

[F.No. AERA /20011 /DCSC/2010-11]

## **Consultation Paper No.12/2010-11**



**Airports Economic Regulatory Authority of India**

### **Proposal of Delhi Cargo Service Centre for approval of the Tariff for Terminal Storage and Processing Charges, Handling and X- Ray machine usage and other charges**

**New Delhi: 05<sup>th</sup> January, 2011**

**AERA Building  
Administrative Complex  
Safdarjung Airport  
New Delhi – 110 003**

The Delhi Cargo Service Centre (DCSC) has vide its proposal dated 06.12.2010 (**Annexure-I**) sought the approval of the Authority in respect of the Tariff, i.e TSP Charges applicable to shippers/consignees/agents and the TSP, handling and X-Ray machine usage and other charges on Airlines.

2. A brief background in this regard is given below:

- (i) M/s Domestic Air Cargo Agents Association of India (DACAAI) filed an application dated 30.04.2010 against the levy of TSP, X-Ray screening charges, Unitization and De-unitization charges by DCSC at its newly created Common User Domestic Cargo Terminal (CUDCT) at IGI, Airport, New Delhi. DACAAI submitted that, presently, all domestic airlines provide the warehouse and X-Ray screening facilities and undertake the process of unitization / de-unitization; that they never charged separately for these facilities ; that the overall freight charges charged by the airlines were inclusive of the charges for these facilities ;that M/s. Delhi International Airport Pvt. Ltd (DIAL) has commissioned common user terminal for domestic cargo at IGI Airport and concessioned it to DCSC ; and that DIAL has proposed to charge, cargo handling charges under the heads of unitization charges, de-unitization charges and X-Ray screening charges. DIAL and DCSC had not obtained any approval from the Authority for the levy of TSP, X-Ray screening charges, Unitization and De-unitization charges.
- (ii) The Authority vide letter dated 30.04.2010, addressed to M/s DIAL stated that in terms of Section 2 (a) (v) of the Act, any service provided for the cargo facility at **an airport is an “aeronautical service”, and tariff for such service at the major airports is to be determined by the Authority, in terms of Section 13(1)(a) of the Act.** IGI airport New Delhi is a major airport and, therefore, imposition of any new charges in respect of cargo facility or change in rates of any existing charges would require previous approval of the Authority.
- (iii) DCSC vide its letter dated 14.05.2010, inter-alia, submitted that there has been no increase in the charges for cargo services at CUDCT at IGIA; that CUDCT is an extension of Cargo Services being provided at IGIA; and that the charges for services offered are identical or lower for similar services at the International Cargo Terminal in Delhi as well as other locations in the country.
- (iv) DIAL, vide its letter dated 26.06.2010, stated that CELEBI is handling and operating the brownfield cargo terminal, servicing the international cargo operations and DCSC, which is undertaking the setting up and operation of the Greenfield Cargo Terminal, is servicing the domestic cargo operation from the CUDCT till the new Greenfield Terminal is developed and commissioned by DCSC, which is expected by January, 2011. Eventually both the cargo terminals (i.e. Brownfield Cargo Terminal and the Greenfield Cargo Terminal) shall offer, undertake and service both domestic and international Cargo terminal services thereby bringing in the desired competition as mandated in OMDA.

- (v) DCSC in its additional submission vide letter dated 26.06.2010 inter-alia, submitted that, earlier, as airlines were performing domestic Cargo handling (i.e. unitization, de-unitization) and X-Ray screening, these charges were in built by the Airlines as part of freight charges. Now, Cargo handling services are being provided by DCSC as Cargo terminal operator and the X-ray screening is being handled by DIAL, these charges are not extra costs; but only reallocation of charges; that TSP is a standard charge levied at all the airports in the country having Common User Domestic Cargo facility for the facilities provided at the terminal and is, thus, not a new charge; that the CUDCT has been developed at IGI Airport now and the charges have been levied in line with prevalent practice at other airports; and that the TSP charges at IGI Airport are identical or lower among all the other airports having similar facility.
- (vi) DACAAI, vide letter dated nil (received on 07.07.2010) submitted that creation of Cargo Service Centre for domestic cargo is a new development. Hence, charges introduced are also new charges which needs approval of the Authority and submitted that domestic cargo was never processed through Common User Terminal but was tendered to the Airlines directly who did not levy any charges for the services.
- (vii) The Authority, in its 19<sup>th</sup> Meeting (No.13/2010-11) held on 23.09.2010 considered the issue in detail. Upon careful consideration of the material available on records, the Authority was of the opinion that the processing of domestic cargo at Cargo Service Centre is a new activity which was earlier being done by airlines themselves; that this new activity is being carried out by a new entity viz. DCSC. TSP and other related charges for handling of such cargo, therefore, appear to be new charges and DCSC and DIAL, as the case may be, are required to obtain previous approval of the Authority for the same. Therefore, the levy of such charges without previous approval of the Authority is in contravention of S.13(1)(a) of the Act and continuance of such levy is a continuing contravention of the statutory provisions. The Authority also observed that the submission of information has been delayed by the concerned entities and both DIAL and DCSC have refrained from clarifying whether the charges being levied from domestic cargo carriers are new in so far as such carriers or their agents are concerned.
- (viii) In view of the observations made as at (vii) above, the Authority in exercise of powers conferred on it under Section 15 read with Section 13 of the Act, issued directions (Direction No.03/2010-11 dated 06.10.2010) to DCSC to stop charging the TSP charges, Unitization and De-unitization charges and M/s. DIAL to stop charging the X-Ray screening charges with effect from 01.05.2010, in respect of domestic cargo at the IGI Airport, New Delhi.
- (ix) Aggrieved by the said direction, DCSC filed an appeal under Section 18 of the Act **before the Hon'ble AERA Appellate Tribunal to quash and set aside the said direction and issue an appropriate order or direction to the Authority not to fix any tariff in respect of the 'Non-Aeronautical Service' under the OMDA and other Transaction documents entered in to by DCSC.**

- (x) Meanwhile, DACAAI vide its letter No.Nil dated 25.10.2010, addressed to the Authority requested implementation of the Direction No.03/20010-11 issued by the Authority. The Authority, in its 22<sup>nd</sup> Meeting held on 04.11.2010 decided that following action may be taken before this matter is considered further:
- DIAL and DCSC may be asked to confirm compliance with the Direction No. 03/2010-11 dated 6.10.2010 within 10 days.
  - Penal provisions of the Act may also suitably be brought to their notice.
  - DACAAI may be asked to substantiate its claim that the directions have not been implemented by DIAL and DCSC with documentary evidence.
- (xi) The Authority vide its letter dated 09.11.2010, addressed to DIAL and DCSC sought confirmation regarding the compliance of the subject Direction by 19.11.2010 failing which the Authority may be constrained to take further necessary action in the matter, as per law, without any further reference to DIAL/DCSC. By way of a separate communication dated 09.11.2010, DACAAI was also asked to substantiate its claim that the directions have not been implemented by DIAL and DCSC with documentary evidence.
- (xii) M/s DCSC vide letter dated 19.11.2010 submitted that direction dated 06.10.2010, has been complied with under protest and that it has not invoiced any customer TSP, unitization and de-unitization charges for services rendered in respect of domestic cargo at CUDCT at IGI Airport.
- (xiii) DCSC, thereafter, withdrew the **appeal filed by them before the Hon'ble Tribunal. Hon'ble Tribunal vide** Order dated 01.12.2010 disposed off the appeal and related petition as withdrawn.

3.1 **Instant proposal of DCSC** - DCSC, has at the outset, drawn the attention of Authority to the serious financial difficulties their company is facing, since, on one hand, they are unable to charge and collect user charges for the services rendered while on the other hand, they are regularly incurring expenditure for operating the facility including staff cost so as not to inconvenience the trade and industry by stopping handling services.

3.2 **M/s DCSC has forwarded two tariff proposals for the Authority's consideration:**

- Tariff Proposal for levy of Terminal Storage and Processing Charges applicable to shippers/consignees/agents;
- Tariff Proposal for levy of TSP, handling and X-Ray machine usage and other charges to Airlines.

3.3. DCSC has justified the proposal on following grounds :

- The base reference for fixation of traffic is AAI's notified tariff** for various cargo handling services. Other references for tariff fixation are existing cargo handling rates at International cargo terminals at Mumbai, Delhi, Chennai & Bangalore Airport the only reference for comparison of domestic cargo handling tariff.

- (ii) The rate proposed by company for domestic cargo handling is lower than that applicable to international cargo since number of activities and process on domestic side is comparatively lesser than at International side.
- (iii) The TSP charges for International cargo is Rs. 4.5 per Kg (assuming cargo to stay in warehouse for at least 3 days before custom clearance) whereas the TSP charges for domestic cargo is Rs. 0.70 per Kg per day.
- (iv) There is no palletisation or de stuffing in domestic cargo, unlike international cargo.
- (v) The tariff proposed has been arrived at, through extensive consultation with DACAAI in March 2010. In fact, the earlier proposed rate for TSP was higher than the current proposed rate which was brought down through consultation process.
- (vi) DCSC have in their submissions stated that DACAAI had never opposed the proposed tariffs through any mode of communication – emails or meetings.
- (vii) As regards handling rates and security charges, DCSC have stated that several meetings were held with Airlines as a result of which the current proposed rate has been lowered as compared to the earlier higher rate proposed. The domestic airlines have signed letter of intent (LOI) accepting the proposed tariff.
- (viii) Pursuant to Concession Agreement, the present interim cargo handling terminal is leased out to DCSC by DIAL on payment of Rs. 5 crore, which shall be operated by company until November 2011, subsequent to which the entire operation will be shifted to Greenfield Air Cargo terminal. As such, the sum of Rs. 5 crore has been written off within this period i.e. May 2010 to November 2011.
- (ix) Further, as per Financial Plan at Annexure 07 to **DCSC's** proposal , the rate of equity return is not more than 7%, even though the expected rate of return is around 30%. The lower return has been adopted to attract customers before moving into Green field Cargo Terminal.
- (x) Prior to setting up of common user facility, airlines were handling their cargo through a makeshift arrangement near old domestic terminal causing traffic obstruction and becoming security hazard. The common user facility offers better infrastructure with proper facilities.

DCSC have requested for approval of tariff on the basis of justification given above rather than based on regulated asset pricing model. Further they have stated that this being an interim facility, detailed examination of tariff proposal be dispensed with.

3.4 DCSC has forwarded copies of correspondence with DACAAI and those had with the concerned airlines viz. Kingfisher, Go Air, Indigo Air, Spicejet airlines, which broadly highlight the following:

- (i) DACAAI is not against the TSP payment, but only against the mode of payment proposed by DCSC. DACAAI have confirmed the TSP charges and their willingness to pay the same, but stressed for routing the TSP charges through

Airway Bill. DACAAI have clearly indicated that its members are not ready for payment of TSP charges in cash or through PDA account which has been due to the bad experience had at the airports of BLR/HYD.

- (ii) DCSC vide a mail to all the airlines has brought out that a meeting was held with the representatives of Kingfisher, Go Air, Indigo Airlines and Spicejet wherein the airlines were generally satisfied with the procedures with a request to implement the new rates from 16.05.2010.
- (iii) DCSC has forwarded the proposed IATA SGHA to the concerned airlines. Kingfisher vide mail dated 21.04.2010 has accepted interalia, the handling rates fixed by DCSC and also conveyed acceptance of TSP charges in AWB.
- (iv) Copies of LOI signed with Interglobe on 26.04.2010, with Spicejet on 29.04.2010 and with Kingfisher on 21.04.2010 have been forwarded by DCSC in support of their claim that the airlines have accepted the TSP, handling and X-Ray machine usage and other charges.
- (v) DCSC vide mail dated 06.05.2010 to all the airlines has conveyed the terms and conditions agreed between them in the meeting held on 06.05.2010 wherein, interalia, all the airlines have agreed to include the TSP charges in the AWB. They have however, refused to sign an additional agreement but have informed that collection of TSP charges could be covered in a side letter or the present SGHA Annex B modified to include agreed TSP charges to be put on the AWB.
- (vi) The summary record of discussion had by DIAL with DCSC and the airline operators on 12.08.2010 has been submitted wherein the timeline/action on behalf of each has been outlined.

3.5. DCSC has submitted a financial plan based on the following assumptions and considerations:

- (i) The financial plan covers a period of 19 months from May, 2010, i.e., the time **when DCSC's operations commenced from the Interim Domestic Terminal to November, 2011, i.e., when the Green Field terminal is expected to be ready.**
- (ii) DCSC have assumed that the operations of Interim Domestic Terminal will be shifted to the Green Field terminal once it is ready by 30.11.2011 as per the project plan of the company.
- (iii) It has been stated that the data/numbers furnished in the financial plan for the period ending 31.03.2011 are based on historical recording of transactions in the **books of the company from April'2010 to October' 2010 and** management estimates for the rest of the financial year.
- (iv) It has been assumed that from 01.01.2011 business of the company will be reduced by 30% as the second operator will be allowed to operate and handle domestic cargo and management expects some migration of clients to the new operator.
- (v) DCSC have paid a sum of Rs.5 crores to DIAL for operation of Interim Domestic Terminal as per clause 2.9.1(d) of the Concession Agreement entered between DCSC and DIAL on 19.11.2009.

- (vi) DCSC have apportioned, in the financial plan, 15.83% of the Cost of Handling Equipment and IT Hardware deployed at the interim terminal (Rs.0.37 crores) for the period of actual use considering the life of the assets of 10 years.
- (vii) The sum of Rs.5 Crores along with the Cost of Handling Equipment and IT Hardware deployed at the interim terminal have been shown as depreciation and has been totally written off within the 19 month period.
- (viii) DCSC have reflected the amount of concession fees payable to DIAL (@ 24% of gross revenue as per clause 3.1.1 of the Concession Agreement). The total amount of concession paid is estimated to be Rs.8.64 crores against a projected turnover of Rs.36 crores in the 19 month period.
- (ix) DCSC have accounted for the Airport land license fees (Rs.0.75 crores) payable to DIAL effective 1<sup>st</sup> April, 2011, after taking into consideration 7.5% upward increase as per clause 3.4 of the Concession Agreement.
- (x) A total amount of Rs.1.26 crores (for the 19 month period) has been provided by DCSC as business support service expenses payable to the shareholders of the DCSC, in the nature of marketing support, know-how, development of brand equity and general facilitation for cargo handling @ 3.5% of gross revenue, as per clause 3.7 of the Share Transfer cum Shareholders Agreement.
- (xi) Further, DCSC has stated that *“The management has neither paid nor provided for the remuneration of top management viz; Managing Director and other Directors of the company in this financial plan”*.
- (xii) The effective rate of Income Tax taken by DCSC on book profits generated from operations carried out at Interim Domestic Terminal is @ 30.90%, currently applicable to corporate entities.
- (xiii) DCSC have submitted that the amount of capital deployed for the Interim Domestic Terminal Operation comprises of Equity Share Capital contribution made by both the shareholders of DCSC.

4.1 The proposal submitted by the DCSC has been examined.

4.2 It is observed that DCSC has approached the Authority for approval of the Tariff applicable to shippers/consignees/agents, i.e, the TSP and also the Tariff for TSP, handling and X-Ray machine usage and other charges to Airlines.

4.3 The proposal has been broadly justified on following grounds:

- (i) the existing tariff for similar services;
- (ii) consultation process adopted by them with the Association of Domestic Cargo Agents (DACCAI) in March’10 and with Airlines in April’10; and
- (iii) earning a fair rate of return.

4.4 The base reference taken by DCSC for fixation of tariff for various cargo services **has been AAI’s** notified tariff. Other references for tariff fixation are existing cargo handling rates at International cargo terminals at Mumbai, Delhi, Chennai & Bangalore Airport, the only reference for comparison of domestic cargo handling tariff.

4.5 According to DCSC, the rates proposed for domestic cargo handling are lower than that in respect of the existing international cargo handling since number of activities and process on domestic side is comparatively lesser than at international side and that there is no palletisation or de-stuffing in domestic cargo, unlike international cargo.

4.6 DCSC has stated that prior to setting up of the independent cargo handlers in Bangalore, no airport was having common user domestic terminals for handling of domestic cargo and hence the tariff at Bangalore airport is the only reference for comparison of domestic cargo handling tariff.

4.7 The papers submitted by DCSC show that the tariff proposed has been arrived at, through extensive consultation with DACAAI and airlines. DCSC has stated that DACAAI had not opposed the proposed tariffs through any mode of communication – emails or meetings. Further, the handling and security charges leviable on airlines, appear to have been arrived at after extensive consultations with Airlines. The airlines have also signed a letter of intent (LOI) accepting the proposed tariff.

4.8 The rates proposed by DCSC applicable to shippers/consignees/agents in comparison with the rates being charged by the HIAL & BIAL are as under.

S.No	Charges proposed by DCSC- (figures in Rs per KG)			Rates at HIAL / BIAL (SATS & Menzies) (Inbound)		Rates at HIAL / BIAL (Outbound - figures in Rs per KG) (Min/ Rs/Kg)		
	Invoiced	Cash		Min	Per/ KG	HIAL	BIAL-SATS	BIAL-Menzies
1	<b>TSP Charges</b>							
a	General Cargo	0.70	0.65	100	0.65	125/1.1	125/4.9	125/1.1
b	Special Cargo							
	Live Animal	1.40	1.35	100	2.05	200/2.1	250/9.8	200/2.1
		1.40	1.35	200	2.05	200/2.1	250/9.8	200/2.1
	Dangerous Gds	1.40	1.35	100	2.05	200/2.1	250/9.8	200/2.1
	Valuable Cargo							
c	Couriers	0.70	0.65	100	0.75	125/1.2	200/5.5	125/1.1
2	<b>Demurrage Charges</b>							
a.	General Cargo	0.70/kg/day		125	0.65	200/1.25	125/0.65	200/1.25
b.	Special Cargo							
	Live Animal	1.40/kg/day		200	2.05	250/2.2	200/2.05	250/2.2
		1.40/kg/day		100	0.75	250/2.2	100/0.75	250/2.2
	Dangerous	1.40/kg/day		100	0.75	250/2.2	100/0.75	250/2.2



S.No	Charges proposed by DCSC- (figures in Rs per KG)		Rates at HIAL / BIAL (SATS & Menzies)		Rates at HIAL / BIAL (Outbound - figures in Rs per KG) (Min/ Rs/Kg)		
			(Inbound)				
	s Gds						
	Valuable Cargo						
c.	Couriers	0.70/kg/day	-	-	-	-	-

It is noted that DCSC has not proposed any separate rates for inbound/outbound cargo and have also not proposed any minimum charges in the tariff proposal unlike minimum charges applicable at HIAL & BIAL.

Further, as per the minutes of the meeting held on 06.05.2010, with the domestic airlines and DIAL, DCSC agreed to revise its handling rates offer to the airlines until 31.07.2010 and offered a rate of INR 0.80/kg for the outbound cargo handled at DCSC Terminal i.e., till such time the inbound also moves to DCSC terminal, after which the agreed rate of INR 0.70/kg will apply for both Inbound and Outbound cargo. Further, it has also been recorded that the DCSC agreed to remove the minimum charges condition. Hence the proposal submitted appears to be for both inbound and outbound cargo with no minimum rates as agreed to by DCSC in para 10 of the amended Minutes of the Meeting.

4.9 As regards the proposed tariff for levy of TSP, handling and X-Ray machine usage and other charges to Airlines, the same are tabulated below. The same has been compared with the rates that has been mutually agreed to with the domestic airlines Spicejet, Kingfisher, Go Air and Indigo (corresponding rates for HIAL & BIAL have not been furnished)

Outbound & Inbound Handling Charges proposed by DCSC (figures in Rs / Kg)		Indigo	Kingfisher	Spicejet	GoAir
1.Outbound & Inbound Cargo	0.80	0.95 subject to a min. of Rs.500/- per flight	0.95	0.95	0.80
2.Trans-shipment Cargo & Offloaded Cargo	1.20	1.35 subject to a min. of Rs.100/- per shipment	1.25	1.40	1.20
3. Storage Charges beyond Free Period of 24 hrs.	0.80	0.95 subject to a min. of Rs.100/- per shipment per day	0.95/kg/day	0.95/kg/day	0.80/kg/day
4. X-Ray Machine Usage Charges) (except Airlines Stock)	0.75	0.75 subject to a min. of Rs.100/- per shipment	0.75	0.75	0.75
5.X-Ray Machine Charges (except Airlines Stock ) if provided by	0.75	X Ray M/c Screening charges - 0.75 subject to a min. of Rs.100/- per	0.75	Nil	0.75

handling company		shipment			
6. TSP & Demurrage charges	As applicable to shippers/Consignees	-	-	-	-

4.10 In addition to the above rates, DCSC has also sought approval of the Authority on the following charges for additional services being offered by them. It is observed that Kingfisher and Go Air are two of the domestic airlines who have entered in to agreements for availing the services at the rates mentioned hereunder:

<b>Additional Services &amp; Charges proposed</b>	
DGR acceptance check	INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Additional pieces will be charged @ INR 75/- per additional piece
Dry Ice acceptance checklist	INR 700/- per AWB
Live Animal acceptance and Handling	INR 2110/- per AWB
Valuable Handling	INR 750/all most - per AWB

4.11 Further, DCSC has submitted that the present interim cargo handling terminal is leased out to DCSC by DIAL on payment of Rs.5 crore which shall be operated by company until 30.11.2011, subsequent to which the entire operation will be shifted to Greenfield Air Cargo terminal and as such, the sum of Rs.5 crore has been written off within this period i.e. May 2010 to November 2011.

4.12 It has also been submitted that the entire investment is from the own funds of the company and the rate of equity return is **not more than 7%, even though DCSC's** expected rate of return is around 30%. The lower return has been adopted to attract customers before moving into Green field Cargo terminal.

5.1 The proposal was considered by the Authority in its 26<sup>th</sup> meeting held on 04.01.2011.

5.2 It was noted that DIAL, in terms of the provisions of OMDA, through competitive bidding process, appointed through grant of concession two unrelated entities for the provision of the cargo services at the IGI Airport, as under:

- (a) In respect of the existing cargo terminal (Brownfield Cargo Terminal) M/s.Celebi Delhi Cargo Terminal Management India Private Limited; and
- (b) In respect of the proposed new cargo terminal (Greenfield Cargo Terminal) M/s.Delhi Cargo Service Center Pvt. Ltd. (DCSC)

Celebi is, presently, handling and operating the Brownfield Cargo Terminal and is servicing the international cargo operations and DCSC which is undertaking the setting up and operation of the Greenfield Cargo Terminal is servicing the domestic cargo operation from the Common User Domestic Terminal (CUDCT) till the new Greenfield Terminal is developed and commissioned by DCSC which is expected by January, 2011. Both the cargo terminals (i.e. Brownfield Cargo Terminal and the Greenfield Cargo Terminal) shall offer, undertake and service both domestic and international Cargo terminal services thereby bringing in the desired competition as mandated in OMDA which is expected to be achieved by January 2011. Cargo Service Centre (CSC) has a 74% equity stake in DCSC and is retaining and exercising the management control of DCSC.

5.3. **The Authority's approach in respect of Cargo Services wherever such services are** provided by Independent Service Providers, has been finalized vide Order No.05/2010-11 dated 02.08.2010. Draft Guidelines for determination of tariff for services for Cargo facility, Ground handling and supply of fuel to aircraft at airports have also been issued. However, DCSC has requested approval of tariff on basis of justification given above rather than based on Regulated Asset pricing model and have also stated that this being an interim facility, detailed examination of tariff proposal be dispensed with.

5.4. The Authority further observed that:

- (i) DCSC have withdrawn the appeal filed before the AERA Tribunal against the Direction No.03/2010/11 dated 06.10.2010 issued by the Authority. Further, they have also confirmed that pursuant to the Directions issued, no charges are being levied on the users, under protest.
- (ii) DCSC have submitted that they are facing financial difficulties as on one hand, they are unable to charge and collect user charges for the services rendered while on the other hand, they are regularly incurring expenditure for operating the facility including staff cost so as not to inconvenience the trade and industry by stopping handling services
- (iii) The instant application made by DCSC seeks approval of the Authority for the tariff applicable to shippers/consignees/agents i.e the TSP and the tariff for TSP, handling and X-Ray machine usage and other charges to Airlines.
- (iv) The subject determination is an ad hoc determination of the cargo tariff in the CUDCT for a period of 19 months from May, 2010, i.e., the time **when DCSC's** operations commenced from the CUDCT to November, 2011 when the green field terminal is scheduled to be in place.
- (v) The tariff applicable to shippers/consignees/agents, i.e , the TSP has been arrived through extensive consultation with DACAAI in March 2010.
- (vi) The TSP applicable to shippers/consignees/agents as compared with the rates at BIAL and HIAL appear to be lower and reasonable.
- (vii) The tariff for TSP, handling, X-Ray machine usage and other charges leviable on the Airlines, have been arrived after consultation with the domestic airlines viz., Spicejet, Kingfisher, GoAir and Indigo.

- (viii) The proposal submitted by DCSC is for both inbound and outbound cargo with no minimum rates as agreed to by DCSC in para 10 of the amended Minutes of the Meeting held with stakeholders on 06.05.2010.
- (ix) The proposal to approve the tariff based on comparison with other entities and user agreements instead of detailed financial analysis appears to be justified in as much as the rates proposed are applicable to an interim terminal with a life of 19 months, of which 8 months have already elapsed.

6. In view of the above, the Authority has decided to propose approval of the tariff as proposed by the DCSC (**Annexure-II**), w.e.f. 01.05.2010 and upto 30.11.2011 for stakeholder consultation. *This ad-hoc determination is proposed to be reviewed at the stage of tariff determination for the first cycle and thereafter at such intervals as the Authority may decide.*

7. The Authority solicits feedback, comments and suggestions from stakeholders on the proposal contained in para 6 above. Comments/submissions may please be furnished to the Authority, **latest by Wednesday, 19<sup>th</sup> January, 2011**, at the following address:

**Shri Sandeep Prakash**  
**Secretary**  
**Airports Economic Regulatory Authority of India**  
**AERA Building,**  
**Administrative Complex,**  
**Safdarjung Airport, New Delhi- 110003**  
**Email: [sandeep.prakash@era.gov.in](mailto:sandeep.prakash@era.gov.in), [sandeep.moca@nic.in](mailto:sandeep.moca@nic.in)**  
**Tel: 011-24695040**  
**Fax: 011-24695039**

**Yashwant S. Bhawe**  
**Chairperson**



CARGO SERVICE CENTER

Delhi

Dated: 6<sup>th</sup> December 2010

To,  
The Chairman,  
Airports Economic Regulatory Authority  
Safdarjung Airport  
New Delhi

Re: Your direction vide letter No. AERA/20011/DIAL-C/2010-11(03/2010-11) dated 6/ 10/ 2010.  
Interim Tariff for Cargo Handling Services at Common User Domestic Cargo Terminal (CUDCT)  
at IGI Airport, New Delhi.

Dear Sir,

This has reference to you order bearing your reference no. AERA/20011/DIAL-C/2010-11(03/2010-11) (hereafter referred as 'the impugned order') dated 6<sup>th</sup> Oct. 2010 and therein issuing direction to Delhi Cargo Service Center Pvt. Ltd. (hereafter referred as 'the company') to stop charging the TSP Charges, Unitization and De-unitization charges with effect from 1/5/2010 in respect of domestic cargo at the IGI Airport, New Delhi.

It is hereby informed that the company has received a notice from AERA dated 30<sup>th</sup> Apr. 2010 and dated 8<sup>th</sup> Jun. 2010 to which the company has provided detailed reply vide our letter dated 14<sup>th</sup> May 2010 and 26<sup>th</sup> Jun. 2010.

It was the considered opinion of the company and also confirmed by the legal advice received then that as per Operation, Maintenance and Development Agreement (hereafter referred as 'OMDA') between Airports Authority of India (hereafter referred to as 'AAI') and Delhi International Airport Ltd (hereafter referred as 'DIAL'), cargo handling was considered as Non Aeronautical and there was no need to seek an approval of AERA for any tariff proposal. Further, rules were not framed by AERA for seeking approval for tariff by cargo handling companies.

Being aggrieved by the said impugned order, the company after seeking legal advice filed an Appeal before the Hon'ble AERA Appellate Tribunal under the provisions of AERA Act, 2008 (Appeal no. 4 of 2010). However, on further discussions and advice of our legal advisors the Company decided to withdraw its Appeal and approach AERA for reconciliation over the matter and seek reversal of your impugned order. Accordingly the appeal was withdrawn on date 1<sup>st</sup> Dec 2010 and the copy of the said withdrawal is enclosed with this letter.

I would like to draw your kind attention to the serious financial difficulties my company has been put to by your said impugned order. Since, on one hand I am unable to charge and collect user charges for the services rendered while on the other hand I have to incur regular expenditure on operating the facility including staff cost, so as to not inconvenience the trade and industry by stopping the handling services.

Delhi Cargo Service Center Private Limited

Registered Office: A-294/1, Road No. 6, NH 8, Mahipalpur Extension, New Delhi - 110 037

Tel: +91-11-47334455 Fax: +91-11-26782153

www.cscindia.in



CARGO SERVICE CENTER

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Delhi

I therefore request withdrawal of your said impugned order and urgent consideration of our tariff proposal and approval effective 1<sup>st</sup> May 2010. The tariff proposal and detailed justification for the same is enclosed with this letter alongwith all the supporting documents.

