terminal (CUDCT) facility is up to 31<sup>st</sup> May, 2023, beyond which KSIE has to function as Regulated Agent (RA).
5. Therefore, KSIE requested the Authority to approve the Ad-hoc Tariff rates in respect of additional services to be provided as a regulated agent at Calicut International Airport. The ISP has proposed the Tariff rates for following RA related Services:

Sno.	Name of new Service(s)	Details of proposed services	Tariff Rates Proposed
1.	<b>X-ray Machine Usage Charge</b>	For all types of Cargo	Rs. 1.75 per Kg subject to a minimum of Rs. 200/- per Consignment.
2.	<b>Screening and Certification Charge.</b>	For all types of Cargo	Rs. 2.25 per Kg subject to a minimum of Rs. 200/- per Consignment.
3.	<b>Export Documentation charges.</b>	To be paid by Airlines at Export for providing Manifest and Envelope services provided.  Export: Export Cargo Manifest + Envelope.	Rs. 500/- Flight
4.	<b>Handling Charges.</b>	Acceptance of Cargo, Stacking, Feeding into X-ray Machine and to Pallets/ULDs. To be paid by airlines.	Rs. 2.50 per Kg subject to the minimum of Rs. 650/- per Consignment.

**Authority's examination on the request of M/s KSIE:**

6. The Authority notes that KSIE is the only service provider at Calicut International Airport (CCJ) for providing International Cargo Handling Services. KSIE signed a Memorandum of Understating (MoU) with AAICLAS, valid up to 16.08.2023. Further, KSIE informed that they are in the process of finalization the renewal of MoU with AAICLAS/AAI.
7. The Authority notes that KSIE has obtained the security clearance for providing RA services from Bureau of Civil Aviation (BCAS) vide its letter dated 01<sup>st</sup> May, 2023. As per the BCAS letter *"The security clearance shall be valid for a period of five years from the date of issue of security clearance or until further orders of the Director General, Bureau of Civil Aviation Security, whichever is earlier."*
8. Further, the Authority notes that after being awarded the status of Regulated Agent at Calicut International Airport, the ISP has proposed ad-hoc tariff rates for few additional services. KSIE vide mail dated 18.05.2023 has submitted the justifications/reasons in respect of following additional services proposed as a RA (refer para 5):

Sno.	Name of new Service(s)	Applicability of proposed services	Reasons/Justifications
1.	<b>X-ray Machine Usage Charge</b>	For all types of Cargo	The ISP has proposed 0.25 paise per Kg increase in X-machine usage charge against the earlier charge of Rs.1.50 per Kg which was fixed during 2018. Now the nominal hike in tariff proposed is due to the considerable increase in AMC charges, Electricity Charges, Cost of Spares etc.



2.	<b>Screening and Certification Charge.</b>	For all types of Cargo	<p>Presently, Airlines are doing the Screening of Export Cargo engaging their own Screeners or in association with other Airlines. On awarding of the RA status, KSIE would be screening the cargo, engaging their own X-ray Screeners. As per BCAS norms, the custodian should engage three Screeners per shift. Since, KSIE have two x-ray machines and to run three shifts with three Screeners per shift, the total number of Screeners required is 18.</p> <p>Since this payment is being met by the Exporter to Airlines, it can be treated as shifting of payment by Exporters from Airlines to KSIE and so no extra charges is to be paid by the Exporters on this account. As part of Security clearance of cargo, KSIE should also affix Security Stickers on each packaging/ carton/ palette/Container. Since the cost of Security Sticker is 0.52 paise per Sticker, this is also cause for a regular and considerable expenditure.</p> <p>Additionally, as part of Security Screening of cargo KSIE also make use of the ETD (Explosive Trace Detector) Machine. For the same, KSIE have to provision for consumable like Swab to use regularly. The cost of swab is also taken into account and the rate per swab is around 0.50 paise. However, KSIE are not charging for the same but a fraction amount is included in the Screening/Certification Charge.</p>
3.	<b>Export Documentation charges.</b>	To be paid by Airlines at Export for providing Manifest and Envelope services provided.	Export Documentation charges are also applicable at other Airports.
4.	<b>Handling Charges.</b>	Acceptance of Cargo, Stacking, Feeding into X-ray Machine and to Pallets/ULDs. To be paid by airlines.	<p>ISP submitted that presently on arrival of cargo at Export Terminal, the Unloading and Stacking of the same in the Export Terminal and then the loading into X-ray machines is done by the Loading staff of Exporters. Later, after screening is completed, the cargo will come to the Sterile Hold Area from where it is either palletized or containerized. The same is done by the staff of Ground Handling Agency for and on behalf of Airlines.</p> <p>On implementing RA status, activities like acceptance of cargo, stacking, feeding into x-ray machine and then to pallets /ULDs after Screening are to be done by the Regulated Agent. Taking into account the volume of cargo we handle per day (45-50 MT) around 30 Warehouse Helpers are required. However, we start with 18 nos for the time and add more numbers in between. Considering the Wages per day and other allied statutory payments, a substantial amount is to be paid towards the same.</p>

