

April 27, 2017

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

**Ref: Consultation Paper No. 8/2016-17**

**Subject:** Feedback on AERA's Consultation paper related to Capping the percentage of Royalty / Revenue Share payable to Airport Operator as a "Pass Through" Expenditure for the Independent Service Providers providing Cargo facility, Ground Handling and Supply of Fuel to the Aircraft at Major Airports.

Dear Sir,

We have attended the Consultation meeting on the above mentioned consultation paper held on February 21, 2017. Please find below our submissions on the said consultation paper;

1. There is no value-addition or enhanced quality to warrant the royalty charges/revenue share imposed by Airport Operators. The same are charged only for providing access to the Independent Service Provider(ISP) to the airport, and should therefore be very nominal in nature and not substantially increase the cost of services provided by ISP.
2. The Royalty Charges/Revenue Share charged by Airport Operators is not in consonance with European Union Regulations, where the same is prohibited.
3. Royalty Charges/Revenue Share payable to airport operators by ISP are made part of the total operating expenditure of ISP and the same has been collected by ISP from the users of the services. The said charges substantially increase the cost of the services availed by the users, without adding any value thereby limiting the growth of the sector.
4. Royalty charges/Revenue Share charged by airport operator are calculated on an adhoc basis and do not have any relevance to the cost incurred by airport operator. As AERA rightly pointed out in the consultation paper, the same are not consistent with the policies of ICAO related to tariff determination.





Based on the above, we request AERA to kindly eliminate the royalty charges in line with European Union regulations. In the unlikely event that this is not deemed acceptable, it is requested that AERA cap the royalty charges to 5% to promote the growth of aviation sector.

Thanking you,  
For Blue Dart Aviation Limited,

*N. Palaniappan*

N. Palaniappan  
Company Secretary & Sr. Manager-Finance