

18 ANNEXURE 1

18.1

Annexure 1A: Tariff Rate Card

Tariff Rate Card pertaining to Kannur International Airport for the Second Control Period as approved by the Authority (effective from April 1, 2024 to March 31, 2028)

18.1.1 Landing and Parking Charges

a) Landing Charges*

Applicable rates from April 1, 2024 to March 31, 2028

(Rate in ₹ per MT)

Flight	Weight of Aircraft	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2026	April 1, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028
Domestic	Up to 100 MT	453.00	485.00	519.00	555.00
	Above 100 MT	45,300 + 606 in excess of 100 MT	48,500 + 649 in excess of 100 MT	51,900 + 694 in excess of 100 MT	55,500 + 743 in excess of 100 MT
International	Up to 100 MT	623.00	667.00	714.00	764.00
	Above 100 MT	62,300 + 837 in excess of 100 MT	66,700 + 896 in excess of 100 MT	71,400 + 959 in excess of 100 MT	76,400 + 1,026 in excess of 100 MT

* A minimum landing charge of ₹ 5,000 per flight or the applicable landing charges, whichever is higher, will be levied in respect of domestic Non- Scheduled operators/ GA operators.

Notes:

- For flight operations with Aircraft registered in India, the flight is classified Domestic or International based on the immediate previous station, irrespective of the flight number assigned to such flights.
- All domestic legs of international routes flown by Indian Operators will be treated as domestic flights as far as landing charges is concerned, irrespective of flight number assigned to such flights.
- No landing charges shall be payable in respect of a) aircraft with a maximum certified capacity of less than 80 seats, being operated by domestic scheduled operators at airport and b) helicopters of all types. (Not applicable to Non-scheduled operators).
- No landing charges will be levied in respect of Military Aircraft (Government of India) including para-military forces such as BSF, Coast Guard etc.
- Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg).

b) Parking Charges for all Aircrafts

Applicable rates from April 1, 2024 to March 31, 2028

(Rate in ₹ per hour per MT)

Weight of Aircraft	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Up to 100 MT	11.00	12.00	13.00	14.00
Above 100 MT	1,100 + 14 in excess of 100 MT	1,200 + 15 in excess of 100 MT	1,300 + 16 in excess of 100 MT	1,400 + 17 in excess of 100 MT

Notes:

- No parking charges shall be levied for the first two hours, while calculating the parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and

actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. These periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before take-off.

- ii. For calculating chargeable parking time part of an hour shall be rounded off to the next hour.
- iii. Charges shall be calculated on the basis of nearest MT.
- iv. Charges for each period of parking shall be rounded off to nearest Rupee.
- v. After free parking, for the next two hours normal parking charges shall be levied. After this period, the charges shall be double the normal parking charges.
- vi. No parking charges will be levied in respect of Military Aircraft (Government of India) including para-military forces such as BSF, Coast Guard etc.
- vii. For parking beyond 24 hours an additional charge of ₹ 25 per hour per MT beyond 24 hours is chargeable over and above existing rates.

c) User Development Fee

Applicable rates for travel date from April 1, 2024 to March 31, 2025

(Rate in ₹)

Type of Passenger	Domestic Flight	International Flight
Embarking passenger	750	1,680

Applicable rates for travel date from April 1, 2025 to March 31, 2026

(Rate in ₹)

Type of Passenger	Domestic Flight	International Flight
Embarking passenger	850	1,798

Applicable rates for travel date from April 1, 2026 to March 31, 2027

(Rate in ₹)

Type of Passenger	Domestic Flight	International Flight
Embarking passenger	950	1,923

Applicable rates for travel date from April 1, 2027 to March 31, 2028

(Rate in ₹)

Type of Passenger	Domestic Flight	International Flight
Embarking passenger	995	2,058

Notes:

- i. Collection Charges: Collection charges per departing passenger shall be paid by AO as per the agreement pertaining to such charges between the Airport Operator and the Airlines.
- ii. For calculating UDF in Foreign currency, the RBI conversion rate as on the last day of the previous month for tickets issued in the first fortnight and rate as on 15th of the month for tickets issued in the second fortnight shall be adopted.
- iii. The existing UDF charges will be applicable on the tickets issued till March 31, 2024.
- iv. Revised UDF charges will be applicable on the tickets issued on or after April 1, 2024.

v. **Exemption from levy and collection from UDF at the Airport:**

In terms of DGCA AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019 (decision of Ministry of Civil Aviation, Govt. of India vide order no. AV 29012/39/2018-AD dated 30.10.2019) the following categories of persons are exempted from levy and collection of UDF:

- Children (Under age of 2 years)
- Holders of Diplomatic Passport,
- Airlines crew on duty including sky marshals & airline crew on board for the particular flight only (this, would not include Dead Head Crew, or ground personnel),
- Persons travelling on official duty on aircraft operated by Indian Armed Forces.
- Persons travelling on official duty for United Nations Peace Keeping Missions.
- Transit/ transfer passengers (this exemption may be granted to all the passengers transiting up to 24 hrs. "A passenger is treated in transit only if onward travel journey is within 24 hours from arrival into airport and is part of the same ticket, in case 2 separate tickets are issued it would not be treated as transit passenger").

d) **Aviation Security Fee (ASF):** Rates and Exemption as prescribed by MoCA from time to time.

e) **Aerobridge charges**

(Rate in ₹)

Time of Usage	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
International flights				
Single Aerobridge used by an Aircraft				
Up to 90 minutes	6,176	6,608	7,071	7,566
For every 30 min beyond 90 min	2,059	2,203	2,357	2,522
Two Aerobridges used by an Aircraft				
Up to 90 minutes	9,264	9,913	10,606	11,349
For every 30 min beyond 90 min	3,088	3,304	3,535	3,783
Domestic flights				
Up to 90 minutes	3,478	3,721	3,981	4,260
For every 30 min beyond 90 min	1,391	1,488	1,593	1,704

Notes:

- Aerobridge charges are payable by Airline Operators to Kannur International Airport Limited
- The Aerobridge charges are payable based on the time of usage.
- Usage charges will be billed on the basis of the data recorded by the Aerobridge operator.



f) Inline X ray charges

Applicable charges from April 1, 2024 to March 31, 2028

(Rate in ₹)

Flight	Aircraft Capacity (in MT)	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Domestic	1-100	6,955	7,442	7,963	8,520
	101-150	9,737	10,419	11,148	11,928
	151-180	12,519	13,395	14,333	15,336
	181-300	15,301	16,372	17,518	18,744
	Above 300	18,083	19,349	20,703	22,152
International	1-100	15,440	16,521	17,677	18,915
	101-150	18,528	19,825	21,213	22,698
	151-180	22,645	24,231	25,927	27,742
	181-300	25,734	27,535	29,462	31,525
	Above 300	30,880	33,042	35,355	37,830

g) CUTE/CUSS/BRS

Applicable rates from April 1, 2024 to March 31, 2028

(Rates in ₹)

Flight	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Domestic (per departing PAX)	60.00	60.00	60.00	60.00
International (per departing PAX)	92.50	92.50	92.50	92.50

Note: For calculating CUTE/ CUSS/ BRS in Foreign currency, the RBI conversion rate as on the last day of the previous month for tickets issued in the first fortnight and rate as on 15th of the month for tickets issued in the second fortnight shall be adopted.

18.1.2 **General Condition**

- All the above charges are excluding GST. GST at the applicable rates shall be payable in addition to the above charges.
- Flight operating under Regional Connectivity Scheme will be exempted from charges as per Order No. 20/2016-17 dated 31.03.2017 of the Authority from the date the scheme is operationalized by the Gol as amended from time to time.



18.1.3

Annexure 1B: Cargo Charges

a) Domestic Cargoi. Departure Cargo

Applicable rates from April 1, 2024 to March 31,2025

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo/Perishable Cargo/Courier/PO mails etc.	0.88	117.70
	Special	2.35	235.40
	Valuable	5.89	882.75
2	Demurrage Charges (Leviable from Shippers)		
	General/Special/Perishable (second day onwards)	1.18	176.55
	Valuable (second day onwards)	2.35	353.10
3	X Ray Charges		
	General and Perishable Cargo	2.35	117.70
	Valuable Cargo	2.35	117.70

*If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.