9. The Authority notes that AERA, vide Ad-hoc Order no. 42/2022-23 dated 23<sup>rd</sup> March, 2023, had already approved ad-hoc tariff rates in respect of KSIE at Calicut International Airport.
10. As regard to tariff rates for RA Services sought by the ISP, as indicated at para 08 above, the Authority will examine the MYTP already submitted by the ISP in detail and consider other relevant aspects of the proposal, including CAPEX, OPEX, Cargo Volumes etc. while finalizing consultation paper in respect of cargo handling services provided by the ISP.
11. Meanwhile, for the purpose of finalizing ad-hoc tariff for RA related additional services for KSIE at Calicut Airport, the Authority has compared the ad-hoc tariff rates proposed by the ISP with the prevailing tariffs for similar services at the nearby major airports i.e. Bengaluru & Goa (Dabolim) airports, for which Authority has already approved tariffs for cargo handling services. Based on the comparative analysis, the Authority decides to consider the lowest tariff rates for additional RA services from amongst the tariff as proposed by the ISP and the approved tariffs of the cargo service providers, as mentioned above, on ad-hoc basis as addendum to Ad-hoc Tariff Order already issued.
12. The Authority notes that completion of regulatory process for determination of regular Tariff for Cargo Handling Services, including issuance of Consultation Paper & Tariff Order, will take some time. Further, considering the commencement of Regulated Agent Services by the KSIE at Calicut International Airport from 01.06.2023, the Authority, decides to allow KSIE to levy ad-hoc Tariff for the



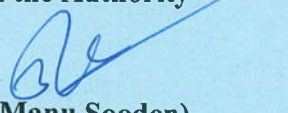
additional RA related Services to be provided by ISP at Calicut Airport, as per **Annexures-I w.e.f. 01.06.2023 up to 30.09.2023**, or, till the determination of regular Tariff for the ISP, whichever is earlier.

## **ORDER**

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

- (i) M/s Kerala State Industrial Enterprises Limited (KSIE) is allowed to levy and collect Tariff for Additional Services as Regulated Agent at Calicut International Airport, (CCJ) Calicut, as an addendum to Order no. 42/2022-23 dated 23.03.2023, on ad-hoc basis, as per **Annexures-I w.e.f. 01.06.2023 to 30.09.2023**, or, till the determination of regular Tariff for ISP in respect of its Cargo Handling Services including RA related Services for the Third Control Period, whichever is earlier.
- (ii) In case, the AAI Cargo Logistics and Allied Services Company Limited (AAICLAS) does not renew the MoU for Cargo Handling Services of M/s KSIE at Calicut International Airport beyond 16.08.2023, this order will cease to be in operation beyond 16.08.2023.
- (iii) Tariff determined, hereinunder, shall be maximum Tariffs to be charged. No other charge(s) is to be levied over and above the approved Tariffs.
- (iv) The Tariff rates approved hereinunder are excluding of applicable taxes, if any.
- (v) The Airport Operator shall ensure compliance of this Order.

By the Order of and in the Name of the Authority

  
(Col. Manu Sooden)  
Secretary

To,

**Mr. Jayaraj P.V,**  
Head of Department (ACC)  
M/s Kerala State Industrial Enterprises Limited (KSIE),  
(A Government of Kerala Undertaking),  
St. Joseph's Press Buildings, Cotton Hill,  
Thiruvananthapuram-695014, Kerala, India.

### **Copy for information to:**

- 1) Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
- 2) Shri Aja Bhardwaj, CEO, AAICLAS, Safdarjung Airport, New Delhi-110003.
- 3) Airport Director, Airports Authority of India, Calicut International Airport, Calicut, Malappuram District, Kerala State - 673647.





**Annexure-I**

Approved Ad-hoc Tariff Rate Card as addendum to Order no. 42/2022-23 dated 23.03.2023 in respect of M/s Kerala State Industrial Enterprises Limited (KSIE) for Regulated Agent (RA) related Services to be provided at Calicut International Airport (CCJ), Calicut w.e.f. 01.06.2023 till 30.09.2023.

**EXPORT CARGO**

Sno.	Services	Applicability of proposed services	Unit	Rates (in INR)
1.	X-ray Machine Usage Charge	For all types of Cargo	Per Kg.	1.50
			Minimum/Consignment	150
2.	Screening and Certification Charge.	For all types of Cargo	Per Kg.	1.50
			Minimum/Consignment	105
3.	Export Documentation charges.	To be paid by Airlines	Per Flight	500
4.	Handling Charges.	To be paid by Airlines	Per Kg.	1.71
			Minimum/Consignment	404

सत्यमेव जयते

भा.वि.आ.वि.प्रा.

AERA

