

फा.सं.ऐरा/20010/एमवाईटीपी/ए.ओ./के.आई.ए.एल./सीपी-1/2018-19 (भाग-एक)

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
ऐरा भवन, प्रशासनिक कॉम्पलेक्स,
सफदरजंग एयरपोर्ट,
नई दिल्ली -110003

जारी करने की तारीख : 3 सितंबर, 2020

विषय : कन्नूर अंतर्राष्ट्रीय हवाई अड्डा, कन्नूर में मैसर्स कन्नूर इंटरनेशनल एयरपोर्ट लिमिटेड (के.आई.ए.एल.) द्वारा कार्गो प्रचालनों के आर्थिक विनियमन के मामले में कार्गो सेवाओं के लिए तदर्थ प्रशुल्क आदेश।

उपर्युक्त विषय पर दिनांक 03.09.2020 का टैरिफ आदेश संख्या 44/2020-21 सूचना और अनुपालन के लिए संलग्न है।

भवदीय,

मनु सूदन

(कर्नल मनु सूदन)
सचिव

सेवा में,

कन्नूर में मैसर्स कन्नूर इंटरनेशनल एयरपोर्ट लिमिटेड (के.आई.ए.एल.)
(मार्फत: श्री जयाकृष्णा एस. सी.एफ.ओ.)

प्रतिलिपि: सचिव, नागर विमानन मंत्रालय, राजीव गांधी, भवन, सफदरजंग एयरपोर्ट, नई दिल्ली-
110003

AERA/ 20010/ MYTP/AO/ KIAL/CP-I/ 2018-19/Vol-I
Airports Economic Regulatory Authority of India
Order No. 44/2020-21

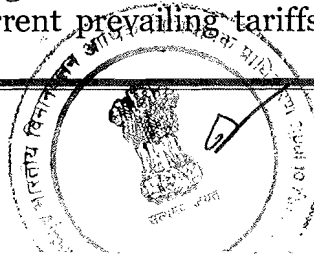
**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110003**

Date of Issue: 03rd September, 2020

In the matter of Economic Regulation of Cargo Operations provided by Kannur International Airport Limited (KIAL) – Ad Hoc Tariff Order for Cargo Services.

1. KIAL Submissions:

- 1.1 M/s KIAL started Airport Operations at Kannur Airport in December 2018. The current proposal from M/s KIAL (Kannur International Airport Ltd.) is for ad hoc determination of tariffs for their Cargo Operations, proposed to commence shortly at Kannur Airport. KIAL has sought ad hoc cargo tariffs for the period up to March 2021.
- 1.2 KIAL vide initial submissions vide letter dated 05.06.2020 sought ad hoc tariffs up to 31.12.2020. Clarification was sought regarding the status of Department of Customs approval. KIAL in its subsequent submissions vide mail dated 29.06.2020 sought ad hoc tariffs up to 31st March 2021 and further via mail dated 26.08.2020 also submitted the copy of approval from Department of Customs.
- 1.3 M/s Kannur International Airport (KIAL) has submitted copy of the approval of Commissioner of Customs, Kochi, vide letter no. C.No.VIII/48/31/2019_CCP.Tech, dated 24.07.2020, appointing KIAL as the Customs Cargo Service Provider for Custody of import/export goods at Air Cargo Complex, Kannur International Airport for a period of 2 years up to 24.07.2022.
- 1.4 KIAL has submitted that, it proposes to operate both Domestic and International Cargo Operations on its own through an "O & M Operator" arrangement for which a fee will be paid by Airport Operator (KIAL). M/s Cargo Service Centre Pvt. Ltd. has been appointed as the O & M Contractor for cargo operations for a period of two (02) years (KIAL letter dated 19.02.2020 to M/s CSC).
- 1.5 It has been further stated that KIAL has already constructed a Cargo Terminal Building of 1134 sq. m. at a cost of Rs.6.50 Crores and the Terminal has space demarcated for both domestic and international operations. It is also stated that Kannur Airport has also commenced construction of an International Cargo Complex with an area of 5854.50 sqm near the ATC Block for future operations. The Cargo Terminal Site Layout & Plan is submitted along with the proposal. Presently, KIAL is not declared as a "point of call for foreign carriers."
- 1.6 M/s KIAL has approached AERA for ad hoc cargo tariffs pending submission of detailed Tariff Proposal by them for regular determination of tariffs in this regard. M/s KIAL has proposed that the current prevailing tariffs equivalent to Cochin

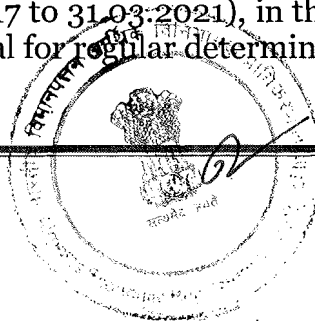


Airport, as determined by AERA (OrderNo.7/2017-18 dated 13.07.2017 for 2nd Control Period), may be allowed on ad hoc basis for the period from Date of Commencement of Cargo Operations at Kannur Airport up to 31st March 2021.

