

[F.No. AERA /20011/DIAL-C/2010-11]

Airports Economic Regulatory Authority of India

Order No. 10/2010-11

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

**Date of Order: 10th December, 2010
Date of Issue: 10th December, 2010**

**In the matter of Delhi International Airport Ltd's (DIAL) proposal for levy of
X-Ray Screening (Certification) charges for Domestic Cargo at IGI Airport,
w.e.f, 01.05.2010**

M/s. Domestic Air Cargo Agents Association of India (DACAAI) had filed an application dated 30.04.2010, under Section 13 of Airports Economic Regulatory Authority of India Act, 2008 (the Act) against the levy of Terminal, Storage and Processing (TSP) charges, X-Ray screening charges, Unitization and De-unitization charges by M/s Delhi Cargo Service Centre Pvt. Ltd (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 and de-unitization and they never charged separately for these facilities. The freight charges were inclusive of the charges for these facilities. M/s. Delhi International Airport (p) Ltd (DIAL) has commissioned Common Users Terminal for domestic cargo at IGI Airport and had concessioned it to M/s. Delhi Cargo Service Centre (P) Ltd. (DCSC). DACCAI stated that DIAL has proposed to charge, cargo handling charges under the heads of unitization charges, de-unitization charges and X-Ray screening charges and that DCSC were insisting the cargo agents to open pre-deposit account.

2. The Authority vide letter dated 30.04.2010, addressed to M/s DIAL stated that in terms of Section 2 (a) of the Act 2008, 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. DIAL was asked to submit a factual report for further consideration by the Authority by 07.05.2010. A reminder in this regard was also sent to DIAL on 10.05.2010.

3.1 DIAL did not submit any factual report to the Authority by the stipulated time. However, DCSC vide its letter dated 14.05.10, submitted that:

"Domestic Cargo was hitherto being handled by individual carriers on scattered locations around Delhi Airport. With an intention to improve efficiency and increase in safety and security, DIAL has concessioned the development of Common User Domestic Cargo Terminal (CUDCT) at IGI Airport to Cargo Service Centre Pvt. Ltd. The CUDCT was commissioned



on 1st May, 2010. This being an extension of Cargo Services being provided at IGIA, 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. As such, there has been no increase in the charges for Cargo Services at CUDCT at IGIA.”

3.2 DIAL did not respond to the Authority's letters dated 30.04.2010 and 10.05.2010. The reply submitted by DCSC was not satisfactory and silent about whether the charges levied from the domestic cargo carriers are new charges in so far as such carriers or their agents are concerned. Therefore, Authority vide its letter dated 08.06.2010, asked DIAL to submit a factual report along with appropriate clarifications in the matter before 15.06.2010.

3.3 DIAL, vide its letter No. DIAL/2010-11/Comm-Cargo/684 dated 17.06.2010, informed that they are working on the details requested by the Authority and requested an extension of 10 days to provide the requisite information.

4.1 DIAL, vide letter dated 26.06.2010, clarified that the CUDCT has been developed to consolidate the scattered domestic cargo operations around the IGI Airport and bring them under one roof in a secured and integrated environment, enhance the synergy in cargo handling operations and also directly assist in improving the operational efficiency through the concept of cargo village.

4.2 Further, in terms of the provisions of OMDA, DIAL has, 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:

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

4.3 DIAL clarified 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 Common User Domestic Terminal (CUDCT) till the new Greenfield Terminal is developed and commissioned by DCSC which is expected by January, 2011.

4.4 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. The same is expected to be achieved by January 2011.

4.5 Further, the factual position sought from DIAL has been provided to the Authority by DCSC vide their letter dated 14.05.2010 and DCSC has provided the facts and clarifications vide their letter dated 26.06.2010.

5. DACAAI, vide letter dated nil (received on 07.07.2010), stated that creation of Cargo Service Centre for domestic cargo is new development. Hence, charges introduced are also new charges, which needs approval from the Authority. They have 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.

6. The Authority observed that:

- (a) In terms of Section 2 (a) of the Act, any service provided for the cargo facility at an airport is an "aeronautical service". The tariff for the Aeronautical Services 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. 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.
- (b) Processing of domestic cargo at Cargo Service Centre is a new activity as earlier it was being done by airlines themselves. This new activity is also being carried out by a new entity viz. DCSC. Hence levy of TSP and other related charges for handling of cargo appear to be new charges and DCSC is required to obtain previous approval of the Authority as per the (b) above. 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.
- (c) DIAL delayed the submission of information. DIAL and DCSC 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.
- (d) The Authority has recently issued its Order No. 05/2010-11 dated 02.08.2010 in the matter in the matter of Regulatory Philosophy and Approach in Economic Regulation of the services provided for Cargo Facility, Ground Handling and Supply of Fuel to the aircraft at the major airports in respect of independent service providers, along with the draft guidelines for tariff determination.