Applicable rates from April 1, 2025 to March 31,2026

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo/Perishable Cargo/Courier/PO mails etc.	0.94	125.94
	Special	2.52	251.88
	Valuable	6.30	944.54
2	Demurrage Charges (Leviable from Shippers)		
	General/Special/Perishable (second day onwards)	1.26	188.91
	Valuable (second day onwards)	2.52	377.82
3	X Ray Charges		
	General Cargo	2.52	125.94
	Valuable	2.52	125.94



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**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2026 to March 31, 2027

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo/Perishable Cargo/Courier/PO mails etc.	1.01	134.75
	Special	2.70	269.51
	Valuable	6.74	1,010.66
2	Demurrage Charges (Leviable from Shippers)		
	General/Special/Perishable (second day onwards)	1.35	202.13
	Valuable (second day onwards)	2.70	404.26
3	X Ray Charges		
	General Cargo	2.70	134.75
	Valuable	2.70	134.75

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2027 to March 31, 2028

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo/Perishable Cargo/Courier/PO mails etc.	1.08	144.19
	Special	2.88	288.38
	Valuable	7.21	1,081.41
2	Demurrage Charges (Leviable from Shippers)		
	General/Special/Perishable (second day onwards)	1.44	216.28
	Valuable (second day onwards)	2.88	432.56
3	X Ray Charges		
	General Cargo	2.88	144.19
	Valuable	2.88	144.19

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*



Note: Common for Outbound, Inbound and Airlines

- i TSP Charges and Demurrage Charges will be levied on the "Gross Weight" or the "Chargeable Weight" of the consignment, whichever is higher
- ii For mis-declaration of weight of 2% and above of declared weight, penal charges @ double the applicable TSP Charges will be levied
- iii Special cargo consists of live animals, hazardous goods, ornamental fish, chicks, etc.
- iv X-Ray and Unitization Charges will be levied on gross weight
- v GST and other applicable taxes, if any shall be charged extra at applicable rates
- vi Unitization charges for ULDs will be at par with International Cargo Rates
- vii Consignments of human remains coffin including unaccompanied baggage of deceased are exempted from the purview of TSP & Demurrage charges

ii. Arrival Cargo**Applicable rates from April 1, 2024 to March 31,2025**

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General /Perishable Cargo	0.88	117.70
	Special	2.35	235.40
	Valuable	5.89	882.75
2	Demurrage Charges (Leviable from Shippers)		
	Second Day onwards General/ Special/ Perishable	1.18	176.55
	Second Day onwards Valuable	2.35	353.10

*If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.

Applicable rates from April 1, 2025 to March 31,2026

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General /Perishable Cargo	0.94	125.94
	Special	2.52	251.88
	Valuable	6.30	944.54
2	Demurrage Charges (Leviable from Shippers)		
	Second Day onwards General/ Special/ Perishable	1.26	188.91



S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
	Second Day onwards Valuable	2.52	377.82

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2026 to March 31,2027

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo	1.01	134.75
	Special	2.70	269.51
	Valuable	6.74	1,010.66
2	Demurrage Charges (Leviable from Shippers)		
	Second Day onwards General/ Special/ Perishable	1.35	202.13
	Second Day onwards Valuable	2.70	404.26

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2027 to March 31,2028

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General /Perishable Cargo	1.08	144.19
	Special	2.88	288.38
	Valuable	7.21	1,081.41
2	Demurrage Charges (Leviable from Shippers)		
	Second Day onwards General/ Special/ Perishable	1.44	216.28
	Second Day onwards Valuable	2.88	432.56

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*



Other Charges

Applicable rates from April 1, 2024 to March 31,2025

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Stuffing/ De- Stuffing/ X-Ray Charges		
	Stuffing/De-stuffing charges (chargeable to airline)	1.18	117.70
	X Ray charges (chargeable to airline)	2.35	117.70
2	Handling Charges on Company Cargo (Outbound and Inbound)	0.88	117.70
3	Demurrage Charges on Company Cargo (Chargeable to Airlines)		
	Second Day onwards General/ Special/ Perishable	1.18	176.55
4	Handling Charges for Misrouted Cargo/Transit Cargo (Inbound & Outbound cargo will be charged separately and misrouted PO Mail will be charged only for the outbound)	1.18	117.70
5	X Ray Charges to Postal Department	2.35	117.70

Applicable rates from April 1, 2025 to March 31,2026

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Stuffing/ De- Stuffing/ X-Ray Charges		
	Stuffing/De-stuffing charges (chargeable to airline)	1.26	125.94
	X Ray charges (chargeable to airline)	2.52	125.94
2	Handling Charges on Company Cargo (Outbound and Inbound)	0.94	125.94
3	Demurrage Charges on Company Cargo (Chargeable to Airlines)		
	Second Day onwards General/ Special/ Perishable	1.26	188.91
4	Handling Charges for Misrouted Cargo/Transit Cargo (Inbound & Outbound cargo will be charged separately and misrouted PO Mail will be charged only for the outbound)	1.26	125.94
5	X Ray Charges to Postal Department	2.52	125.94

Applicable rates from April 1, 2026 to March 31,2027

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Stuffing/ De- Stuffing/ X-Ray Charges		
	Stuffing/De-stuffing charges (chargeable to airline)	1.35	134.75
	X Ray charges (chargeable to airline)	2.70	134.75
2	Handling Charges on Company Cargo (Outbound and Inbound)	1.01	134.75
3	Demurrage Charges on Company Cargo (Chargeable to Airlines)		
	Second Day onwards General/ Special/ Perishable	1.35	202.13
4	Handling Charges for Misrouted Cargo/Transit Cargo (Inbound & Outbound cargo will be charged separately and misrouted PO Mail will be charged only for the outbound)	1.35	134.75
5	X Ray Charges to Postal Department	2.70	134.75

Applicable rates from April 1, 2027 to March 31,2028

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Stuffing/ De- Stuffing/ X-Ray Charges		
	Stuffing/De-stuffing charges (chargeable to airline)	1.44	144.19
	X Ray charges (chargeable to airline)	2.88	144.19
2	Handling Charges on Company Cargo (Outbound and Inbound)	1.08	144.19
3	Demurrage Charges on Company Cargo (Chargeable to Airlines)		
	Second Day onwards General/ Special/ Perishable	1.44	216.28
4	Handling Charges for Misrouted Cargo/Transit Cargo (Inbound & Outbound cargo will be charged separately and misrouted PO Mail will be charged only for the outbound)	1.44	144.19
5	X Ray Charges to Postal Department	2.88	144.19

Note: Common for Outbound, Inbound and Airlines

- i TSP Charges and Demurrage Charges will be levied on the "Gross Weight" or the "Chargeable Weight" of the consignment, whichever is higher

- ii For mis-declaration of weight of 2% and above of declared weight, penal charges @ double the applicable TSP Charges will be levied
- iii Special cargo consists of live animals, hazardous goods, ornamental fish, chicks, etc.
- iv X-Ray and Unitization Charges will be levied on gross weight
- v GST and other applicable taxes, if any shall be charged extra at applicable rates
- vi Unitization charges for ULDs will be at par with International Cargo Rates
- vii Consignments of human remains coffin including unaccompanied baggage of deceased are exempted from the purview of TSP & Demurrage charges

b) Export Cargo

Applicable rates from April 1, 2024 to March 31,2025

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo	1.12	176.55
	Special	2.35	353.10
	Perishable	0.82	176.55
	Valuable	5.89	1,177.00
2	Demurrage Charges (Leviable from Shippers)		
	General Cargo	1.12	176.55
	Special	2.24	353.10
	Valuable	4.47	706.20
3	X Ray Charges		
	General Cargo	2.35	176.55
	Valuable	1.77	176.55
	P.O. Mails	2.35	176.55
4	AWB Amendment Charges (per AWB)		117.70