- 1.7 M/s KIAL vide their letter dated 10.08.2020 has proposed to provide all such services currently included in the Tariff Card of Cochin Airport. In addition, KIAL has also proposed to levy customs cost recovery charges at actuals as and when these are invoiced by Customs to Kannur Airport.
- 1.8 It is stated that during FY 2019-20, that is, prior to suspension of air traffic movements due to COVID-19, four airlines, viz., Indigo, Go Air, Air India Express, and, Air India, were operating at Kannur Airport and further that presently air traffic movements have been resumed partially by two Airlines.

2. Authority's Examination :

- 2.1 The Authority examined the proposal of M/s KIAL in the context of the following:
- (i) AERA determined the aeronautical tariffs for Cochin Airport (CIAL) for 2nd Control Period (FY 2016-21) based on the overall Aggregate Revenue Requirement (ARR), as assessed by the Authority, taking into consideration all aeronautical services, which includes cargo, as AERA considers the same as aeronautical service under the regulations. As such no separate exercise/specific analysis was undertaken by AERA in respect of Cargo services of CIAL while determining tariffs. The cargo tariff as proposed by CIAL was accepted as such in the Tariff Order as a component of overall ARR. The cargo tariffs approved by AERA for Cochin Airport are valid up to 31st March 2021.
- (ii) The aeronautical tariffs (LPH, X-ray, etc.) for Kannur Airport for the 1st Control Period FY2018-23 (as determined by AERA vide Order no. 26/2018-19 dated 11.09.2018) are the same as the aeronautical tariffs determined for Cochin International Airport (Order no.07/2017-18 for 2nd Control Period). While passing the Tariff Order the Authority has considered and accepted the proposal of Kannur Airport to fix the tariffs at par with Cochin Airport in order to be competitive.
- (iii) The Authority looked into the tariffs of some airports in the vicinity of Kannur Airport viz. Trivandrum, Calicut, and, found that at these airports the Cargo Services are provided by Independent Service Providers(ISPs) for whom AERA has determined tariff based on their MYTP. Moreover the tariffs of these ISPs at Trivandrum & Calicut airports are not comparable to the tariffs prevailing at Cochin Airport since they do not provide all the cargo services that are provided by Cochin Airport.
- (iv) The Authority after careful examination is of the view that KIAL can be allowed to charge the tariffs as approved for Cochin Airport by AERA vide Order no.07/2017-18 (01.04.2017 to 31.03.2021), in the interim, till such time KIAL submits a detailed proposal for regular determination.



- (v) Further, the Authority does not agree with M/s KIAL's proposal to charge Customs Recovery Costs from Users. M/s KIAL should impress upon Customs Department to provide customs service free of "customs recovery cost" as is being done at other airports.

ORDER:

3. The Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, and the facts and clarifications placed on record before the Authority, decides and orders that :
- 3.1 M/s Kannur International Airport (KIAL) is allowed to charge the cargo tariffs as approved for Cochin International Airport (CIAL) by AERA (vide Order no.07/2017-18 for CIAL 2nd Control Period) on ad hoc basis from the Date of Commencement of Cargo Operations up to 31st March 2021 or till regular determination of tariffs for FY 2021-22 & FY 2022-23 of First Control Period, whichever, is earlier.
- 3.2 M/s KIAL is not allowed to charge any Customs Recovery Costs from Users.
- 3.3 M/s KIAL is advised to file its detailed proposal once the cargo operations are commenced, for regular determination of aeronautical tariffs for the 4th & 5th years of the 1st Control Period. The Airport operator has to submit MYTP proposal before 31.03.2021 for determination of regular cargo charges. The ad hoc tariffs shall be adjusted in the Aggregate Revenue Requirement (ARR) of 1st Control Period (01.04.2018 to 31.03.2023) for KIAL.
- 3.4 This Order shall be effective from the Date of Commencement of Cargo Services by the Airport Operator M/s Kannur Intl. Airport Ltd.(KIAL) at Kannur Airport.