I look forward to your early reply.

Yours sincerely

  
Radharaman Panicker  
Director & CEO



Encl.: a) Withdrawal Order Copy of Appeal No. 4 of 2010 & Review Application No. 1 of 2010.

b) Proposal for tariff levied/ to be levied at CUDCT, IGI New Delhi.



**AIRPORTS ECONOMIC REGULATORY AUTHORITY APPELLATE TRIBUNAL**  
**NEW DELHI**

**Review Application No. 01 of 2010**

**IN**

**APPEAL NO. 04 OF 2010**

[Under Section 18(2) of the Airports Economic Regulatory Authority of India Act, 2008 against the impugned Order No. AERA/20011/DIAL-C/2010-11(03)/2010-11) dated 06.10.2010 passed by the Airports Economic Regulatory Authority).

**CORAM**

**Hon'ble Dr. Justice Arijit Pasayat**  
**Chairman**

**Hon'ble Shri Rahul Sarin**  
**Member**

**Hon'ble Ms. Pravin Tripathi**  
**Member**

**In the matter of :**

**Delhi Cargo Service Center**  
**Private Ltd.**

**... Review Applicant/Appellant**

**Versus**

**Airports Economic Regulatory Authority**  
**& Anr.**

**... Respondents**

**Appearances :** **Shri Abhishek Sharma, Advocate for the Review**  
**Applicant/Appellant.**

**Ms. Sugandha, Advocate for Shri Atul Nanda,**  
**Advocate for the Respondents.**

**ORDER**

**1<sup>st</sup> December, 2010**

It is stated by the learned counsel for the appellant that the appellant wants to withdraw the appeal as well as the review petition to move the appropriate authority. The appeal and the review petition are disposed of accordingly.



उत्पादित प्रमाणित प्रती  
**ATTESTED TRUE COPY**

*[Signature]*  
अनुभाग अधिकारी / Section Officer,  
प्रतिस्पर्धा अपील न्यायालय  
Competition Appellate Tribunal  
नई दिल्ली / New Delhi

*[Signature]*  
**[Dr. Arijit Pasayat]**  
**Chairman**

*[Signature]*  
**[Rahul Sarin]**  
**Member**

*[Signature]*  
**[Pravin Tripathi]**  
**Member**

*[Handwritten initials]*



PROPOSAL FOR TARIFF LEVIED/TO BE LEVIED AT COMMON USER DOMESTIC CARGO TERMINAL (CUDCT) AT IGI AIRPORT BY DELHI CARGO SERVICE CENTER PVT LTD (DCSC) EFFECTIVE 1<sup>ST</sup> MAY 2010

USERS OF THE FACILITY: a. Shippers and Consignees and or their agents

b. Airlines operating from the said facility

I. **Tariff Proposals:**

(a) Tariff Proposal for levy of Terminal Storage and Processing Charges (hereafter referred as TSP) applicable to Shippers/ Consignees/ Agents (Refer Annexure 1).

(b) Tariff Proposal for levy of TSP, Handling, and X- Ray Machine Usage & Other Charges to the Airlines (Refer Annexure 2).

II. **Justification for the proposed tariff**

1. Referenced against existing tariff for similar service:

AAI's notified for Tariff for various cargo handling services has been base reference for fixation of traffic.

The other references for fixation of tariff are existing cargo handling rates at international air cargo terminals at Mumbai, Delhi, Chennai and Bangalore. The reason why the rates proposed by the company for domestic cargo handling is lower than that existing in international cargo side that the numbers of activities and process at domestic side are comparatively lesser than at International side. Further on the inbound side, there is no storage of cargo envisaged since there is no Custom Clearance required, thus allowing for speedy clearance and delivery of incoming cargo to customer(s). As such against the TSP charges of Rs.4.5 per kg for international (the assumption is that cargo will stay in the warehouse for atleast three (3) days before it is custom cleared), the TSP charges for domestic cargo at our facility is Rs.0.70 per kg per day. (Refer Annexure 4 giving differences between domestic and international cargo handling). Also in terms of handling, unlike international cargo, there is no palletisation or de-stuffing happening in the domestic cargo. It is however envisaged that palletization cargo movement will soon come in practice in domestic cargo as well.

It may be noted that prior to setting up of independent cargo handlers in Bangalore, no airport was having common user domestic terminals for handling of domestic cargo. So tariff at Bangalore airports are the only reference for comparison of domestic cargo handling tariff (Refer Annexure 3).





2. Arrived through consultative process:

The tariff proposed by company was circulated to stakeholder customer much before start of operation in May 2010.

In terms of fixation of TSP charges, the company had carried out extensive consultation with the association of domestic cargo agent (DACCAI) as early as in March 2010. It may be noted that the earlier proposed rate for TSP was higher than the current proposed rate as stated in this application (refer annexure 5 and annexure 1) and was brought down through this consultative process. It would be interesting to note that not once through any methods of communication – emails or meetings have the agents or their association- DACCAI has opposed to the proposed tariff. Neither have they opposed the tariff in their letter dated 30/4/2010 addressed to AERA. Copies of all the correspondences with DCCAI are attached and marked as Annexure 5. → ?

Similarly in terms of handling rates and security charges, the company had also carried out extensive meetings with airlines. As early as in April 2010 the company has forwarded a written proposal for various handling rates for the services requested by the Airlines, consequent to which the airlines signed a Letter of Intent (hereafter referred as LOI) accepting the proposed tariff. Thereafter, two (2) meetings were held with the airlines –on 6<sup>th</sup> May and 18<sup>th</sup> Aug 2010, whereupon the rates were further trimmed down given the fact that the volumes of cargo handled were higher than projected. It is noteworthy that the rates to which they signed the initial LOI reflected a higher handling rate than the current proposed rate. It is also interesting to note that the domestic airlines approached the company collectively as a body for fixation of tariff rather than individually. Copies of the above said correspondences with the Airlines, LOI and Minutes of Meeting are attached collectively and marked as Annexure 6.

3. Earning fair return on investment

As you may kindly appreciate that pursuant to Concession Agreement the present interim cargo handling terminal is leased out to DCSC by DIAL on payment of Rs.5 crore and which shall be operated by the company until Nov 2011. It would be relevant to note that the entire operation will be shifted to the Greenfield Air Cargo Terminal being built by the company once it is functional by Nov 2011. As such the sum of Rs.5 crore has been written off within this period i.e. May 2010 to Nov 2011. Further the company has made investment in handling equipment and IT systems required for efficient operation. Considering the life of these equipments and systems, a proportionate value has only been taken for this facility. The entire investment is from the own funds of the company.

As you may kindly appreciate on pursuing the financial plan (Annexure 7), the rate of equity return is not more than 7% even though our expected rate of return is around 30%. The



reason why we are going for lower return now is to attract the customers who were till now not used to a common user or third party handled services. We are using this base to develop our client relationship before we move into our Greenfield Cargo terminal.

4. Other justification

It must be noted that prior to set up of this common user facility, the airlines were handling their cargo through a makeshift arrangement near the old domestic terminal. The result was that cargo was being handled and processed on the road side causing traffic obstruction and also becoming a security hazard. The common user facility offers a much better infrastructure with proper facilities for everyone over an area of nearly 5000 sq met of carpet area.

It must also be noted that DCCA in its representation to AERA never questioned the TSP rates but only stated that DCSC should take approval from AERA for tariff fixation.

**Conclusion**

Based on the above justification, I request you to approve the above tariff as presented on basis of justification given above rather than based on the Regulated Asset pricing model being proposed by you vide your white paper. Further this being an interim facility, detailed examination of the tariff proposal be dispensed with.

Also request you to approve the tariff effective 1<sup>st</sup> May 2010 on the grounds that

- a. Services have been rendered by DCSC to its clients based on existing understanding and payment received against services rendered.
- b. Expenditures have been incurred and also during the period from when the charging has been kept in abeyance pursuant to your order.
- c. Not making the order effective 1<sup>st</sup> May 2010 will cause severe financial harm to our company and will not be fair to us.

Yours Sincerely

  
Radharaman Panicker  
Director & CEO





List of Annexure:

S. No.	Particulars
Annexure 1	Tariff Proposal for levy of TSP Charges applicable to Shippers/ Consignee or their Agents.
Annexure 2	Tariff Proposal for levy of TSP, Handling and X- Ray Machine Usage Charge & Other Charges to be levied to Airlines.
Annexure 3	Benchmark rates at various Airports in India.
Annexure 4	Comparison table of activities undertaken for International vs. Domestic Cargo Handling
Annexure 5	Sequence of correspondences/ meetings addressed to DACCAI (Copy of relevant correspondence also attached).
Annexure 6	Sequence of correspondences/ meetings addressed to Airlines (Copy of relevant correspondence/ minutes of meetings/ Letter of Intent also attached).
Annexure 7	Certified copy of Performa Financial Statement for the returns on investment given the proposed tariff.

**ANNEXURE 1**

**TARIFF PROPOSAL FOR LEVY OF TERMINAL STORAGE AND PROCESSING CHARGES (TSP)  
APPLICABLE TO SHIPPERS/CONSIGNEES/AGENTS**

S.No.	CHARGES		
	1 TSP CHARGES		
		If Invoiced	If Paid in Cash
a	General Cargo	INR 0.70/ kg	INR 0.65/ kg
b	Special Cargo		
	Live Animal	INR 1.40/kg	INR 1.35/kg
	Dangerous Goods	INR 1.40/kg	INR 1.35/kg
	Valuable Cargo	INR 1.40/kg	INR 1.35/kg
c	Couriers:	INR 0.70/ kg	INR 0.65/ kg

2 DEMURRAGE CHARGES		
a	General Cargo	INR 0.70/ kg/ day
b	Special Cargo	
	Live Animal	INR 1.40/kg/ day
	Dangerous Goods	INR 1.40/kg/ day
	Valuable Cargo	INR 1.40/kg/ day
c	Couriers:	Rs. 0.70/ Kg/ day

DELHI CARGO SERVICE CENTER PVT. LTD.

*[Signature]*  
Authorized Signatory



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**ANNEXURE 2**

**TARIFF PROPOSAL FOR LEVY OF TSP, HANDLING, X-RAY MACHINE USAGE & OTHER CHARGES TO AIRLINES**

**OUTBOUND & INBOUND HANDLING**

1 Outbound & Inbound Cargo	INR 0.80 per kg.
2 Trans- shipment Cargo & Offloaded Cargo	INR 1.20 per kg.
3 Storage Charges beyond Free Period of 24 hrs.	INR 0.80 per kg.
4 X- Ray Machine Usage Charges (except Airline Stock)	INR 0.75 per kg.
5 X- Ray Machine Charges (except Airlines Stock) If Provided by <u>Handling Company</u>	INR 0.75 per kg.
6 TSP & Demurrage charges	As applicable to shippers/Consignees

*See the Service charges (manpower) Screen/Labeling*  
*is the m/c charge*

**ADDITIONAL SERVICES & CHARGES**

1 DGR acceptance check	INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Additional pieces will be charged @ INR 75/- per additional piece
2 Dry Ice acceptance checklist	INR 700/- per AWB
3 Live Animal acceptance and Handling	INR 2110/- per AWB
4 Valuable Handling	INR 750/- per AWB

-2-

DELHI CARGO SERVICE CENTER PVT. LTD.

*Handwritten Signature*  
Authorised Signatory



**ANNEXURE 3  
BENCHMARK RATES AT VARIOUS AIRPORT**

S. No. Services/ Cargo Handled

**Charges  
OUT BOUND CHARGES**

		Hyderabad		Bangalore			
				SATS		MENZIES	
A		TSP CHARGES FOR PROCESSING & HANDLING					
		MIN	PER KG	MIN	PER KG	MIN	PER KG
		INR	INR	INR	INR	INR	INR
1	General Cargo	100	0.65	100	0.65	100	0.65
2	Live Animal	100	2.05	100	2.05	100	2.05
3	Perishable/ Dangerous Goods/ Valuable	200	2.05	200	2.05	200	2.05
4	Courier Handling	100	0.75	100	0.75	100	0.75

B		DEMMURRAGE CHARGES/ STORAGE					
		MIN	PER KG	MIN	PER KG	MIN	PER KG
		INR	INR	INR	INR	INR	INR
1	General Cargo	125	0.65	125	0.65	125	0.65
2	Live Animal	200	2.05	200	2.05	200	2.05
3	Perishable/ Dangerous Goods/ Valuable	100	0.75	100	0.75	100	0.75

**INBOUND CHARGES**

		Hyderabad		Bangalore			
				SATS		MENZIES	
A		TSP CHARGES FOR PROCESSING & HANDLING					
		MIN	PER KG	MIN	PER KG	MIN	PER KG
		INR	INR	INR	INR	INR	INR
1	General Cargo	125	1.1	125	4.9	125	1.1
2	Live Animal	200	2.1	250	9.8	200	2.1
3	Perishable/ Dangerous Goods/ Valuable	200	2.1	250	9.8	200	2.1
4	Courier Handling	125	1.2	200	5.5	125	1.1

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B

DEMMURRAGE CHARGES/ STORAGE							
1	General Cargo	200	1.25	125	0.65	200	1.25
2	Live Animal	250	2.2	200	2.05	250	2.2
3	Perishable/ Dangerous Goods/ Valuable	250	2.2	100	0.75	250	2.2

- 11 -

23.4.



ANNX. 4

Q-1 Comparison of Services in International vs Domestic Cargo Terminal

SN	International Exports	Domestic Outbound
1	The Cargo Terminal Operator (CTO) has to verify following at the time of admittance of Export Cargo as to whether the Shipper / Agent has :-	
a	Filed Shipping Bill with Customs for processing;	Not required
b	Valid Shipping Bills, periodicity point of view;	Not required
c	Valid Carting Order (Booking) from the Airline;	Required
d	Correctly declared gross / volume weight of goods, which is verified physically in addition to physical condition of each pkg.	Required
e	Correctly declared contents and attached specified documents w.r.t. dangerous goods, if any. CTO to also check packing & documentation in conformance to Dangerous Goods Regulations.	Required
2	Forwarding of pkgs. specified (Ref. S. No.) by Customs from bonded area required by Customs for physical examination.	Not required
3	Packing / Re-packing of the said pkgs.	Not required
4	Retrieval of pkgs. to be stored along with its parent cargo.	Not required
5	After Customs clearance the Exporter / Agent hands over physical custody of Cargo to the CTO, who verifies all documents, physical condition, stores shipment as per. nature of contents and formally accepts cargo under acknowledgement.	The CTO verifies all documents, physical condition, stores shipment and formally accepts cargo under acknowledgement. Only Security clearance is checked as Customs clearance is not required.
6	The CTO provides manpower to Shippers / Agents to offload cargo from their vehicles, admit it in Customs examination area, carry out 'Ready for Carriage' check (including weighment of each pkg.), forwarding of pkgs. for Customs examination and retrieval, thereafter. After Customs clearance, shift to bonded area. Also for placing / retrieving pkgs. for X-ray screening.	The CTO provides manpower to Shippers / Agents to offload cargo from their vehicles and carry out 'Ready for Carriage' check. Also for placing / retrieving pkgs. for X-ray screening.



7	Withdrawal of goods, if required by Exporter. This activity includes Customs examination and delivery in vehicle of the shipper.	Except Customs examination, all activities are same.
8	X-Ray screening of each pkg. in conformance to BCAS guidelines. In case of odd sized pkgs., physical examination / cooling is done. It includes affixing 'X-Ray OK' stickers on each pkg. On doubt, necessary action is taken.	Required
9	Utilization of Export Cargo in Airline Pallets / Containers / Bulk Trolleys. It includes retrieval of pkgs. from all locations using manpower and/or appropriate equipments, loading and securing. Storage of loaded ULDs (Pallets / Containers) is done on three tier ETV Stacker System.	Required All Cargo is loaded in bulk trolleys / trucks only.
10	Release of loaded cargo to Airline for upliftment.	Required
11	Record keeping and data entry is done in System.	Required



SN	International Imports	Domestic Inbound
1	The Cargo Terminal Operator (CTO) receives incoming loaded ULDs / Bulk Cargo from the Airline along with relevant sets of documents. Segregation and storage is done as per nature of contents.	Required All Cargo is received in bulk trolleys / trucks only.
2	Each & every pkg. is checked w.r.t. its documents, tallied, physical condition is also checked and storage is done as per nature of contents.	Required
3	Record keeping and data entry is done in System.	Required
4	The Importer / Agent files papers (Bill of Entry) with Customs and have it processed.	Not required
5	If Customs requires specified pkgs. for physical examination, same is forwarded after locating. Opening & re-packing is also done for Customs exam. After which same is restored with its parent consignment.	Not required
6	After Customs clearance, Cargo is delivered to the consignee.	Cargo is delivered to the consignee. (No Customs clearance is required).
7	Shifting of un-claimed / un-cleared cargo to Disposal Unit for disposal after inventorization. E-Auctions are conducted for disposal.	Required. Yet to start.



Q 2 : Whether Charges levied on services differ from customer to customer?

Ans : Charges are uniform to all customers, depending on type of services.

Q 3 : From whom do we collect our charges ?

Ans : TSP, Unitization / De-unitization and X-ray Screening Charges are collected from Airlines only. Airline, in turn, recover TSP and X-ray Screening Charges from Shipper / Consignee. Same is indicated on AWB also. Airlines do not add any charges.

Ques 4 : How charges were decided ?

Ans : Schedule of Charges applicable to Airline / Shipper / Consignee were discussed with their respective apex bodies and agreed in consultative manner with them. Lol was issued subsequently.

Ques 5 : Volume of Int'l and Domestic cargo

Ans : Attached herewith.



DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED, IGI AIRPORT, NEW DELHI -110037

	April- October						% Change	
	2010-2011			2009-2010				
	INTL	Handled By Airlines	Handled By CSC	DOM	INTL	DOM	INTL	DOM
<b>CARGO</b>								
<b>(In Tonnes)</b>								
Loaded	129468	33471	31320	64791	108396	48781	-19.44	32.82
Unloaded	103925	46416	9291	55707	78946	41942	31.64	32.82
Total	233393	79887	40611	120498	187342	90723	24.58	32.82
Grand Total ( Intl+Dom)	353891			278065			27.27	

Annexure 5

Sequence of event leading to start of operation of Domestic Interim cargo terminal;

1. Signing of Concession with DIAL	November 2009
2. Hand over of Domestic interim terminal to DCSC	March 2010
3. Terminal ready for Operation	May 2010

Sequence of meeting/email exchange with DCCAI towards Finalization of Terminal, Storage and Processing Fee

1. Email send to DCCAI communicating TSP charges after meeting with them	26 <sup>th</sup> March 2010
2. Reply from DCCAI member asking TSP charges to be routed thru airline AWB	25 <sup>th</sup> to 27 <sup>th</sup> March 2010
3. Further communication from DCCAI clarifying that they are not against the payment of TSP but only against mode of payment	27 <sup>th</sup> March to 31 <sup>st</sup> March 2010
4. Communication from DCCAI confirming the TSP charges and their willingness to pay the same, but again asking for routing TSP thru Airline AWB, our answer stating that if airline accept the mode of payment DCSC has no problem.	30 <sup>th</sup> April 2010 to 2 <sup>nd</sup> May 2010
5. Communication from DCCAI on payment of TSP to DCSC and also forwarding security deposit of Rs. 10 lakhs as security on behalf of their members and confirmation by DCSC	1 <sup>st</sup> May 2010
6. Final rates of TSP communicated to DCCAI after meeting them and airline. <b>This rate becomes applicable effective date of operation of domestic terminal and was lower than the previous rate</b>	15 <sup>th</sup> May 2010

Till pending of resolution of matter on how to collect the TSP charges, the airlines agreed to route the TSP charges through their AWB as "Due Carrier charges". DCSC to raise separate invoice on airline for collection of TSP charges on monthly basis, which becomes payable to DCSC within 15 days of invoice being raised.

It is to be noted that DCCAI members also visited the site before start of operation somewhere in March 2010 to make themselves aware of the facilities available.


Today the DCCAI members available of facilities for offloading, sorting , segregation, consolidation and tagging/labeling of their cargo at the said facilities, something that they should be doing in their own facility/warehouse. Further DCSC has provided adequate parking for vehicles of the agents, facility for washrooms for their truckers and canteen facilities.

Copies of all above email correspondences attached.



You forwarded this message on 23/11/2010 5:18 PM.  
Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

**Rajendra Varma**

**From:** Rajendra **Sent:** Fri 26/03/2010 5:58 PM  
**To:** arvindnayak@nayakaviation.com; surajagrawal@monopolycargo.com; ravijeet@suryacargo.com; Suraj Aggarwal; inderjit.sehrawat@carexcargo.net  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker; Ganesh Kokku  
**Subject:** TSP Chgs for Domestic Operations  
**Attachments:**  TSP CHARGES FOR DOMESTIC OPERATIONS.doc(41KB)

Dear Mr Arvind Nayak & friends at DACAAI,

Kindly find in attachment, the TSP Charges applicable at DELHI CARGO SERVICE CENTER's DOMESTIC CARGO TERMINAL.

Request you to kindly advise all concerned accordingly.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36, 1st Floor,  
Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : rajendra.varma@cscindia.in



**DELHI CARGO SERVICE CENTER . DOMESTIC CARGO TERMINAL. I.G.I. AIRPORT. NEW DELHI -110037 .  
TSP CHARGES ( APPLICABLE TO SHIPPERS/CONSIGNEES/AGENTS ) EFFECTIVE 26.03.2010**

	<b>OUT BOUND</b>	
1	Terminal Storage and Processing charge(TSP) a Charged to Shipper/Agent	General Cargo:-Rs 0.85/ kg Per Shipment (Minimum charge will be Rs100 ) SPL:AVI /DGR /VAL:-Rs 2.00/kg Per Shipment( Minimum charge is Rs 200/-) Courier:- Rs 0.85/kg Per Shipment(Minimum charge is Rs 100/- )
2	DGR fees	Rs 1400/AWB(for not more than 20pcs) per additional piece will be charged Rs 75/-
3	Dry Ice	Rs 700/AWB
4	Advice/suggestion charge to any shipper/Airlines	Rs 600/ Per Shipment
5	If DGR shipment is brought for acceptance and is rejected for reason as specified in DGR manual and is brought again for acceptance .This fee will be paid by concern airline/shipper	Rs 700/- Per Shipment
6	AVI (LIVE ANIMAL)	1080/- Per Shipment
	<b>DEMURRAGE CHARGES</b>	
7	Demurrage beyond free period (24Hours)	Rs 0.85/kg per Day (Minimum charge is Rs100/- Per Shipment, per Day)  SPL:AVI /DGR /VAL:-Rs 2.00/kg per shipment Per Day ( Minimum Charge is Rs 200/-Per Shipment Per Day )  Courier:- Rs 0.85/kg Per Shipment( Per Day (Minimum charge is Rs 100/- Per Shipment Per Day )
	<b>IN BOUND</b>	
8	Terminal storage and processing charge(TSP) a Charged to Consignor/Agent	General Cargo:-Rs 0.85/ kg per shipment (Minimum charge will be Rs100 )  SPL:AVI /DGR /VAL:-Rs 1.95/kg per shipment ( Minimum charge is Rs 200/-)  Courier:- Rs 0.85/kg per shipment (Minimum charge is Rs 100/- )
	<b>DEMURRAGE CHARGES</b>	
9	Demurrage beyond free period ( 24Hours)	Rs 0.85/kg Per Day (Minimum charge is Rs100/- per shipment, per Day)  SPL:AVI /DGR /VAL:-Rs 1.95/kg Per day ( Minimum charge is Rs 200/- Per Shipment Per Day )  Courier:- Rs 0.85/kg Per Shipment Per Day (Minimum charge is Rs 100/- Per Shipment Per Day )

Note 1 : Statutory Levies, wherever applicable, will be charges over & above the above quoted rates.  
Note 2 : TSP tariffs mentioned above are valid for 03 Months



From: ArvindNayak/naspl [mailto:arvindnayak@nayakavlation.com]

Sent: Sat 27/03/2010 3:59 PM

To: Rajendra; denis.crasto@flyingfisher.com; hemant.anand@flyingfisher.com; s.hari@goindigo.in; harinair@patel-india.com; Amit Bajaj; mahesh.malik@interglobe.com; rakesh.tiwari@goair.in; mahesh@goair.in; rajeev.nalthani@goair.in; kdsingh@greenairways.in; tejdang@hotmail.com; edmund.jones@spicejet.com; vidhu.nair@spicejet.com

Cc: Venugopal Bangera; Anil Jaiswal; RG Panicker; Ganesh Kokku; karam x-press; skd shakthi cargo; sanjay pcf; sanjay khanna; royal air hyd; real fast; pavan blr; royal ccu; asml express; shrl balaji; mohammad akram; marlojude; kiran cargo; kram intl; Jatin m shah; gary andrady; daga; ceo Internet; bhattacharya csp; ashoka tpt, blr; shakthi cargo; "Ravijeet Sehraw

Subject: Re: Incorporation of TSP charges on the AWB.

Dear Sir,

We have addressed the matter to the Airlines concerned and the Operators on the stand of DACAAI regarding the PD Accounts. The final course of action should be defined by yourself and the carriers.

We look forward to a positive resolution of the same.

With regards,

Arvind Nayak  
President  
DACAAI

----- Original Message -----

From: "Rajendra" <Rajendra.Varma@cscindia.in>

To: <denis.crasto@flyingfisher.com>; <hemant.anand@flyingfisher.com>; <s.hari@goindigo.in>; "Arvind Nayak" <arvindnayak@nayakavlation.com>; <harinair@patel-india.com>; "Amit Bajaj" <IMCEAmailto-amitbajaj+40mituj+2Ecom@CSCDELRO.local>; <mahesh.malik@interglobe.com>; <rakesh.tiwari@goair.in>; <mahesh@goair.in>; <rajeev.nalthani@goair.in>; <kdsingh@greenairways.in>; <tejdang@hotmail.com>; <edmund.jones@spicejet.com>; <vidhu.nair@spicejet.com>

Cc: <venu.bangera@cscindia.in>; "Anil Jaiswal" <anil.jaiswal@cscindia.in>; <rg.panicker@cscindia.in>; <ganesh.kokku@cscindia.in>

Sent: Saturday, March 27, 2010 3:06 PM

Subject: FW: Incorporation of TSP charges on the AWB.

Dear All,

Ref trailing mail from DACAAI, which was sent to all Domestic Airlines, with



a copy to DCSC , requesting Incorporation of TSP charges on the AWB .

DACAAI also referred to their meetings & deliberations on above subject, at HYD/BLR , In which all domestic airlines participated.

DACAAI Office Bearers Mr Hari Nair & Mr Arvind Nayak, took up the subject with Mr R.Panicker,CEO DCSC today, citing the concurrence of Domestic Airlines In Delhi to accept above arrangement.

DCSC have therefore decided following :

a) Extend the facility of billing TSP Charges to those airlines,who agree to make PDA/Advance Deposit equal to the TSP charges leviable for total tonnage of Outbound + Inbound Cargo to be handled over 15 days period, at DCSC's Domestic Cargo Terminal.

Such PDA/deposit would need to be replenished in advance, every fortnight.

b) For those airlines, who do not agree to above arrangement, or, whose PDA/Advance Deposit is not replenished, TSP Charges would need to be paid in cash, at DCSC's counters.

c) The schedule of applicable TSP Charges is available as an attachment to this mail.

With this mail,we request confirmation/concurrence from all Domestic Airlines.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36,1st Floor,  
Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : rajendra.varma@cscindia.in

-----Original Message-----

From: Amit Bajaj [mailto:[amitbajaj@mitui.com](mailto:amitbajaj@mitui.com)]

Sent: Thu 3/25/2010 9:49 PM

To: s.hari@goindlgo.in

Cc: Rajendra; arvindhayak@nayakaviation.com; surajagrawal@monopolycargo.com;



'Amit Gulati'; ravi@jeet@suryacargo.com; 'Carex Cargo'  
Subject: Incorporation of TSP charges on the AWB.

Dear Sir,

Refer our telecom regarding TSP charges to be paid by the Agent in Cash/through a PDA account to CSC.

I would request you kindly inbuilt this cost in your charges to be put on the Airway Bill. The payment of TSP charges in cash / through PDA account creates unnecessary block in functioning as well as increases the monitoring and the accounting process our end.

It would be difficult for us Agents to monitor the usage of the PDA account. In our past experiences in Hyderabad and Bangalore wrong PDA's have been debited.

We as DACAAI will not support opening of PDA accounts or the payment of TSP in cash.

DACAAI would request the Airlines to whom we aggressively support and for whom we will be tendering cargo for to CSC, to support in this matter and charge the charges on the Airway Bill itself. }} \*

Looking forward for a positive action.

Regards

Amit Bajaj  
Joint Secretary  
DACAAI  
9818557771



RG Panicker

From: ArvindNayak/naspl [arvindnayak@nayakaviation.com]  
Sent: Saturday, March 27, 2010 4:00 PM  
To: Rajendra Varma; denis.crasto@flykingfisher.com; hemant.anand@flykingfisher.com; s.hari@goindigo.in; harinair@patel-india.com; Amit Bajaj; mahesh.malik@interglobe.com; rakesh.tiwari@goair.in; mahesh@goair.in; rajeev.naithani@goair.in; kdsingh@greenairways.in; tejdang@hotmail.com; edmund.jones@spicejet.com; vidhu.nair@spicejet.com  
Cc: Venugopal Bangera; Anil Jaiswal; RG Panicker; Ganesh Kokku; karam x-press; skd shakthi cargo; sanjay pcf; sanjay khanna; royal air hyd; real fast; pavan blr; royal ccu; asmi express; shri balaji; mohammad akram; mariojude; kiran cargo; kram intl; jatin m shah; gary andrady; daga; ceo internet; bhatacharya csp; ashoka tpl, blr; shakthi cargo; "Ravijeel Sehraw"  
Subject: Re: Incorporation of TSP charges on the AWB.