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2025 to March 31,2026

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		



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S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
	General Cargo	1.20	188.91
	Special	2.52	377.82
	Perishable	0.88	188.91
	Valuable	6.30	1,259.39
2	Demurrage Charges (Leviable from Shippers)		
	General Cargo	1.20	188.91
	Special	2.39	377.82
	Valuable	4.79	755.63
3	X Ray Charges		
	General Cargo	2.52	188.91
	Valuable	1.89	188.91
	P.O. Mails	2.52	188.91
4	AWB Amendment Charges (per AWB)		125.94

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2026 to March 31, 2027

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo	1.28	202.13
	Special	2.70	404.26
	Perishable	0.94	202.13
	Valuable	6.74	1,347.55
2	Demurrage Charges (Leviable from Shippers)		
	General Cargo	1.28	202.13
	Special	2.56	404.26
	Valuable	5.12	808.53
3	X Ray Charges		
	General Cargo	2.70	202.13
	Valuable	2.02	202.13
	P.O. Mails	2.70	202.13
4	AWB Amendment Charges (per AWB)		134.75



**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2027 to March 31,2028

(Rate in ₹)

S. No.	Types of Charge	Rate per kg	Minimum rate per consignment
1.	Terminal, Storage and Processing Charges*		
	General Cargo	1.37	216.28
	Special	2.88	432.56
	Perishable	1.01	216.28
	Valuable	7.21	1,441.88
2	Demurrage Charges (Leviable from Shippers)		
	General Cargo	1.37	216.28
	Special	2.74	432.56
	Valuable	5.48	865.13
3	X Ray Charges		
	General Cargo	2.88	216.28
	Valuable	2.16	216.28
	P.O. Mails	2.88	216.28
4	AWB Amendment Charges (per AWB)		144.19

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Note (Export Cargo):

- i The free period for export cargo shall be 48 hours: for examination/processing by the shippers/Airlines.
- ii Consignments of human remains coffin including unaccompanied baggage of deceased and human eyes are exempted from the purview of TSP & demurrage charges
- iii Special cargo consists of live animals, hazardous goods, ornamental fish, chicks, etc.
- iv 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.
- v For mis-declaration of weight above 2% and up to 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.



c) Import Cargo

Applicable rates from April 1, 2024 to March 31, 2025

(Rates in ₹)

S. No.	Type of Charge	Rate per Kg	Minimum rate per consignment
1	Delivery Order Charges		
	MAWB General Cargo		1,765.50
	MAWB Baggage		1,765.50
	MAWB Baggage- Consolidation		1,765.50
	Break Bulk Charges- 1 st HAWB		2,942.50
	Each Additional		1,177.00
2	Terminal, Storage and Processing Charges*		
	General Cargo	5.30	235.40
	Special Cargo	10.59	294.25
	Valuable Cargo	14.12	1,177.00
	Courier Cargo	5.30	235.40
	Perishable Cargo	5.30	235.40
3	Strapping Charges (per packet)		11.77
4	Demurrage Charges		
	General (Up to 96 Hrs/ 4 working days) including free period	1.53	347.22
	General (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	3.06	
	General (Beyond 720 Hrs/ 30 days)	4.59	
	Special (Up to 96 Hrs/ 4 working days) including free period	3.06	682.66
	Special (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	6.12	
	Special (Beyond 720 Hrs/ 30 days)	9.18	
	Valuable (Up to 96 Hrs/ 4 working days) including free period	6.12	1365.32
	Valuable (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	12.24	
	Valuable (Beyond 720 Hrs/ 30 days)	18.36	

*If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.

Applicable rates from April 1, 2025 to March 31, 2026

(Rates in ₹)

S. No.	Type of Charge	Rate per Kg	Minimum rate per consignment
1	Delivery Order Charges		
	MAWB General Cargo		1,889.09
	MAWB Baggage		1,889.09
	MAWB Baggage- Consolidation		1,889.09
	Break Bulk Charges- 1 st HAWB		3,148.48
	Each Additional		1,259.39
2	Terminal, Storage and Processing Charges*		
	General Cargo	5.67	251.88
	Special Cargo	11.33	314.85
	Valuable Cargo	15.11	1,259.39



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S. No.	Type of Charge	Rate per Kg	Minimum rate per consignment
	Courier Cargo	5.67	251.88
	Perishable Cargo	5.67	251.88
3	Strapping Charges (per packet)		12.59
4	Demurrage Charges (Per Day)		
	General (Up to 96 Hrs/ 4 working days) including free period	1.64	371.52
	General (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	3.27	
	General (Beyond 720 Hrs/ 30 days)	4.91	
	Special (Up to 96 Hrs/ 4 working days) including free period	3.27	730.45
	Special (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	6.55	
	Special (Beyond 720 Hrs/ 30 days)	9.82	
	Valuable (Up to 96 Hrs/ 4 working days) including free period	6.55	1,460.89
	Valuable (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	13.10	
	Valuable (Beyond 720 Hrs/ 30 days)	19.65	

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2026 to March 31, 2027

(Rates in ₹)

S. No.	Type of Charge	Rate per Kg	Minimum rate per consignment
1	Delivery Order Charges		
	MAWB General Cargo		2,021.32
	MAWB Baggage		2,021.32
	MAWB Baggage- Consolidation		2,021.32
	Break Bulk Charges- 1 st HAWB		3,368.87
	Each Additional		1,347.55
2	Terminal, Storage and Processing Charges*		
	General Cargo	6.06	269.51
	Special Cargo	12.13	336.89
	Valuable Cargo	16.17	1,347.55
	Courier Cargo	6.06	269.51
	Perishable Cargo	6.06	269.51
3	Strapping Charges (per packet)		13.48
4	Demurrage Charges		
	General (Up to 96 Hrs/ 4 working days) including free period	1.75	397.53
	General (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	3.50	
	General (Beyond 720 Hrs/ 30 days)	5.26	
	Special (Up to 96 Hrs/ 4 working days) including free period	3.50	781.58
	Special (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	7.01	
	Special (Beyond 720 Hrs/ 30 days)	10.51	
	Valuable (Up to 96 Hrs/ 4 working days) including free period	7.01	1,563.15
	Valuable (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	14.01	
	Valuable (Beyond 720 Hrs/ 30 days)	21.02	

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Applicable rates from April 1, 2027 to March 31, 2028

(Rates in ₹)

S. No.	Type of Charge	Rate per Kg	Minimum rate per consignment
1	Delivery Order Charges		
	MAWB General Cargo		2,162.81
	MAWB Baggage		2,162.81
	MAWB Baggage- Consolidation		2,162.81
	Break Bulk Charges- 1 st HAWB		3,604.69
	Each Additional		1,441.88
2	Terminal, Storage and Processing Charges*		
	General Cargo	6.49	288.38
	Special Cargo	12.98	360.47
	Valuable Cargo	17.30	1,441.88
	Courier Cargo	6.49	288.38
	Perishable Cargo	6.49	288.38
3	Strapping Charges (per packet)		14.42
4	Demurrage Charges		
	General (Up to 96 Hrs/ 4 working days) including free period	1.87	425.35
	General (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	3.75	
	General (Beyond 720 Hrs/ 30 days)	5.62	
	Special (Up to 96 Hrs/ 4 working days) including free period	3.75	836.29
	Special (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	7.50	
	Special (Beyond 720 Hrs/ 30 days)	11.25	
	Valuable (Up to 96 Hrs/ 4 working days) including free period	7.50	1,672.58
	Valuable (Between 96 Hrs and 720 Hrs/ 5 and 30 days)	15.00	
	Valuable (Beyond 720 Hrs/ 30 days)	22.49	

**If Cargo at KIA is received through approved AFS, then 30% lower Terminal, Storage and Processing charges shall be applicable.*

Note:

- 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.
- Consignments of human remains coffin including baggage of deceased and Human eyes will be exempted from the purview of TSP, demurrage and DO charges.
- 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.