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


**(Manu Sooden)
Secretary**

To,
Kannur International Airport Ltd.,
Kara Peravoor P.O, Mattannur,
Kannur – 670702.
(Through: Sh. Jayakrishnan S, CFO)

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



Tariff rates approved by AERA from the Date of Commencement of Cargo Operations by Kannur International Airport Limited (KIAL) at Kannur Airport valid up to 31.03.2021.

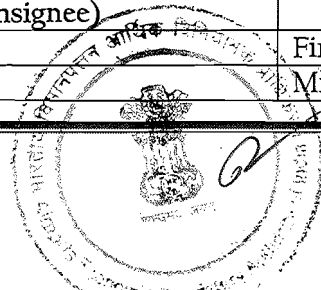
Rate Card - Domestic Cargo

Departure Cargo			
1	TSP Charges (chargeable to the consignor)		
	General Cargo/Perishable Cargo/Courier/PO mails etc.	Minimum Rate INR per consignment	100
		INR per KG	0.75
	Special	Minimum Rate INR per consignment	200
		INR per KG	2
	Valuable	Minimum Rate INR per consignment	750
		INR per KG	5

2	Demurrage Charges (chargeable to the consignor)		
	First day	Free	0
	General/Special/Perishable	Minimum Rate INR per consignment	150
	Valuable	Minimum Rate INR per consignment	300
	Second day onwards General/Special/Perishable	INR per KG per day	1
	Second day onwards Valuable	INR per KG per day	2

3	X Ray Charges		
	General and Perishable Cargo	Minimum Rate INR per consignment	100
		INR per KG	2
	Valuables Cargo	Minimum Rate INR per consignment	100
		INR per KG	2

Arrival Cargo			
1	TSP Charges (chargeable to the consignee)		
	General Cargo/Perishable Cargo/Courier/PO mails etc.	Minimum Rate INR per consignment	100
		INR per KG	0.75
	Special	Minimum Rate INR per consignment	200
		INR per KG	2
	Valuable	Minimum Rate INR per consignment	750
		INR per KG	5
2	Demurrage Charges (chargeable to the consignee)		
	All Cargo	First 24 Hours - Free	0
	General/Special/Perishable	Minimum Rate INR per consignment	150



Tariff rates approved by AERA from the Date of Commencement of Cargo Operations by Kannur International Airport Limited (KIAL) at Kannur Airport valid up to 31.03.2021.

	Valuable	Minimum Rate INR per consignment	300
	Second day onwards General/Special/Perishable	INR per KG per day	1
	Second day onwards Valuable	INR per KG per day	2

Other Charges			
1	Stuffing/De-stuffing/ X Ray Charges		
	Stuffing/De-stuffing charges (chargeable to airline)	Minimum Rate INR per flight	100
		INR per KG	1
	X Ray charges (chargeable to airline)	Minimum Rate INR per consignment	100
		INR per KG	2

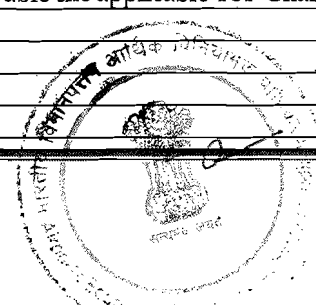
2	Handling Charges on Company Cargo (Outbound and Inbound)		
		Minimum Rate INR per consignment	100
		INR per KG	0.75

3	Demurrage Charges on Company Cargo (Chargeable to Airlines)		
	First Day	Free	0
	General/special/Perishable	Minimum Rate INR per consignment	150
	Second Day onwards General/Special/Perishable	INR per KG per day	1

4	Handling Charges for Misrouted Cargo/Transit Cargo	Minimum Rate INR per consignment	100
	(Inbound & Outbound cargo will be charged separately and misrouted PO Mail will be charged only for the outbound)	INR per KG per day	1

5	X Ray Charges to Postal Department	Minimum Rate INR	100
		INR per KG	2

Note: Common for Outbound, Inbound and Airlines			
(a)	TSP Charges and Demurrage Charges will be levied on the 'Gross Weight' or the "Chargeable Weight" of the consignment, whichever is higher		
(b)	For mis-declaration of weight of 2% and above of declared weight, penal charges @ double the applicable TSP Charges will be levied		
(c)	Special cargo consists of live animals, hazardous goods, ornamental fish, chicks, etc.		
(d)	X-Ray and Unitization Charges will be levied on gross weight		
(e)	GST and other applicable taxes, if any shall be charged extra at applicable rates		
(f)	Unitization charges for ULDs will be at par with International Cargo Rates		