7. Keeping in view the above, the Authority issued Directions No.03/2010-11 dated 06.10.2010 under Section 15 read with Section 13 of the Act to DCSC to stop charging TSP and Unitization and De-Unitization charges and to DIAL to stop charging X-Ray baggage screening charges from the users, w.e.f. 01.05.2010. DIAL and DCSC were also advised that if they so desire, they may submit a proposal for determination of tariff in line with the draft guidelines issued by the Authority on 02.08.2010.

8. Authority has, thereafter, received a letter Ref: DIAL/ AERA/2010-11/1720 dated 08.11.2010, from DIAL. It has been submitted that:

- (i) There is a contradiction between the letter dated 30.4.2010 of DACCAI and another letter dated 7.07.2010.
- (ii) X-Ray screening is provided by DIAL in terms of mandate given by the BCAS vide their letter no CAS-8(4A)2005-08/DIV-1(Cargo) dated 14.11.2008. Further, as per Circular No. 03/2003 issued by BCAS minimum specifications/standards, as regards to X-Ray, is same both for domestic as well as international cargo. Therefore, pursuant to the creation



of the domestic cargo facility, DIAL had extended the existing international cargo X-Ray charges to the said services to domestic cargo.

- (iii) This is a very critical activity and is essential for the safety of passengers and aircraft. If the Direction is given affect to, it will lead to irreparable and irreversible cessation of domestic cargo handling activities at the IGI airport. This will cause extraordinary and irreparable loss and damages to the entire community of airlines, shippers, agents and users and the export import business community.
- (iv) Section 2(a)(v) of the AERA Act, 2008, "includes Cargo facility (which includes X-Ray) as an Aeronautical Service". However, their concession agreement defines cargo handling and services (which includes x-ray) as non aeronautical services. Compliance with the concession agreement needs to be adhered to in a holistic manner to ensure that the commercial position of DIAL is not eroded. Further, "under clause 13(a)(vi) of the AERA Act, due consideration needs to be given to concession offered by the Central Government".
- (v) AERA is yet to finalize its regulatory philosophy and approach in economic regulation of airports. While AERA has communicated in various forums and documents that it would consider the provisions and the effect of the concession agreements for the concerned airports, it has yet to come out with the framework within which such issue will be addressed.

In view of the above, DIAL requested that they may be permitted to continue to levy X-Ray charges for domestic cargo. This letter of DIAL was received in the Authority on 10.11.2010.

9. Vide another letter Ref: DIAL/AERA/2010-11/1735 dated 11.11.2010, DIAL, in continuation and modification of the aforesaid letter dated 8.11.2010, submitted that:

- (i) The scope of X-Ray services for domestic X-Ray as well as international X-Ray as mandated by BCAS, is same. Therefore they have adopted the X-Ray Screening (Certification) Charges for domestic cargo at the same levels as was in vogue for International Cargo X-Ray Screening (Certification) Charges.
- (ii) Existing X-Ray Screening Certification Charges in respect of international cargo, w.e.f. 16.01.2009, are as under:

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB

This was supported with the copy of minutes of a meeting held on 16.01.2009 and the agreement dated 1.4.2010 with the Japan Airlines



International Co. Ltd. and agreement dated 29.04.2010 with the Kingfisher Airlines Ltd.

In view of the above, DIAL requested for the Authority's approval for the X-Ray Screening (Certification) Charges for domestic cargo in respect of IGI Airport, New Delhi, w.e.f. 01.05.2010 as under:

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB

10. Vide another letter Ref: DIAL/AERA/2010-11/1741 dated 12.11.2010, DIAL clarified and confirmed that X-Ray Machine Usage Charges are levied and collected by DCSC and that DIAL is not seeking any approval in this respect.

11. The Authority observed that:

- (i) There appears to be no material contradiction between the submissions made by DACAAI in their letters dated 30.4.2010 and 7.07.2010, as claimed by DIAL in their letter dated 8.11.2010.
- (ii) It is an admitted position of DIAL that as per section 2(a)(v) of the AERA Act, 2008 services provided for cargo facility (which includes X-Ray screening) at an airport is an aeronautical service. However, with reference to a Concession Agreement, they have claimed that cargo handling and services (which include X-Ray) is a non-aeronautical service and requested for compliance with the Concession Agreement. Though DIAL have not specified the Concession Agreement being relied upon by them, it is noted that the Central Government has entered into a State Support Agreement (SSA) on 26.04.2006 with DIAL. SSA does not give classification of services between aeronautical and non-aeronautical. It is to be further noted that as per the Operation Management and Development Agreement (OMDA) between Airports Authority of India and DIAL entered into on 04.04.2006, "aeronautical services" are listed in Schedule 5 and "non aeronautical services" are listed in Schedule 6 thereof. At sl. 3 and 4 of the Schedule 6, i.e., relating to the non aeronautical services, "cargo handling" and "cargo terminals" are mentioned, respectively. It would appear that DIAL is alluding to this provision of OMDA to claim that "cargo handling and services (which includes X-Ray)" are non aeronautical services as per Concession Agreement. It is a well considered and by now an oft-repeated position of the Authority that OMDA is not a concession offered by the Central Government. Therefore, the Authority is not statutorily bound to give consideration to the provisions of OMDA while determining tariff in respect of aeronautical services in terms of the Act. Further, even if the aforesaid provisions of OMDA in respect of non aeronautical services are read into SSA, such provisions of OMDA, in so far as they relate to services provided for cargo facility, are contrary to the specific and explicit provisions of the AERA Act, 2008 defining the cargo service as an