- iv Special Import Cargo consists of Live Animals, Hazardous Goods, Ornamental Fish, Live Chicks, etc.
- v Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, traveler's cheques, diamonds including diamonds for industrial use, diamond jewelry, jewelry and watches made of silver, gold, platinum, computer Parts, mobile phones and items valued at USD 1000 per kg & above.

Other Charges

Applicable rates from April 1, 2024 to March 31, 2025

(Rate in ₹)

S. No.	Activity	Minimum Charges	Per Kg
1	Palletisation/ Depalletization & Containerization/DE containerization		
	Charges for stuffing	588.50	1.77
	Charges for De-stuffing	588.50	1.77
2	Cold Storage Charges	411.95	2.35
3	Strong Room Charges	-	-
4	Transshipment Cargo Handling	-	-
	Air to Road		
	Storage charges		2.35
	Stuffing	176.55	2.94
	De-stuffing		1.77
	Demurrage charges	294.25	
		48 Hours after completion of segregation (INR per kg per day)	1.18
	(i) Road to Air		
	TSP	176.55	1.12
	X Ray charges	176.55	2.35
	Stuffing		1.77
	Demurrage charges	176.55	
		Beyond 48 hours	1.12
	(ii) Air to Air		
	Storage charges		2.35
	Stuffing	176.55	1.77
	De stuffing		1.77
	Demurrage charges	294.25	
		48 hours after completion of segregation (INR per kg per day)	1.18
	(iii) Road to Road (Import)		
	De stuffing charges	176.55	2.94



ANNEXURES

S. No.	Activity	Minimum Charges	Per Kg
	TSP Charge	Same as Import TSP	
	Demurrage charge	Same as Import demurrage	
	(iv) Road to Road (Export)		
	Stuffing charges	176.55	2.94
	TSP Charge	Same as Export TSP	
	Demurrage charge	Same as Export demurrage	
	ULD Transfer (per ULD)	588.50	
5	Forklift Charges		
	For works inside I- ACC (to the exporters/ importers only)	353.10	0.35
	For works outside within the airport premises (per hour)	2,354.00	
6	Documentation charge (Export and Import both) (per flight)	588.50	
	To be paid by airlines at Export for providing manifest & envelope services provided: Export: Cargo Manifest + Envelope		
	Import: Segregation Report		

Applicable rates from April 1, 2025 to March 31, 2026

(Rate in ₹)

S. No.	Activity	Minimum Charges	Per Kg
1	Palletisation/ Depalletization & Containerization/DE containerization		
	Charges for stuffing	629.70	1.89
	Charges for De-stuffing	629.70	1.89
2	Cold Storage Charges	440.79	2.52
3	Strong Room Charges		
4	Transshipment Cargo Handling		
	Air to Road		
	Storage charges		2.52
	Stuffing	188.91	3.15
	De-stuffing		1.89
	Demurrage charges	314.85	
		48 Hours after completion of segregation (INR per kg per day)	1.26
	(v) Road to Air		
	TSP	188.91	1.20
	X Ray charges	188.91	2.52
	Stuffing		1.89
	Demurrage charges	188.91	
		Beyond 48 hours	1.20
	(vi) Air to Air		
	Storage charges	188.91	2.52



ANNEXURES

S. No.	Activity	Minimum Charges	Per Kg
	Stuffing		1.89
	De stuffing		1.89
	Demurrage charges	314.85	
		48 hours after completion of segregation (INR per kg per day)	1.26
	(vii) Road to Road (Import)		
	De stuffing charges	188.91	3.15
	TSP Charge	Same as Import TSP	
	Demurrage charge	Same as Import demurrage	
	(viii) Road to Road (Export)		
	Stuffing charges	188.91	3.15
	TSP Charge	Same as Export TSP	
	Demurrage charge	Same as Export demurrage	
	ULD Transfer (per ULD)	629.70	
5	Forklift Charges		
	For works inside I- ACC (to the exporters/ importers only)	377.82	0.38
	For works outside within the airport premises (per hour)	2,518.78	
6	Documentation charge (Export and Import both) (per flight)	629.70	
	To be paid by airlines at Export for providing manifest & envelope services provided: Export: Cargo Manifest + Envelope		
	Import: Segregation Report		

Applicable rates from April 1, 2026 to March 31, 2027

(Rate in ₹)

S. No.	Activity	Minimum Charges	Per Kg
1	Palletisation/ Depalletization & Containerization/DE containerization		
	Charges for stuffing	673.77	2.02
	Charges for De-stuffing	673.77	2.02
2	Cold Storage Charges	471.64	2.70
3	Strong Room Charges		
4	Transshipment Cargo Handling		
	Air to Road		
	Storage charges		2.70
	Stuffing	202.13	3.37
	De-stuffing		2.02
	Demurrage charges	336.89	
		48 Hours after completion of segregation (INR per kg per day)	1.35
	(ix) Road to Air		

ANNEXURES

S. No.	Activity	Minimum Charges	Per Kg
	TSP	202.13	1.28
	X Ray charges	202.13	2.70
	Stuffing		2.02
	Demurrage charges	202.13	
		Beyond 48 hours	1.28
	(x) Air to Air		
	Storage charges		2.70
	Stuffing	202.13	2.02
	De stuffing		2.02
	Demurrage charges	336.89	
		48 hours after completion of segregation (INR per kg per day)	1.35
	(xi) Road to Road (Import)		
	De stuffing charges	202.13	3.37
	TSP Charge	Same as Import TSP	
	Demurrage charge	Same as Import demurrage	
	(xii) Road to Road (Export)		
	Stuffing charges	202.13	3.37
	TSP Charge	Same as Export TSP	
	Demurrage charge	Same as Export demurrage	
	ULD Transfer (per ULD)	673.77	
5	Forklift Charges		
	For works inside I- ACC (to the exporters/ importers only)	404.26	0.40
	For works outside within the airport premises (per hour)	2,695.09	
6	Documentation charge (Export and Import both) (per flight)	673.77	
	To be paid by airlines at Export for providing manifest & envelope services provided: Export: Cargo Manifest + Envelope		
	Import: Segregation Report		

Applicable rates from April 1, 2027 to March 31, 2028

(Rate in ₹)

S. No.	Activity	Minimum Charges per consignment	Per Kg
1	Palletisation/ Depalletization & Containerization/ DE containerization		
	Charges for stuffing	720.94	2.16
	Charges for De-stuffing	720.94	2.16
2	Cold Storage Charges	504.66	2.88
3	Strong Room Charges	-	-
4	Transshipment Cargo Handling	-	-
	Air to Road		



ANNEXURES

S. No.	Activity	Minimum Charges per consignment	Per Kg
	Storage charges		2.88
	Stuffing	216.28	3.60
	De-stuffing		2.16
	Demurrage charges	360.47	
		48 Hours after completion of segregation (INR per kg per day)	1.44
	(xiii) Road to Air		
	TSP	216.28	1.37
	X Ray charges	216.28	2.88
	Stuffing		2.16
	Demurrage charges (Beyond 48 hours)	216.28	
		Beyond 48 hours	1.37
	(xiv) Air to Air		
	Storage charges		2.88
	Stuffing	216.28	2.16
	De stuffing		2.16
	Demurrage charges	360.47	
		48 hours after completion of segregation (INR per kg per day)	1.44
	(xv) Road to Road (Import)		
	De stuffing charges	216.28	3.60
	TSP Charges	Same as Import TSP	
	Demurrage charge	Same as Import demurrage	
	(xvi) Road to Road (Export)		
	Stuffing charges	216.28	3.60
	TSP Charges	Same as Export TSP	
	Demurrage charge	Same as Export demurrage	
	ULD Transfer (per ULD)	720.94	
5	Forklift Charges	432.56	
	For works inside I- ACC (to the exporters/importers only)		0.43
	For works outside within the airport premises (per hour)	2,883.75	
6	Documentation charge (Export and Import both) (per flight)	720.94	
	To be paid by airlines at Export for providing manifest & envelope services provided: Export: Cargo Manifest + Envelope		
	Import: Segregation Report		

NOTE:

All the above charges are excluding GST. GST at the applicable rates shall be payable in addition to the above charges.