Dear Sir,

We have addressed the matter to the Airlines concerned and the Operators on the stand of DACAAI regarding the PD Accounts. The final course of action should be defined by yourself and the carriers.

We look forward to a positive resolution of the same.

With regards,

Arvind Nayak  
President  
DACAAI

----- Original Message -----

From: "Rajendra" <Rajendra.Varma@cscindia.in>  
To: <denis.crasto@flykingfisher.com>; <hemant.anand@flykingfisher.com>; <s.hari@goindigo.in>; "arvind nayak" <arvindnayak@nayakaviation.com>; <harinair@patel-india.com>; "Amit Bajaj" <IMCEAmailto-amitbajaj+40mituj+2Ecom@CSCDELR0.local>; <mahesh.malik@interglobe.com>; <rakesh.tiwari@goair.in>; <mahesh@goair.in>; <rajeev.naithani@goair.in>; <kdsingh@greenairways.in>; <tejdang@hotmail.com>; <edmund.jones@spicejet.com>; <vidhu.nair@spicejet.com>  
Cc: <venu.bangera@cscindia.in>; "Anil Jaiswal" <anil.jaiswal@cscindia.in>; <rg.panicker@cscindia.in>; <ganesh.kokku@cscindia.in>  
Sent: Saturday, March 27, 2010 3:06 PM  
Subject: FW: Incorporation of TSP charges on the AWB.

Dear All,

Ref trailing mail from DACAAI, which was sent to all Domestic Airlines, with a copy to DCSC, requesting Incorporation of TSP charges on the AWB.

DACAAI also referred to their meetings & deliberations on above subject, at HYD/BLR, in which all domestic airlines participated.

DACAAI Office Bearers Mr Hari Nair & Mr Arvind Nayak, took up the subject with Mr R.Panicker, CEO DCSC today, citing the concurrence of Domestic Airlines in Delhi to accept above arrangement.

DCSC have therefore decided following:

a) Extend the facility of billing TSP Charges to those airlines, who agree to

make PDA/Advance Deposit equal to the TSP charges leviable for total tonnage of Outbound + Inbound Cargo to be handled over 15 days period, at DCSC's Domestic Cargo Terminal.

Such PDA/Deposit would need to be replenished in advance, every fortnight.

- b) For those airlines, who do not agree to above arrangement, or, whose PDA/Advance Deposit is not replenished, TSP Charges would need to be paid in cash, at DCSC's counters.
- c) The schedule of applicable TSP Charges is available as an attachment to this mail.

With this mail, we request confirmation/concurrence from all Domestic Airlines.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs, DELHI CARGO SERVICE CENTER, Room No. 36, 1st Floor, Express Terminal, I.G.I. Cargo Complex, New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : [rajendra.varma@cscindia.in](mailto:rajendra.varma@cscindia.in)

-----Original Message-----

From: Amit Bajaj [mailto:[amitbajaj@mituj.com](mailto:amitbajaj@mituj.com)]  
Sent: Thu 3/25/2010 9:49 PM  
To: [s.hari@goindigo.in](mailto:s.hari@goindigo.in)  
Cc: Rajendra; [arvindnayak@nayakaviation.com](mailto:arvindnayak@nayakaviation.com); [surajagrawal@monopolycargo.com](mailto:surajagrawal@monopolycargo.com); 'Amit Gulati'; [ravijeet@suryacargo.com](mailto:ravijeet@suryacargo.com); 'Carex Cargo'  
Subject: Incorporation of TSP charges on the AWB.

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DACAAI would request the Airlines to whom we aggressively support and for whom we will be tendering cargo for to CSC, to support in this matter and charge the charges on the Airway Bill itself.

Looking forward for a positive action.

Regards

Amit Bajaj  
Joint Secretary  
DACAAI  
9818557771



**RG Panicker**

**From:** Rajendra [Rajendra.Varma@cscindia.in]  
**Sent:** Saturday, March 27, 2010 3:06 PM  
**To:** denis.crasto@flykingfisher.com; hemant.anand@flykingfisher.com; s.hari@goindigo.in; arvind nayak; harinair@patel-india.com; Amit Bajaj; mahesh.malik@interglobe.com; rakesh.tiwari@goair.in; mahesh@goair.in; rajeev.naithani@goair.in; kdsingh@greenairways.in; tejdang@hotmail.com; edmund.jones@spicejet.com; vidhu.nair@spicejet.com  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker; Ganesh Kokku  
**Subject:** FW: Incorporation of TSP charges on the AWB.  
**Attachments:** TSP CHARGES FOR DOMESTIC OPERATIONS eff 26Mar2010.doc

Dear All,

Ref trailing mail from DACAAI, which was sent to all Domestic Airlines, with a copy to DCSC , requesting Incorporation of TSP charges on the AWB .

DACAAI also referred to their meetings & deliberations on above subject, at HYD/BLR , in which all domestic airlines participated.

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With this mail,we request confirmation/concurrence from all Domestic Airlines.

with kind regards,

Rajendra Varma  
 General Manager - Commercial & Regulatory Affairs, DELHI CARGO SERVICE CENTER, Room No. 36,1st Floor, Express Terminal, I.G.I. Cargo Complex, New Delhi-110037.

Mob : + 91 98100 20020  
 e-mail : [rajendra.varma@cscindia.in](mailto:rajendra.varma@cscindia.in)

-----Original Message-----

From: Amit Bajaj [mailto:amitbajaj@mituj.com]  
 Sent: Thu 3/25/2010 9:49 PM  
 To: s.hari@goindigo.in  
 Cc: Rajendra; arvindnayak@nayakaviation.com; surajagrawal@monopolycargo.com; 'Amit Gulati'; ravijeet@suryacargo.com; 'Carex Cargo'  
 Subject: Incorporation of TSP charges on the AWB.

RG Panicker

From: ArvindNayak/naspl [arvindnayak@nayakaviation.com]  
 Sent: Wednesday, March 31, 2010 5:08 PM  
 To: Rajendra Varma  
 Cc: amitbajaj@mituj.com; surajagrawal@monopolycargo.com; anilkumart@patel-india.com; ravijeet@suryacargo.com; Venugopal Bangera; Anil Jaiswal; RG Panicker; karam x-press; skd shakthi cargo; sanjay pcf; sanjay khanna; royal air hyd; real fast; pavan blr; royal ccu; asmi express; shri balaji; mohammad akram; mariojude; kiran cargo; kram intl; jatin m shah; gary andrady; daga; ceo internet; bhatacharya csp  
 Subject: Re: Operations at DCSC Domestic Cargo Terminal at Delhi

Dear Mr. Verma,

At the outset , I congratulate you and your colleagues at CSC on the inauguration of the Interim Cargo Terminal and wish you the very best in your endeavour.

However,I would like to clarify on the developments at BLR and HYD cargo terminals regarding the PD Accounts..I reiterate below what has transpired till date..at these two facilities in regard of PDA.

1. Bobba Menzies Terminal..

After a series of meetings with Mr.Andy Brant and his colleagues and one alongwith the Cargo Heads of Indigo,Kingfisher and Spice Jet , it was agreed that in principle that TSP charges will be allowed to be collected alongwith the AWB .However the modalities for the same are being worked out. NO arrangement for opening of PDA by the Airlines was agreed. The payment would be alongwith the othere charges as was in practice.

We have now received a communication from Mr. Brant that a draft for a new agreement with the airlines in these lines is being prepared and He hopes that by Mid April a system should be in Place.

2. AI- SATS

Our deliberations are still inconclusive ..however we are dilligently following up with them for the removal of the PDA system.

3. Menzies HYD

Here again a dialouge is ongoing and we have been assured by the senior mangement of the Operator that they will be talking to the Airlines concerned and getting a solution to this issue.

4. CSC DEL

Even in our first meeting with you and Mr. Jaiswal we conveyed our reluctance in opening of PDA for collection of TSP.You both initially were receptive to it , however after interaction with your HO conveyed your inability to agree to it.

I would like to again convey that DACAAI is not against paying the TSP..but only the mode of payment. This opinion has been formed after our bad experiences at HYD and BLR. We are continuing our efforts to abolish the same at those places..how can we agree to opening PDA in DEL. Our position has been clear on the same.

GoAIR had initially agreed to open a PDA and collect the tsp from us on the AWB..I am not aware of any developments on this hence.



I would also like to Thank you and your colleagues for giving us the best cooperation in regard to the arrangement for passes etc. We have made a nodal point manned by two of our members who will be organising the applications for the passes etc. and interacting with Mr. Dharmender Yadav to facilitate the process. A communication in this regard has already been conveyed to you.

A list of accredited members of DACAAI will be furnished and DACAAI will indemnify CSC for any mishappenings and damage if any occurred on use of the room which you have kindly consented to give.

With Warm Regards,

For DACAAI  
Arvind Nayak  
President

----- Original Message -----

From: Rajendra Varma  
To: arvindnayak@nayakaviation.com  
Cc: amilbajaj@mituj.com ; surajagrawal@monopolycargo.com ; anilkumart@patel-india.com ; ravijeeel@suryacargo.com ; Venugopal Bangera ; Anil Jaiswal ; RG Panicker  
Sent: Wednesday, March 31, 2010 12:37 PM  
Subject: Operations at DCSC Domestic Cargo Terminal at Delhi

Dear Mr Arvind Nayak,

This refers to our various discussions regarding the Cargo Operations at DCSC Domestic Cargo Terminal at Delhi.

-The facility was inaugurated yesterday by Mr P.S.Nair/CEO DIAL, as you are aware.

-GO Air had promised to use the terminal effective 27th March, but did not, presumably due to the subject of TSP Charges.  
-When you had 1st raised this issue ( before your meetings at HYD & BLR ), DCSC had expressed its inability to accept this request at this point in time & had promised to revisit the subject , at a later date , as soon as possible.

-You had promised to share with us the minutes of your meetings at BLR/HYD. Same has not been done even until this moment.

-During my telephonic discussions with you thrice on 27th & twice on 29th March , you had promised to clarify the situation to all Domestic Airlines & Cargo Agents, which, regretfully, has not been done , for reasons best known to you.

-I personally, and DCSC, have not reacted to various unnecessary & provocative mails, in the larger interests of the Domestic Cargo Trade.

-However, it is imperative that proper & effective safeguards are created to ensure payments of applicable charges for the use of DCSC facilities.

-We have also not received any intimation from DACAAI , giving names of their accredited agents, inspite of repeated mails sent by me & Capt Dharmender Yadav/AGM Security DIAL, since 26th Feb. This was also required, in order to facilitate issuance of Temporary Passes for Domestic Cargo Agents ( 90 % of whom do not have any passes, as informed by you ).

-I would like to kindly remind you that, it would not be possible for us to offer the use of the 'Common Room' facility at DCSC Terminal, to any Cargo Agents, in the absence of the mandatory requirement of an Official intimation to DCSC, along with a 'List of Member Agents'.  
Your letter should also kindly guarantee DACAAI's responsibility for its safe use by the user agents & indemnify DCSC against any unauthorized activity/use + loss/pilferage/theft etc; at all times.

Thanks in advance for your urgent response.



From: Crasto, Denis KFA/BOM [Denis.Crasto@flykingfisher.com]

Sent: Sun 02/05/2010 10:26 AM

To: Rajendra Varma; Rao, Akhilesh KFA/BOM; Anand, Hemant KFA/DEL

Cc: Venugopal Bangera; Anil Jaiswal; RG Panicker

Subject: RE: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Dear Mr Varma,

At the outset I wish to clarify that fortnightly payment of TSP charges have not been accepted by us. We cannot have two sets of payments made and all payments will be made as per our understanding. Secondly application of the TSP charges have just been conveyed to us by you in the below mail. We now need to go back to all our stations and inform them to levy the same. The stations will start applying this by the 04<sup>th</sup> of May 2010. The problems with agents have been discussed by you and your team even before this has been discussed with the airlines. The delay to convey the charges and settle the agents issue has been from your side as such we will not accept any blame on this count. From the airlines side we had communicated on 14<sup>th</sup> April to your team that we are ready to accept the TSP charges in the airway bill.

For the last two days our team in DEL has been facing innumerable problems with the handling. My Regional Head Mr Hemant Anand will send you a mail on the short comings. We need you to resolve this at the earliest failing which we will need to take a decision to protect our commercial interests. With the 4 airlines shifting and with the poor service rendered our loads have shifted to the airlines which are not part of DCSC.

I will appreciate if you and your team make extra effort in ensuring that the airlines which have shifted are given a fair chance to meet their customer commitments.

Regards.....Denis

From: Rajendra Varma [mailto:rajendra.varma@cscindia.in]

Sent: Saturday, May 01, 2010 11:30 PM

To: Crasto, Denis KFA/BOM; Rao, Akhilesh KFA/BOM; Anand, Hemant KFA/DEL

Cc: Venugopal Bangera; Anil Jaiswal; RG Panicker

Subject: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Dear Mr Denis Crasto,

In the meetings held at DIAL HQ on 29th Apr, it was conveyed to DCSC by the airlines, DACAAI Office Bearers present in the meeting & DIAL, that four Domestic Airlines i.e. SpiceJet, Kingfisher, Indigo & Go Air, had agreed to put the TSP Charges on the AWB.

That, the Airlines would accept & pay, based on fortnightly CSRs, the Airlines Handling Charges as per their respective agreements with DCSC, along with the applicable Outbound + Inbound TSP Charges @ INR 0.85/kg subject to a minimum of INR 100 per AWB.



\* Agents shall remit the charges to the Airlines in the Fortnightly Sales Report along with the freight and other charges payable to the Airline for the business transacted in the said period.

\* DCSC shall raise Invoices to the Airlines as per the agreed terms and conditions of their Agreements with the Airlines.

\* Airlines shall remit the said charges to DCSC in line with the agreed commercial terms and conditions of the Airlines and DCSC.

\* For Inbound cargo to DIAL the said charges for the TSP on Inbound cargo will be reflected on the Airline AWB at the Origin Station and the same will be accordingly collected and invoiced and remitted as per the process above.

You are requested to please provide us with a line of agreement on the above and also convey the same to the relevant Domestic Airlines so as to have the process above initiated with immediate effect.

Thanking You,

for DACAAI,

Arvind Nayak  
(President)

Amit Gulati  
(Vice President)

Suraj Agarwal  
(General Secretary)

- 31 -

**Rajendra Varma**

**From:** Rajendra Varma **Sent:** Sat 01/05/2010 1:08 PM  
**To:** Arvind Nayak(Dacaal)  
**Cc:** Venugopal Bangera; RG Panicker; Anil Jaiswal  
**Subject:** FW: Process for Creation of Security Deposit for DACAAI members  
**Attachments:**

Dear Mr Arvind Nayak,

As discussed earlier today, DCSC would like to get a Bank Guarantee or a Bank Draft for the agreed amount, in favour of DELHI CARGO SERVICE CENTER PRIVATE LIMITED, covering TSP Charges for Outbound + Inbound Cargo, over at least 15 days period.

Request you to kindly acknowledge & confirm.

with kind regards,

Rajendra Varma

----- Original Message -----

**From:** Arvind Nayak(Dacaai)  
**To:** rajendra.varma@cscindia.in ; anil.jaiswal@cscindia.in ; RG Panicker ; venu.bangera@cscindia.in  
**Cc:** amitgulati@muditacargo.com ; ARVIND NAYAK ; suraj agrawal  
**Sent:** Friday, April 30, 2010 10:12 PM  
**Subject:** Process for Creation of Security Deposit for DACAAI members

Dear Sir,

Pursuant to our discussions today, wherein we have mutually agreed to create a Security Deposit for coverage of the TSP amounts which are payable by DACAAI members to DCSC, please note the following points -

- 1.. DACAAI shall provide by 01-05-10 a cheque for Rs. 10 lacs as a Security to DCSC, which DCSC shall not present.
- 2.. Within the 7th of May, 2010, DACAAI shall provide a Fixed Deposit of Rs.40.0 lacs to DCSC which shall be valid for a period of 1 year. The cheque mentioned above shall be returned to DACAAI on presentation of this Bank Guarantee.
- 3.. The Interest amount accrued on the said Fixed Deposit shall be the property of DACAAI only.
- 4.. DACAAI offers this amount in Good Faith to cover the TSP payments from its members only, whose list shall be provided to you in due course.
- 5.. A formal agreement shall be created between DCSC and DACAAI members in due course to lay down the conditions and terms of our understanding.
- 6.. Some of the members who are party to this discussion at present are :
  - a.. Patel Air Freight
  - b.. Mudita Marketing
  - c.. Mituj Marketing
  - d.. Express Delivery Systems
  - e.. Nayak Aviation Services Private Limited
  - f.. Carex Cargo Forwarders
  - g.. Index Logistics
  - h.. Pawan Cargo Forwarders
  - i.. Surya Cargo Forwarders
  - j.. Monopoly Cargo
  - k.. Phoenix Express
  - l.. Asmi Express

A further updated list shall be provided in due course.

From: ArvindNayak/naspl [arvindnayak@nayakaviation.com]

Sent: Sat 01/05/2010 2:02 PM

To: Rajendra Varma

Venugopal Bangera; Anil Jaiswal; RG Panicker; karam x-press; skd shakthi cargo; sanjay pcf; sanjay khanna; royal air hyd; real fast; pavan blr; Cc: royal ccu; asmi express; shri balaji; mohammad akram; mariojude; kiran cargo; kram intl; jatin m shah; gary andrady; daga; ceo internet; bhattacharya csp; ashoka tpt, blr; shakthi cargo; "Ravijee" Subject: Re: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Dear Mr. Verma,

At the outset, I wish to congratulate you on the starting of operations at your terminal and assure you all co operation from DACAAI in it's smooth functioning.

Regarding the points raised by you in 1, and 2 the same need to be addressed to the Airlines. DACAAI will submit a list of it's members covered under our agreement.

We agree to furnish a Bank Gaurantee as required by you, however need to consult the bank on it's format or you may kindly ask your Accounts to the furnish the same. You may also be required to have a formal agreement with us.

Regarding the Security Cheque, it was clearly agreed that it is only a matter of security and an interim arrangement till we furnish a Fixed Deposit or a Bank Guarantee. So, the same should not be encashed. The same will be delivered to your office today evening.

Since, we are facing a prospect of weekend, I think we can sort out the remaining issues on Monday.

With Regards,

Arvind Nayak

----- Original Message

To: Arvind Nayak(DacaaI)

Cc: Venugopal Bangera ; Anil Jaiswal ; RG Panicker

Sent: Saturday, May 01, 2010 1:28 PM

Subject: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Dear Mr Arvind Nayak,

Ref your trailing mail, DCSC would like the Airlines to kindly advise DCSC their Formal Confirmation, on the following issues with regards to below arrangement as proposed by DACAAI:

1. Mentioning of TSP charges on the AWB under "Due Carrier" column should be accepted by the respective Airline.
2. DCSC will invoice Airline every fortnightly and the payment will be made immediately on receipt of the Invoice to DCSC, irrespective of the fact whether the amount has been received or not from the agent to the airline. Airline will have to commit to us on the said matter. Also the DACAAI will have to provide us the list of agent for whom the TSP will be accounted through AWB, rest by cash. The list should be endorsed by Airline as acceptance of the arrangement for the respective agent.

Further it will not be the responsibility of DCSC to check whether all such pre-approved agents have stated TSP

Incomplete

- 33 -

**Rajendra Varma**

**From:** Rajendra Varma **Sent:** Sat 01/05/2010 6:44 PM  
**To:** ArvindNayak/naspl ← DCCAD  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker  
**Subject:** RE: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.  
**Attachments:**

Dear Mr Arvind Nayak,

Thanks for your mail & we reciprocate your kind good wishes on the start of business at DCSC's Domestic Cargo Terminal effective 01.05.2010.

Have Informed Col Anil Jaiswal regarding the cheque of Rs Ten Lakh, which will be delivered by DACAAI this evening.

We shall work out together, the format of the Bank Guarantee.

The same is applicable also for the Contract between DCSC / DACAAI .

with kind regards,

Rajendra Varma

P.S. Have also Informed & forwarded to our Operations team, your mail regarding the correct spellings of your Member Agents.

-----Original Message-----

**From:** ArvindNayak/naspl [mailto:arvindnayak@najakaviation.com]  
**Sent:** Sat 01/05/2010 2:02 PM  
**To:** Rajendra Varma  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker; karam x-press; skd shakthi cargo; sanjay pcf; sanjay khanna; royal air hyd; real fast; pavan blr; royal ccu; asmi express; shri balaji; mohammad akram; mariojude; kiran cargo; kram intl; jatln m shah; gary andrady; daga; ceo internet; bhattacharya csp; ashoka tpt, blr; shakthi cargo; "Ravijeet"  
**Subject:** Re: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

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With Regards,

-34-

Pg 2 of 5

Arvind Nayak

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To: Arvind Nayak(Dacaal)

Cc: Venugopal Bangera ; Anil Jaiswal ; RG Panicker

Sent: Saturday, May 01, 2010 1:28 PM

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Further it will not be the responsibility of DCSC to check whether all such pre-approved agents have stated TSP charges on the Due Carrier column. DCSC will invoice the Airlines at Delhi @ INR 0.85/kg, for both Outbound + Inbound TSP Charges, Irrespective of the fact whether these TSP charges are mentioned on the AWB at Origin or not.

3. The ten lakh cheque would be submitted immediately to DCSC, and it will be en-cashed by DCSC.
4. DACAAI shall provide un-conditional Bank Guarantee instead of Fixed Deposit.
5. That, the above arrangement should be provided only to the major/regular Domestic Agents and they should be the member of DACAAI.

Regards,

Rajendra Varma

----- Original Message -----

From: Arvind Nayak(Dacaal)

To: anil.jaiswal@cscindia.in ; rajendra.varma@cscindia.in ; venu.bangera@cscindia.in ; RG Panicker

Cc: amitgulati@mudtcargo.com ; suraj agrawal ; ARVIND NAYAK

Sent: Friday, April 30, 2010 9:30 PM

Subject: Collection of TSP Charges through Airline Air Way Bill with Invoicing to Airlines by CSC

Dear Sir,

This is in continuation of our meeting today evening wherein we have discussed the Modus for Payment of TSP charges for Outbound and Inbound Cargo on the goods handled through the Greenfield Terminal in DIAL.

As mutually agreed, the following process would be followed from 01-05-10 UFN, for the collection and payment of the TSP Charges.

\* For Outbound cargo from DCSC, the applicable TSP charges would be reflected on the Airline Airway



Reperated

From: ArvindNayak/naspl [arvindnayak@nayakaviation.com]

Sent: Sat 01/05/2010 2:02 PM

To: Rajendra Varma

Venugopal Bangera; Anil Jaiswal; RG Panicker; karam x-press; skd shakthi cargo; sanjay pef; sanjay khanna; royal air hyd; rcal fast; pavan blr;  
Cc: royal ccu; asmi express; shri balaji; mohammad akram; mariojude; kiran cargo; kram intl; jatin m shah; gary andrady; daga; ceo internet; bhatacharya csp; ashoka tpt. blr; shakthi cargo; "Ravijeet

Subject: Re: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Dear Mr. Verma,

At the outset , I wish to congratulate you on the starting of operations at your terminal and assure you all co operation from DACAAI in it's smooth functioning.

Regarding the points raised by you in 1, and 2 the same need to be addressed to the Airlines . DACAAI will submit a list of it's members covered under our agreement.

**We agree to furnish a Bank Gaurantee as required by you, however need to consult the bank on it's format or you may kindly ask your Accounts to the furnish the same. You may also be required to have a formal agreement with us.**

Regarding the Security Cheque, it was clearly agreed that it is only a matter of security and an interim arrangement till we furnish a Fixed Deposit or a Bank Guarantee. So, **the same should not be encashed.**The same will be delivered to your office today evening.

Since , we are facing a prospect of weekend, I think we can sort out the remaining issues on Monday .

With Regards,

Arvind Nayak

----- Original Messagrm

To: Arvind Nayak(DacaaI)

Cc: Venugopal Bangera ; Anil Jaiswal ; RG Panicker

Sent: Saturday, May 01, 2010 1:28 PM

Subject: Outbound Inbound TSP charges on the AWB & Payment by airlines based on Fortnightly CSR.

Dear Mr Arvind Nayak,

Ref your trailing mail,DCSC would like the Airlines to kindly advise DCSC their Formal Confirmation, on the following issues with regards to below arrangement as proposed by DACAAI:

1. Mentioning of TSP charges on the AWB under "Due Carrier" column should be accepted by the respective Airline.
2. DCSC will invoice Airline every fortnightly and the payment will be made immediately on receipt of the Invoice to DCSC, irrespective of the fact whether the amount has been received or not from the agent to the airline. Airline will have to commit to us on the said matter. Also the DACAAI will have to provide us the list of agent for whom the TSP will be accounted through AWB, rest by cash. The list should be endorsed by Airline as acceptance of the arrangement for the respective agent.

Further it will not be the responsibility of DCSC to check whether all such pre-approved agents have stated TSP

charges on the Due Carrier column. DCSC will invoice the Airlines at Delhi @ INR 0.85/kg , for both Outbound + Inbound TSP Charges, irrespective of the fact whether these TSP charges are mentioned on the AWB at Origin or not.

3. The ten lakh cheque would be submitted immediately to DCSC, and it will be en-cashed by DCSC.
4. DACAAI shall provide un-conditional Bank Guarantee instead of Fixed Deposit.
5. That, the above arrangement should be provided only to the major/regular Domestic Agents and they should be the member of DACAAI.

Regards,

Rajendra Varma

----- Original Message -----

From: Arvind Nayak(Dacaaai)

To: anil.jaiswal@cscindia.in ; rajendra.varma@cscindia.in ; venu.bangera@cscindia.in ; RG Panicker

Cc: amitgulati@muditacargo.com ; suraj agrawal ; ARVIND NAYAK

Sent: Friday, April 30, 2010 9:30 PM

Subject: Collection of TSP Charges through Airline Air Way Bill with Invoicing to Airlines by CSC

Dear Sir,

This is in continuation of our meeting today evening wherein we have discussed the Modus for Payment of TSP charges for Outbound and Inbound Cargo on the goods handled through the Greenfield Terminal in DIAL.

As mutually agreed, the following process would be followed from 01-05-10 UFN, for the collection and payment of the TSP Charges.

\* For Outbound cargo from DCSC, the applicable TSP charges would be reflected on the Airline Airway Bill and reflected in the same as "Due Carrier".

\* Airline Agents shall report these charges in the Airline Cargo Sales Reports which are submitted to the Airlines every fortnight.

\* Agents shall remit the charges to the Airlines in the Fortnightly Sales Report along with the freight and other charges payable to the Airline for the business transacted in the said period.

\* DCSC shall raise Invoices to the Airlines as per the agreed terms and conditions of their Agreements with the Airlines.

\* Airlines shall remit the said charges to DCSC in line with the agreed commercial terms and conditions of the Airlines and DCSC.

\* For Inbound cargo to DIAL the said charges for the TSP on Inbound cargo will be reflected on the Airline AWB at the Origin Station and the same will be accordingly collected and invoiced and remitted as per the process above.

You are requested to please provide us with a line of agreement on the above and also convey the same to the relevant Domestic Airlines so as to have the process above initiated with immediate effect.