aeronautical service and, thus, requiring the Authority to determine tariff thereof. Hence, the Authority cannot accept the view that mention of "cargo handling" and "cargo terminal" in OMDA as non-aeronautical service means that this service has gone outside the regulatory ambit. The Cargo service clearly remains aeronautical service requiring tariff determination by the Authority. As such the Authority cannot be expected to give effect to the said provisions of OMDA. Thus, it is clear that the services provided for cargo facility which includes X-Ray screening services, are aeronautical services that have to be regulated by the Authority. DIAL appear to have realized this position and have, therefore, in modification of their earlier stand taken in letter dated 08.11.2010, have on 11.11.2010 sought the approval of this Authority for the X-Ray Screening (Certification) Charges.

- (iii) BCAS has issued a Circular No. 03/2003 on 23.1.2003 laying down minimum specifications/standards for X-Ray Baggage Inspection System (X-BIS) for screening of hand baggage, registered baggage, unaccompanied baggage, cargo, mail, etc. It would appear from the aforesaid Circular that no distinction is being made in so far as X-Ray screening standards are concerned, between the domestic cargo and international cargo.
- (iv) In a meeting held on 16.1.2009 between DIAL and BAR (India) Cargo X-Ray Screening Charges were mutually agreed as under:
- a) Upto 500 MT of cargo per month Re 0.90/Kg
 - b) Beyond 500 MT per month Re. 0.80 / Kg
 - c) X-ray machine Usage Charges will remain Rs. 0.75 / Kg, till any revision

It has been clarified by DIAL that X-Ray Machine Usage Charges are recovered by DCSC. Therefore, these are not to be considered by the Authority, presently.

- (v) In the agreement dated 1.4.2010 entered with Japan Airlines another slab of charges, i.e., Rs. 0.55 per KG above 700 ton per month with a minimum charge of Rs. 100 per Air Way Bill has been agreed to. In the agreement dated 29.4.2010 with Kingfisher Airlines, which is with reference to certification of domestic cargo, the slab is same as in case of Japan Airlines, with minimum charge of Rs. 100 per Air Way Bill have been agreed to. Therefore, DIAL's claim that they have been charging the given rates in respect of X-Ray Screening (Certification) for international cargo appears to be, prima facie, acceptable.
- (vi) X-Ray Screening is a security function. Therefore, there is a merit in DIAL's request for early consideration of their request for approval.

12. In view of the above, the Authority in its twenty third meeting held on 12.11.2010 decided to propose to approve the levy of X-Ray Screening (Certification) Charges for domestic cargo at IGI Airport, New Delhi, by DIAL, at following rates w.e.f. 01.05.2010, subject to stakeholder consultation which will be reviewed at the stage of tariff determination, for the first cycle, in respect of IGI Airport, New Delhi :

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90



501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB

13.1 In pursuance of the above a Consultation paper No.11/2010-11 was issued on 13.11.2010 soliciting feedback, comments and suggestions from stakeholders on the proposal contained in para 7 thereof latest by 27th November, 2010.

13.2 Only two stakeholders, namely, Mumbai International Airport Pvt. Ltd (MIAL) vide letter no. MIAL/PR/212 dated 27.11.2010 (**Annexure-I**) and Airports Authority of India (AAI) vide letter No. AAI/CHQ/AERA/2010 dated 6.12.2010 (**Annexure-II**) have furnished their comments.

13.3.1 Commenting specifically on the proposal in the Consultation paper issued by the Authority, MIAL has stated that they “....note that AERA has accepted that such charges for Domestic Cargo are to be same as applicable to International cargo because activity is the same, which seems to be a logical conclusion.”

