



2013/L/CHQ/MKT/0027/AERA-DEL-ATP

24 September 2013

AGM (ABS)

Mr C V Deepak

OSD – II

Airports Economic Regulatory Authority of India

AERA Building, Administrative Block

Safdarjung Airport, New Delhi – 110 003

12
30/9/13

Dear Sir,

Ref: AERA/20010/MYTP/AIS/GH/Del/2012-13/4858; dated 12 September 2013

Sub: Multi Year Tariff Proposal / Annual Tariff Proposal (s) for ground handling services at IGI Airport, New Delhi.

I would like to respond the Authority's letter reference as above, dated 12 September 2013, whereas Delhi International Airport Private Limited (DIAL) has mentioned that the rates proposed in ATP, are higher than the ceiling rates given in the Concession Agreement between DIAL and AISATS.

879/OSD-II
01/10/13

I would like to clarify to the respected Authority that the rates proposed in ATP for the Authority's approval are including concession fees paid to DIAL, whereas the ceiling rates defined in the concession agreement between DIAL and AISATS do not include the concession fees paid to DIAL.

I would further like to clarify to the Authority that concession fee is derived based on the Gross Revenue of the Ground Handling company, whereas Gross Revenue is defined as the actual chargeable amount by AISATS from the users for the GH services. Kindly note, concession fees is a third party cost and not part of the GH services.

I would again like to draw authority's attention to the fact that in the ground handling industry, IATA Main Agreement states, under Sub-Article 6.2, the concession fees or any other fees levied by the authorities are not to be included in the handling charges quoted in the Handling Contracts.

For your reference from the Article 6 of the IATA Main Agreement of IATA SGHA version 2004 and IATA SGHA version 2008 :

Air India SATS Airport Services Private Limited

Correspondence Address:

A-301, Business Square, Andheri – Kurla Road, Chakala, Andheri (East), Mumbai 400069, India

ARTICLE 6

REMUNERATION

- 6.1 In consideration of the Handling Company providing the services, the Carrier agrees to pay to the Handling Company the charges set out in the respective Annex(es) B. The Carrier further agrees to pay the proper charges of the Handling Company and to discharge all additional expenditure incurred for providing the services referred to in Sub-Articles 1.4, 1.6, 1.7 and 1.8.
- 6.2 The charges set out in Annex(es) B do not include:
- any charges, fees or taxes imposed or levied by the Airport, Customs or other authorities against the Carrier or the Handling Company in connection with the provision of services herein by the Handling Company or in connection with the Carrier's flights.
 - expenses incurred in connection with stopover and transfer passengers and with the handling of passengers for interrupted, delayed or cancelled flights.

Such charges, fees, taxes or other expenses as outlined above shall be borne ultimately by the Carrier;

Thus, the rates submitted to the Authority are higher than the ceiling rates defined under Concession Agreement between DIAL and AISATS.

We trust that you will find the details and clarification in line with the AERA guidelines and requirements.

Thanking you.

For Air India SATS Airport Services Private Limited



Nilang Shah
Senior Manager Marketing

Air India SATS Airport Services Private Limited

Correspondence Address:

A-301, Business Square, Andheri – Kurla Road, Chakala, Andheri (East), Mumbai 400069, India