18.2 Annexure 2 – Summary of study on allocation of assets between Aeronautical and Non-aeronautical assets

Background

- 18.2.1 RAB is one of the fundamental elements in the process of tariff determination. The return to be provided on the RAB constitutes a considerable portion of the Aggregate Revenue Requirement for an airport operator. To encourage the participation of the private sector in airport development and operations, investors must be fairly compensated for the capital outlays involved. At the same time, to safeguard the interests of the airport users, it must be ensured that the capital additions are efficient, their needs justified, and the return on investment provided solely on the assets related to the core operations (i.e., Aeronautical services) of the airport. Assets not directly related to provision of Aeronautical services, if considered as Aeronautical assets, would result in increased charges for the passengers, stakeholders and other users. Therefore, the diligent allocation of assets into Aeronautical and Non-aeronautical assets becomes an important part of the tariff determination process.
- 18.2.2 RAB evolves on a continuous basis, primarily due to the addition of capital assets required to meet the growing demand and ensure optimal level of service, replacement of obsolete assets at end of their useful life, sales or transfers of assets and depreciation. The allocation of an asset towards RAB depends upon the type of asset (building & civil works, plant & machinery, equipment, etc.), usage (provision of various services such as Aeronautical, Non-aeronautical, or Common), ownership (by airport operator, concessionaire or other entities) and useful life of the asset. Based on these factors, the rationale for allocation of each asset into the appropriate classification needs to be determined diligently.
- 18.2.3 Towards this objective, AERA has decided to conduct an independent study on allocation of assets and segregation between Aeronautical and Non-aeronautical components in respect of assets appearing in the Fixed Asset Register (FAR) of KIA as on March 31, 2023, based on the audited financial statements for the year ended March 31, 2022 and the Unaudited Figures for Financial Year starting from 1 April, 2022 to March 31, 2023.

Classification of Assets

- 18.2.4 The study based on the analysis, classified the aggregate assets of KIA, Kannur under the following categories:
- 18.2.4.1 **Aeronautical assets:** All assets that are exclusively used for the provision of Aeronautical services/ activities have been classified as 'Aeronautical assets'. Such assets would include runway(s), taxiways, drainage, culverts, aprons, etc.
- 18.2.4.2 **Non-aeronautical assets:** All assets that are exclusively used for the provision of Non-aeronautical services/ activities have been classified as 'Non-aeronautical assets'. Such assets would include landside development, commercial projects, etc.
- 18.2.4.3 **Common assets:** All assets that cannot be directly allocated to either Aeronautical assets or Non-aeronautical assets have been classified as 'Common assets'. Such assets as the name suggests, get utilised for both Aeronautical and Non-aeronautical activities. They would include terminal building, select terminal equipment, etc.

Principles for segregation of assets

- 18.2.5 The study reviewed the various asset categories and developed a basis for classification of assets into aeronautical and non – aeronautical activities. The study also determined the appropriate proportion of the Common Assets that may be included as part of Aeronautical activity so in order to determine the

Aeronautical asset base. The principles of segregation used by the study are as follows:

Aeronautical Assets

- Assets required for the performance of the Aeronautical services at the airport.
- Classification of aeronautical assets are taken as defined in the AERA Act.
- Assets necessary to maintain the service quality of the airport are proposed to be considered as aeronautical except those located in the Non-aeronautical area.

Non-aeronautical Assets

- Assets required for the performance of the Non-aeronautical activities at the airport. Examples include car parking, advertisement, retail etc.

Common Assets

- Common assets are assets which are not directly attributable to either Aeronautical or Non-aeronautical services. These assets include the terminal building, air conditioning, furniture, administrative office of airport company, etc.
- Common assets are bifurcated between Aeronautical and Non-aeronautical assets based upon Terminal Building ratio or Employee Head Count ratio. The ratio of Aeronautical to Non-aeronautical as considered by the Study for the period from FY 2018-19 to FY 2022-23 are as follows:

Table 96: The ratio of Aeronautical to Non-aeronautical as considered by the Study for the period from FY 2018-19 to FY 2022-23

Particulars	Ratio (Aeronautical: Non-aeronautical)
Terminal Building ratio (Aeronautical: Non-aeronautical)	92:8
Employee Head Count ratio (Aeronautical: Non-aeronautical)	98.28:1.72(FY 2018-19) / 96.40:3.60 (FY 2019-20) / 94.69:5.31 (FY 2020-21) / 94.44:5.56 (FY 21-22) / 93: 7 (FY 2022-23)

Details of adjustment to RAB

A. Exclusion of ANS Equipment from the RAB as on March 31, 2023

It is noted that the tariff for ANS is presently regulated by the Ministry of Civil Aviation. All the assets, expenses and revenues pertaining to ANS are considered separately by the Ministry while determining tariff for ANS services. Further, the tariff for ANS services is determined at the Central level by the Ministry of Civil Aviation to ensure uniformity across the Airports in the Country. Hence, AERA determines tariff for Aeronautical services of the Airport Operator, by excluding the assets, expenses and revenues from ANS.

Based on all the above factors, it is proposed not to consider the above-mentioned CAPEX of ₹ 20.14 Crores as part of RAB.

B. Exclusion of Land Development Cost

According to the relevant provisions of Order No. 42/2018-19 dated March 5, 2019 of AERA, it is noted as part of the Study that the cost has been incurred towards Land Development by AO, prior to the date of issuance of the above-mentioned Order No. 42/2018-19 (i.e. before March 5, 2019). Therefore, it is

proposed not to consider the above-mentioned Land Development costs amounting to ₹ 333.28 Crores, as part of RAB or as part of Land cost (for which Return is provided as per Order No. 42/ 2018-19) for true up of the First Control Period of KIA.

Further, Financing Allowance of ₹ 72.99 crores included in the Land development costs have also been excluded from RAB.

C. Exclusion of IDC from the RAB as on March 31, 2023

Considering that KIA is a greenfield airport which commenced its commercial operations on December 9, 2018, wherein the majority of the assets were not put to use and also taking cognizance of the fact that, AO did not have any airport operations to support the investment in CAPEX during the period of construction, it is considered that AO's claim for FA is justified and reasonable. It is pertinent to note here that AO has claimed FA of ₹ 363.56 Crores and this amount is apart from IDC already capitalized along with the cost of assets.

Furthermore, the capitalized value of assets includes both the components i.e., Interest During Construction (IDC) cost amounting to ₹ 159.16 Crores (Gross Block) and Financing Allowance (FA) to ₹ 362.30 Crores. Hence, It is proposed to exclude the IDC for the above reason.

D. Reclassification of assets as on March 31, 2023

Landside Drains & Culverts

- Allocation as per AO: Aeronautical
- Observation: The Drains & Culverts built on Land side have been classified as Aeronautical assets by AO. As these assets are not located on the airside, these assets are reclassified as Common assets and have been allocated using the Terminal Building ratio (92:8).
- Allocation proposed as per the Study report: Common
- Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces the RAB to the extent of ₹ 0.86 Crores.

Boundary Wall

- Allocation as per AO: Aeronautical
- Observation: It was noted that out of the total length of 24,459 meters of Property wall, approximately 10,500 meters (40%) is on the City side. Therefore, the Study has considered only 60% of the Property Boundary wall as Aeronautical and the remaining 40% as Non-aeronautical.
- Revised asset allocation: 60% Aeronautical
- Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of ₹4.60 Crores

Car Approach Road and other roadwork

- Allocation as per AO: Aeronautical
- Observation: AO has considered the Approach roads as Aeronautical. However, Approach roads namely East Entry Road, Car Approach Road, Pump House road and Secondary Approach Road are all serving mainly the Terminal Building and therefore, the same have been considered as "Common" and allocated in the ratio of Terminal Building (92:8).
- Revised asset allocation: Common
- Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of ₹0.64 Crores.