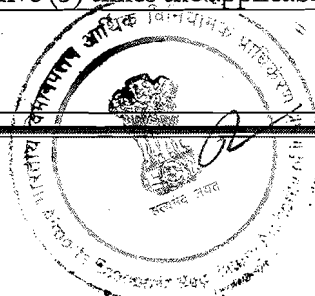


Tariff rates approved by AERA from the Date of Commencement of Cargo Operations by Kannur International Airport Limited (KIAL) at Kannur Airport valid up to 31.03.2021.

(g) Consignments of human remains coffin including unaccompanied baggage of deceased are exempted from the purview of TSP & Demurrage charges

Rate Card – International Cargo

Export Cargo			
1	Terminal Storage and Processing Charges		
	General Cargo	Minimum Rate INR per consignment	150
		INR per KG	0.95
	Special Cargo	Minimum Rate INR per consignment	300
		INR per KG	2
	Perishables	Minimum Rate INR per consignment	150
		INR per KG (without state of the art facility)	0.70
	Valuable	Minimum Rate INR per consignment	1000
		INR per KG	5
2	Demurrage Charges		
	General	Minimum Rate INR per consignment	150
		INR per KG	0.95
	Special	Minimum Rate INR per consignment	300
		INR per KG	1.90
	Valuables	Minimum Rate INR per consignment	600
		INR per KG	3.80
	NOTES:		
	(a) The free period for export cargo shall be 48 hours for examination/processing by the shippers/Airlines		
	(b) Consignments of human remains coffin including unaccompanied baggage of deceased and human eyes are exempted from the purview of TSP & demurrage charges		
	(c) Special cargo consists of live animals, hazardous goods, ornamental fish, chicks, etc.		
	(d) Charges will be levied on the “gross weight” or the “chargeable weight” of the consignment, whichever is higher. Wherever the “gross weight” and (or) volume weight” is wrongly indicated on the Airway Bill and is found more, charges will be levied on the “actual gross weight” or “actual volumetric weight”, whichever is higher.		
	(e) For mis-declaration of weight above 2% and upto 5% of declared weight penal charges @ double the applicable TSP charges will be levied. For variation above 5%, the penal charges will be levied @ five (5) times the applicable TSP charges of the differential weight.		



Tariff rates approved by AERA from the Date of Commencement of Cargo Operations by Kannur International Airport Limited (KIAL) at Kannur Airport valid up to 31.03.2021.

3	X Ray machine usage charges for Export Cargo		
	General Cargo	Minimum Rate INR per consignment	150
		INR per KG	2
	Perishable Cargo	Minimum Rate INR per consignment	150
		INR per KG	1.50
	P. O. Mails	Minimum Rate INR per consignment	150
		INR per KG	2

4	AWB Amendment Charges	INR per AWB	100
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Import Cargo			
1	Delivery Order Charges		
	MAWB General Cargo	INR	1500
	MAWB Baggage	INR	1500
	MAWB Baggage - Consolidation	INR	1500
	Break Bulk Charges		
		1 st HAWB	2500
		Each additional	1000

2	Terminal, Storage and Processing Charges		
	General Cargo	Minimum Rate INR per consignment	200
		INR per KG	4.50
	Special Cargo	Minimum Rate INR per consignment	250
		INR per KG	9
	Valuable Cargo	Minimum Rate INR per consignment	1000
		INR per KG	12
	Courier Cargo	Minimum Rate INR per consignment	200
		INR per KG	4.50
	Perishable Cargo	Minimum Rate INR per consignment	200
		INR per KG	4.50

3	Strapping Charges	INR per packet	10
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4	Demurrage Charges		
	General/Perishable	Minimum Rate INR	295

