

**[F.No. AERA/20010/MYTP-KSIE/C/TVM/2011-12/Vol.I]  
Airports Economic Regulatory Authority of India  
Order No. 08/2015-16**

**AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi -110003**

**Date of Order: 06<sup>th</sup> May, 2015  
Date of Issue: 14<sup>th</sup> May, 2015**

**Service: Cargo Handling Services**  
**Service provider: M/s Kerala State Industry Enterprises Limited (KSIEL)**  
**Airport: Thiruvananthapuram International Airport,  
Thiruvananthapuram**

**Determination of tariff for the fifth tariff year (2015-16) of the first control period.**

This Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [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] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period.

2. Accordingly, Kerala State Industry Enterprises Limited (KSIEL) had submitted their MYTP for first control period commencing 01.04.2011 in respect of Cargo handling services provided at Thiruvananthapuram International Airport, Thiruvananthapuram. The Authority had issued Order No. 04/2011-12 dated 27.07.2011 vide which it ordered that the Authority shall adopt a "*light touch approach*" for the Cargo handling service provided by KSIEL at Thiruvananthapuram International Airport, Thiruvananthapuram for the first control period starting w.e.f 01.04.2011.

3. Pursuant to the issue of MYTO, the Authority determined the ATP for the first tariff year 2011-12, w.e.f, 15.03.2012, vide its Annual Tariff Order No. 37/2011-12 dated 14.03.2012. The Authority also issued Order No. 13/2012-13 dated 06.08.2012 ordering continuance of the same rate during the second tariff year as that of first tariff year 2011-12 on the basis of application of KSIEL. Subsequently, the Authority issued Annual Tariff Order No. 01/2013-14 dated 12.04.2013 determining tariff(s) for the third tariff year and continued the same level of tariff for fourth tariff year vide Order no. 03/2014-15 dated 28.04.2014 respectively.

4. M/s Kerala State Industry Enterprises Limited (KSIEL) vide their letter no. ACC/60(2)/1611 dated 09.03.2015 has submitted its Annual Tariff Proposal (ATP) for the fifth Tariff Year (i.e. 2015-16) of the first control period, wherein it has requested for continuation of tariffs of the 4<sup>th</sup> year, in the 5<sup>th</sup> tariff year as well.

5. According to KSIEL, business has come down substantially during the year 2014-15 and it has affected the financial performance of the Company adversely. The Authority



also noted that KSIEL has also submitted that present export/ import tariff of the Company is offering a competitive rate when compared to other cargo service provider operating from the State, and hence it is not able to revise the tariff for the next financial year as it will affect the volume of cargo to be handled.

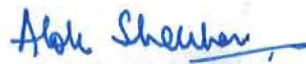
6. The Authority observed that the material index for Thiruvananthapuram International Airport, Thiruvananthapuram is 1.7% which is well below the minimum level of 2.5% and hence the service provided at the airport is deemed 'not material' in accordance with Chapter I Para 4.3 of the Guidelines. Therefore, though the services provided at Thiruvananthapuram International Airport, Thiruvananthapuram is deemed 'not competitive' as KSIEL is the only cargo facilitator at the airport, in terms of the Guidelines issued by the Authority, the Authority shall adopt a "light touch approach" for the Cargo handling service provided by KSIEL at Thiruvananthapuram International Airport, Thiruvananthapuram.

### **ORDER**

7. Upon careful consideration of material available on record, 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) The Tariffs for the fifth year (2015-16) of the first control period are determined to be the same as those of the fourth tariff year (2014-15) as approved vide order No. 03/2014-15 dated 28.04.2014 for Cargo Services provided by M/s Kerala State Industrial Enterprises Limited, at Thiruvananthapuram International Airport, Thiruvananthapuram, as at **Annexure-I.**

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

  
**(Alok Shekhar)**  
**Secretary**

**To,  
Kerala State Industrial Enterprises Limited,  
St. Joseph's Press Buildings,  
Cotton Hill, Thiruvananthapuram,  
Kerala- 695 014,  
(Through Shri Febi Varghese, Managing Director)**





		Annexure - I
Air Cargo Complex, KSIE Limited, Trivandrum,		
Annual Tariff Year 2014-15 effective from 01.04.2014		
Sl. No.	Tariff Heading	Conditions of Tariff Maximum Rate in (INR)
<b>A</b>	<b>EXPORT CARGO</b>	
<b>I</b>	<b>Terminal charges</b>	
1	Terminal charges - Perishable Cargo and New Pap	Rs. 0.45 per Kg subject to minimum Rs.125/- per consignment
2	Terminal charges - General Cargo	Rs. 0.80 per Kg subject to minimum Rs.150/- per consignment
3	Terminal charges - Valuable Cargo	Rs. 5/- per Kg per day subject to minimum 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 (security -cum- storage charge)	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)	Rs. 0.25 per kg
VI	Forklift/Cooling chamber /Deep Freezer charges	As per rates fixed for Import cargo
<b>B</b>	<b>IMPORT CARGO</b>	
<b>I</b>	<b>Warehousing / Demurrage charges *</b>	
II	Unaccompanied Baggage/Commercial Cargo	
	1st week (1 to 7 days)	Minimum Rs.145/- per package upto 50 Kg and Rs. 55/- for every additional 50 Kg or part thereof.
	IInd week (8 to 14 days)	65 paise per Kg per day from the date of arrival subject to minimum charges
	IIIrd week (15 to 21 days)	90 paise per Kg per day from the date of arrival subject to minimum charges
	IVth week onwards (from 22nd day onwards)	Rs. 1.15 per Kg per day from the date of arrival subject to minimum charges
II	Commercial Cargo	
	1st week (1 to 7 days)	Minimum Rs.125/- per package upto 50 Kg and Rs. 45/- for every additional 50 Kg or part thereof.
	IInd week (8 to 14 days)	65 paise per Kg per day from the date of arrival subject to minimum charges
	IIIrd week (15 to 21 days)	90 paise per Kg per day from the date of arrival subject to minimum charges
	IVth week onwards (from 22nd day onwards)	Rs. 1.15 per Kg per day from the date of arrival subject to minimum charges





Air Cargo Complex, KSIE Limited, Trivandrum, Annual Tariff Year 2014-15 effective from 01.04.2014		
Sl. No.	Tariff Heading	Conditions of Tariff Maximum Rate in (INR)
III	<b>Valuable Cargo</b> (Gold, Silver, Currency, Jewellery etc. requiring locker facility)	
	1st week (1 to 7 days)	Rs. 5/- per day subject to minimum of Rs. 1000/- per consignment
	8th day onwards	8th 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/- up to one week and Rs. 150/- per week or part thereof above one week per consignment, in addition to demurrage charges.
IV	<b>Charges for handling Transshipment Cargo</b>	
1	Handling charges for out-bound TP cargo destined to CACC	Rs. 2.50 per Kg
2	Charges for out-bound TP cargo destined to other places	
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	<b>Bonded trucking charges (paid by Airlines)</b>	Rs. 3/- per kg for Import cargo and Rs. 4/- per kg for courier.
vi	<b>Forklift charges Upto 250 Kg</b>	Rs. 100/-
	(per Piece) 251-500 Kg	Rs. 150/-
	501-750 Kg	Rs. 200/-
	751-1000 Kg	Rs. 250/-
	Above 1000 Kg	Rs. 250/- + Rs. 100 for every 250 Kg or part thereof

\* Demurrage free period shall apply as per Government Orders issued from time to time