Thanking You,


for DACAAI,

Arvind Nayak  
(President)

Amit Gulati  
(Vice President)

Suraj Agarwal  
(General Secretary)



 You forwarded this message on 27/05/2010 5:16 PM.  
Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

**Rajendra Varma**

**From:** Rajendra Varma **Sent:** Fri 14/05/2010 6:27 PM  
**To:** S Hari (Cargo,DEL); akhilesh.rao@flykingfisher.com; Hemant Ananat; Vidhu Nair; amriksingh@greenairways.in; kdsingh@greenairways.in; Sunil Kumar(Cargo,DEL); edmund.jones@spicejet.com; mahesh.malik@Interglobe.com; denis.crao@flykingfisher.com; kdsingh@greenairways.in; tejdang@hotmail.com; Arvind Nayak(Dacaai); arvindnayak@nayakaviation.com; Amit Bajaj; arvindnayak@nayakaviation.com; surajagrawal@monopolycargo.com; anilkumart@patel-India.com; ravijeet@suryacargo.com  
**Cc:** sanjiv.edward@gmrgroup.in; srinivasa.mathrubhutam@gmrgroup.in; RG Panicker; Venugopal Bangera; Anil Jaiswal; Ganesh Kokku  
**Subject:** TSP Chgs at DCSC Domestic Cargo Terminal eff 16.05.2010  
**Attachments:**  TSP Charges For Domestic Operations eff 16.05.2010.doc(38KB)

Dear All,

Kindly find in attachment, TSP Charges applicable at :  
DCSC Domestic Cargo Terminal effective 16.05.2010.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36, 1st Floor,  
Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : rajendra.varma@cscindia.in  
Website: www.cscindia.in





CARGO SERVICE CENTER DELHI

DELHI CARGO SERVICE CENTER . DOMESTIC CARGO TERMINAL  
I.G.I. AIRPORT. NEW DELHI -110037 .  
TSP CHARGES ( APPLICABLE TO SHIPPERS/CONSIGNEES/AGENTS )  
EFFECTIVE 16.05.2010

OUT BOUND			
1	Terminal Storage and Processing Charges (TSP) If invoiced to Airline / Shipper / Agent	General Cargo :- SPL:AVI /DGR /VAL :- Courier :-	Rs 0.70/ kg Rs 1.40/kg Rs 0.70/kg
	Terminal Storage and Processing Charge(TSP) If Paid in Cash	General Cargo :- SPL:AVI /DGR /VAL :- Courier :-	Rs 0.65/ kg Rs 1.30kg Rs 0.65/kg
DEMURRAGE CHARGES			
2	Demurrage Charges beyond Free Period (24Hours)	General Cargo :- SPL:AVI /DGR /VAL :- Courier :-	Rs 0.70/kg per Day Rs 1.40/kg per Day Rs 0.70/kg Per Day
IN BOUND			
3	Terminal Storage and Processing Charges (TSP) If invoiced to Airline / Consignee / Agent	General Cargo :- SPL:AVI /DGR /VAL :- Courier :-	Rs 0.70/ kg Rs 1.40/kg Rs 0.70/kg
	Terminal Storage and Processing Charges (TSP) If Paid in Cash	General Cargo :- SPL:AVI /DGR /VAL :- Courier :-	Rs 0.65/kg Rs 1.30/kg Rs 0.65/kg
DEMURRAGE CHARGES			
4	Demurrage Charges beyond Free Period ( 24Hours)	General Cargo :- SPL:AVI /DGR /VAL :- Courier :-	Rs 0.70/kg per Day Rs 1.40/kg per Day Rs 0.70/kg Per Day

Note 1 : Statutory Levies, wherever applicable, will be charged over & above the above quoted rates.

Note 2 : TSP tariffs mentioned above are valid for 03 Months

Note 3 : DCSC will take over Outbound Cargo from Agents/Shippers, at its Acceptanc Counters In 'Ready For Carriage Condition' only, with Labels/Markings & shall hand over Inbound Cargo outside the Sterile Area, to the person carrying Airline Delivery Order. Handling of cargo from/onto trucks shall be the responsibility of Agent / Shipper / Consignee

Note 4 : No charges will be applicable for Human Remains ( HUM )

From: Anil Jaiswal

Sent: Sat 15/05/2010 12:09 PM

To: sanjeev.sharma@spicejet.com; amriksingh@greenairways.in;  
Shekhar.Mohanty@flyingfisher.com; sunil.kumar1@GOFNDIGO.IN

Cc: Rajendra Varma; RG Panicker; Venugopal Bangera

Subject: Meeting DCSC and Domestic airlines

Attachments:

[View As Web Page](#)

Dear All,

A meeting was held with representatives of Kingfisher, Indigo, Spicejet and Go air in DCSC office at 1630 h on 14 May. Following was discussed/decided.

The airlines were generally satisfied with the DCSC procedures and handling of outbound cargo at CUDCT. They were however concerned with the availability of screeners at the screening machine which delays the process. They had already taken up the issue with DIAL. They also requested for immediate installation of RO plant for drinking water, repair of warehouse flooring and construction of urinals for airline staff on the air side.

The new TSP circular was handed over to them. They however requested to put new rates into effect from 16 May onwards.

The airlines rep welcomed the idea of DCSC making daily service challan and airlines countersigning copy of same.

All outbound cargo is now properly tagged. It was requested if the same could be ensured for the incoming cargo also. Airlines assured that they will implement it over a period of time.

With best Wishes  
Anil Jaiswal

Annexure 6

Sequence of meeting/email exchange with Domestic airlines for fixation of cargo handling, X-ray maintenance and other charges

1. Initial offer of various charges forwarded to the airlines	4 <sup>th</sup> March 2010 to 10 <sup>th</sup> March 2010
2. LOI signed by all carriers – Kingfisher, indigo and Spice Jet and Go airway signed the agreement	April 2010
3. Meeting of all airlines held for further discussion of handling rates at DIAL office, where the rates were reduced for 3 months	6 <sup>th</sup> May 2010
4. Meeting of all airlines again held on 12th Aug 10 again refixing the handling rates effective 1 <sup>st</sup> Sept 2010 and confirmation of the minutes of that meeting	16 <sup>th</sup> Aug 2010 to 17 <sup>th</sup> Aug 2010
5. Confirmation of rates by DCSC to all airlines	31 <sup>st</sup> August 2010
6. Forwarded the revised cargo handling agreement to all the airlines for signature	September 2010

It maybe noted that all airlines have accepted our invoices based on the handling rates and x-machine usage charges and have been paying DCSC against those invoices.

The formal agreement is yet to be signed.

Effective November 2010, Jet airways has also become the customers on same terms and conditions as other carriers.

Copies of the correspondences and LOI attached



From: Rajendra Varma

Sent: Thu 29/04/2010 12:49 PM

To: s.hari

Cc: Venugopal Bangera; RG Panicker

Subject: FW: Loi signed copies

Attachments:

[View As Web Page](#)

Dear Mr S.Hari,

The L.O.I. Documents were duly received by our BOM HQ & we expect them back this evening or latest by tomorrow. Shall advise you immed. on their receipt.

In the mean time, request you to advise regarding the status of the SGHA Annex B & the License Agreement documents, which we would need urgently.

Std. Ground Handling Agents-

Kindly note that clause 7.2.1(a),(1),(2),(3) are being covered by DIAI, and should therefore, not be included in SGHA Annex B document between DCDC & Indigo.

Rgds / Rajendra Varma

-----Original Message-----

From: S Hari (Cargo,DEL) [<mailto:s.hari@GOINDIGO.IN>]

Sent: Thu 29/04/2010 11:28 AM

To: Rajendra Varma

Cc: Mahesh MM; Debashish Samantaray (Fin,GBP); Vijay Dhanwanthary (Fin,GBP); Tarun Goswami (Cargo,DEL)

Subject: RE: Loi signed copies

Dear Mr Verma,

We would request you to please complete the requirements at the earliest.

Thanks and Regards

S.Hari  
Manager Cargo -India  
InterGlobe Aviation Ltd(Unit -IndiGo CarGo)  
A-252/1,Road-6  
Mahipalpur Extension  
New Delhi-110 037  
India  
T +91 9910113817,18,20  
F +91 11 26781401

-42-

ORIGINAL SET OF LOI  
WITH MR R B BANIKRISHNAN  
ORIGINAL SET HANDLED  
PLEASE TO INDICATE ON  
COPY MAY '10



InterGlobe Aviation Limited

InterGlobe Aviation Limited, Global Business Park, D.F. City, 124, Janpath, New Delhi, India  
Phone: +91 11 2624 8858

InterGlobe  
AVIATION

**LETTER OF INTENT**

This letter of Intent (hereinafter 'LOI') is being made on this 26<sup>th</sup> day of April, 2010

By and between:

**INTERGLOBE AVIATION LIMITED** (for its unit, **IndiGo CarGo**) a company organized and existing under the laws of India, with its registered office at Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi (herein after referred to as "IndiGo" which expression shall unless repugnant to its subject or context, mean and include its successors and permitted assigns) of the One Part

And

**DELHI CARGO SERVICE CENTER PRIVATE LIMITED (DCSC)** a company registered under the Companies Act, 1956 and having its registered office at A-294/1, Road No. 6, National Highway 8, Mahipalpur Extension, New Delhi 110 0037 (hereinafter referred to as the "DCSC" which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its legal representatives, successors and permitted assigns) of the **ONE PART**;

As the context may require, IndiGo and DCSC shall be hereinafter referred to severally as "Party" and collectively as "Parties".

**WHEREAS:**

- A. IndiGo is engaged in the business of operating scheduled air transport by the name "IndiGo".
- B. DCSC is engaged in the business of inter alia providing ground handling service at the various airports.
- C. IndiGo requires cargo handling services as detailed more particularly hereunder at the Domestic Cargo Terminal, (DCSC Terminal) I.G.I. Airport, New Delhi ("Airport")
- D. DCSC has represented to IndiGo that it has the requisite resources and experience to render these services in respect of its cargo operations.
- E. DCSC has agreed to provide the said cargo handling services at the said airport on the terms and conditions herein contained.

**NOW THEREFORE THIS LOI WITNESSETH AS FOLLOWS:**

**1. Purpose of this LOI**

The Parties are entering into this LOI in order for DCSC to provide cargo ground handling services to IndiGo at the Airport in respect of the latter's cargo operations at the Airport. IndiGo

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*



hereby appoints, and DCSC hereby accepts the appointment hereunder on the terms and conditions herein contained.

DCSC shall provide to IndiGo the following services as listed in Annex B of the SGHA of January 2008 as published by the International Air Transport Association, at the Airport ("SGHA").

**Paragraph 1- Handling Services and Charges**

1.1 DCSC shall provide the following services as contained in Annex B to SGHA to IndiGo:

**1.1 Handling Services**

Where in Annex A of the IATA Main Agreement choice is given between '(a) Provide' or '(b) Arrange for', the '(a) Provide' option always applies, unless otherwise mentioned.

1.1.2 – Liaise with local authority

1.1.3 – Indicate that Handling Company is acting as handling agent for the Carrier

1.2.1 – Establish and maintain local procedure

1.2.2 – Take action on communication address to carrier

1.2.3 ( f ),( g ),( i ) - Prepare, forward, file and retain for a period specified in the Annex B, messages/ reports/ statistics/documents and perform other administrative duties in the cargo services and mail services; security (If service provided by Handling Company)

1.2.4 – Maintain the Carrier's manuals, circulars and other relevant operational documents connected with performance of services

4.1.2 ( a ),( b ), ( c ),( e) – Prepare, sign, distribute and file manifest where load control is performed by the Carrier and or third party.

4.2.1 – to be done in future

5.1.1 ( a ) (1,2, 4)- Provide warehousing handling facilities for general cargo, special cargo (AVI, PER, VAL, DGR),and storage facilities for VAL,DGR and mail, store and take appropriate action to prevent theft of, or damage to cargo and or mail.

5.1.2 ( a )(1,2,4)Provide equipment for handling of general cargo, special cargo (AVI,PER,VAL,DGR),

*Small*



and mail

5.1.3 (a)-(1,2,3,4,5,6,7) Provide handling services for general cargo, special shipments (AVI, PER, VAL,DGR), mail, diplomatic mail, diplomatic cargo, and company cargo/material

5.1.4 Issue and obtain receipt upon delivery

5.1.5 Monitor cargo delivery

5.3.1 Take immediate action in respect of irregularities, damage or mishandling of dangerous goods and other special shipment

5.3.2 Report to carrier any irregularities discovered in cargo handling

5.3.3 Handle lost and found and damaged cargo

5.3.4 (a) Notify the Carrier of complaints and claims

5.3.5 Take action when consignee refuses acceptance and payment

5.4.1 (a),(b), (c), (d), (e) – Prepare air waybill; check all documents to ensure shipment maybe carried-RFC check; obtain capacity/ booking information for carrier's flights; split air waybill, forward applicable copies of manifests and air waybill to carrier; prepare cargo manifest

5.4.2 (b) Make cargo document available to consignee or their agent

5.5.1 Accept cargo

(a)- machine readable cargo labels are affixed and processed or

(b)- manual labels are affixed and processed

(c)- shipment are ready for carriage

(d)- check weight and volume

(e) check compliance with regulations for special cargo, IATA DGR, IATA live animal and others

5.5.2 tally and assemble for dispatch cargo for the carrier's flight

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*Handwritten signature*

*Handwritten signature*



5.5.3 (a) prepare bulk cargo for delivery onto flights

5.5.4 (a) establish weight for bulk cargo

5.5.5 (a) off load bulk cargo from vehicles

(b)- check incoming cargo against air waybills and manifests

5.5.6 release cargo to consignee or agent

5.6.1 identify transfer cargo

5.7.1 Check incoming mail against Post Office Mail Documents

## 6. Accommodation

6.1.1 Provide facilities for the Carrier's representative(s) at no extra cost to the Carrier.

(a) office space

(b) storage space

(c) other facilities

7.2.1 (a)- Provide

1- control of access to cargo facilities

2- ~~screening of cargo and/or mail (if screening services provided by DCSC)~~

3- ~~physical examination of cargo (if screening services provided by DCSC)~~

4- holding of cargo and or mail for variable periods

5 -secure storage of cargo and or mail

**Note :** The above clauses are all related to Acceptance & Handling of Domestic Export & Import Cargo at DCSC's Domestic Cargo warehouse.

It is hereby clarified that IndiGo shall handle the Cargo Counters at the Airport and will execute the AWB in case of walk - in customers. DCSC shall have no objection towards this function being

*Signature*

*Signature*

*Signature*

performed by IndiGo and will not charge any additional cost for the above function. In order to perform this function, IndiGo will be provided with a counter space at the dedicated counter area by DCSC.

**2. Consideration**

For the services specified in paragraph 1.1.1 above and based on the scheduled arrival and departure times, the following rates will apply. All changes are exclusive of applicable Taxes.

The Charges for the services to be provided under clause 1.1 above shall be:

S. No.	Outbound Handling	Rate/Kg INR
1.	Outbound & Inbound Cargo	INR 0.95 - subject to a minimum of INR 500/-  Per Flight.
2.	Trans-shipment Cargo & Offloaded Cargo	INR 1.35 -subject to a minimum of INR 100/-  Per Shipment
3.	Storage Charges beyond Free Period of 24 hrs	INR 0.95 -subject to a minimum of INR 100/- Per Shipment Per Day
4.	X-Ray Machine Usage Charges	INR 0.75 -subject to a minimum of INR 100/-  Per Shipment
5.	X-Ray Screening Charges	INR 0.75 Per kg subject to a minimum of INR 100.00  Per Shipment

In case Carrier's Total Monthly Export + Import tonnage exceeds 3000 tons in a month, DCSC will offer a 5% discount on Cargo Handling Charges , for every ton in excess of 3000 tons handled in that month.

All the above charges are calculated on gross weight mentioned in the Airway Bills(AWB).

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All payments hereunder shall be made by IndiGo subject to withholding of taxes, as applicable.

**3. Term and Termination**

This LOI shall come into effect from the date hereof and, unless terminated earlier in accordance with the terms hereof or extended by mutual agreement, i.e. from May 1, 2010 until December 31, 2010 ("Term") or execution of a definitive ANNEX B1.0 – LOCATION(S), AGREED SERVICES AND CHARGES to the standard ground handling Agreement (SGHA) of January 2008, whichever occurs first.

This LOI may be terminated by either party in the event that the other party commits a breach or default in respect of its obligations and/or representations and fails to remedy such breach or default within 10 calendar days of being notified by the first (non-defaulting) Party. The termination of this LOI shall not affect the rights or liabilities of a Party accrued prior to termination. Post termination, except for provision which by their nature survive termination of the LOI, neither Party shall have any further obligations hereunder.

Notwithstanding the above, IndiGo shall have the right to terminate the LOI at any time by giving 15 calendar days notice to DCSC.

**4. Definitive Agreement**

IndiGo and DCSC envisage that they will execute a formal and definite SGHA agreement at an appropriate stage and time. In the event that the Parties do so execute a definite SGHA agreement, such definite agreement shall supersede this LOI and relationship between IndiGo and DCSC shall then be governed by the provisions of such definite agreement.

**5. Confidentiality**

IndiGo and DCSC may be required to disclose certain confidential to each other for the purpose of the Transaction. The Parties shall maintain strict confidentiality as regards all matters concerning each other and shall not divulge any information to any third party whatsoever, without the prior written consent of the concerned disclosing Party. In addition to the provision of the clause, the confidentiality obligation of the parties shall be governed by the terms and conditions of the confidentiality and Non-Disclosure Agreement, which is by reference herein, made an integral part of this LOI. In the event of any conflict, in respect of any confidentiality related provisions, between the contents of this LOI and the confidentiality and Non-Disclosure Agreement, the provision of the Confidentiality and Non-Disclosure Agreement shall take precedence.

**6. Notices**


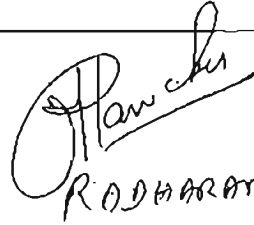
Every notice to be given by either Party under this LOI to the other Party shall be given by facsimile at the address first mentioned.



**7. Governing Law and Jurisdiction**

This LOI shall be governed by and interpreted in accordance with the laws of India and courts at New- Delhi shall have exclusive jurisdiction in case of any dispute arising out of or in relation to this LOI.

IN WITNESS WHEREOF the Parties have caused this LOI to be duly executed on the date and year first mentioned.

FOR INTERGLOBE AVIATION LIMITED	FOR DELHI CARGO SERVICE CENTER PRIVATE LIMITED
Signed  Name Mahesh Malik Designation Vice President Cargo Sales & Services Date April 26, 2010 Place Delhi Witness:	Signed  Name RADHARAMANAN PANICKER Designation CEO & DIRECTOR Date: 3/5/10 Place: Mumbai Witness:



-49-

\*\*\*\*\*  
\*\*\*\*\* TX REPORT \*\*\*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO.	0080
CONNECTION TEL	29205768
CONNECTION ID	
START TIME	25/02 03:50
USAGE TIME	02'27
PAGES	7
RESULT	OK



From: [Rajendra](#)

Sent: Sat 06/03/2010 5:14 PM

To: [mahesh.malik@interglobe.com](mailto:mahesh.malik@interglobe.com); [s.hari@goindigo.in](mailto:s.hari@goindigo.in)

Cc: [Venugopal Bangera](#); [Anil Jaiswal](#); [RG Panicker](#)

Subject: Proposed IATA SGHA AnnexB for Dometic Cargo Operations/DEL

Attachments: [PROPOSED.Indigo.AnnexB. Domestic Cargo Handling at DEL.doc\(80KB\)](#)

[View As Web Page](#)

Dear Mr Mahesh Malik,

As discussed with Mr S.Hari, during our earlier discussions on above subject, I am forwarding for your kind perusal, the Proposed IATA SGHA AnnexB for, Indigo Cargo's Domestic Cargo Operations at the Domestic Cargo Terminal of DELHI CARGO SERVICE CENTER, effective 15th March'10.

I shall appreciate your early response & am at your disposal regarding any clarifications on the subject.

I would like to thank you in advance for same.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36,1st Floor,  
E.I.C.I. Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.

Mob : +91 98100 20020 begin\_of\_the\_skype\_highlighting +91 98100  
20020 end\_of\_the\_skype\_highlighting

e-mail : [rajendra.varma@cscindia.in](mailto:rajendra.varma@cscindia.in)



DELHI CARGO  
SERVICE CENTER  
PRIVATE LIMITED

PROPOSED

IATA STANDARD GROUND HANDLING AGREEMENT -  
SIMPLIFIED PROCEDURE

**Annex B 2.1 Location(s), Agreed Services and Charges to the  
Standard Ground Handling Agreement (SGHA) of January 2008**

Between: Interglobe Aviation Ltd  
(Unit :Indigo Cargo)

having its principal office at: \_\_\_\_\_  
\_\_\_\_\_

and hereinafter referred to as "the Carrier"

and: Delhi Cargo Service Center Private Limited

having its principal office at: A-294/1 Road No.6,  
National Highway 8,  
Mahipalpur Extension,  
New Delhi 110037, India

and hereinafter referred to as "the Handling Company"

Effective from: 1<sup>st</sup> March, 2010

This Annex B for the locations: Domestic Cargo Terminal, I.G.I.Airport

and replaces: None

is valid from: 1<sup>st</sup> March, 2010

**Preamble**

This Annex B is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2008 as published by the International Air Transport Association shall apply as if such terms were repeated here in full, unless agreed otherwise hereunder. By signing this Annex B and the Appendices hereto, the Parties confirm that they are familiar with the aforementioned Main Agreement and Annex A.

DCSC

Carrier

[Signature box]

[Signature box]

7.2.1 (a) - Provide

- 1- control of access to cargo facilities
- 2- screening of cargo and/or mail (if screening services provided by DCSC)
- 3- physical examination of cargo ( if screening services provided by DCSC)
- 4- holding of cargo and or mail for variable periods
- 5 -secure storage of cargo and or mail

Note : The above clauses are all related to Acceptance & Handling of Domestic Export & Import Cargo at DCSC's Domestic Cargo warehouse.

1.2 Charges

1.2.1 The Charges for the services to be provided under clause 1.1 above shall be :

- Outbound & Inbound Cargo : INR 1.10 -Per Kg. subject to a minimum of INR 500,-  
Per Flight.
- Trans-Shipment Cargo : INR 1.80 -Per Kg. subject to a minimum of INR 100,-  
& Offloaded Cargo Per Shipment.
- Storage Charges beyond INR 1.10 -Per Kg.Per Day subject to a minimum of  
Free Period 24 hrs : INR 100/- Per Shipment Per Day.
- X-Ray Machine Usage Charges : INR 0.75 Per kg subject to a minimum of INR 100.00  
Per Shipment
- X-Ray Screening Charges : INR 0.75 Per kg subject to a minimum of INR 100.00  
Per Shipment ( If Screening Services provided by DCSC)

Note : Statutory Levies ,wherever applicable, will be charged, over & above the above quoted rates.

1.3 Additional Services and Charges

The Handling Company shall, if requested by the Carrier, also provide the following services in addition to the Services as provided under Clause 1.1 of this Agreement

With regard to the specialized services for such as DGR acceptance, Valuable handling / Escorting, Live Animal handling for the carrier, then the charges would be as follows:

- DGR acceptance check : INR 1400/- per AWB subject to maximum of 20 pieces per  
AWB. Anything excess of 20 pieces will be charged INR 75/-  
per additional piece.
- Dry Ice acceptance checklist : INR 700/- per AWB
- Live Animal acceptance and : INR 2110/- per AWB  
Handling.
- Valuable handling : INR 750/- per AWB

The fee mentioned in para 1 is subject to annual increment of 10%

Note : Statutory Levies ,wherever applicable, will be charged, over & above the above quoted rates.

DCSC

Carrier

[Signature box for DCSC]

[Signature box for Carrier]

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PARAGRAPH 2 - DISBURSEMENTS

2.1 Disbursements made by the Handling Company on behalf of the Carrier, are not allowed under any circumstances. Consequently, the Handling Company shall not make any purchase or payment on behalf of the Carrier.

PARAGRAPH 3 - TRANSFER OF SERVICES

3.1 In accordance with Sub-Article 3.1 of the Main Agreement, the Handling Company is allowed to assign the services of annex A specified in this Annex B to a subcontractor of equal quality, provided prior written approval is obtained from the Carrier.

3.2 The Handling Company subcontracts the following services of Annex B to the following companies:

Section(s)	Company
None	None

PARAGRAPH 4 - DURATION, ESCALATION AND TERMINATION

4.1 Notwithstanding Sub-Article 11.4, 11.5 and 11.6 of the Main Agreement, this Annex B will remain in force until 31st December,2011.

Beyond this date, it shall be renewed by written consent under the same terms and condition for successive periods of one (1) ("the renewal period") unless cancelled by either party, by right, by notice of termination sent by registered mail with acknowledgement of receipt at least (60) days before the expiration of the initial period or of the renewal period.

Consequently this Annex B cannot be terminated before that date except in accordance with the provisions contained in this Annex B.

4.1.1 At least 2 months before the end of the expiry date, parties will agree on the prolongation or renewal of this agreement.

4.1.2 In absence of an agreement on the prolongation or renewal, this contract will terminate as per paragraph 5.1.

4.2 Both parties reserve the right to renegotiate the charges specified in this Annex B in case of considerable schedule, frequency, aircraft type, quality and/or capacity changes.

4.3 In case the contracted services are repeatedly not provided as agreed, or the performance levels as mutually agreed are repeatedly not met, and if parties cannot agree on implementing an action plan to correct such situation within maximum 60 (sixty) days as agreed upon by the account managers, parties are entitled to unilaterally cancel the agreement without prejudice to any other rights but always by giving with 60 (sixty) days prior notice to the other party.

DCSC

[Signature box]

Carrier

[Signature box]

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PARAGRAPH 5 - SETTLEMENT

- 5.1 Notwithstanding Sub-Article 7.2 of the Main Agreement, settlement of account shall be effected locally within 15 days after date of invoice. These invoices shall be addressed to the Carrier's Office at the following address:
- 5.2 The Handling Company shall report and invoice on a monthly basis, unless otherwise agreed, to the Carrier all activities involving Domestic Cargo, in actual applicable kilograms, shipments handled and all other services rendered subject to this Annex in a format attached to this Annex B.
- 5.3 The Handling Company and the Carrier reserve the right to apply a monthly interest of 18% to overdue payments and disputed amounts, from the due date of payment until the date of actual receipt of the payment.
- 5.4 Charges as specified in this Annex B paragraph 1.2 do not include consumption and or value added tax, or duties or license fee levied by Central/State/Local government authority, Airport Operators and other statutory authorities being levied due to provision of aforesaid services.

PARAGRAPH 6 - PROVISIONS

- 6.1 In addition to articles 5.1 and 5.2 of the Main Agreement of IATA AHM 810, the Appendices to this Annex B and the procedures and/or requirements as laid down in the Carrier's Handling Manual (CHM), as applicable on signature date of this Annex B, are by this reference, incorporated as being an integral part of this Agreement, unless such instructions are agreed upon locally in writing by both parties', local management in which case such instructions shall prevail.
- 6.2 The Handling Company shall be provided all Air manuals and forms as well as instructions of the Carrier readily available and shall keep them up to date and the Carrier will timely supply the Handling Company with any updates.  
  
 The Handling Company will use the applicable IATA and/or ICAO and/or other government manuals, required following its standard practices and procedures, and will have them available.
- 6.3 Notwithstanding the Main Agreement and Annex B, the Handling Company shall have the right to vary the charges set out in this Annex B after receiving such newly introduced amendments and/or changed procedures from the Carrier. The Carrier also shall have the right to request a price amendment in case of changing procedures. In such case(s) the Handling Company shall give the Carrier notice in writing within 30 (thirty) days after receipt of the mentioned amendments or changed procedures. Such notice shall specify the revised charges, which the Handling Company proposes to introduce, together with the dates on which the amendments or changed procedures and the revised charges will be brought into effect. Parties will mutually agree to the implementation date of such new procedures and charges.

DCSC

Carrier



- 6.4 This Agreement may be amended only by written instrument signed by both parties
- 6.5 All abbreviations used in this Agreement refer to the glossary of definitions from the IATA Airport Handling Manual, or are explained in this Agreement.
- 6.6 In addition to Article 2 'Fair Practices' of the Main Agreement the Handling Company shall not disclose any information regarding any shipment to outside parties without prior consent being given by the Carrier in writing, unless such information is specifically required by applicable law or by governmental or authorities regulations, in which case the Carrier will be notified accordingly and without delay.
- 6.7 Should the Carrier require the Handling Company's staff to be trained due to new or changed procedures specific to the Carrier, all cost related to such training shall be borne by the Carrier, however cost details shall be mutually be agreed upon locally.

**PARAGRAPH 7 - APPLICABLE LAW, COMPETENT COURT, ARBITRATION**

- 7.1 This Annex B and the execution and performance thereof shall be governed by the laws of India, and subject to any deviating mandatory provisions of the local law applicable at the relevant station.
- 7.2 In case of disputes arising from the implementation or interpretation of this Annex B, and or its amendments or attachments, the dispute shall be resolved by mutual consultation within thirty (30) days after notification of the dispute to one Party or the other, and in case of failure to resolve, the dispute shall be decided finally by reference to the sole arbitrator jointly appointed by the parties. Such arbitration shall be held in accordance with and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 and rules thereto.
- 7.3 The arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be New Delhi and the language of arbitration shall be English.

**PARAGRAPH 8 - NOTIFICATIONS**

8.1 In accordance Sub-article 13.1 of the Main Agreement, any notice or communication to be given hereunder shall be addressed to the respective parties as follows:

to Carrier:  
**Interglobe Aviation Ltd**  
**(Unit :Indigo Cargo)**  
 -----  
 -----  
 New Delhi.

to Handling Company :  
**Delhi Cargo Service Center Private Limited**  
 A-294/1 Road No.6,  
 National Highway 8,  
 Mahipalpur Extension,  
 New Delhi 110037.

DCSC

Carrier

[Signature box]

[Signature box]

Signed date:

at New Delhi

for and behalf of  
Delhi Cargo Service Center Private Limited

By

Radharamanan Panicker  
Director & CEO

Signed date:

at New Delhi

for and behalf of  
Interglobe Aviation Ltd  
(Unit :Indigo Cargo)

By

DCSC

Carrier



From: [Rajendra](#)

Sent: Sun 07/03/2010 3:21 PM

To: [edmund.jones@spicejet.com](mailto:edmund.jones@spicejet.com); [vidhu.nair@spicejet.com](mailto:vidhu.nair@spicejet.com)

Cc: [Venugopal Bangera](#); [Anil Jaiswal](#); [RG Panicker](#)

Subject: FW: Proposed IATA SGHA AnnexB for Domestic Cargo Operations/DEL

Attachments: [PROPOSED.Spicejetr.AnnexB. Domestic Cargo Handling at DEL.doc\(80KB\)](#)

[View As Web Page](#)

Dear Mr Edmund Jones,

As discussed with Mr Vidhu Nair, during our earlier inter-action on above subject, I am forwarding for your kind perusal, the Proposed IATA SGHA AnnexB for, SpiceJet's Domestic Cargo Operations at the Domestic Cargo Terminal of DELHI CARGO SERVICE CENTER, effective 15th March'10.