Service Roads (West Entry Road)

- Allocation as per AO: Aeronautical
- Observation: Service Road (West Entry Road) are part of the road network connecting to the Cargo Terminal, General Aviation, land earmarked for future expansion, Defence area etc. As these roads do not cater to any specific Aeronautical/ Non-aeronautical activities, the same have been classified as "Common" and allocated in the ratio of Terminal Building (92:8).
- Revised asset allocation: Common
- Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of ₹ 0.10 Crores.

Earthing & wiring assets

- Allocation as per AO: Aeronautical
- Observation: Power supply infrastructure at the airport, provides power to air side, roads, terminal building and forecourts. The electrical equipment include DG sets, Lighting Pole, power distribution board, low tension switchboards, high tension cables and Fire Protection System, etc. AO has considered these assets as Aeronautical, irrespective of whether these assets service at the airside or the terminal building. Since, certain assets available at the Terminal building, forecourts, etc, are used for both Aeronautical and Non-Aeronautical activities, the same have been identified and reclassified as Common assets and reallocated using the Terminal Building ratio (92:8).
- Allocation proposed as per the Study report: Common
- Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of ₹ 0.59 Crores.

CCTV cameras and security system

- Allocation proposed by AO: Aeronautical
- Observation: The assets pertaining to the installation of CCTV cameras across the airport, are used for both Aeronautical and Non- Aeronautical activities and hence, considered as Common assets as per the Study and segregated in the ratio of the Terminal Building (92:8).
- Allocation proposed as per the Study report: Common
- Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of ₹ 0.14 Crores.

Electrical Equipment

- Allocation proposed by AO: Aeronautical
- Observation: The assets pertaining to Electrical fittings & cablings, including video management software & IP Phones have been considered as Aeronautical by AO. However, these assets cater to the needs of both Aeronautical and Non-aeronautical activities and therefore, have been reclassified as Common assets and re-allocated in the ratio of the Terminal Building (92:8)
- Allocation proposed as per the Study: Common
- Impact on RAB: Reclassifying these assets from Aeronautical to Common, reduces RAB to the extent of ₹ 1.18 Crores.

Buildings

- Allocation proposed by AO: Aeronautical
- Observation: The assets pertaining to ~~static tank, underground~~ water tank, sewerage line and garbage dump have been considered as Aeronautical assets by AO. However, these assets are used for both Aeronautical and Non-aeronautical activities and therefore, the same are reclassified as Common

- assets and re-allocated in the ratio of the Terminal Building (92:8)
- c. Allocation proposed as per the Study report: Common
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of ₹ 0.73 Crores.
- e. Furniture & fixtures

Other Furniture

- a. Allocation proposed by AO: Common (Terminal Building Ratio)
- b. Observation: These Assets are used by both Aeronautical and Non-aeronautical employees and therefore have been re-allocated in the ratio of Employee Head Count (as against allocation in the ratio of Terminal Building) of the Airport Operator for the respective FYs in the First Control Period.
- c. Allocation proposed as per the Study report: Common (Employee Head Count Ratio)
- d. Impact on RAB: Reclassifying these assets from Common (Terminal Building Ratio) to Common (Employee Head Count Ratio) has ₹ 0.01 Crores impact on RAB.

Office Furniture

- a. Allocation proposed by AO: Aeronautical
- b. Observation: The furniture & fixtures are used by both Aeronautical and Non-aeronautical employees and therefore have been re-allocated in the ratio of Employee Head Count of the Airport Operator for the respective FYs in the First Control Period.
- c. Allocation proposed as per the Study report: Common
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Common decrease RAB to the extent of ₹ 0.04 Crores.

Computer & Accessories

- a. Allocation proposed by AO: Aeronautical
- b. Observation: The Assets namely HP Laptops, Scanners, Printers are classified as Aeronautical. As these IT assets are used for both Aeronautical and Non-aeronautical activities, the same have been reclassified as Common assets. Further, as these assets are used by the employees of the Airport Operator, the same have been reallocated in the ratio of Employee Head Count of the Airport Operator for the respective FYs in the First Control Period.
- c. Allocation proposed as per the Study report: Common
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Common decrease RAB to the extent of ₹ 0.01 Crores.

Office Equipment

- a. Allocation proposed by AO: Aeronautical
- b. Observation: The assets such as Air Conditioners, Voice Recorders, LED, etc have been classified as Aeronautical by AO. As these assets are utilized for both Aeronautical and Non-aeronautical activities, the same are reclassified as Common assets and allocated in the ratio of Employee Head Count (as these are used by employees) of the Airport Operator for the respective FYs.
- c. Allocation proposed as per the Study report: Common
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Common has NIL impact on RAB.

Fuel Handling Equipment, Water Treatment Plant, Rodent Repellent

- a. Allocation proposed by AO: Aeronautical
- b. Observation: HSD Fuel Handling Equipment used in city side and Water & sewage treatment Plant

and Rodent Repellent have been classified as Aeronautical assets by AO. As these assets are used for servicing both Aeronautical and Non-aeronautical activities within the Terminal Building, these are reclassified as Common assets and have been allocated in the ratio of the Terminal Building (92:8).

- c. Allocation proposed as per the Study report: Common
- d. Impact: Reclassifying these assets from Aeronautical to Common decreases RAB to the extent of ₹ 0.12 Crores.

Air Conditioning & Other Office Equipment

- a. Allocation proposed by AO: Aeronautical
- b. Observation: The Assets related to Air Conditioning, Water coolers, UPS & modem, etc. has been classified as Aeronautical assets by AO. As these assets are used for facilitating the needs of employees, the same are reclassified as Common and have been allocated in the ratio of the Employee Head Count for the respective FY in the First Control Period.
- c. Allocation proposed as per the Study report: Common
- d. Impact: Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of NIL.

Biogas Plant

- a. Allocation proposed by AO: Aeronautical
- b. Observation: The Biogas Plant is classified as Aeronautical by AO. The same has been considered as Non-Aeronautical as it does not cater to Aeronautical activities of the Airport.
- c. Allocation proposed as per the Study report: Non-Aeronautical
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Non-Aeronautical has reduces the RAB to the extent of ₹ 0.27 Crores.

Old Assets

- a. Allocation proposed by AO: Aeronautical
- b. Observation: The aforementioned assets relating to prior period (i.e., up to March 31, 2018) have been considered as Common and allocated in the Terminal Building Ratio (92:8).
- c. Allocation proposed as per the Study report: Common
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Common has NIL impact on RAB.

Other Assets

- a. Allocation proposed by AO: Common (Terminal Building Ratio)
- b. Observation: The assets pertaining to Microsoft office, Tally & window software are classified as Common assets by AO and have been allocated in the ratio of Terminal Building determined by the Airport Operator (94.5:5.5). However, these assets are used by the employees of the Airport Operator and therefore have been re-allocated in the ratio of Employee Head Count of the Airport Operator for the respective FY in the First Control Period.
- c. Allocation proposed as per the Study report: Common (Employee Head Count Ratio)
- d. Impact on RAB: Reclassifying these assets from Aeronautical to Common has NIL impact on the RAB.



Impact of revised Terminal Building ratio and Employee Head Count ratio as per the Study

Table 97: Adjusted RAB as of March 31, 2023, as per the Study

(₹ Crores)

Particulars	Reference	Amount
RAB as on March 31, 2023 as submitted by AO as per FAR	A	1,777.86
IDC Excluded from RAB	B	(159.16)
Land Development cost relating to Freehold Land excluded from RAB.	C	(333.28)
Financing allowance related to Freehold land excluded from RAB	D	(72.99)
RAB before Reclassification Adjustments	E= sum(A:D)	1,212.42
<u>Reclassification of other assets:</u>		
Drains & Culverts	F	(0.86)
Boundary Wall	G	(4.60)
Roads	H	(0.74)
Electrical Installations EPC	I	(0.73)
Electrical Equipment	J	(1.18)
Buildings	K	(0.73)
Furniture & Fixtures	L	(0.05)
Computers & Accessories	M	(0.01)
Office Equipment	N	(0.00)
Plant & Equipment	O	(0.39)
Old Assets	P	(0.00)
Other Assets	Q	(0.00)
Total reclassification of other assets Sum (F: Q)	R	(9.29)
Depreciation computation errors observed in FAR	S	(32.47)
Impact of Terminal Building ratio (Net Block)	T	(14.55)
Sale Value wrongly calculated	U	(0.03)
Adjusted RAB as on March 31, 2023 (V = E + R + S + T+U)		1,156.08

Note: Depreciation determined as part of the Study is higher, due to some calculation errors noted in the FAR submitted by the AO, which is as follows:

- Depreciation for FY 2019-20 had been calculated by including the number of days for FY 2018-19 as well.
- Depreciation had not been calculated on the value of balance assets (which is retained by the Airport), in cases where only a part of the assets has been sold out.
- Depreciation had not been calculated for many assets from FY 2020-21, although there had been no sale of the assets.



