



GOVERNMENT OF KERALA

No. 3356/B1/12/ID

Industries (B) Department
Thiruvananthapuram
Dated : 15/02/2012.

From

The Secretary to Government

To

Capt. Kapil Chaudhary
Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex
Safdarjung Airport,
New Delhi -110003

OSD/II

21/2/12

DGM(R)

Sir,

Sub:- Annual Tariff Proposal for first control period submitted by Kerala State Industrial Enterprises Ltd for the services provided for cargo facility at Air Cargo Complexes at Trivandrum and Calicut International Airports – Reg.–

Ref:- Your D.O letters No. AERA/2010/MYTP-KSIE/TVM/C/2011-12 and No. AERA/2010-MYTP-KSIE/Calicut/C/2011-12/2412, both dated 25/1/2012 .

21/2/2012
OSD-V/257
22/02/12

Please refer to the above communications addressed to the Chief Secretary, Government of Kerala.

2.The State Government have examined the proposal contained in para 7 of the Consultation Papers No.34 and 35/2011-12 dated 24/01/2012 issued by AERA and also the concerns raised by the Stakeholders regarding the tariff revision proposed by KSIE Ltd. as reflected in the minutes of the meeting held on 21/10/2011. The concern raised by the Secretary, Exporters Association was that KSIE is a profit making Company and hence there is no need for any tariff revision. He also informed that exports from Trivandrum and Calicut are highly perishable items having low commercial value and the profit generated out of export of such commodities is very low and hence this aspect should be kept in mind while effecting any revision. The above points were clarified by KSIE Ltd in the 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.

3. It is also seen that other 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.

4. From the tariff revision proposed by KSIE Ltd, it is seen 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 1/4/2007 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 KSIE Ltd may be approved and the Authority may issue necessary orders in the matter as requested by the Company.

Thanking You.

Yours faithfully,



K. JALEEMNIZA
JOINT SECRETARY
for Secretary to Govt.

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