I am at your disposal for any clarifications on the subject \$ shall appreciate your early response.

I would like to thank you in advance for same.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36, 1st Floor,  
E.I.C.I. Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.





DELHI CARGO SERVICE CENTER PRIVATE LIMITED

PROPOSED

IATA STANDARD GROUND HANDLING AGREEMENT - SIMPLIFIED PROCEDURE

DELHI CARGO SERVICE CENTER PRIVATE LIMITED

Annex B 2.1 Location(s), Agreed Services and Charges to the Standard Ground Handling Agreement (SGHA) of January 2008

Between: Spicejet Limited
having its principal office at: New Delhi.

and hereinafter referred to as "the Carrier"

and: Delhi Cargo Service Center Private Limited
having its principal office at: A-294/1 Road No.6, National Highway 8, Mahipalpur Extension, New Delhi 110037, India

and hereinafter referred to as "the Handling Company"

Effective from: 1st March, 2010
This Annex B for the locations: Domestic Cargo Terminal, I.G.I. Airport
and replaces: None
is valid from: 1st March, 2010

Preamble

This Annex B is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2008 as published by the International Air Transport Association shall apply as if such terms were repeated here in full, unless agreed otherwise hereunder. By signing this Annex B and the Appendices hereto, the Parties confirm that they are familiar with the aforementioned Main Agreement and Annex A.

DCSC

Carrier



Handwritten signature in blue ink

## PARAGRAPH 1 - HANDLING CHARGES

### 1.1 Handling Services

Where in Annex A of the IATA Main Agreement choice is given between '(a) Provide' or '(b) Arrange for', the '(a) Provide' option always applies, unless otherwise mentioned.

- 1.1.2 – liaise with local authority
- 1.1.3 – indicate that DCSC is acting as handling agent of the Carrier
- 1.2.1 – establish maintain local procedure
- 1.2.2 – take action on communication address to carrier
- 1.2.3 ( f ),( g ),( i ) - prepare, forward, file and retain for a period specified in the Annex B, messages/ reports/ statistics/documents and perform other administrative duties in the cargo services and mail services; security (if service provided by DCSC)
- 1.2.4 – Maintain the carrier's manuals, circulars and other relevant operational documents connected with performance of services
- 4.1.2 ( a ),( b ), ( c ),( e ) – Prepare, sign, distribute and file manifest where load control is performed by the carrier and or third party
- 4.2.1 – to be done in future
- 5.1.1 ( a ) ( 1, 4 ),( c ),( d ) - provide warehousing handling and storage facilities for general cargo and mail, store cargo and take appropriate action to prevent theft of, or damage to cargo and or mail.
- 5.1.2 ( a ) – ( 1, 4 ) Provide equipment for handling of general cargo and mail
- 5.1.3 ( a )-(1,2,3,4,5,6,7) Provide handling services for general cargo, special shipments, specialized cargo products, mail, diplomatic mail, diplomatic cargo, and company cargo/material
- 5.1.4 issue and obtain receipt upon delivery
- 5.1.5 monitor cargo delivery
- 5.3.1 take immediate action in respect of irregularities, damage or mishandling of dangerous goods and other special shipment
- 5.3.2. report to carrier any irregularities discovered in cargo handling
- 5.3.3, handle lost and found and damaged cargo
- 5.3.5 take action when consignee refuses acceptance and payment
- 5.4.1 –(a),(b), (c), (d), (e) – Prepare air waybill; check all documents to ensure shipment maybe carried- RFC check; obtain capacity/ booking information for carrier's flights; split air waybill, forward applicable copies of manifests and air waybill to carrier; prepare cargo manifest
- 5.4.2 –(b) Make cargo document available to consignee or their agent
- 5.5.1 Accept cargo
  - (a)- machine readable cargo labels are affixed and processed or
  - (b)- manual labels are affixed and processed
  - (c)- shipment are ready for carriage
  - (d)- check weight and volume
  - (e).check compliance with regulations for special cargo, IATA DGR,IATA live animal and others
- 5.5.2. tally and assemble for dispatch cargo for the carrier's flight
- 5.5.3 (a) prepare bulk cargo for delivery onto flights
- 5.5.4 (a) establish weight for bulk cargo
- 5.5.5 (a) off load bulk cargo from vehicles
  - (b)- check incoming cargo against air waybills and manifests
- 5.5.6 release cargo to consignee or agent
- 5.6.1 identify transfer cargo

DCSC

Carrier

2





7.2.1 (a) - Provide

- 1- control of access to cargo facilities
- 2- screening of cargo and/or mail (if screening services provided by DCSC)
- 3- physical examination of cargo ( if screening services provided by DCSC)
- 4- holding of cargo and or mail for variable periods
- 5 -secure storage of cargo and or mail

**Note :** The above clauses are all related to Acceptance & Handling of Domestic Export & Import Cargo at DCSC's Domestic Cargo warehouse.

**1.2 Charges**

1.2.1 The Charges for the services to be provided under clause 1.1 above shall be :

Outbound & Inbound Cargo : INR 1.10 -Per Kg. subject to a minimum of INR 500,-  
Per Flight.

Trans-Shipment Cargo : INR 1.80 -Per Kg. subject to a minimum of INR 100,-  
& Offloaded Cargo : Per Shipment.

Storage Charges beyond : INR 1.10 -Per Kg.Per Day subject to a minimum of  
Free Period 24 hrs : INR 100/- Per Shipment Per Day.

X-Ray Machine Usage Charges : INR 0.75 Per kg subject to a minimum of INR 100.00  
Per Shipment

X-Ray Screening Charges : INR 0.75 Per kg subject to a minimum of INR 100.00  
Per Shipment ( If Screening Services provided by DCSC)

**Note :** Statutory Levies ,wherever applicable, will be charged, over & above the above quoted rates.

**1.3 Additional Services and Charges**

The Handling Company shall, if requested by the Carrier, also provide the following services in addition to the Services as provided under Clause 1.1 of this Agreement

With regard to the specialized services for such as DGR acceptance, Valuable handling / Escorting, Live Animal handling for the carrier, then the charges would be as follows:

DGR acceptance check : INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Anything excess of 20 pieces will be charged INR 75/- per additional piece.

Dry Ice acceptance checklist : INR 700/- per AWB

Live Animal acceptance and : INR 2110/- per AWB  
Handling.

Valuable handling : INR 750/- per AWB

The fee mentioned in para 1 is subject to annual increment of 10%

**Note :** Statutory Levies ,wherever applicable, will be charged, over & above the above quoted rates.

DCSC

Carrier

3





PARAGRAPH 2 - DISBURSEMENTS

- 2.1 Disbursements made by the Handling Company on behalf of the Carrier, are not allowed under any circumstances. Consequently, the Handling Company shall not make any purchase or payment on behalf of the Carrier.

PARAGRAPH 3 - TRANSFER OF SERVICES

- 3.1 In accordance with Sub-Article 3.1 of the Main Agreement, the Handling Company is allowed to assign the services of annex A specified in this Annex B to a subcontractor of equal quality, provided prior written approval is obtained from the Carrier.
- 3.2 The Handling Company subcontracts the following services of Annex B to the following companies:

Section(s)	Company
None	None

PARAGRAPH 4 - DURATION, ESCALATION AND TERMINATION

- 4.1 Notwithstanding Sub-Article 11.4, 11.5 and 11.6 of the Main Agreement, this Annex B will remain in force until 31st December,2011.

Beyond this date, it shall be renewed by written consent under the same terms and condition for successive periods of one (1) ("the renewal period") unless cancelled by either party, by right, by notice of termination sent by registered mail with acknowledgement of receipt at least (60) days before the expiration of the initial period or of the renewal period.

Consequently this Annex B cannot be terminated before that date except in accordance with the provisions contained in this Annex B.

- 4.1.1 At least 2 months before the end of the expiry date, parties will agree on the prolongation or renewal of this agreement.
- 4.1.2 In absence of an agreement on the prolongation or renewal, this contract will terminate as per paragraph 5.1.
- 4.2 Both parties reserve the right to renegotiate the charges specified in this Annex B in case of considerable schedule, frequency, aircraft type, quality and/or capacity changes.
- 4.3 In case the contracted services are repeatedly not provided as agreed, or the performance levels as mutually agreed are repeatedly not met, and if parties cannot agree on implementing an action plan to correct such situation within maximum 60 (sixty) days as agreed upon by the account managers, parties are entitled to unilaterally cancel the agreement without prejudice to any other rights but always by giving with 60 (sixty)) days prior notice to the other party.

DCSC

Carrier

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PARAGRAPH 5 - SETTLEMENT

- 5.1 Notwithstanding Sub-Article 7.2 of the Main Agreement, settlement of account shall be effected locally within 15 days after date of invoice. These invoices shall be addressed to the Carrier's Office at the following address:
- 5.2 The Handling Company shall report and invoice on a monthly basis, unless otherwise agreed, to the Carrier all activities involving Domestic Cargo, in actual applicable kilograms, shipments handled and all other services rendered subject to this Annex in a format attached to this Annex B.
- 5.3 The Handling Company and the Carrier reserve the right to apply a monthly interest of 18% to overdue payments and disputed amounts, from the due date of payment until the date of actual receipt of the payment.
- 5.4 Charges as specified in this Annex B paragraph 1.2 do not include consumption and or value added tax, or duties or license fee levied by Central/State/Local government authority, Airport Operators and other statutory authorities being levied due to provision of aforesaid services.

PARAGRAPH 6 - PROVISIONS

- 6.1 In addition to articles 5.1 and 5.2 of the Main Agreement of IATA AHM 810, the Appendices to this Annex B and the procedures and/or requirements as laid down in the Carrier's Handling Manual (CHM), as applicable on signature date of this Annex B, are by this reference, incorporated as being an integral part of this Agreement, unless such instructions are agreed upon locally in writing by both parties', local management in which case such instructions shall prevail.
- 6.2 The Handling Company shall be provided all Air manuals and forms as well as instructions of the Carrier readily available and shall keep them up to date and the Carrier will timely supply the Handling Company with any updates.  
  
 The Handling Company will use the applicable IATA and/or ICAO and/or other government manuals, required following its standard practices and procedures, and will have them available.
- 6.3 Notwithstanding the Main Agreement and Annex B, the Handling Company shall have the right to vary the charges set out in this Annex B after receiving such newly introduced amendments and/or changed procedures from the Carrier. The Carrier also shall have the right to request a price amendment in case of changing procedures. In such case(s) the Handling Company shall give the Carrier notice in writing within 30 (thirty) days after receipt of the mentioned amendments or changed procedures. Such notice shall specify the revised charges, which the Handling Company proposes to introduce, together with the dates on which the amendments or changed procedures and the revised charges will be brought into effect. Parties will mutually agree to the implementation date of such new procedures and charges.

- 6.4 This Agreement may be amended only by written instrument signed by both parties
- 6.5 All abbreviations used in this Agreement refer to the glossary of definitions from the IATA Airport Handling Manual, or are explained in this Agreement.
- 6.6 In addition to Article 2 'Fair Practices' of the Main Agreement the Handling Company shall not disclose any information regarding any shipment to outside parties without prior consent being given by the Carrier in writing, unless such information is specifically required by applicable law or by governmental or authorities regulations, in which case the Carrier will be notified accordingly and without delay
- 6.7 Should the Carrier require the Handling Company's staff to be trained due to new or changed procedures specific to the Carrier, all cost related to such training shall be borne by the Carrier, however cost details shall be mutually be agreed upon locally.

**PARAGRAPH 7 - APPLICABLE LAW, COMPETENT COURT, ARBITRATION**

- 7.1 This Annex B and the execution and performance thereof shall be governed by the laws of India, and subject to any deviating mandatory provisions of the local law applicable at the relevant station.
- 7.2 In case of disputes arising from the implementation or interpretation of this Annex B, and or its amendments or attachments, the dispute shall be resolved by mutual consultation within thirty (30) days after notification of the dispute to one Party or the other, and in case of failure to resolve, the dispute shall be decided finally by reference to the sole arbitrator jointly appointed by the parties. Such arbitration shall be held in accordance with and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 and rules thereto.
- 7.3 The arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be New Delhi and the language of arbitration shall be English.

**PARAGRAPH 8 - NOTIFICATIONS**

8.1 In accordance Sub-article 13.1 of the Main Agreement, any notice or communication to be given hereunder shall be addressed to the respective parties as follows:

to Carrier:

**Splcejet Limited**  
address-----  
-----  
-----  
-----

to Handling Company:

**Delhi Cargo Service Center Private Limited**  
A-294/1 Road No.6,  
National Highway 8,  
Mahipalpur Extension,  
New Delhi 110037,

DCSC

Carrier

[Signature Box]

[Signature Box]



Signed date:

at New Delhi

for and behalf of  
Delhi Cargo Service Center Private Limited

by

Radharamanan Panicker  
Director & CEO

Signed date:

at New Delhi

for and behalf of  
Spicejet Limited

by

---

DCSC

Carrier



From: Rajendra

Sent: Fri 05/03/2010 7:17 PM

To: denis.crasto@flykingfisher.com; akhilesh.rao@flykingfisher.com;  
hemant.anand@flykingfisher.com

Cc: Venugopal Bangera; Anil Jaiswal; RG Panicker

Subject: Proposed IATA SGHA AnnexB for Dometic Cargo Operations/DEL

Attachments:  PROPOSED.Kingfisher.AnnexB. Domestic Cargo Handling at DEL.doc(79KB)

[View As Web Page](#)

Dear Mr Denis Crasto,

As suggested by Mr Hemant Anand during our meeting on above subject in his office this afternoon, I am forwarding for your kind perusal, the Proposed IATA SGHA AnnexB for, Kingfisher's Dometic Cargo Operations at the Domestic Cargo Terminal of DELHI CARGO SERVICE CENTER, effective 15th March'10.

I shall appreciate your early response & am at your disposal regarding any clarifications on the subject.

I would like to thank you in advance for same.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36,1st Floor,  
E.I.C.I. Express Terminal,  
I.G.J. Cargo Complex,  
New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : rajendra.varma@cscindia.in





DELHI CARGO  
SERVICE CENTER  
PRIVATE LIMITED

PROPOSED

IATA STANDARD GROUND HANDLING AGREEMENT -  
SIMPLIFIED PROCEDURE

**Annex B 2.1 Location(s), Agreed Services and Charges to the  
Standard Ground Handling Agreement (SGHA) of January 2008**

Between: Kingfisher Airlines Limited

having its principal office at: \_\_\_\_\_  
New Delhi.

and hereinafter referred to as "the Carrier"

and: Delhi Cargo Service Center Private Limited

having its principal office at: A-294/1 Road No.6,  
National Highway 8,  
Mahipalpur Extension,  
New Delhi 110037, India

and hereinafter referred to as "the Handling Company"

Effective from: 1<sup>st</sup> March, 2010

This Annex B for the locations: Domestic Cargo Terminal, I.G.I. Airport

and replaces: None

is valid from: 1<sup>st</sup> March, 2010

**Preamble**

This Annex B is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2008 as published by the International Air Transport Association shall apply as if such terms were repeated here in full, unless agreed otherwise hereunder. By signing this Annex B and the Appendices hereto, the Parties confirm that they are familiar with the aforementioned Main Agreement and Annex A.

DCSC

Carrier

PARAGRAPH 1 - HANDLING CHARGES

1.1 Handling Services

Where in Annex A of the IATA Main Agreement choice is given between '(a) Provide' or '(b) Arrange for', the '(a) Provide' option always applies, unless otherwise mentioned.

- 1.1.2 – liaise with local authority
- 1.1.3 – indicate that DCSC is acting as handling agent of the Carrier
- 1.2.1 – establish maintain local procedure
- 1.2.2 – take action on communication address to carrier
- 1.2.3 ( f ),( g ),( i ) - prepare, forward, file and retain for a period specified in the Annex B, messages/ reports/ statistics/documents and perform other administrative duties in the cargo services and mail services; security (if service provided by DCSC)
- 1.2.4 – Maintain the carrier's manuals, circulars and other relevant operational documents connected with performance of services
- 4.1.2 ( a ),( b ), ( c ),( e ) – Prepare, sign, distribute and file manifest where load control is performed by the carrier and or third party
- 4.2.1 – to be done in future
- 5.1.1 ( a ) ( 1, 4 ),( c ),( d )- provide warehousing handling and storage facilities for general cargo and mail, store cargo and take appropriate action to prevent theft of, or damage to cargo and or mail.
- 5.1.2 ( a ) – ( 1, 4 )Provide equipment for handling of general cargo and mail
- 5.1.3 ( a )-(1,2,3,4,5,6,7) Provide handling services for general cargo, special shipments, specialized cargo products, mail, diplomatic mail, diplomatic cargo, and company cargo/material
- 5.1.4 issue and obtain receipt upon delivery
- 5.1.5 monitor cargo delivery
- 5.3.1 take immediate action in respect of irregularities, damage or mishandling of dangerous goods and other special shipment
- 5.3.2. report to carrier any irregularities discovered in cargo handling
- 5.3.3, handle lost and found and damaged cargo
- 5.3.5 take action when consignee refuses acceptance and payment
- 5.4.1 –(a),(b), (c), (d), (e) – Prepare air waybill; check all documents to ensure shipment maybe carried- RFC check; obtain capacity/ booking information for carrier's flights; split air waybill, forward applicable copies of manifests and air waybill to carrier; prepare cargo manifest
- 5.4.2 –(b) Make cargo document available to consignee or their agent
- 5.5.1 Accept cargo
  - (a)- machine readable cargo labels are affixed and processed or
  - (b)- manual labels are affixed and processed
  - (c)- shipment are ready for carriage
  - (d)- check weight and volume
  - (e).check compliance with regulations for special cargo, IATA DGR,IATA live animal and others
- 5.5.2. tally and assemble for dispatch cargo for the carrier's flight
- 5.5.3 (a) prepare bulk cargo for delivery onto flights
- 5.5.4 (a) establish weight for bulk cargo
- 5.5.5 (a) off load bulk cargo from vehicles
  - (b)- check incoming cargo against air waybills and manifests
- 5.5.6 release cargo to consignee or agent
- 5.6.1 identify transfer cargo

DCSC

Carrier





7.2 1 ( a ) Provide

- 1- control of access to cargo facilities
- 2- screening of cargo and/or mail (if screening services provided by DCSC)
- 3- physical examination of cargo ( if screening services provided by DCSC)
- 4- holding of cargo and or mail for variable periods
- 5 -secure storage of cargo and or mail

Note : The above clauses are all related to Acceptance & Handling of Domestic Export & Import Cargo at DCSC's Domestic Cargo warehouse.

1.2 Charges

1.2.1 The Charges for the services to be provided under clause 1.1 above shall be :

Outbound & Inbound Cargo : INR 1.10 -Per Kg. subject to a minimum of INR 500,- Per Flight.

Trans-Shipment Cargo & Offloaded Cargo : INR 1.80 -Per Kg. subject to a minimum of INR 100,- Per Shipment.

X-Ray Machine Usage Charges : INR 0.75 Per kg subject to a minimum of INR 100.00 Per Shipment

X-Ray Screening Charges : INR 0.75 Per kg subject to a minimum of INR 100.00 Per Shipment ( If Screening Services provided by DCSC)

Note : Statutory Levies ,wherever applicable, will be charged, over & above the above quoted rates.

1.3 Additional Services and Charges

The Handling Company shall, if requested by the Carrier, also provide the following services in addition to the Services as provided under Clause 1.1 of this Agreement

With regard to the specialized services for such as DGR acceptance, Valuable handling / Escorting, Live Animal handling for the carrier, then the charges would be as follows:

DGR acceptance check : INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Anything excess of 20 pieces will be charged INR 75/- per additional piece.

Dry Ice acceptance checklist : INR 700/- per AWB

Live Animal acceptance and Handling : INR 2110/- per AWB

Valuable handling : INR 750/- per AWB

The fee mentioned in para 1 is subject to annual increment of 10%

Note : Statutory Levies ,wherever applicable, will be charged, over & above the above quoted rates.

DCSC

Carrier

[Signature box for DCSC]

[Signature box for Carrier]

[Handwritten signature]

PARAGRAPH 2 - DISBURSEMENTS

- 2.1 Disbursements made by the Handling Company on behalf of the Carrier, are not allowed under any circumstances. Consequently, the Handling Company shall not make any purchase or payment on behalf of the Carrier.

PARAGRAPH 3 - TRANSFER OF SERVICES

- 3.1 In accordance with Sub-Article 3.1 of the Main Agreement, the Handling Company is allowed to assign the services of annex A specified in this Annex B to a subcontractor of equal quality, provided prior written approval is obtained from the Carrier.
- 3.2 The Handling Company subcontracts the following services of Annex B to the following companies:

Section(s)	Company
None	None

PARAGRAPH 4 - DURATION, ESCALATION AND TERMINATION

- 4.1 Notwithstanding Sub-Article 11.4, 11.5 and 11.6 of the Main Agreement, this Annex B will remain in force until 31st December, 2011.

Beyond this date, it shall be renewed by written consent under the same terms and condition for successive periods of one (1) ("the renewal period") unless cancelled by either party, by right, by notice of termination sent by registered mail with acknowledgement of receipt at least (60) days before the expiration of the initial period or of the renewal period.

Consequently this Annex B cannot be terminated before that date except in accordance with the provisions contained in this Annex B.

- 4.1.1 At least 2 months before the end of the expiry date, parties will agree on the prolongation or renewal of this agreement.
- 4.1.2 In absence of an agreement on the prolongation or renewal, this contract will terminate as per paragraph 5.1.
- 4.2 Both parties reserve the right to renegotiate the charges specified in this Annex B in case of considerable schedule, frequency, aircraft type, quality and/or capacity changes.
- 4.3 In case the contracted services are repeatedly not provided as agreed, or the performance levels as mutually agreed are repeatedly not met, and if parties cannot agree on implementing an action plan to correct such situation within maximum 60 (sixty) days as agreed upon by the account managers, parties are entitled to unilaterally cancel the agreement without prejudice to any other rights but always by giving with 60 (sixty) days prior notice to the other party.

DCSC

[Signature box]

Carrier

[Signature box]

PARAGRAPH 5 - SETTLEMENT

- 5.1 Notwithstanding Sub-Article 7.2 of the Main Agreement, settlement of account shall be effected locally within 15 days after date of invoice. These invoices shall be addressed to the Carrier's Office at the following address:
- 5.2 The Handling Company shall report and invoice on a monthly basis, unless otherwise agreed, to the Carrier all activities involving Domestic Cargo, in actual applicable kilograms, shipments handled and all other services rendered subject to this Annex in a format attached to this Annex B.
- 5.3 The Handling Company and the Carrier reserve the right to apply a monthly interest of 18% to overdue payments and disputed amounts, from the due date of payment until the date of actual receipt of the payment.
- 5.4 Charges as specified in this Annex B paragraph 1.2 do not include consumption and or value added tax, or duties or license fee levied by Central/State/Local government authority, Airport Operators and other statutory authorities being levied due to provision of aforesaid services.

PARAGRAPH 6 - PROVISIONS

- 6.1 In addition to articles 5.1 and 5.2 of the Main Agreement of IATA AHM 810, the Appendices to this Annex B and the procedures and/or requirements as laid down in the Carrier's Handling Manual (CHM), as applicable on signature date of this Annex B, are by this reference, incorporated as being an integral part of this Agreement, unless such instructions are agreed upon locally in writing by both parties', local management in which case such instructions shall prevail.
- 6.2 The Handling Company shall be provided all Air manuals and forms as well as instructions of the Carrier readily available and shall keep them up to date and the Carrier will timely supply the Handling Company with any updates.  
  
 The Handling Company will use the applicable IATA and/or ICAO and/or other government manuals, required following its standard practices and procedures, and will have them available.
- 6.3 Notwithstanding the Main Agreement and Annex B, the Handling Company shall have the right to vary the charges set out in this Annex B after receiving such newly introduced amendments and/or changed procedures from the Carrier. The Carrier also shall have the right to request a price amendment in case of changing procedures. In such case(s) the Handling Company shall give the Carrier notice in writing within 30 (thirty) days after receipt of the mentioned amendments or changed procedures. Such notice shall specify the revised charges, which the Handling Company proposes to introduce, together with the dates on which the amendments or changed procedures and the revised charges will be brought into effect. Parties will mutually agree to the implementation date of such new procedures and charges.

DCSC

Carrier



- 6.4 This Agreement may be amended only by written instrument signed by both parties.
- 6.5 All abbreviations used in this Agreement refer to the glossary of definitions from the IATA Airport Handling Manual, or are explained in this Agreement.
- 6.6 In addition to Article 2 'Fair Practices' of the Main Agreement the Handling Company shall not disclose any information regarding any shipment to outside parties without prior consent being given by the Carrier in writing, unless such information is specifically required by applicable law or by governmental or authorities regulations, in which case the Carrier will be notified accordingly and without delay.
- 6.7 Should the Carrier require the Handling Company's staff to be trained due to new or changed procedures specific to the Carrier, all cost related to such training shall be borne by the Carrier, however cost details shall be mutually be agreed upon locally.

**PARAGRAPH 7 - APPLICABLE LAW, COMPETENT COURT, ARBITRATION**

- 7.1 This Annex B and the execution and performance thereof shall be governed by the laws of India, and subject to any deviating mandatory provisions of the local law applicable at the relevant station.
- 7.2 In case of disputes arising from the implementation or interpretation of this Annex B, and or its amendments or attachments, the dispute shall be resolved by mutual consultation within thirty (30) days after notification of the dispute to one Party or the other, and in case of failure to resolve, the dispute shall be decided finally by reference to the sole arbitrator jointly appointed by the parties. Such arbitration shall be held in accordance with and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 and rules thereto.
- 7.3 The arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be New Delhi and the language of arbitration shall be English.

**PARAGRAPH 8 - NOTIFICATIONS**

8.1 In accordance Sub-article 13.1 of the Main Agreement, any notice or communication to be given hereunder shall be addressed to the respective parties as follows:

to Carrier:  
 Kingfisher Airlines Limited  
 address-----  
 -----  
 -----  
 -----

to Handling Company:  
**Delhi Cargo Service Center Private Limited**  
 A-294/1 Road No.6,  
 National Highway 8,  
 Mahipalpur Extension,  
 New Delhi 110037,

DCSC

Carrier

[ ]

[ ]

Signed date:

at New Delhi

for and behalf of  
**Delhi Cargo Service Center Private Limited**  
by

Radharamanan Panicker  
Director & CEO

Signed date:

at New Delhi

for and behalf of  
by

DCSC

Carrier



From: Rao, Akhilesh KFA/BOM [[Akhilesh.Rao@flykingfisher.com](mailto:Akhilesh.Rao@flykingfisher.com)]  
To: [Venugopal Bangera](mailto:Venugopal.Bangera)  
Cc: [RG Panicker](mailto:RG.Panicker); [Rajendra Varma](mailto:Rajendra.Varma); [Crasto, Denis](mailto:Crasto.Denis) KFA/BOM; [Anand, Hemant](mailto:Anand.Hemant) KFA/DEL  
Subject: Domestic Cargo Handling By CSC -Delhi.  
Attachments: [2.jpg\(414KB\)](#) [1.jpg\(399KB\)](#)

Sent: Thu 22/04/2010 5:49 PM

Dear Venu,

Pl find enclosed scan copy of LOI for handling domestic cargo in Delhi. Hardcopies of the same will be forwarded to you tmro . Pl advise your Delhi team accordingly on this.

With Regards,

Akhilesh Rao

DGM - Cargo Operations (India)  
**Kingfisher Airlines Limited.**  
*Front of Terminal 1-A, Basement of Car Park,*

*(Near Golden Chariot Restaurant),  
Vile Parle (E), Mumbai 400057  
Tel: + 91 22 26156912 Ext: 103  
Cell: 09960374000 / 9987029627  
Email: [akhilesh.rao@flykingfisher.com](mailto:akhilesh.rao@flykingfisher.com)  
Web: [www.flykingfisher.com](http://www.flykingfisher.com)*

From: Rao, Akhilesh KFA/BOM  
Sent: Wednesday, April 21, 2010 2:24 PM  
To: 'Venugopal Bangera'  
Cc: RG Panicker; Rajendra Varma; Crasto, Denis KFA/BOM  
Subject: RE: Domestic Cargo Handling By CSC -Delhi.

Dear Venu,

Thanx for your understanding.

With Regards,

Akhilesh Rao

DGM - Cargo Operations (India)  
**Kingfisher Airlines Limited.**  
*Front of Terminal 1-A, Basement of Car Park,*





Ref: KFA/CGO/2010/2

Date: 21<sup>st</sup> April 2010

To,  
Mr. Radharaman Panicker  
CEO  
DCSC Project  
Cargo Service Centre  
301, Rangoli, Opp. Air Cargo Complex,  
Sahar Road Andheri (E)  
Mumbai - 400 098

Sub: Appointment of Cargo GHA

Ref: Our Discussion on 19<sup>th</sup> April 2010 and your proposal dated 21<sup>st</sup> April 2010

Dear Mr. Panicker,

We hereby wish to inform you that DCSC Project - Cargo Service Centre has been appointed as our authorized domestic cargo ground handling agent at Delhi Airport.