18.2.6 Based on the above, the year-wise revision in the Gross Fixed Assets ratio has been summarized in the tables below:

Table 98: Summary of assets as submitted by AO up to March 31, 2023

(₹ Crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Aeronautical Gross block (closing) (A)	1,675.45	1,712.91	1,727.32	1,730.40	1,730.40
Cost of Acquisition of Land (B)	330.95	333.20	333.28	333.28	333.28
Non-aeronautical Gross block (C)	53.66	15.02	15.02	15.12	15.12
Total Gross block (D = A + B + C)	2,060.06	2,061.12	2,075.62	2,078.81	2,078.81
Non-Aeronautical Gross block ratio (D = C / D %)	2.60%	0.73%	0.72%	0.73%	0.73%
Aeronautical Accumulated Depreciation (E)	25.39	129.90	181.52	233.74	285.84
Non-aeronautical Accumulated Depreciation (F)	0.88	3.75	1.02	4.69	6.12
Aeronautical Net block (RAB) (G = A + B - E)	1,981.00	1,916.20	1,879.08	1,829.95	1,777.86
Non-aeronautical Net block (H = C - F)	52.78	48.44	11.76	10.44	9.01
Total Net block (I = G + H)	2,033.79	1,964.64	1,890.84	1,840.38	1,786.85
Non-aeronautical Net block as a % of Total Net block	2.60%	2.47%	0.62%	0.57%	0.50%

Table 99: Revised Gross and Net block of Assets up to March 31, 2023 as per the Study report

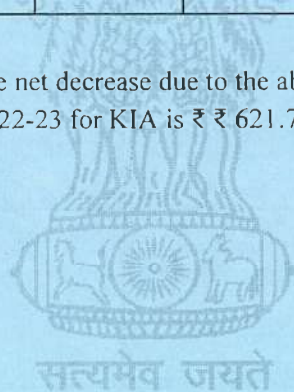
(₹

Crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Aeronautical Gross block (closing) = (A)	1,675.45	1,712.91	1,727.32	1,730.40	1,730.40
Less : FA related to Land Development Cost (B)	(72.99)	(72.99)	(72.99)	(72.99)	(72.99)
Less : Borrowing Cost (C)	(159.16)	(159.16)	(159.16)	(159.16)	(159.16)
Less: Aeronautical to Common / Non -aeronautical and Common (Terminal Building) to Common (Employee Head Count Ratio) (D)	(32.01)	(32.87)	(32.87)	(32.98)	(32.98)
Less : Aeronautical to Non-aeronautical (E)	(0.61)	(0.61)	(0.61)	(0.61)	(0.61)
Sales error rectification (F)	0.55	(0.03)	(0.03)	(0.41)	(0.41)
Revised Aeronautical Gross block as per study (G= A+B+C+D+E+F)	1,411.23	1,447.25	1,461.66	1,464.25	1,464.25
Revised Non-aeronautical Gross block (H)	80.30	79.67	79.68	79.93	79.93

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Revised Total Gross block (I= G+H)	1,491.52	1,526.92	1,541.35	1,544.18	1,544.18
Revised Non-Aeronautical ratio (J = H / I)	5.38%	5.22%	5.17%	5.18%	5.18%
Increase in Non-Aeronautical ratio	2.78%	4.49%	4.45%	4.45%	4.45%
Aeronautical Accumulated Depreciation (K)	22.53	93.20	164.63	236.29	308.17
Non-aeronautical Accumulated Depreciation (L)	1.50	6.18	10.84	15.52	20.22
Aeronautical Net block (RAB) (M= G-K)	1,388.70	1,354.05	1,297.03	1,227.96	1,156.08
Non-aeronautical Net block (N = H – L)	78.79	73.52	68.84	64.40	59.70
Total Net block (O= M+N)	1,467.49	1,427.57	1,365.88	1,292.36	1,215.78
Non-aeronautical Net block as a % of Total Net block (P=N/O)	5.37%	5.15%	5.04%	4.98%	4.91%

18.2.7 As seen from the above table, the net decrease due to the above adjustments in the Aeronautical RAB from FY 2018-19 to FY 2022-23 for KIA is ₹ ₹ 621.77 Crores .



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18.3 Annexure 3 - Summary of study on efficient Operation and Maintenance expenses

Background

- 18.3.1 Establishing efficient Operation and Maintenance (O&M) expenses is an essential component in tariff determination for Aeronautical services. The allocation of O&M expenses as Aeronautical and Non-aeronautical expenses depends on the nature of expenses, the type of assets which they service, the business function which they are deployed for, the end-user that benefits or avails services from those expenses, and the reasonableness of the quantum of such expenses.
- 18.3.2 Towards this objective, AERA has decided to conduct an independent study on efficient Operation and Maintenance expenses, and their allocation as Aeronautical and Non-aeronautical components in respect of O&M expenses as per the MYTP the period from FY 2018-19 to FY 2021-22 and the Unaudited financial statements of KIA for the period April 1, 2022 to March 31, 2023.

Comparison of Aeronautical O&M expenses approved as per Tariff Order for the First Control Period vis-à-vis the actual expenses incurred by AO.

- 18.3.3 The Study compared the Aeronautical O&M expenses as per approved tariff order of First Control Period (FCP) with actual expenses incurred by Airport Operator (AO) and analyzed the reasons for deviation in such O&M expenses. The details of O&M expenses approved as per tariff order and the actuals incurred during the First Control Period, are shown in the table below:

Table 100: Aeronautical O&M expenses of KIA for First Control Period - Projections vs. Actuals

(in ₹ Crores)

Particulars	Projections (as per the Tariff Order) (A)	Actuals of KIA (B)	Variance (C = B - A)	Variance (%) (D = C / A)
Land lease rental	0.05	-	(0.05)	(100.00) %
Employee Cost	51.21	51.92	0.71	1.39%
Power, Fuel & Water	18.47	46.71	28.24	152.89%
Repair & Maintenance	77.74	76.31	(1.43)	(1.84) %
Administration	28.43	24.75	(3.68)	(12.93) %
Marketing Cost	10.75	-	(10.75)	(100.00) %
Security	28.43	2.09	(26.34)	(92.64) %
Stores & Spares	10.39	-	(10.39)	(100.00) %
Other Airport Operating Expenses	-	76.92	76.92	100.00%
CISF Induction fee	-	9.80	9.80	100.00%
Cargo related expenses	-	0.62	0.62	100.00%
ORAT	-	1.52	1.52	100.00%
Airport inauguration expenses	-	11.72	11.72	100.00%

Particulars	Projections (as per the Tariff Order) (A)	Actuals of KIA (B)	Variance (C = B - A)	Variance (%) (D = C / A)
Total Aeronautical O&M expense for the Second Control Period	225.47	302.36	76.89	34.10%

18.3.4 Analysis of actual expenses incurred by AO was carried out as part of the Study and it was observed that, the major reasons for the overall deviation of 34.10% in the Total Aeronautical O&M expenses for the First Control Period, were as follows:

- Employee expenses: Employee costs are higher as compared to its traffic growth and against global benchmarks.
- Power Fuel & Water Expenses: It is observed that the Power, fuel & water expenses were higher than the amount approved in the Tariff Order, mainly due to actual electricity expenses being significantly higher than the amount approved in the Tariff Order of the First Control Period.
- CNS-ATM service charges: CNS-ATM charges were disallowed as they are ANS expenses and its tariff is regulated by Ministry of Civil Aviation (MoCA).
- CISF induction fee: CISF Induction fee is disallowed based on the factor that it forms part of PSF (security).
- Airport Inauguration expenses: Airport Inauguration Expenses were claimed on higher side as compared to other airports hence, it was reduced by 27% (approx.).