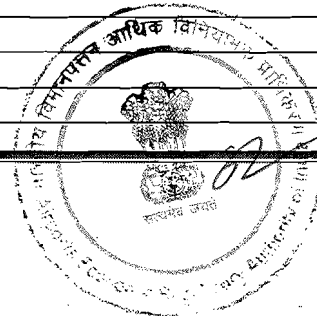


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		Upto 4 days working including free period	1.30
		Between 5 & 30 days	2.60
		Beyond 30 days	3.90
Special		Minimum Rate INR	580
		Upto 4 days working including free period	2.60
		Between 5 & 30 days	5.20
		Beyond 30 days	7.80
Valuable		Minimum Rate INR	160
		Upto 4 days working including free period	5.20
		Between 5 & 30 days	10.40
		Beyond 30 days	15.60
Free storage period for import cargo shall be (3 working days including the date of arrival of flight) 48 hours from the time of completion of segregation. For the next two days, demurrage will be charged at "per kg; per day" non-cumulative basis provided the consignment is cleared within four (4) days. If clearance is effected after 4 days from the time of completion of segregation, demurrage will accrue for the entire period from the time of completion of segregation.			
NOTE:			
(a) Consignments of human remains coffin including baggage of deceased and human eyes will be exempted from the purview of TSP, demurrage and DO charges.			
(b) Charges will be levied on the "Gross Weight" or "Chargeable Weight" of the consignment, whichever is higher. Wherever the "Gross Weight" and (or) volume weight is wrongly indicated in the Airway Bill and is actually found more, charges will be levied on the "actual gross weight" or actual volumetric weight" or "chargeable weight", whichever is higher.			
(c) Special Import Cargo consists of Live Animals, Hazardous Goods, Ornamental Fish, Live Chicks, etc.			
(d) Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, traveller's cheques, diamonds including diamonds for industrial use), diamond jewellery, jewellery and watches made of silver, gold, platinum, computer parts, mobile phones and items valued at USD 1000 per kg & above.			
5	AWB Amendment Charges	INR per AWB	100

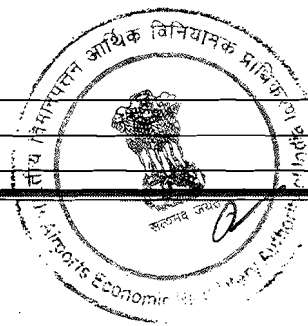
Other Rates

1	Palletisation/Depalletisation & Containerization/Decontainerization		
	Stuffing charges	INR Per KG	1.50
		Minimum (INR)	500
	De-stuffing charges	INR Per KG	1.50
		Minimum (INR)	500



Tariff rates approved by AERA from the Date of Commencement of Cargo Operations by Kannur International Airport Limited (KIAL) at Kannur Airport valid up to 31.03.2021.

2	Cold storage charges	Minimum Rate INR per consignment	350
		INR Per KG	2
3	Strong Room Charges		-
4	Transshipment Cargo Handling		
	Air to Road		
	Storage charges	Minimum Rate INR per consignment	150
		INR Per KG	2
	Stuffing	INR Per KG	2.50
	De-stuffing	INR per KG	1.50
	Demurrage charges	Minimum Rate INR per consignment	250
		48 Hours after completion of segregation (INR per kg per day)	1
	Road to Air		
	TSP	Minimum Rate INR per consignment	150
		INR Per KG	0.95
	X Ray charges	Minimum Rate INR per consignment	150
		INR Per KG	2
	Stuffing	INR Per KG	1.50
	Demurrage charges	Minimum Rate INR per consignment	150
	Beyond 48 hours	INR Per KG	0.95
	Air to Air		
	Storage charges	Minimum Rate INR per consignment	150
		INR Per KG	2
	Stuffing	INR Per KG	1.50
	De stuffing	INR Per KG	1.50
	Demurrage charges	Minimum Rate INR per consignment	250
		48 hours after completion of segregation (INR per kg per day)	1
	Road to Road (Import)		
	De stuffing charges	Minimum Rate INR per consignment	150



Tariff rates approved by AERA from the Date of Commencement of Cargo Operations by Kannur International Airport Limited (KIAL) at Kannur Airport valid up to 31.03.2021.

		INR Per KG	2.50
	TSP charge		Same as Import TSP
	Demurrage charge		Same as Import demurrage
	Road to Road (Export)		
	Stuffing charges	Minimum Rate INR per consignment	150
		INR Per KG	2.50
	TSP charges		Same as export TSP
	Demurrage charges		Same as export demurrage
	ULD transfer	INR per ULD	500

5	Forklift Charges	Minimum Rate INR per consignment	300
	For works inside I-ACC (to the exporters/Importers only)	INR Per KG	0.30
	For works outside within the airport premises	INR per hour	2000

6	Documentation charges (Export and Import both)	INR per Flight	500
	To be paid by airlines at Export for providing manifest & envelope services provided: Export: Cargo Manifest + Envelope		
	Import: Segregation Report		

NOTE: GST and other applicable taxes, if any shall be charged extra at applicable rates.