Handling rates quoted vide your revised proposal dated 21<sup>st</sup> April 2010 are acceptable to us.

**Charges:**

- Outbound Cargo handling service charge : INR 0.95 per kg.
- Inbound Cargo handling service charge : INR 0.95 per kg.

In case the carrier's total monthly Outbound + Inbound domestic cargo tonnage exceeds 2500 tons in a month, DCSC will offer a 6% discount on Cargo Handling Charges for every ton in excess of 2500 tons handled in that month.

- Trans-shipment Cargo : INR 1.25 per kg.
- Storage charges beyond Free Period 24hrs : INR 0.95 per kg / per day
- X-Ray Machine Usage Charges : INR 0.75 per kg
- X-Ray Screening Charges : INR 0.75 Per kg  
(If screening services provided by DCSC)

**Additional Services and Charges:**

- DGR acceptance check : INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Anything excess of 20 pieces will be charged INR 75/- per additional piece.
- Dry Ice acceptance checklist : INR 700/- per AWB
- Live Animal acceptance and Handling : INR 2110/- per AWB
- Valuable Handling : INR 750/- Per AWB



Kingfisher Airlines Limited  
Kingfisher House, Wazirpur Express Highway, Vile Parle (E), Mumbai 400067.  
Tel: +91 22 2828 2200 / 5149 9300 Fax: +91 22 4702 0526 E: fly@kingfisher.com  
Registered Office: UB Anchorage, W/O. Richmond Road, Osrava - 560026  
VOTED INDIA'S FAVOURITE AIRLINE - 2009-2010







**Terms & Conditions:**

- The charges set forth above does not includes any taxes like Service tax or VAT payable to any government authority or body and concession or royalty or licence fee payable to airport operator today or in future for provision of these services to Kingfisher. Should any taxes, or licence or royalty fees be levied, the same shall be recoverable at cost from Kingfisher Airlines
- Handling in case of return of cargo into the terminal from the ramp, or breaking of loaded ULDs on instruction of KF, will be charged at 50% of the rates as specified in point 1. above, provided physical warehouse handling or document handling is required.

**Contract Period:**

- Contract will be valid effective 1<sup>st</sup> May 2010 to 31<sup>st</sup> March 2013.

**Rate Escalation:**

- During period of contract i.e. 1<sup>st</sup> May 2010 to 31<sup>st</sup> March 2013 no rate escalation will be applicable on above agreed handling rates.

**No Charges will be applicable on below mentioned services**

- Walk in customers will be handled by KF staff directly. Work stations, electricity connection to be provided by you.
- Transshipment charges will not be applicable on ramp to ramp transfer shipments. Required documentation for movement of transshipment cargo to be done by you without any charges. In case of re x-raying applicable charges to be charged.
- Handling / TSP Charges will not be applicable for KF company cargo. Only demurrage charges will be applicable beyond 48 hrs of cargo arrival in to warehouse.

Please handover identified office space in cargo terminal immediately enabling us to do the required furnishing. We will be entering in to a formal agreement for handling services and office space in due course time as per agreed charges and SLA's.

We will be commencing our operations from 1<sup>st</sup> May 2010 Please advice your operations team accordingly.

Looking forward for long and healthy business relationship.

Thanking you,  
For Kingfisher Airlines Limited

Akhlesh Rao  
DGM, Cargo Operations (India)





From: [Crasto, Denis KFA/BOM](mailto:Crasto.Denis.KFA/BOM) [[Denis.Crasto@flykingfisher.com](mailto:Denis.Crasto@flykingfisher.com)] Sent: Wed 31/03/2010 4:43 PM  
To: [Rajendra Varma](mailto:Rajendra.Varma); [Rao, Akhilesh KFA/BOM](mailto:Rao.Akhilesh.KFA/BOM); [Anand, Hemant KFA/DEL](mailto:Anand.Hemant.KFA/DEL)  
Cc: [Venugopal Bangera](mailto:Venugopal.Bangera); [Anil Jaiswal](mailto:Anil.Jaiswal); [RG Panicker](mailto:RG.Panicker); [Ganesh Kokku](mailto:Ganesh.Kokku)  
Subject: RE: Proposed IATA SGHA AnnexB for Domestic Cargo Operations/DEL  
Attachments:

[View As Web Page](#)

Dear Rajendra,

It was pleasure meeting you in DEL yesterday 30MAR and discussing the start up of Domestic Cargo Operations by KFA. On behalf of the KFA Cargo team I wish to thank you for your hospitality and the trouble you took to show us the premises and explain in details the working.

As explained in our meeting, I will revert to you once I have my commercials finalized with my Ops team. Till such time please bear with us. I have also discussed with Hemant our requirements and the things we need at the facilities for start up. He will discuss this with you separately in the coming week.

With regards,

Denis

-----Original Message-----

From: Rajendra [<mailto:Rajendra.Varma@cscindia.in>]  
Sent: Monday, March 29, 2010 5:07 PM  
To: Crasto, Denis KFA/BOM; Rao, Akhilesh KFA/BOM; Anand, Hemant KFA/DEL  
Cc: [venu.bangera@cscindia.in](mailto:venu.bangera@cscindia.in); [Anil Jaiswal](mailto:Anil.Jaiswal); [rg.panicker@cscindia.in](mailto:rg.panicker@cscindia.in); [ganesh.kokku@cscindia.in](mailto:ganesh.kokku@cscindia.in)  
Subject: RE: Proposed IATA SGHA AnnexB for Domestic Cargo Operations/DEL

Dear Denis,

Thanks for your mail.

As our customers, we value your views, even if we do not agree or share same.

We offered a penalty of 5% of the handling charges, in case of any service failure (the same as in DIAL's handling contract with International airlines at DEL, which has not been used by any airline, to the best of my knowledge).

You may like to share the Penalty offered at other stations.

The cut-off time of 210 minutes is for the initial period, keeping in mind a new terminal, where Domestic Agents (90% of whom do not have any passes) & the Airlines will concentrate their activity. We would surely like to bring these down.

We would also be holding regular Monthly & Quarterly Review Meetings with the airlines, to monitor the performance of all cargo handling activities.

We had planned to start the operations with 1/2 airlines & add a new airline each week. Go Air came on the 27th. They did their pooja etc; and plan to bring their loads off today.

9W teams have already made visits to our w/h & we are discussing the SGHA Annex B with them. They are

expected to join in 1/2 months if not earlier

Looking forward to meet you tomorrow in DEL.

with kind regards,

Rajendra

-----Original Message-----

From: Crasto, Denis KFA/BOM [mailto:Denis.Crasto@flykingfisher.com]  
Sent: Sun 3/28/2010 11:59 AM  
To: Rajendra; Rao, Akhilesh KFA/BOM; Anand, Hemant KFA/DEL  
Cc: venu.bangera@cscindia.in; Anil Jaiswal; rg.panicker@cscindia.in;  
ganesh.kokku@cscindia.in  
Subject: RE: Proposed IATA SGHA AnnexB for Domestic Cargo  
Operations/DEL

Dear Rajendra,

Annex B of the document sent by you is unacceptable. I am surprised at Point 2 of the parameter where you are subjected to a maximum of Rs 100/- in case of service failure. I am at a loss of words to express this generous offer from DCSC.

Also the cut off time of 210 mins prior dep and 90 mins after receiving inbound cargo into your w/h is not clear. If I need to move with you, my service levels to my customers must move upward not downwards. If that cannot happen then I do not see any point in shifting.

Please advise if all airlines including 9W and AI have agreed to shift as I do not see them copied on any of your mails.

Rgds.....Denis

-----Original Message-----

From: Rajendra [mailto:Rajendra.Varma@cscindia.in]  
Sent: Saturday, March 27, 2010 5:25 PM  
To: Crasto, Denis KFA/BOM; Rao, Akhilesh KFA/BOM; Anand, Hemant KFA/DEL  
Cc: venu.bangera@cscindia.in; Anil Jaiswal; rg.panicker@cscindia.in;  
ganesh.kokku@cscindia.in  
Subject: RE: Proposed IATA SGHA AnnexB for Domestic Cargo Operations/DEL

Dear Denis,

Kindly find in attachment, the proposed 'Performance Parameters' document.

Kindly advise your concurrence & the proposed date on which DCSC can handle Kingfisher's Domestic Cargo/Mail at DCSC's Domestic Cargo Terminal, which, as already advised in previous mails, has been ready in all Operational Aspects, for the last few weeks.

Would also request Hemant to visit the DCSC's Domestic Cargo Terminal urgently, in order to select the office cabin (10x10') to be used by your staff.

Awaiting your early response.

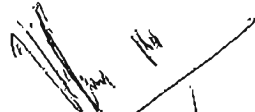


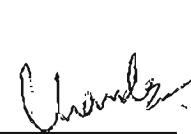


with kind regards,

Rajendra



## Contract Validation Check List

S.No.	Particulars	Details
1	Name of Party	SpiceJet Limited
2	Contact person(s) for contractor	A. Singh
3	Address & Contact Details	SpiceJet Limited Phone: Fax:
4	Country	India
5	Subject Matter	Change terminal facility
6	Unit of Currency	INR
6	Rate	
7	Quantum in value over the contract period	To be negotiated
8	Quantum in value per annum	
9	Title of person signing the contract on behalf of party	GM - DCS
10	Start Date of Contract	1-May-10
11	End Date of Contract	31-Dec-10
12	Time and Place for performance	Della Airport (International)
13	If insurance is required, types and levels of coverage	-
14	Confidentiality Provisions (Yes/No)	Yes
15	Termination Clause	15 Days
16	Governing Law	Indian
17	Name of the External Council, if any	DNL / AERA
18	<b>Validations</b>	
a)	<b>Finance</b>	
	i) Taxation	
	- Rate of withholding tax	
	- Party bearing the tax burden	
	ii) Others (Payment terms etc.)	
b)	<b>Legal</b>	
c)	<b>Contract</b>	
d)	<b>User Department -</b>	
19	<b>FINAL REMARKS</b>	
a)		
b)		
c)		

HOD Initiator Department    HOD User Department    DGM Procurement    Head - Legal & Company Affairs    CAO    CFO





flying for everyone

SpiceJet Limited  
319 Udyog Vihar, Phase-IV  
Gurgaon 122 016  
Haryana, India  
Tel. : +91 124 3913939  
Fax : +91 124 3913044

-79-

spicejet

## LETTER OF INTENT

This letter of Intent (hereinafter 'LOI') is being made on this 29<sup>th</sup> day of April, 2010

### Between

SpiceJet Limited a company organized and existing under the laws of India, with its registered office at Near Steel Gate Bus Stop, Terminal-I, Indira Gandhi International Airport, New Delhi-110037 (herein after referred to as Airline which expression shall unless repugnant to its subject or context, mean and include its successors and permitted assigns) of the **ONE PART**

### And

**DELHI CARGO SERVICE CENTER PRIVATE LIMITED** a company registered under the Companies Act, 1956 and having its registered office at A-294/1, Road No. 6, National Highway 8, Mahipalpur Extension, New Delhi 110 0037 (hereinafter referred to as the "DCSC" which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its legal representatives, successors and permitted assigns) of the **OTHER PART**;

As the context may require, Airlines and DCSC shall be hereinafter referred to severally as "Party" and collectively as "Parties".

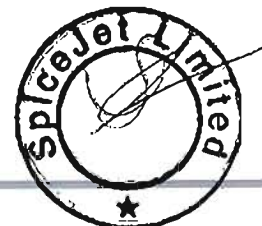
### WHEREAS:

- A. Airline is engaged in the business of operating scheduled air transport by the name Airline
- B. DCSC is engaged in the business of inter-alia providing ground handling service at the various airports.
- C. Airlines requires cargo handling services as detailed more particularly hereunder at the Domestic Cargo Terminal, (DCSC Terminal) I.G.I. Airport, New Delhi ("Airport")
- D. DCSC has represented to Airline that it has requisite approvals, resources and experience to render these services in respect of its cargo operations.
- E. DCSC has agreed to provide the said cargo handling services at the said airport on the terms and conditions herein contained.

### NOW THEREFORE THIS LOI WITNESSETH AS FOLLOWS:

#### 1. Purpose of this LOI

The Parties are entering into this LOI in order for DCSC to provide cargo ground handling services to Airlines at the Airport in respect of the latter's cargo operations at the Airport. Airline hereby appoints, and DCSC hereby accepts the appointment hereunder on the terms and conditions herein contained.



DCSC shall provide to Airline the following services as listed in Annex B of the SGHA of January 2008 as published by the International Air Transport Association, at the Airport ('SGHA").

Paragraph 1- Handling Services and Charges

1.1 DCSC shall provide the following services as contained in Annex B to SGHA to Airlines

1.1.1 Handling Services

Where in Annex A of the IATA Main Agreement choice is given between '(a) Provide' or '(b) Arrange for', the '(a) Provide' option always applies, unless otherwise mentioned.

1.1.2 - Liaise with local authority

1.1.3 - Indicate that DCSC is acting as handling agent for the Airline

1.2.1 - Establish and maintain local procedure

1.2.2 - Take action on communication address to carrier

1.2.3 (f),(g),(i) - Prepare, forward, file and retain for a period specified in the Annex B, messages/ reports/ statistics/documents and perform other administrative duties in the cargo services and mail services; security (if service provided by DCSC)

1.2.4 - Maintain Airline's manuals, circulars and other relevant operational documents connected with performance of services

4.1.2 (a),(b), (c),(e) - Prepare, sign, distribute and file manifest where load control is performed by the Carrier and or third party.

4.2.1 - to be done in future

5.1.1 (a) (1, 2, 4) - Provide warehousing handling facilities for general cargo, special cargo (AVI, PER, VAL, DGR), and storage facilities for VAL,DGR and mail, store and take appropriate action to prevent theft of, or damage to cargo and or mail.

5.1.2 (a) (1,2,4) Provide equipment for handling of general cargo, special cargo (AVI,PER,VAL,DGR) and mail

5.1.3. ( a )-(1,2,3,4,5,6,7) Provide handling services (including loading and unloading) for general cargo, special shipments (AVI, PER, VAL,DGR), mail, diplomatic mail, diplomatic cargo, and company cargo/material

5.1.4 Issue and obtain receipt upon delivery

5.1.5 Monitor cargo delivery

5.3.1 Take immediate action in respect of irregularities, damage or mishandling of dangerous goods and other special shipment

5.3.2. Report to carrier any irregularities discovered in cargo handling

5.3.3, Handle lost and found and damaged cargo

5.3.4.(a) Notify the Carrier of complaints and claims

5.3.5 Take action when consignee refuses acceptance and payment

5.4.1 - (a),(b), (c), (d), (e) - Prepare air waybill; check all documents to ensure shipment maybe carried- RFC check; obtain capacity/ booking information for Airline's flights; split air waybill, forward applicable copies of manifests and air waybill to carrier; prepare cargo manifest

5.4.2 -(b) Make cargo document available to consignee or their agent

5.5.1 Accept cargo

(a)- machine readable cargo labels are affixed and processed or

(b)- manual labels are affixed and processed

(c)- shipment are ready for carriage

(d)- check weight and volume

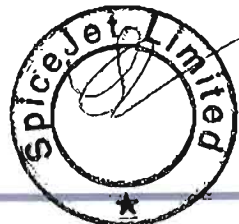
(e).check compliance with regulations for special cargo, IATA DGR,IATA live animal and others

5.5.2. tally and assemble for dispatch cargo for the Airline's flight

5.5.3 (a) prepare bulk cargo for delivery onto flights

5.5.4 (a) establish weight for bulk cargo

5.5.5 (a) off load bulk cargo from vehicles



- (b)- check incoming cargo against air waybills and manifests
- 5.5.6 release cargo to consignée or agent
- 5.6.1 identify transfer cargo
- 5.7.1 Check incoming mail against Post Office Mail Documents

6. Accommodation

- 6.1.1 Provide facilities for the Airline's representative(s) at no extra cost to the Airline.
  - (a) office space
  - (b) storage space
  - (c) other facilities

- 7.2.1 (a)- Provide
  - 1- control of access to cargo facilities
  - 2- screening of cargo and/or mail (if screening services provided by DCSC)
  - 3- physical examination of cargo ( if screening services provided by DCSC)
  - 4- holding of cargo and or mail for variable periods
  - 5 -secure storage of cargo and or mail

**Note:** The above clauses are all related to Acceptance & Handling of Domestic Export & Import Cargo at DCSC's Domestic Cargo warehouse.

It is hereby clarified that Airlines shall handle the Cargo Counters at the Airport and will execute the AWB in case of walk - in customers. DCSC shall have no objection towards this function being performed by Airlines and will not charge any additional cost for the above function. In order to perform this function, Airlines will be provided with a counter space at the dedicated counter area by DCSC.

2. Consideration

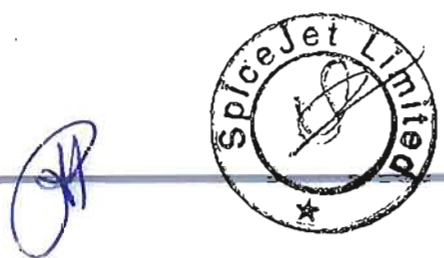
For the services specified in paragraph 1.1 above and based on the scheduled arrival and departure times, the following rates will apply. All charges are exclusive of applicable taxes.

The Charges for the services to be provided under clause 1.1 above shall be:

S. No,	Outbound Handling	Rate/Kg INR
1.	Outbound & Inbound Cargo	0.95
2.	Trans-Shipment Cargo & Offloaded Cargo	1.40
3.	Storage Charges beyond Free Period of 24 hrs	0.95
4.	X-Ray Machine Usage Charges (except Airline stock)	0.75
5.	X-Ray Screening Charges (except Airline stock)	Nil

\* The rates mentioned above are subject to final negotiation and approval from Regulatory authority  
 All the above charges are calculated on gross weight mentioned in the Airway Bills (AWB)

All payments hereunder shall be made by Airlines subject to withholding of taxes, as applicable.





DCSC shall invoice the Airline every month within thirty days of the closure of the preceding month alongwith accurate supporting documents to substantiate all charges. Any documentation not supplied in accordance with this LOI, including unsupported or unauthorised ad-hoc items not clearly identified as being requested by the Airline will not be considered for payment.

**3. Term and Termination**

This LOI shall come into effect from the date hereof unless terminated earlier in accordance with the terms hereof..

This LOI may be terminated by either party in the event that the other party commits a breach and/or default in respect if its obligations and/or representations and fails to remedy such breach or default within 10 calendar days of being notified by the first (non-defaulting) Party. The termination of this LOI shall not affect the rights or liabilities of a Party accrued prior to termination. Post termination, except for provision which by there nature survive termination of the LOI; neither Party shall have any further obligations hereunder.

Notwithstanding the above, the Airline shall have the right to terminate the LOI at any time by giving 15 calendar days notice to DCSC without assigning any reason whatsoever.

**4. Definitive Agreement**

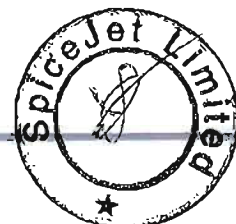
The Parties envisage that they will execute a definite agreement with regard to the matter contained in the LOI. In the event the Parties eneter into such definite agreement the relationship between Parties shall be governed by the provisions of such definite agreement.

**5. Confidentiality**

Airlines and DCSC may be required to disclose certain confidential to each other for the purpose of the Transaction. The Parties shall maintain strict confidentiality as regards all matters concerning each other and shall not divulge any information to any third party whosoever, without the prior written consent of the concerned disclosing Party. In addition to the provision of the clause, the confidentiality obligation of the parties shall be governed by the terms and conditions of the confidentiality and Non-Disclosure Agreement, which is by reference herein, made an integral part of this LOI. In the event of any conflict, in respect of any confidentiality related provisions, between the contents of this LOI and the confidentiality and Non-Disclosure Agreement, the provision of the Confidentiality and Non-Disclosure Agreement shall take precedence.

**6. Administration**

- 6.1 DCSC shall carry out all services in accordance with Airline's operating manuals and its written instructions.
- 6.2 DCSC and the Airline shall reach mutual agreement on the quality standards for the provision of services and DCSC agrees to take all reasonable steps to ensure that, with regard to contracted services, the agreed upon quality standards will be met.
- 6.3 DCSC shall maintain an acceptable level of training recognized by IATA/DGCA or any other regulatory authority in order to meet the requirements and instructions of the Airline when providing services with a safety aspect such as load control, loading of aircraft and particularly the handling of dangerous goods, if any.



7. Indemnity and Insurance

7.1 DCSC shall indemnify, defend and hold harmless the Airline and its directors, officials, employees, servants, agents and representatives, from and against any and all claims, suits, proceedings, causes of action, losses, costs, damages, expenses (including all legal fees and costs) and liabilities of any nature whatsoever, arising from:

- (a) injury (including death) or damage to property caused by, or relating to the strict liability of DCSC, its employees, personnel, contractors, agents or servants ("Indemnifiers");
- (b) any damage to the aircraft, goods, cargo, attributable to the Indemnifiers or any acts, omissions or defaults by the Indemnifiers or breach by Indemnifiers of the provisions of this LOI

7.2 DCSC at all the times shall obtain and maintain at its own cost and as per internationally acceptable industry standards all of the following insurances:

- (a) Comprehensive property insurance (for the full value of the property) for all risks as customarily covered or required for the activities of DCSC and as required by the Airline, including without limitation for fire, theft and burglary in respect of all property stored or used in or activities carried out in the Licensed Premises.
- (b) Comprehensive third party and public liability insurance to cover the liabilities towards third parties for any injuries (including death) to persons and damage to property;
- (c) All insurances required pursuant to applicable laws, such as workmen's compensation.

7.3 DCSC shall name the Airline as co-insured under the insurance policies specified at Sections 7.2 (a) and (b) above. For the avoidance of doubt, the Airline shall be entitled to prefer a claim against the insurers under such policies.

7.4 DCSC shall, on demand by the Airline, furnish for inspection copies of policies, policy certificates and evidence of payment of premia, in respect of all insurances required to be taken hereunder. DCSC shall not do or omit to do anything whereby such insurances may be cancelled, modified or allowed to expire. It is understood between the Parties that if DCSC fails to effect and keep in force such insurances, DCSC shall have, without prejudice to any other rights under this LOI, the option to keep in force any such insurances and pay such premia and recover the costs thereof from DCSC.

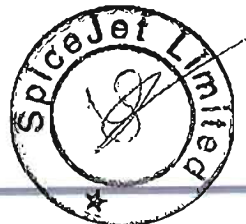
8. Notices

Every notice to be given by either Party under this LOI to the other Party shall be given by facsimile at the address first mentioned.

9. Service Level and Penalty

9.1 Service Level

DCSC shall endeavour to provide services envisaged under this LOI as per internationally acceptable standards and further as per the requirement specified by the Airline from time to time.





9.2 Service Level Shortfalls and Penalties

Following penalties shall be immediately payable by DCSC for any shortfall in Service Level in relation to Delay/ Irregularity for reasons attributable to DCSC as per the terms of this LOI.

Shortfall	Charges payable by DCSC to the Airline (Amount in Rs.) per shortfall
Flights delay Upto 15 minutes	5,000
Flights delay between 16 to 30 minutes	7,500
Flights delay above 30 minutes	10,000
Mishandled Cargo	On actuals

10. No Conflict

10.1 This LOI is being executed directly between the parties without any middlemen/ broker/ agent/ consultant/ advisor (or any body by whatever name called) and no amount (e.g. incentive/ inducement), whatsoever, has been or is being or will be paid in any manner whatsoever either directly or indirectly. It is further confirmed that any conflict of interest, potential or otherwise, has been disclosed by both the parties.

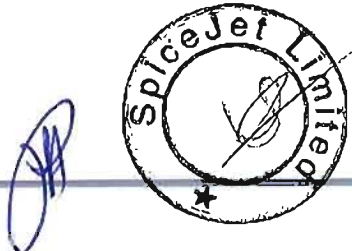
Any violation of this clause will be treated as a breach of this LOI and will entitle the aggrieved party, at its discretion, to terminate this LOI immediately. The party in breach will be liable for all the direct and indirect losses and other consequences to the aggrieved party in addition to a one time compensation of USD 1 (one) million.

10.2 Neither party will employ directly or indirectly any employee of other party during the term of this contract and within 24 months after expiry or termination of this contract, unless mutually agreed.

10.3 None of the parties will use name and/ or trade mark of each other in any of their communications without specific approval of the other party in writing. Violation of this clause will be treated as breach of this agreement.

10.4 SpiceJet has entered into this LOI for the specific need/purpose which has been fully disclosed in the LOI. The other party has represented that it is entitled in all respects to meet the purposes under the LOI. With this representation only, SpiceJet is entering into this LOI.

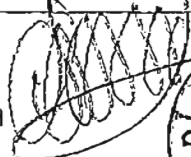
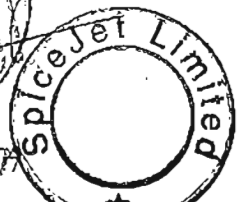

If any approval/permission is required in any manner whatsoever, the other party has undertaken the obligation to obtain those permissions/approvals or comply with any other requirement legal or otherwise.

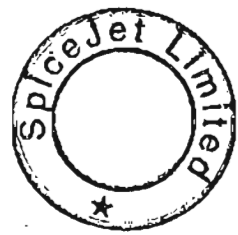




11. Governing Law and Jurisdiction

This LOI shall be governed by and interpreted in accordance with the laws of India and courts at New Delhi shall have exclusive jurisdiction in case of any dispute arising out of or in relation to this LOI.

IN WITNESS WHEREOF the Parties have caused this LOI to be duly executed on the date and year first mentioned.

FOR SPICEJET LIMITED	FOR DELHI CARGO SERVICE CENTER PRIVATE LIMITED
<p>Signed </p> <p>Name </p> <p>Designation CHIEF ADMINISTRATIVE OFFICE</p> <p>Date 29-11-10 Place NEW DELHI</p> <p>Witness: </p>	<p>Signed</p> <p>Name</p> <p>Designation</p> <p>Date:</p> <p>Place:</p> <p>Witness:</p>



From: [Rajendra Varma](#) Sent: Fri 24/09/2010 8:02 PM  
To: [kaushik khona](#); [maresh@goair.in](#); [teidang@hotmail.com](#);  
[kdsingh@greenairways.in](#); [amriksingh@greenairways.in](#);  
[rakesh.tiwari@goair.in](#)  
Cc: [Venugopal Bangera](#); [RG Panicker](#); [Anuz Thapliyal](#); [vaibhav goel](#); [Harish Shetty](#); [akshay garg](#)  
Subject: DCSC-AnnexB & TSP Charges Agreements eff 01.05.2010  
Attachments:  [DCSC- AnnexB Domestic Cargo Handling at DEL eff 01.05.2010.docx\(61KB\)](#)  [DCSC-TSP Charges Agreement' eff 01.05.2010.docx\(44KB\)](#)

[View As Web Page](#)

Dear Mr Kaushik Khona  
(cpy Mr Rakesh Tiwari, Mr Mahesh, Mr K.D.Singh, Mr T.S.Dang & Mr Amrik Singh),

Kindly find in attachments, the AnnexB & TSP Charges Agreements between DCSC & GO AIR effective 01.05.2010, to be kindly printed on Non-Judicial Stamp Papers of INR100/- denomination.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER PVT.LTD;  
Room No. 36, 1st Floor,  
Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : [rajendra.varma@cscindia.in](mailto:rajendra.varma@cscindia.in)  
Website: [www.cscindia.in](http://www.cscindia.in)





CARGO SERVICE CENTER  
DELHI CARGO  
SERVICE CENTER  
PRIVATE LIMITED

IATA STANDARD GROUND HANDLING AGREEMENT -  
SIMPLIFIED PROCEDURE

**Annex B 2.1 Location(s), Agreed Services and Charges to the  
Standard Ground Handling Agreement (SGHA) of January 2008**

Between:

having its principal office at: \_\_\_\_\_  
New Delhi.

and hereinafter referred to as "the Carrier"

and: **Delhi Cargo Service Center Private Limited**

having its principal office at: A-294/1 Road No.6,  
National Highway 8,  
Mahipalpur Extension,  
New Delhi 110037, India

and hereinafter referred to as "the Handling Company"

Effective from: 01 May, 2010

This Annex B for the locations: Domestic Cargo Terminal, I.G.I. Airport

and replaces: None

is valid from: 01 May, 2010

**Preamble**

This Annex B is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2008 as published by the International Air Transport Association shall apply as if such terms were repeated here in full, unless agreed otherwise hereunder. By signing this Annex B and the Appendices hereto, the Parties confirm that they are familiar with the aforementioned Main Agreement and Annex A.

Carrier

DCSC

[ ]

[ ]

PARAGRAPH 1 - HANDLING CHARGES

1.1 Handling Services

Where in Annex A of the IATA Main Agreement choice is given between '(a) Provide' or '(b) Arrange for', the '(a) Provide' option always applies, unless otherwise mentioned.