18.3.5 Based on the above analysis, it was determined that there was a need to rationalize and bring more efficiency by optimizing the O&M expenses at KIA. Accordingly, the Study proposed the following:

- Reclassification of the Employee Head Count Ratio based on revised employee numbers for the Airport Operator and reallocate the corresponding employee costs of the AO.
- Reallocation of Administrative expenses, Repair and Maintenance Expenses, Security Expenses and Other Airport Operating Expenses incurred by AO.
- Rationalization of Other Airport Operating expenses and Airport Inauguration expenses incurred by AO.
- Further, as there was no scope for rationalizing the power expenses, it was suggested that the Airport Operator should take steps to bring efficiencies in the overall power expenses over a period of time.

18.3.6 The Study has proposed the revised Aeronautical O&M expenses (after rationalisation and prior to reallocation) for the period FY 2018-19 to FY 2022-23 as summarised in the table below:

Table 101: Aeronautical O&M expenses due to rationalisation (prior to reallocation) for KIA for the period from FY 2018-19 to FY 2022-23 as per Study

(₹ Crores)						
Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Land lease rental						
Employee costs	7.32	11.03	10.95	10.35	10.05	49.70
Power, Fuel & Water	3.58	7.37	3.85	4.45	6.09	25.34

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Repair & Maintenance	5.83	13.13	13.89	15.94	18.34	67.13
Administration expenses	7.29	3.42	3.69	4.04	5.09	23.53
Marketing Cost	-	-	-	-	-	-
Security	-	0.44	0.43	0.47	0.75	2.09
Stores & Spares	-	-	-	-	-	-
Other Airport Operating Expenses	2.39	8.84	9.44	11.23	13.02	44.92
CISF Induction fee	-	-	-	-	-	-
Cargo related expenses	-	-	-	0.21	0.41	0.62
ORAT	1.52	-	-	-	-	1.52
Airport inauguration expenses	5.86					5.86
Total Aero O&M expenses considered by the Study	33.79	44.23	42.25	46.69	53.75	220.71

18.3.7 It is observed that certain Aeronautical expenses such as Employee cost, Power, fuel & water, Repairs & Maintenance (excluding housekeeping charges), Custom Cost Recovery (included in Other Airport Operating Expenses) Airport inauguration expenses have already been rationalised, the same will not be considered for further analysis relating to reclassification and ratio reallocation.

Principles for segregation of costs

18.3.8 This Study segregates the O&M expenses of KIA into the following:

- **Aeronautical expenses:** Expenses which are incurred for operation and maintenance of Aeronautical assets have been categorised as Aeronautical expenses.
- **Non-aeronautical expenses:** Expenses which are incurred for operation and maintenance of Non-aeronautical assets have been categorized as Non-aeronautical expenses.
- **Common expenses:** Expenses for which the benefits or use cannot be exclusively linked to either Aeronautical or Non-aeronautical activities have been segregated as Common expenses. Expenses primarily incurred for the provision of Aeronautical services but are also used for provision of Non-aeronautical services are segregated as Common Expenses. Expenses which are used for general corporate purposes including legal, administration, and management affairs are treated as Common Expenses.

18.3.9 The Allocation ratios of the various O&M expenses as per AO's submission is as below:

Table 102: Allocation ratio for Common O&M expenses as per AO's submission

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employee Head Count ratio (Aeronautical: Non-aeronautical)	98.4: 1.6	96.6:3.4	95:5	94.8: 5.2	93.3:6.7
Terminal Building ratio (Aeronautical: Non-aeronautical)	94.5: 5.5	94.5: 5.5	94.5: 5.5	94.5: 5.5	94.5: 5.5

Details of adjustment to O&M expenses

18.3.10 The study on the basis of the expense classification and principles of segregation adopted, as can be seen in the above paragraphs, has considered reallocation of Operation and Maintenance expenses to determine Aeronautical O&M costs. The study has proposed the following ratios:

Table 103: Revised Allocation ratio for O&M expenses as per the study

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employee Head Count ratio (Aeronautical: Non-aeronautical)	98.28%	96.40%	94.69%	94.44%	93.00%
Gross Fixed Assets ratio (Aeronautical: Non-aeronautical)	96.21:3.79	96.35:3.65	96.39:3.61	96.38:3.62	96.38:3.62
Terminal Building ratio (Aeronautical: Non-aeronautical)	92: 8	92: 8	92: 8	92: 8	92: 8

Rationalisation of O&M expenses

18.3.11 Based on the Internal and External Benchmarking analysis, it was observed that the Operation and Maintenance expenses for KIA, Kannur for the period from FY 2018-19 to FY 2022-23 are comparatively reasonable as mentioned below:

The O&M expenses of KIA namely, Employee Cost, Administration & General expenses, Utility & Operating expenses and Repairs & Maintenance expenses have grown at a lower CAGR than that of PAX and ATM traffic during the period.

18.3.12 The Study has not considered certain expenses such as ORAT and Airport Inauguration expenses for the Internal Benchmarking analysis as these expenses are incurred only in FY 2018-19 towards commencement of airport operations and not recurring in nature. Further, the Study has not included CNS-ATM charges, CISF induction fee and CSR expenses since the same have not been allowed as already explained.

Efficient Aeronautical O&M expenses

18.3.13 Based on the above, the efficient Aeronautical Operating and Maintenance expenses for the Airport Operator are given in the tables as follows:

Table 104: Efficient Aeronautical O&M expenses for KIA for the period from FY 2018-19 to FY 2022-23 after rationalisation and reallocation as per Study

(₹ Crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23*	Total
Employee costs	7.32	11.03	10.95	10.35	10.05	49.70
Power, Fuel & Water	3.58	7.37	3.85	4.45	6.09	25.34
Repair & Maintenance	5.75	12.89	13.67	15.70	18.08	66.09
Administration expenses	7.02	3.36	3.67	4.01	5.08	23.15
Security	-	0.43	0.43	0.47	0.71	2.04
Other Airport Operating Expenses	2.39	8.84	9.44	11.23	13.02	44.91

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23*	Total
Cargo related expenses	-	-	-	0.21	0.41	0.62
ORAT	1.52	-	-	-	-	1.52
Airport inauguration expenses	5.86	-	-	-	-	5.86
Total Aero O&M expenses considered by the Study (B)	33.44	43.92	42.02	46.43	53.45	219.26

* Unaudited fig. of FY 2022-23

- 18.3.14 AO has claimed Aeronautical O&M expenses of ₹ 302.36 Crores for the First Control period i.e., from FY 2018-19 to FY 2022-23 as part of their True up submission.
- 18.3.15 The Study proposes ₹ 219.26 Crores as the Aeronautical O&M expenses for KIA for the period from FY 2018-19 to FY 2022-23, thus, resulting in a downward adjustment of ₹ 83.10 Crores in the Aeronautical O&M expenses. The Aeronautical O&M expenses for the period from FY 2018-19 to FY 2022-23 is reduced by 27.5%.
- 18.3.16 The Study has taken cognisance of the fact that the actual passenger throughput vis-à-vis the designed capacity (9.34 MPPA) of the Airport does not complement each other. Therefore, the Airport operator should keep in mind the current utilization while planning the expenses because the Operating expenses are indirectly proportionate to the Airport's capacity. Therefore, the situation of over-capacity will lead to higher operating expenses and eventually burden the Airport users.

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19 APPENDICES

Appendix I - Study on Allocation of assets between Aeronautical and Non-Aeronautical Assets

Appendix II - Study on efficient Operation and Maintenance Costs



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