- 1.1.2 – liaise with local authority
- 1.1.3 – indicate that DCSC is acting as handling agent of the Carrier
- 1.2.1 – establish maintain local procedure
- 1.2.2 – take action on communication address to carrier
- 1.2.3 ( f ),( g ),( i ) - prepare, forward, file and retain for a period specified in the Annex B, messages/ reports/ statistics/documents and perform other administrative duties in the cargo services and mail services; security (if service provided by the Handling Company)
- 1.2.4 – Maintain the carrier's manuals, circulars and other relevant operational documents provided to the Handling Company in connected with performance of services
- 5.1.1 ( a ) ( 1, 4 ),( c ),( d )- provide warehousing handling and storage facilities for general cargo and mail, store cargo and take appropriate action to prevent theft of, or damage to cargo and or mail.
- 5.1.2 ( a ) – ( 1, 4 )Provide equipment for handling of general cargo and mail
- 5.1.3 ( a )-(1,2,3,4,5,6,7) Provide handling services(including loading & unloading) for general cargo, special shipments, specialized cargo products, mail, diplomatic mail, diplomatic cargo, and company cargo/material
- 5.1.4 issue and obtain receipt upon delivery
- 5.1.5 monitor cargo delivery
- 5.3.1 take immediate action in respect of irregularities, damage or mishandling of dangerous goods and other special shipment
- 5.3.2. report to carrier any irregularities discovered in cargo handling
- 5.3.3, handle lost and found and damaged cargo
- 5.3.5 take action when consignee refuses acceptance and payment
- 5.4.1 ( b ), ( c ), – Check all documents to ensure shipment maybe carried- RFC check; obtain capacity/ booking information for carrier's flights;
- 5.4.2 –(b) Make cargo document available to consignee or their agent
- 5.5.1 Accept cargo
  - (a)- machine readable cargo labels are affixed and processed or
  - (b)- manual labels are affixed and processed
  - (c)- shipment are ready for carriage
  - (d)- check weight and volume
  - (e).check compliance with regulations for special cargo, IATA DGR,IATA live animal and others
- 5.5.2. tally and assemble for dispatch cargo for the carrier's flight
- 5.5.3 (a) prepare bulk cargo for delivery onto flights
- 5.5.4 (a) establish weight for bulk cargo
- 5.5.5 (a) off load bulk cargo from vehicles
  - (b)- check incoming cargo against air waybills and manifests
- 5.5.6 release cargo to consignee or agent
- 5.6.1 identify transfer cargo
- 7.2.1 ( a )- Provide
  - 1- control of access to cargo facilities
  - 2- screening of cargo and /or mail (if services provided by the Handling Company)
  - 3- physical examination of cargo (if services provided by the Handling Company)
  - 4- holding of cargo and or mail for variable periods
  - 5 -secure storage of cargo and or mail

Note : The above clauses are all related to Acceptance & Handling of Domestic Outbound & Inbound cargo & Post Mail at DCSC's Domestic Cargo warehouse



1.2 Charges

1.2.1 a) For period 1<sup>st</sup> May 2010 to 30<sup>th</sup> August 2010, when the Handling Company will only handle Outbound Cargo, the handling charges will be :

The charges for the services to be provided under clause 1.1 above shall be :

S. No.	Outbound Handling	Rate/Kg INR
1.	Outbound Cargo	INR 0.80 per kg.
2.	Trans-Shipment Cargo & Offloaded Cargo	INR 1.35 per kg.
3.	Storage Charges beyond Free Period of 24 hrs	INR 0.80 per kg.
4.	X-Ray Machine Usage Charges (except Airline stock)	INR 0.75 per kg.
5.	X-Ray Screening Charges (except Airline stock) If provided by Handling Company	INR 0.75 per kg.

b) Effective 1<sup>st</sup> September'10 the Handling Company will handle both Inbound & Outbound Cargo & Post Mail; Effective this date & until expiry of this agreement ; and subject to conditions specified in paragraph 4 of this agreement, rates shall be :

S. No.	Outbound & Inbound Handling	Rate/Kg INR
1.	Outbound & Inbound Cargo	INR 0.80 per kg.
2.	Trans-Shipment Cargo & Offloaded Cargo	INR 1.20 per kg.
3.	Storage Charges beyond Free Period of 24 hrs	INR 0.80 per kg.
4.	X-Ray Machine Usage Charges (except Airline stock)	INR 0.75 per kg.
5.	X-Ray Screening Charges (except Airline stock) If provided by Handling Company	INR 0.75 per kg.

1.2.1 Discount & Rebates :

A discount of 50% will be given by the Handling Company to the Carrier in case of Carrier's Company material, for its own use , being transported as air cargo; on all applicable charges mentioned in paragraph 1.2.1 of this agreement .

1.3 Additional Services and Charges

The Handling Company shall, if requested by the Carrier, also provide the following services in addition to the Services as provided under Clause 1.1 of this Agreement, with regard to the specialized services ; such as DGR acceptance, Valuable handling / Escorting, Live Animal handling for the carrier, then the charges would be as follows:

- DGR acceptance check : INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Additional pieces will be charged @ INR 75/- per additional piece.
- Dry Ice acceptance checklist : INR 700/- per AWB
- Live Animal acceptance and Handling : INR 2110/- per AWB
- Valuable handling : INR 750/- per AWB

1.4 The charges set forth in para 1.2 & 1.3 does not includes any taxes like Service tax or VAT payable to any government authority or body and concession or royalty or licence fee payable to airport operator today or in future for provision of these services to the Carrier. Should any taxes or licence or royalty fees be levied, the same shall be recoverable at cost from the Carrier.





1.5 Handling in case of return of cargo into terminal from the ramp, or breaking of loaded ULDs, or Bulk Cargo, on instruction of the Carrier, will be charged at 50% of the rates as specified in paragraph 1.2.1 (a) provided physical warehouse handling or document handling is required.

**PARAGRAPH 2 - DISBURSEMENTS**

2.1 Disbursements made by the Handling Company on behalf of the Carrier, are not allowed under any circumstances. Consequently, the Handling Company shall not make any purchase or payment on behalf of the Carrier.

**PARAGRAPH 3 - TRANSFER OF SERVICES**

3.1 In accordance with Sub-Article 3.1 of the Main Agreement, the Handling Company is allowed to assign the services of annex A specified in this Annex B to a subcontractor of equal quality, provided prior written approval is obtained from the Carrier.

3.2 The Handling Company subcontracts the following services of Annex B to the following companies:

Section(s)	Company
None	None

**PARAGRAPH 4 - DURATION, ESCALATION AND TERMINATION**

4.1 Notwithstanding Sub-Article 11.4, 11.5 and 11.6 of the Main Agreement, this Annex B will remain in force until 30<sup>th</sup> April 2011.

Beyond this date, it shall be renewed by written consent under the same terms and condition for successive periods of one (1) ("the renewal period") unless cancelled by either party, by right, by notice of termination sent by registered mail with acknowledgement of receipt at least (60) days before the expiration of the initial period or of the renewal period.

Consequently this Annex B cannot be terminated before that date except in accordance with the provisions contained in this Annex B.

4.1.1 At least 2 months before the end of the expiry date, parties will agree on the prolongation or renewal of this agreement.

4.1.2 In absence of an agreement on the prolongation or renewal, this contract will terminate as per paragraph 4.1

4.2 Both parties reserve the right to renegotiate the charges specified in this Annex B in case of considerable schedule, frequency, aircraft type, quality and/or capacity changes.

4.3 In case the contracted services are repeatedly not provided as agreed, or the performance levels as mutually agreed are repeatedly not met, and if parties cannot agree on implementing an action plan to correct such situation within maximum 60 (sixty) days as agreed upon by the account managers, parties are entitled to unilaterally cancel the agreement without prejudice to any other rights but always by giving with 60 (sixty) days prior notice to the other party.



PARAGRAPH 5 - SETTLEMENT

- 5.1 Notwithstanding Sub-Article 7.2 of the Main Agreement, settlement of account shall be effected locally within 15 days after date of invoice. These invoices shall be addressed to the Carrier's Office at the following address:
- 5.2 The Handling Company shall report and invoice accurately, on a monthly basis, unless otherwise agreed, to the Carrier all activities involving Domestic Cargo & Mail, in actual applicable kilograms, shipments handled and all other services rendered subject to this Annex in a format attached to this Annex B, along with all agreed supporting data/documents etc;.
- 5.3 The Handling Company and the Carrier reserve the right to apply a monthly interest of 18% to overdue payments and disputed amounts, from the due date of payment until the date of actual receipt of the payment.
- 5.4 Charges as specified in this Annex B paragraph 1.2 do not include consumption and or value added tax, or duties or license fee levied by Central/State/Local government authority, Airport Operators and other statutory authorities being levied due to provision of aforesaid services.

PARAGRAPH 6 - PROVISIONS

- 6.1 In addition to articles 5.1 and 5.2 of the Main Agreement of IATA AHM 810, the Appendices to this Annex B and the procedures and/or requirements as laid down in the Carrier's Handling Manual (CHM), as applicable on signature date of this Annex B, are by this reference, incorporated as being an integral part of this Agreement, unless such instructions are agreed upon locally in writing by both parties', local management in which case such instructions shall prevail.
- 6.2 The Handling Company shall be provided all Air manuals and forms as well as instructions of the Carrier readily available and shall keep them up to date and the Carrier will timely supply the Handling Company with any updates.  
  
 The Handling Company will use the applicable IATA and/or ICAO and/or other government manuals, required following its standard practices and procedures, and will have them available.
- 6.3 Notwithstanding the Main Agreement and Annex B, the Handling Company shall have the right to vary the charges set out in this Annex B after receiving such newly introduced amendments and/or changed procedures from the Carrier. The Carrier also shall have the right to request a price amendment in case of changing procedures. In such case(s) the Handling Company shall give the Carrier notice in writing within 30 (thirty) days after receipt of the mentioned amendments or changed procedures. Such notice shall specify the revised charges, which the Handling Company proposes to introduce, together with the dates on which the amendments or changed procedures and the revised charges will be brought into effect. Parties will mutually agree to the implementation date of such new procedures and charges.
- 6.4 This Agreement may be amended only by written instrument signed by both parties.

- 6.5 All abbreviations used in this Agreement refer to the glossary of definitions from the IATA Airport Handling Manual, or are explained in this Agreement.
- 6.6 In addition to Article 2 'Fair Practices' of the Main Agreement the Handling Company shall not disclose any information regarding any shipment to outside parties without prior consent being given by the Carrier in writing, unless such information is specifically required by applicable law or by governmental or authorities regulations, in which case the Carrier will be notified accordingly and without delay.
- 6.7 Should the Carrier require the Handling Company's staff to be trained due to new or changed procedures specific to the Carrier, all cost related to such training shall be borne by the Carrier, however cost details shall be mutually be agreed upon locally.

**PARAGRAPH 7 – SERVICE LEVELS & COMPENSATION FOR LOSS OF CARGO**

- 7.1 The Handling Company shall endeavour to provide services envisaged under this Agreement, as per mutually agreed & accepted standards, which have been listed in Attachment 1 of this agreement.
- 7.2 The Handling Company shall compensate the Carrier towards Loss of any cargo, while the same was under the custody of the Handling Company ; at the rate of INR 450.00 per kg; subject to the Carrier providing to the Handling Company, documents confirming that the Carrier /its representatives have/had accepted /settled the claim for such loss of cargo.

**PARAGRAPH 8 - APPLICABLE LAW, COMPETENT COURT, ARBITRATION**

- 8.1 This Annex B and the execution and performance thereof shall be governed by the laws of India, and subject to any deviating mandatory provisions of the local law applicable at the relevant station.
- 8.2 In case of disputes arising from the implementation or interpretation of this Annex B, and or its amendments or attachments, the dispute shall be resolved by mutual consultation within thirty (30) days after notification of the dispute to one Party or the other, and in case of failure to resolve, the dispute shall be decided finally by reference to the sole arbitrator jointly appointed by the parties. Such arbitration shall be held in accordance with and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 and rules thereto.
- 8.3 The arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be New Delhi and the language of arbitration shall be English.

**PARAGRAPH 9 - NOTIFICATIONS**

- 9.1 In accordance Sub-article 13.1 of the Main Agreement, any notice or communication to be given hereunder shall be addressed to the respective parties as follows:

to Carrier:  
 address-----  
 -----  
 -----  
 -----



to Handling Company:  
Delhi Cargo Service Center Private Limited  
A-294/1 Road No.6,  
National Highway 8,  
Mahipalpur Extension,  
New Delhi 110037,

Signed date:

at New Delhi

for  
Delhi Cargo Service Center Private Limited

Radharamanan Panicker  
Director & CEO

Signed date:

at New Delhi

for



94-

SERVICE LEVEL AGREEMENT

CARGO / MAIL HANDLING SPECIFICATIONS

1 General :

Agreed operating times of the Handling Company : Monday to Sunday (1-7 )  
Warehouse & Office : 0001 to 2400 ( Round the Clock )

2 All domestic airlines will provide their flight schedules for both outbound and inbound to the Handling Company. Any change in the flight arrival or departure more than 30 minutes to be notified to the handling company 02 hours prior.

3 OUT BOUND

3.1 Following are the earliest and latest handling times for General & Special Cargo, Post Mail :

Earliest Acceptance Time	D – 180 minutes
Latest Acceptance Time	D – 90 minutes (last package for the flight)
Release of Cargo & Mail for the Flight	D – 45 minutes (all outbound cargo will be loaded into airline's trucks/trolleys)

3.2 Shipment will be accepted in Ready for Carriage Condition only (RFC):

3.2.1 A Shipment is considered as RFC when following conditions are met :

The airway bill is executed and duly completed with following details;

- Full name and address of shipper, consignee & Agent
- Airport of origin and final destination
- Number of packages, gross weight, chargeable weight, dimensions, volume weight, commodity, special handling code etc.

3.2.2 Aforesaid details should be in accordance with the actual shipment.

3.2.3 The shipment is complete together with AWB and other relevant documents required for handling and carriage of the shipment.

3.2.4 The packages are correctly marked and labeled & any old marking/labels deleted.

3.2.5 The condition and packaging of the shipment should match with the airway bill details.

3.2.6 The shipment is delivered by the agreed close out time/latest acceptance time.

Should any of the criteria not be met, the handling company may refuse acceptance of the shipment

3.3 The Handling Company will validate the weight on all shipments (volume where applicable) and amend the airway bill. Weight tolerance limit is  $\pm 2\%$

3.4 The Handling Company will conduct warehouse checks every morning and will report to the airline, regarding any leftover shipments / fractions.

3.5 The Handling Company will accept Domestic Post Mail at the Common User Domestic Cargo Terminal(CUDCT), on the basis of M57 Postal Documents issued by India Post.

4 INBOUND

4.1 Carrier will send a pre-alert message or manifest to the Handling Company at least 30 minutes prior to the arrival of flight , for handling its inbound cargo; detailing the Air Waybill number, number of pieces, weight, commodity (special handling code) and destination.

4.2 Carrier will handover Inbound Cargo , along with legible copies of AWB & Inbound Cargo Manifest (3 copies), and M57 Mail Documents ,at the DCSC warehouse, in order to commence the Flight Check.

\_\_\_\_\_

4.3 Following are the handling timings for General & Special cargo, Post Mail :

RCF (Physical Breakdown) & Segregation : Arrival + 60 minutes (after receipt of complete flight loads along with relevant documents as mentioned above )

The Carrier will issue Delivery Order after completion of Segregation by the Handling Company.

Parcel delivery to Consignee: within 20minutes from the receipt of Delivery Order issued by the Carrier & payment of all applicable dues (e.g. back to town, demurrage charges etc.) by the Consignee / Agent.

The Handling Company will deliver the cargo to the person carrying such Delivery Order.

The Handling Company will deliver the Domestic Post Mail to India Post , or, their representatives, as per written instructions/authorizations received from India Post.

4.4 After de-stuffing and segregation of Inbound Cargo, the details of irregularities (short land, excess land, damage etc.) will be communicated to the Carrier by the Handling Company.

4.5 The Free Period for Outbound / Inbound Cargo & Post Mail is 24 hours only.

Any Outbound Cargo / Mail not forwarded within above Free Period of 24 hours shall attract Demurrage Charges at the rate of INR 0.80 per kg per day, or part thereof, which shall be invoiced to the Carrier,

Any Inbound Cargo / Mail not collected from the DCSC Common User Domestic Cargo Terminal(CUDCT), within such Free Period of 24 hours and shall only be released/delivered, after collection of Demurrage Charges at the rate of INR 0.80 per kg per day, or part thereof.

**Note:** All the domestic airlines - Kingfisher, Indigo, Spicejet & Go air, have confirmed to The Handling Company, that, they do not accept any 'Commercial DGR shipments' on their flights; hence no DGR shipment to be handled at Common User Domestic Cargo Terminal(CUDCT). The Handling Company will hand over any 'Undeclared DGR Shipments/packages' to the respective Carrier (for disposal within a maximum period of 24hrs) and the Carriers will report such cases to the Regulatory Authorities.



CARGO SERVICE CENTER  
DELHI CARGO SERVICE CENTER  
PRIVATE LIMITED

TERMINAL STORAGE & PROCESSING AGREEMENT (TSP )

BETWEEN

DELHI CARGO SERVICE CENTER PRIVATE LIMITED

AND

.....

(Name of the Airline )

REGARDING

THE TERMINAL STORAGE & PROCESSING ACTIVITY  
AT DELHI CARGO SERVICE CENTER PRIVATE LIMITED (DCSC)'s  
COMMON USER DOMESTICE CARGO TERMINAL at I.G.I. AIRPORT, NEW  
DELHI

Carrier

[Signature box for Carrier]

DCSC

[Signature box for DCSC with signature]

THIS Terminal Storage & Processing Charges (TSP) Agreement, (hereinafter referred to as "Agreement") is made and executed on this the.....(Airline) [●] day of August, 2010, at Delhi by and between:

DELHI CARGO SERVICE CENTER PRIVATE LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at A-294/1, Road no.6, National Highway 8, Mahipalpur Extension, New Delhi – 110 (hereinafter referred to as the "DCSC" which term shall, unless repugnant to the context or meaning hereof, be deemed to mean and include its affiliates, successors and permitted assigns) of the **FIRST PART**;

**AND**

-----, having their registered office at -----  
----- (hereinafter referred to as the "-----" which term shall, unless repugnant to the context or meaning hereof, be deemed to mean and include successors and permitted assigns) of the **SECOND PART**.

The DCSC and the "-----" shall be individually referred to as "**Party**" and collectively referred to as "**Parties**".

Terms of the Agreement are as follows:

**1. Scope of Services:**

Delhi Cargo Service Center Pvt. Ltd. (DCSC) has established a Common User Domestic Cargo Terminal (CUDCT) at I.G.I. Cargo Complex, New Delhi.

For making available the facility for receipt of cargo and doing pre-hand-over processes and post arrival delivery activities, Terminal Charges are payable by the users; i.e. Cargo Agents or Shippers / Consignees; both, for Outbound Cargo and Inbound Cargo.

For administration and collection of Terminal Storage and Processing Charges (TSP); following has been agreed between the parties :

**2. Payment Terms:**

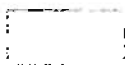
a) The Terminal Storage & Processing Charges (TSP) effective 01 05.2010 shall be charged for the actual applicable kilograms, as under :

- For General Cargo : INR 0.70 / kg
- For Special Cargo : INR 1.40 / kg

Statutory Levies, wherever applicable, will be charged over & above the above quoted rates

Carrier

DCSC





**Discount & Rebates:**

A discount of 50% on the applicable TSP Charges as quoted above, will be given by the DCSC to .....(Airline) , for its Company Material , for its own use, being transported as air cargo.

- b) The DCSC will send a 'Service Challan' to .....(Airline) within 48 hours, via e-mail or hard copy; giving details of the shipments covered by its Air Waybill, handled by DCSC.
- c) .....(Airline) shall acknowledge receipt of above mentioned Service Challan' promptly & shall intimate DCSC in writing within 48 hours, in case of any anomaly; in order to effect the required corrections. Any changes intimated after 48 hours shall not be actioned by DCSC.
- d) Above mentioned Service Challans will form the 'basis' for the 'Monthly Invoices' to be raised by DCSC.

**3. Method of Invoicing, Period of Payment /Settlement of Invoices & obligations of .....(Airline):**

- a) DCSC will invoice .....(Airline) for the Applicable TSP Charges for both 'Outbound' & 'Inbound' Domestic Cargo on a Monthly Basis & the same shall become payable by .....(Airline) within 15 (fifteen) days from the date of receipt of such invoices.; whether or not, .....(Airline) has recovered the said TSP Charges from its Agents / Shippers / Consignees.
- b) In case of failure by .....(Airline) in honoring the invoice within the requisite time frame the DCSC shall have the right to levy an interest @ 18% p.a.
- c) **Default :** In case of Default by .....(Airline), in making timely payments to DCSC for the TSP Charges invoiced by it to .....(Airline); the same will become payable by the concerned Agents to DCSC, failing which , DCSC will be entitled not to handle their cargo.

**4. Activities;**

**4.1 For Outbound Domestic Cargo :**

The following activities are expected on part of agents to be adhered to; during the course of this agreement, they are as follows:

- 4.1.1 DCSC will receive Outbound Domestic Cargo Packages / Bags in 'Ready for Carriage' condition, maximum 180 minutes prior to Flight Departure & last package for any particular flight upto a minimum 90 minutes before flight departure (Cut-Off Time ), in 'Good Order & airworthy Condition' only. Any

Carrier

DCSC

packages / bags in torn/damaged condition / with inappropriate or irrelevant markings , shall not be accepted & would be refused

- 4.1.2 DCSC will be provided with legible Air Waybill (AWB) copies for it's record & use, as these will form the 'basis of invoices to be raised by DCSC'
- 4.1.3. The relevant ' AWB' copies, mentioning the Name of the Shipper, Number of Packages / Bags, Commodity ( Including Special Handling Code), Weight, Destination etc;
- 4.1.4. Any packages / bags which are not cleared by the Security Staff after X-Ray Security Screening for forwarding by air,will be returned by DCSC to ..... (Airline), who will have to take over such packages / bags & dispose off the same immediately / within a maximum period of 24 hours,.
- 4.1.5 If such packages / bags are not disposed off within a maximum period of 24 hours, Demurrage Charges @ INR 0.80/kg per day , or, part thereof, would be levied by DCSC.

4.2 For Inbound Domestic Cargo:

- 4.2.1 The Consignee/Agent may collect the inbound Cargo packages / bags within a maximum period of 24 hours (Free Period); from the arrival of such packages/ bags into the Common User Domestic Cargo Terminal of Delhi Cargo Service Center Private Limited (DCSC).
- 4.2.2 Any Cargo / Mail packages / bags not collected by Consignee/Carrier/India Post within the above mentioned Free Period of 24hours, shall attract Demurrage Charges at the rate of INR 0.80 per kg / per day ,or, part thereof .

5. Responsibility of DCSC:

5.1 For Outbound Cargo:

- 5.1.1 DCSC will confirm the receipt of the Outbound Cargo to concerned airline.
- 5.1.2 The Outbound Cargo will be presented by DCSC for X-Ray Security Screening by the Security Staff & will load same into the truck/s or trolley/ies for the booked flights, as per the Loading Plan given by .....(Airline), minimum 45 minutes before flight departure, subject to timely Security Screening by the Security Staff

Carrier

DCSC



**5.2 Inbound Cargo:**

5.2.1 DCSC will check & tally the Incoming Cargo Packages/Bags with the accompanying Flight Manifest & AWB documents & shall segregate the same , for eventual delivery to the Consignee's at Cargo Terminal itself, within 60 minutes of receipt of the last package from the incoming flight along with relevant Flight Manifest + Air Waybill Copies etc; at the Common User Domestic Cargo Terminal of Delhi Cargo Service Center Private Limited (DCSC).

**6. Default**

In event of Default on the part of .....(Airline), in making timely payments to DCSC for the TSP Charges; DCSC will be entitled not to handle the cargo of .....(Airline).

**7. Applicable Law, Competent Court, Arbitration**

7.1 This Agreement, its execution and the performance thereof shall be governed by the Laws of India, and subject to any deviating mandatory provisions of the local law

7.2 In case of disputes arising from the implementation or interpretation of this Agreement and/or its amendments, the dispute shall be resolved by mutual consultation within thirty (30) days from the date of receipt of such notice's by either party, and in case of failure to resolve, the dispute shall be decided finally by reference to the sole arbitrator jointly appointed by the parties. Such arbitration shall be held in accordance with and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 and rules thereto.

a) The arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be New Delhi and the language of arbitration shall be English.

**8. Amendments**

This Agreement may be amended only by written instrument signed by both parties.

**9. Duration, Validity & Termination.**

This agreement will be effective & valid from the date of signing & will remain in force initially until 31<sup>st</sup> December 2011, and, shall remain valid thereafter, until terminated by either party by right, by Notice of Termination sent by registered mail

Carrier



DCSC





with acknowledgement of receipt at least sixty (60) days before the expiration of such agreed period of validity.

**10. Notices**

10.1 All requisitions and requests and other work related communication from the Consultant under this agreement would be in writing and English is also the language of all notices, demands, requests, statements, certificates or other documents or communications (each a "Communication") in connection with this Agreement and the transactions contemplated by it (unless, the communication is a statutory or any other official documents).

10.2 Notices should be delivered personally or sent by prepaid post with recorded delivery, or by telex or legible telefax addressed to the intended recipient at its address set forth below, or to such other address or telex or telefax number as either Party may from time to time duly notify to the others:

To,

-----

.....(Airline)

To,

**Delhi Cargo Service Center Private Limited**  
A-294/1 Road No.6,  
National Highway 8,  
Mahipalpur Extension,  
New Delhi 110037,

Signed date:

at New Delhi

for  
Delhi Cargo Service Center Private Limited

Radharamanan Panicker  
Director, Delhi Cargo Service Center (P) Ltd.

Signed date:

at New Delhi

for  
.....(Airline)

Carrier

DCSC

[Signature Box]

[Signature Box]



**RG Panicker**

---

**From:** Rajendra Varma  
**Sent:** Thursday, May 06, 2010 10:28 PM  
**To:** Sanjiv Edward; Srinivasa Mathrubhutam; tarun.sabharwal@gmrgroup.in; edmund.jones@spicejet.com; vidhu.nair@spicejet.com; mahesh.malik@interglobe.com; s.hari@goindigo.in; denis.crasto@flykingfisher.com; akhilesh.rao@flykingfisher.com; hemant.anand@flykingfisher.com; kdsingh@greenairways.in; tejdang@hotmail.com; amriksingh.dm@gmail.com; pradip.panicker@gmrgroup.in  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker; tushar@scagroup.in  
**Subject:** Meeting held at DIAL HQ today  
**Attachments:** Meeting held at DIAL HQ on 06 May 2010.docx

Dear All,

Kindly find in attachment, a recap of points pertaining to DCSC, discussed in our meeting at DIAL HQ earlier today.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs, DELHI CARGO SERVICE CENTER, Room No. 36, 1st Floor, Express Terminal, I.G.I. Cargo Complex, New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : [rajendra.varma@cscindia.in](mailto:rajendra.varma@cscindia.in)  
Website: [www.cscindia.in](http://www.cscindia.in)



Salient Points of the meeting held at DIAL HQ on 06 May 2010, between Domestic Airlines, DIAL & DCSC

The points pertaining to DCSC's action / responsibility .

1. DCSC promised to provide adequate number of dedicated Loading Staff + Supervisor for handling of each airline's cargo. DCSC confirmed that it will provide adequate loading staff for handling Outbound & Inbound Cargo at DCSC Terminal.
2. Cut-Off Time : It was discussed & agreed that acceptance of 'Outbound Cargo' for any particular flight would be closed : STD - 90mins. i.e. the last shipment for that flight would be accepted latest 90 mins before flight departure. DCSC will deliver & load the outbound cargo at the Sterile Area , after X-Ray by DIAL , into airline's trucks/trolleys within STD -60 minutes. Airlines expressed that DCSC must deliver on the commitments on Quality of Service.
3. Inbound cargo would be delivered after segregation , latest 60 minutes after its receipt at DCSC Terminal, along with manifest+AWBs , based on airline's Delivery Order. In case of any missing package/s DCSC will need to weigh the shipment, in order to ascertain the weight of the missing package/s.
4. With respect to pilferage of cargo while in DCSC Custody: DCSC offered to issue a 'Loss Certificate' which could be used for Insurance Claims by the customers.

With regards to damage of cargo while in DCSC Custody : DCSC stated that the same is covered under the Liability Clause of the IATA SGHA Main Agreement.

Airlines suggested DCSC should take a liability of INR 450/- per kg , for Loss of any package/s in DCSC 's custody & wanted DCSC to settle any claims for same, made by the consignee . DCSC promised to check & get back to the airlines on the subject.

5. DCSC promised to provide proper toilet facilities.  
It was also decided that DCSC would install a water purifying machine at the DCSC Terminal, instead of the water dispensers . DIAL also promised to arrange Canteen Services at DCSC Terminal, to provide tea/coffee/dry snacks, by the end of this week.
6. All airlines ( SpiceJet, Kingfisher, Indigo & GO Air ) agreed to put TSP charges on the AWB . It was decided that a side-letter/agreement covering TSP charges would be signed between DCSC & the Carrier. DCSC also requested the airlines to accept a fortnightly billing, which the airlines did not agree & insisted on a monthly billing cycle.
7. Upon airline's request, DCSC agreed to offer a 50% discount on Handling & TSP Charges , for airline's Company Stores consigned to themselves.



8. It was decided that the airlines would resume operations of their outbound cargo from DCSC Domestic Cargo Terminal effective today i.e. 6<sup>th</sup> May 2010.

The inbound loads will, however, not be handled at DCSC Terminal for 1 month. Same would be handled by the airlines through 'Gate No 10', from an area to be advised by DIAL.

9. DCSC agreed to revise its Handling Rates offer to the airlines until 31<sup>st</sup> Jul'2010 & offered a rate of INR 0.80/kg for the Outbound Cargo handled at DCSC Terminal. It was also agreed by DCSC to remove the minimum charges conditions.
10. The rates to be applied after 31<sup>st</sup> July'2010 would be reviewed later.
11. During the above mentioned period, DCSC would bring about the required improvements in its facility, in order to handle all loads i.e. inbound + outbound. DCSC would share the feed-back with all concerned.
12. Regarding the monitoring of ongoing improvements at DCSC Terminal : it was decided that DCSC Team would co-ordinate with airlines' Managers stationed at the terminal .





**RG Panicker**

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**From:** Anil Jaiswal  
**Sent:** Tuesday, May 04, 2010 3:49 PM  
**To:** akhilesh.rao@flyingfisher.com; Hemant.Anand@flyingfisher.com; s.hari@goindigo.in; vidhu.nair@spicejet.com; amriksingh@greenairways.in; kdsingh@greenairways.in  
**Cc:** RG Panicker; Venugopal Bangera; Rajendra Varma  
**Subject:** Meeting DCSC and Domestic airlines

Dear All,

A meeting was held between the DCSC staff and the representatives of domestic airlines at the office of Indigo from 1700 h on 03 May. Following were present;

- (a) Mr Akhilesh, Mr Hemant and Mr Dahiya from Kingfisher airlines.
- (b) Mr S Hari and Mr Sunil from Indigo.
- (c) Mr Vidhu Nair and Mr Sanjiv from Spicejet.
- (d) Mr K D Singh and Mr Amrik Singh from Go Air.
- (e) Mr Anil Jaiswal and Mr Pramod Pereira from DCSC.

Following was decided/agreed

- (a) TSP will be charged at the chargeable weight.
- (b) TSP will be collected for everybody by the airlines and DCSC will bill airlines for TSP for both Inbound and Outbound as per the terms of agreement signed.
- (c) All agents to be given notice that from 11th May onwards cargo will not be accepted by DCSC if there is no label or tab on it or if old markings have not been obliterated.
- (d) DCSC acceptance staff will carry out volumetric weight of volume cargo.
- (e) The weighing scale for Indigo and Kingfisher will be placed 10feet away from the weighing machine. After acceptance the cargo will be loaded on to the trolley and put on to the screening machine.
- (f) Airlines will close the AWB before the cargo is screened.
- (g) Loading sheet (truck wise) will be prepared by DCSC staff and the airlines will attach a copy of the AWB of shipments included in the loading sheet and present to DCSC staff for getting the release stamp.
- (h) DCSC will provide a supervisor for acceptance , making the loading sheet and for the truck/BT loading process exclusively for airlines separately.
- (i) DCSC will earmark separate loaders for each airline as per their requirement.
- (j) No airlines trollies will move inside the inbound warehouse.
- (k) Three separate spaces will be earmarked for Indigo, Spicejet and Go air in the Inbound warehouse and kingfisher will get their inbound cargo unloaded in the open area adjacent to the warehouse.
- (l) All airlines except Spicejet will send their soft copy of their inbound cargo manifest by mail prior to arrival of flight. Spicejet will handover hard copy till their systems start functioning. the email ID where pre alert will be received is
- (m) All airlines will also send prealert for any vulnerable cargo coming in their flight.
- (n) Airlines proposed construction of a urinal on the airside exclusively for use by airlines and DCSC staff.
- (o) Airlines proposed shifting of separation wall in the inbound area towards truck dock area.

This is for your information please.

With best wishes  
Anil Jaiswal



-106

You forwarded this message on 02/11/2010 5:43 PM.

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

**Rajendra Varma**

**From:** Rajendra Varma **Sent:** Fri 07/05/2010 4:24 PM  
**To:** pradeep.panicker@gmrgroup.in; Edmund Jones; 'Srinivasa Mathrubhutam'; tarun.sabharwal@gmrgroup.in; vidhu.nair@spicejet.com; mahesh.malik@interglobe.com; s.hari@goindigo.in; denis.crasto@flykingfisher.com; akhilesh.rao@flykingfisher.com; hemant.anand@flykingfisher.com; kdsingh@greenairways.in; tejdang@hotmail.com; amriksingh.dm@gmail.com  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker; tushar@scagroup.in  
**Subject:** Amended minutes of the meeting at DIAL HQ on 06 May  
**Attachments:**  Amended Minutes of Meeting held at DIAL HQ on 06 May 2010.docx(17KB)

Dear All,

Kindly find in attachment, Amended minutes of the meeting held at DIAL HQ , between Domestic Airlines , DIAL & DCSC, on 06 May.

The amendments regarding the airline's remarks are shown in 'pink' colour & those of DCSC are in 'green' colour.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs,  
DELHI CARGO SERVICE CENTER,  
Room No. 36, 1st Floor,  
Express Terminal,  
I.G.I. Cargo Complex,  
New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : rajendra.varma@cscindia.in  
Website: www.cscindia.in

Amended minutes of the meeting held at DIAL HQ on 06 May 2010, between Domestic Airlines, DIAL & DCSC

The points pertaining to DCSC's action / responsibility .

1. Airlines informed & stressed that the infrastructure at the DCSC Terminal is inadequate to handle the present 4 airlines (SpiceJet, Kingfisher, Indigo & GO Air) , and unless changes/improvements are made, situation will get worse when Jet Airways also starts its operation from this terminal. DIAL informed that they were looking at other alternatives viz: 'Haj Terminal' & 'Old Blue Dart Warehouse' .
2. DCSC promised to provide adequate number of dedicated Loading Staff + Supervisor for handling of each airline's cargo. DCSC confirmed that it will provide adequate loading staff for handling Outbound & Inbound Cargo at DCSC Terminal. DCSC stated that they would deploy a total of 180 loading staff in 3 shifts & agreed to give a break-up of the staff per shift.
3. Cut-Off Time : It was discussed & agreed that acceptance of 'Outbound Cargo' for any particular flight would be closed : STD - 90mins. i.e. the last shipment for that flight would be accepted latest 90 mins before flight departure. DCSC mutually agreed with the airlines , that the time between acceptance and onto airline's trucks/trolleys would be 45 minutes, with the aim to reduce this time to 30 minutes.
4. Inbound cargo would be delivered after segregation , latest 60 minutes after its receipt at DCSC Terminal, along with manifest+AWBs , based on airline's Delivery Order. In case of any missing package/s DCSC will need to weigh the shipment, in order to ascertain the weight of the missing package/s.
5. With respect to pilferage of cargo while in DCSC Custody: DCSC offered to issue a 'Loss Certificate' which could be used for Insurance Claims by the customers.

With regards to damage of cargo while in DCSC Custody : DCSC stated that the same is covered under the Liability Clause of the IATA SGHA Main Agreement.

Airlines suggested DCSC should cover airlines' present liability of INR 450/- per kg ,if no value declared; for Loss/Damage of any package/s in DCSC 's custody & wanted DCSC to settle any claims for same, made by the consignee . DCSC promised to check with their Insurance Company & get back to the airlines on the subject.

6. DCSC promised to provide proper toilet facilities, with a separate toilet for ladies. It was also decided that DCSC would install a water purifying machine at the DCSC Terminal, instead of the water dispensers . DIAL also promised to arrange Canteen Services at DCSC Terminal, to provide tea/coffee/dry snacks, by the end of this week.

7. All airlines ( SpiceJet, Kingfisher, Indigo & GO Air ) refused to sign an additional agreement , but informed that the collection of TSP charges by the airlines on behalf of the agents could be covered in a side-letter , or , the present SGHA Annex B could be modified to include agreed TSP Charges to be put on the AWB , which would be paid by the airlines , as per the invoice/s raised by DCSC at the end of the month. Airlines would honour same and will pay to DCSC within seven days, whether they have recovered from the agent or not.  
There will be a separate side-letter which will be drawn between the airline & DCSC .

DCSC also requested the airlines to accept a fortnightly billing, which the airlines did not agree & insisted on a monthly billing cycle.

8. Upon airline's request, DCSC agreed to offer a 50% discount on Handling & TSP Charges , for airline's Company Stores consigned to themselves.
9. It was decided that the airlines would resume operations of their outbound cargo from DCSC Domestic Cargo Terminal effective today i.e. 6<sup>th</sup> May 2010.

The inbound loads will, however, not be handled at DCSC Terminal for 1 month.

Same would be handled by the airlines through 'Gate No 10' , from an area to be advised by DIAL.

10. DCSC agreed to revise its Handling Rates offer to the airlines until 31<sup>st</sup> Jul'2010 & offered a rate of INR 0.80/kg for the Outbound Cargo handled at DCSC Terminal i.e. till such time the Inbound also moves to DCSC terminal, after which the agreed rate of INR 0.70/kg will apply for both Outbound & Inbound Cargo .

It was also agreed by DCSC to remove the minimum charges conditions.

11. The airlines suggested that with 9W moving in the rates should be discussed as more tonnages would be added.

DCSC stated that the rates to be applied after 31<sup>st</sup> July'2010 would need to be revised upwards.

12. During the above mentioned period, DCSC would bring about the required improvements in its facility, in order to handle all loads i.e. inbound + outbound. DCSC would share the feed-back with all concerned.
13. Regarding the monitoring of ongoing improvements at DCSC Terminal : it was decided that DCSC Team would co-ordinate with airlines' Managers stationed at the terminal . Any suggestions for improvements will be considered by DCSC.



**RG Panicker**

---

**From:** Rajendra Varma  
**Sent:** Friday, May 07, 2010 4:24 PM  
**To:** pradeep.panicker@gmrgroup.in; Edmund Jones; 'Srinivasa Mathrubhutam'; tarun.sabharwal@gmrgroup.in; vidhu.nair@spicejet.com; mahesh.malik@interglobe.com; s.hari@goindigo.in; denis.crasto@flykingfisher.com; akhilesh.rao@flykingfisher.com; hemant.anand@flykingfisher.com; kdsingh@greenairways.in; tejdang@hotmail.com; amriksingh.dm@gmail.com  
**Cc:** Venugopal Bangera; Anil Jaiswal; RG Panicker; tushar@scagroup.in  
**Subject:** Amended minutes of the meeting at DIAL HQ on 06 May  
**Attachments:** Amended Minutes of Meeting held at DIAL HQ on 06 May 2010.docx

Dear All,

Kindly find in attachment, Amended minutes of the meeting held at DIAL HQ , between Domestic Airlines , DIAL & DCSC, on 06 May.

The amendments regarding the airline's remarks are shown in 'pink' colour & those of DCSC are in 'green' colour.

with kind regards,

Rajendra Varma  
General Manager - Commercial & Regulatory Affairs, DELHI CARGO SERVICE CENTER, Room No. 36, 1st Floor, Express Terminal, I.G.I. Cargo Complex, New Delhi-110037.

Mob : + 91 98100 20020  
e-mail : [rajendra.varma@cscindia.in](mailto:rajendra.varma@cscindia.in)  
Website: [www.cscindia.in](http://www.cscindia.in)





**RG Panicker**

**From:** Yogendra Tomer [Yogendra.Tomer@gmrgroup.in]  
**Sent:** Tuesday, August 17, 2010 2:03 PM  
**To:** edmund.jones; 'Crasto, Denis KFA/BOM'; RG Panicker; Rajendra Varma; s.hari@goindigo.in; 'Anand, Hemant KFA/DEL'; 'Sunil Kumar'; tejdang@hotmail.com; Anuz Thapliyal; Dharmender Y  
**Cc:** Pradeep Panicker; Sanjiv Edward; Srinivasa Mathrubhutam; Tarun Sabharwal  
**Subject:** RE: Meeting GMR/DCSC/Airlines

Dear Eddie,

Thank you very much for your valuable suggestion and will get back soon with a plan for vehicular movement at CUDCT area.

Brgds, Yogendra

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**From:** edmund.jones [mailto:edmund.jones@spicejet.com]  
**Sent:** Tuesday, August 17, 2010 10:15 AM  
**To:** Yogendra Tomer; 'Crasto, Denis KFA/BOM'; 'RG Panicker'; 'Rajendra Varma'; s.hari@goindigo.in; 'Anand, Hemant KFA/DEL'; 'Sunil Kumar'; tejdang@hotmail.com; 'Anuz Thapliyal'; Dharmender Y  
**Cc:** Pradeep Panicker; Sanjiv Edward; Srinivasa Mathrubhutam; Tarun Sabharwal  
**Subject:** RE: Meeting GMR/DCSC/Airlines

Dear Yogendra,

Thank you for amending the minutes.

With regards suggestions to ensure smooth ops:

- CITY SIDE
- Blue dart should not be allowed to park their vehicles (both trucks as well as staff vehicles) where they are presently parked.
- For truck docking of goods vehicles at DCSC, the movement should be regulated and DCSC must ensure that manpower is provided immediately to offload the loads from the truck( once docked) and on emptying the truck, it should be moved out of the operational area
- Parking for staff vehicles should be identified and made available within reasonable distance from the warehouses.
- Parking for commercial vehicles till they can proceed t docking area should be identified and controlled.
- AIR SIDE:
- 2<sup>nd</sup> Gate is a must.
- Area in front of gate (near proposed space for 9W) should be large enough to avoid hampering movement of all vehicles to/from ramp/warehouse for the other users.

Hope above will be helpful

Thanks/Regards,

Eddie

**Edmund Jones**  
 Sr. General Manager - India , Cargo  
 SpiceJet Limited

T : +91 124 391 3939  
 D : +91 124 391 3884  
 F : +91 124 391 3888

[www.spicejet.com](http://www.spicejet.com)

-111-      -2/1

**From:** Yogendra Tomer [mailto:Yogendra.Tomer@gmrgroup.in]

**Sent:** Monday, August 16, 2010 6:49 PM

**To:** edmund.jones; 'Crasto, Denis KFA/BOM'; 'RG Panicker'; 'Rajendra Varma'; s.hari@goindigo.in; 'Anand, Hemant KFA/DEL'; 'Sunil Kumar'; tejdang@hotmail.com; 'Anuz Thapliyal'; Dharmender Y

**Cc:** Pradeep Panicker; Sanjiv Edward; Srinivasa Mathrubhutam; Tarun Sabharwal

**Subject:** RE: Meeting GMR/DCSC/Airlines

Dear Eddie,

Thank you very much for your observation and subsequently trailing mail. As per your observation point 6 is amended as bellow.

"airlines will revert with discrepancies within a week and will pay within period stipulated in the Agreement After receipt of correct billing".

All are requested to kindly make a correction in Mom of meeting held on 12 August'10 at CCO conference room at 1100 hours as above.

Point 3.3 – due non availability of all vehicular committee members meeting could not be held during previous week. Therefore, a meeting comprising all vehicular movement committee members has been called tomorrow 17 August 2010 at 1100 hours to finalize SOP for the same.

Your valuable suggestions to reduce congestion at CUDCT area will be highly appreciated.

Brgds, Yogendra

---

**From:** edmund.jones [mailto:edmund.jones@spicejet.com]

**Sent:** Monday, August 16, 2010 4:32 PM

**To:** Yogendra Tomer; 'Crasto, Denis KFA/BOM'; 'RG Panicker'; 'Rajendra Varma'; s.hari@goindigo.in; 'Anand, Hemant KFA/DEL'; 'Sunil Kumar'; tejdang@hotmail.com; 'Anuz Thapliyal'; Dharmender Y

**Cc:** Pradeep Panicker; Sanjiv Edward; Srinivasa Mathrubhutam; Tarun Sabharwal

**Subject:** RE: Meeting GMR/DCSC/Airlines

Dear Yogendra,

POINT 3.3 – Land Vehicular Movement – Deadline was 13<sup>th</sup> .....till date no plan received.

Point 6.6 – Airlines will revert with discrepancies within a week and will pay within period stipulated in the Agreement **after** receipt of correct billing.

Kindly amend point 6.6. accordingly.

Thanks/Regards,

Eddie

**Edmund Jones**

Sr. General Manager - India , Cargo  
SpiceJet Limited

T : +91 124 391 3939

D : +91 124 391 3884

F : +91 124 391 3888

[www.spicejet.com](http://www.spicejet.com)



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**From:** Yogendra Tomer [mailto:Yogendra.Tomer@gmrgroup.in]

**Sent:** Monday, August 16, 2010 2:38 PM

**To:** 'edmund.jones'; 'Crasto, Denis KFA/BOM'; 'RG Panicker'; 'Rajendra Varma'; 's.hari@goindigo.in'; 'Anand, Hemant KFA/DEL'; Sunil Kumar; 'tejdang@hotmail.com'; Anuz Thapliyal; Dharmender Y



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C-3/3

**Cc:** Pradeep Panicker; Sanjiv Edward; Srinivasa Mathrubhutam; Tarun Sabharwal  
**Subject:** RE: Meeting GMR/DCSC/Airlines

Dear Sir,

Kindly find attached summary records of meeting held on 12 Aug'10 at CCO Conference Room in New Udaan Bhawan.

Should you need any further clarification please feel free to call me any time.

Brgds, Yogendra

9901899623

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**RG Panicker**

---

**From:** Yogendra Tomer [Yogendra.Tomer@gmrgroup.in]  
**Sent:** Monday, August 16, 2010 2:38 PM  
**To:** 'edmund.jones'; 'Crasto, Denis KFA/BOM'; RG Panicker; Rajendra Varma; 's.hari@goindigo.in'; 'Anand, Hemant KFA/DEL'; Sunil Kumar; 'tejdang@hotmail.com'; Anuz Thapliyal; Dharmender Y  
**Cc:** Pradeep Panicker; Sanjiv Edward; Srinivasa Mathrubhutam; Tarun Sabharwal  
**Subject:** RE: Meeting GMR/DCSC/Airlines  
**Attachments:** MOM\_Dom Carriers1.docx

Dear Sir,

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Should you need any further clarification please feel free to call me any time.

Brgds, Yogendra  
9901899623

[MOM\\_Dom Carriers1.docx](#)

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B-1/2

**DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED  
CARGO TERMINAL IGI AIRPORT, NEW DELHI - 110 037**

**Summary record of discussion held at 1130 hours on Thursday, August 12, 2010 at CCO Conference Room with DCSC and Airline Operators of Common User Domestic Cargo Terminal ( CUDCT)**

Following representatives attended the meeting:

S.N.	DIAL	DCSC	AIRLINES
1.	Mr Pradeep Panicker	Mr. Radharamanan Panicker	Mr Edmund Jones - Spicejet
2.	Mr Sanjiv Edward	Mr. Rajendra Varma	Mr Crasto Denis - KFA
3.	Mr Srinivasa Mathrubhutam	Col. Anuz Thapliyal	Mr Hemant Anand - KFA
4.	Mr Dharmender Yadava		Mr S. Hari - Indigo
5.	Mr Tarun Sabharwal		Mr Sunil Kumar - Indigo
6.	Mr Yogendra Tomer		Mr Tejinder S.Dang - Go Air
7.			
8.			
9.			
10.			

Yogendra Tomer welcomed the participants and upon discussion following decisions emerged:

S.No	Issues	Decisions	Timeline	Action By
1.	Infrastructure	-Extension towards inbound 680 Sqm -Extension towards outbound 760 Sqm - toilet facilities to be enhanced - CISF/BCAS permission for opening of second airside -New boom barrier at city side entrance	22/08/2010 22/08/2010 22/08/2010 25/08/2010 30/11/2010	DCSC/DIAL
2.	Manpower	DCSC staff strength 150 and will be enhanced as and when required	On going	DCSC

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3.	Land vehicular management	Plan of vehicular management to be circulated	13/08/2010	DIAL/DCSC
4.	Commercial trucks /Staff Car Parking	Beyond one hour applicable parking fee of Rs 60/- to be charged from Commercial Vehicles: airline Staff Vehicles will be @ Rs 170/- per month	01/09/2010	DIAL
5.	Weight and volume of cargo	Weight and volume to be taken at admittance and weekly report to be forwarded to airlines	On going	DCSC/Airlines
6.	Billing	In case of discrepancy in billing airlines will revert to DCSC with in a week and pay on time	On going	Airlines/DCSC
7.	Handling Contracts & Commercials	All airlines will sign handling contracts with DCSC and DCSC will handle inbound and outbound @ Rs 0.80 per Kilo	01 Sep 2010	Airlines/DCSC
8.	SLAs and Penalties	DCSC will issue SLAs in coordination with airlines	22 august 2010	DCSC/Airlines
9.	Pre-Alerts	Airlines will give Pre-Alerts to DCSC & DIAL for Sensitive Cargo e.g. Mobile Phones etc;	Immediate	Airlines

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CARGO SERVICE CENTER

Annexure **7A**

DCSC CARGO TERMINAL PROJECT - DELHI AIRPORT

DOMESTIC OPERATIONS

INR

	Initial	May'2010- Mar'2011	Apr11 - Nov11	Total	Remark
Volume of Cargo handled		120877	70800	191477	Assumed 30% of Domestic business would shift to Brownfield Terminal Operator by Apr'11
(Inbound and outbound) in MT					
<b>REVENUE FROM OPERATION</b>					
Physical Handling Charges		88,722,327	56,640,000	146,362,327	
Security Screening		62,782,129	28,875,000	81,657,129	
TSP		79,201,350	49,580,000	128,761,350	
Other Revenue		2,036,101	1,053,500	3,089,601	
<b>TOTAL CARGO REVENUE</b>		<b>223,741,907</b>	<b>136,128,500</b>	<b>359,870,407</b>	
Concession Fee payable to DIAL		53,698,058	32,670,840	86,368,898	
<b>NET REVENUE</b>		<b>170,043,849</b>	<b>103,457,660</b>	<b>273,501,509</b>	
<b>OPERATING EXPENSES</b>					
Staff Cost		49,764,379	42,896,894	82,661,273	
Warehouse Operating cost		15,897,297	16,130,000	32,027,297	
Airport License Fee		-	7,515,954	7,515,954	License Fee w.e.f Apr'11
IT & Communication Cost		5,718,763	7,150,000	12,868,763	
Marketing and Royalty fee		7,830,967	4,764,498	12,595,464	
Admin & Overhead cost		23,473,765	24,647,454	48,121,219	
<b>Total Operating Expenses</b>		<b>102,886,171</b>	<b>103,104,799</b>	<b>205,789,970</b>	
<b>Operating Margin (EBITDA)</b>		<b>67,358,879</b>	<b>362,861</b>	<b>67,711,539</b>	
Depreciation		57,891,111 31,115,922	62,111 22,829,761	53,745,683	
<b>Operating Margin (EBIT)</b>		<b>36,242,757</b>	<b>(22,276,900)</b>	<b>13,965,857</b>	
Provision for Tax		11,199,012	-	11,199,012	
<b>PROFIT AFTER TAX</b>		<b>25,043,745</b>	<b>(22,276,900)</b>	<b>2,766,845</b>	
<b>Capital Investment for Domestic Operations</b>					15.83% value considered of X-ray / IT cost (for 19 month ops)
- Upfront Warehouse Cost paid	50,000,000				
- X-Ray / MHE	3,603,334				
- IT Cost	142,348				
<b>Total Capital Invested</b>	<b>53,745,683</b>	Own fund			
Cash Flow from Operations		56,159,667	352,861		
Capital Expenditure	(53,745,683)				
Cash Balance	(53,745,683)	56,159,667	352,861		
Return on Equity		6.12%			



DELHI CARGO SERVICE CENTER PVT. LTD.


  
Authorized Signatory



# S. RAWLA & ASSOCIATES

Chartered Accountants

House # 948, Sector-28, Faridabad-121002

Phone: 9810456171 / 91-129-4049211

Dated: December 4, 2010

To Whomsoever It May Concern:

Delhi Cargo Service Center Private Ltd, a subsidiary of Cargo Service Center India Private Ltd, having its registered office at A-294/1, Road No. 6, National Highway -8, Mahipalpur Extension, New Delhi-110037 has won the concession from Delhi International Airport Limited (DIAL) to build a Greenfield Air Cargo Terminal at Delhi International Airport. In the interim, till it's facility is constructed, the company has been given a mandate by DIAL to Manage and Operate the Interim Domestic common user Terminal at Delhi airport to handle the cargo of all domestic carriers at Delhi airport.

As provided under the AERA Act, the company has to submit a financial plan, along with Tariff proposal, to AERA for approval.

The financial plan has been drawn up on the following assumptions and considerations:

1. The financial plan covers the period from May, 2010 to November, 2011.
2. The operations of Interim Domestic Terminal will be shifted to Green Field terminal once it is ready somewhere in November 2011 as per the project plan of the company.
3. The data / numbers given in the Financial plan for the period ending 31<sup>st</sup> March 2011 are based on historical recording of transactions in the books of the company from April 2010 to October 2010 and management estimates for the rest of financial year.
4. It is assumed that from January 1, 2011 the business of the company will be reduced by 30% as the second operator will be allowed to operate and handle domestic cargo and management expects some migration of clients to the new operator.
5. DCSC has paid a sum of Rs. 5 crores to DIAL for operation of Interim Domestic Terminal as per clause 2.9.1(d) of the Concession Agreement entered between DCSC and Delhi International Airport Private Limited on November 19, 2009.
6. Only 15.83 % of the Cost of Handling Equipment and IT Hardware deployed at the interim terminal has been apportioned for the period of actual use considering the life of the assets of 10 years.
7. DCSC pays concession fees of 24% of gross revenue as per clause 3.1.1 of the Concession Agreement.
8. Land License Fees, which becomes payable effective 1<sup>st</sup> April 2011, has been accounted for after taking into consideration 7.5% upward increase as per clause 3.4 of the Concession agreement .
9. Business support service expenses in the nature of marketing support, know-knowhow, development of brand equity and general facilitation for cargo handling has been provided to the tune of 3.5% of gross revenue, which is payable to both the shareholders




of the DCSC (Concessionaire) as per clause 3.7 of the Share Transfer cum Shareholders agreement.

10. The management has neither paid nor provided for the remuneration of top management viz; Managing Director and other Directors of the company in this financial plan.
11. The effective rate of Income tax on book profits generated from operations carried out at Interim Domestic Terminal has been taken as 30.90% currently applicable to corporate entities.
12. It is envisaged that after November 30, 2011 the Interim Domestic Terminal operations will be shifted to Greenfield project presently under implementation.

The amount of Capital deployed for the Interim Domestic Terminal Operation comprises of Equity Share Capital contribution made by both the shareholders of DCSC.

In our opinion the Financial plan for operation of Interim Domestic Terminal, read along with the assumptions detailed herein, presents a fair view of the operating financials of the company. This confirmation plan has been issued at the request of the company for submission along with their application for Tariff approval from AERA.

For S. Rawla & Associates

  
Sukil Rawla  
Proprietor  
Membership No: 085048.



P.S. The schedule annexed hereto forms part of this confirmation.



## Annexure-II

### Tariff of charges proposed by DCSC

**I.** Tariff Proposal for levy of Terminal Storage and Processing Charges (TSP) applicable to shippers/consignees/agents

<b>S.No</b>	<b>CHARGES</b>		
<b>1</b>	<b>TSP CHARGES</b>	<b>If invoiced</b>	<b>If paid in</b>
	<b>Cash</b>		
a.	General Cargo	INR 0.70/kg	INR 0.66/kg
b.	Special Cargo		
	Live Animal	INR 1.40/kg	INR 1.35/kg
	Dangerous Goods	INR 1.40/kg	INR 1.35/kg
	Valuable Cargo	INR 1.40/kg	INR 1.35/kg
c.	Couriers	INR 0.70/kg	INR 0.65/kg

<b>2</b>	<b>DEMURRAGE CHARGES</b>	
a.	General Cargo	INR 0.70/kg/day
b.	Special Cargo	
c.	Live Animal	INR 1.40/kg/day
	Dangerous Goods	INR 1.40/kg/day
	Valuable Cargo	INR 1.40/kg/day
c.	Couriers:	INR 0.70/kg/day

**II.** Tariff Proposal for levy of TSP, handling and X-Ray machine usage and other charges to Airlines.

<b>OUTBOUND &amp; INBOUND HANDLING</b>	
1 Outbound & Inbound Cargo	INR 0.80 per kg.
2 Trans-shipment Cargo & Offloaded Cargo	INR 1.20 per kg.
3 Storage Charges beyond Free Period of 24 hrs.	INR 0.80 per kg.
4 X-Ray Machine Usage Charges ) (except Airlines Stock)	INR 0.75 per kg
5 X-Ray Machine Charges (except Airlines Stock) if provided by Handling company	INR 0.75 per kg.
6 TSP & Demurrage charges	As applicable to

	shippers/Consignees
--	---------------------

<b>ADDITIONAL SERVICES &amp; CHARGES</b>	
1.DGR acceptance check	INR 1400/- per AWB subject to maximum of 20 pieces per AWB. Additional pieces will be charged @ INR 75/- per additional piece
2. Dry Ice acceptance checklist	INR 700/- per AWB
3. Live Animal acceptance and Handling	INR 2110/- per AWB
4. Valuable Handling	INR 750/- per AWB