13.3.2 In addition MIAL have submitted the following comments which are not specifically on the proposal:

- a) The OMDA dated 4.04.2006 read with State Support Agreement (“SSA”) dated 26.04.2006 executed between AAI and MIAL is very much in the nature of a concession contemplated under section 13(1) (a) of AERA Act 2008.
- b) The OMDA read with the SSA constitutes complete commercial, contractual, legal basis on which the two airports at Mumbai and Delhi were privatized. The economic basis on which MIAL/DIAL participated in modernization and development of Mumbai Airport/Delhi Airport, is squarely reflected in the SSA read with the OMDA.
- c) AERA Act posits the sanctity of those economic and commercial parameters on which Delhi and Mumbai airports were privatised, irrespective of the nomenclature of the contractual document in which such economic and commercial understanding was captured.
- d) In line with the mandate of the AERA Act, AERA may ensure there is no economic or commercial setback caused to the relevant airports as a result of the tariff determination under the AERA Act.

They have also submitted that “*In the event that there are no further comments offered by MIAL on the consultation paper pertaining to Delhi airport, it may not be construed as their acceptance of the same consultation paper.*”

13.4 AAI has furnished the following comments:-

- a) As regards the X-Ray machine usage charges, AAI is currently charging Rs.0.75 per kg subject to a minimum of Rs.100/- per shipment on international cargo at the AAI administered Airports and this was also the prevalent charges when the Delhi Airport was handed to DIAL on 03.05.2006.
- b) As regard X-Ray servicing (certified) charges, AAI is of the opinion that the proposed charges mentioned in the Consultation Paper may be considered



as the same is arrived based on consent with airlines and agreements entered into with DIAL.

13.5 Apart from MIAL and AAI comments have not been received from any other stakeholder in this regard, including DACCAI which had initially filed an application u/s 15 of the AERA Act, 2008 against the levy of TSP charges, X-Ray screening charges, Unitization and De-unitization charges by M/s Delhi Cargo Service Centre Pvt. Ltd (DCSC) at its newly created Common User Domestic Cargo Terminal (CUDCT) at IGI, Airport, New Delhi.

14. Further, DACCAI had, vide its letter dated 25.10.2010 requested the Authority to have the Directions (No.03/2010-11 dated 06.10.2010) implemented. The Authority vide its letter dated 09.11.2010 to DIAL and DCSC had specifically sought confirmation of compliance of the subject Direction by 19.11.2010. In a separate letter to the DACCAI, the Authority had also requested DACCAI to substantiate with documentary evidence, if any, if it is of the opinion that the subject Directions have not been complied with by DIAL and DCSC. DIAL and DCSC confirmed compliance of the said Directions vide their letter No.DIAL/AERA/2010-11/1776 dated 19.11.2010 and letter No.nil dated 19.11.2010, respectively (**Annexure-III**, collectively). However, no reply has been received from DACCAI.

15. The Authority, in its 24th Meeting held on 10.12.2010, considered the matter in detail including the comments furnished by MIAL and AAI. The Authority observed that:

- (a) The Authority has proposed the approval of the charges based on several considerations. One of these considerations is that as per BCAS mandate screening standards for international and domestic cargo appear to be same. Consequently, existing rates for international cargo screening (certification) are one of factors, and not the only factor, in accepting the rates proposed. Any conclusion drawn by MIAL, other than this, is not merited.
- (b) As regards applicability of OMDA, the position stated in para 11 (ii) above is correct and should be reiterated.
- (c) AAI has supported the charge proposed by DIAL as the same is based on the consent with the airlines.

16. Having perused the records and upon due consideration of all facts, circumstances and submissions made by the stakeholders, the Authority passes the following Order.

ORDER:

17. In exercise of powers conferred by Section 13(1)(a) of the Act, the Authority approves levy of X-Ray Screening (Certification) Charges for domestic cargo at IGI Airport, New Delhi, by DIAL, at following rates w.e.f. 01.05.2010 on an adhoc basis:

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB



This will be reviewed if required at the stage of tariff determination, for the first cycle, in respect of IGI Airport, New Delhi. Consequently, the Direction No.03/2010-11 dated 06.10.2010 will no more be applicable in so far as it relates to levy of X-Ray Screening (Certification) Charges for domestic cargo at IGI Airport, New Delhi, by DIAL.

By the Order of and in the
Name of the Authority



(Sandeep Prakash)
Secretary

To,

Delhi International Airport Pvt. Ltd.,
Uran Bhawan,
IGI Airport,
New Delhi -110 037.
(Through: Shri Kiran Kumar Grandhi, Managing Director)



सत्यमेव जयते

भा.वि.आ.वि.प्रा.
AERA



18/11/10
20/11/10

GVK

MIAL/PR/ 212

27th November, 2010

The Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport
New Delhi – 110 003.

Dear Sir,

Subject: Proposal of DIAL for levy of X-ray charges for Domestic Cargo at IGI Airport
w.e.f. 01.05.2010

Ref: Consultation Paper No. 11/2010-11 dated 13.11.2010 ("Consultation Paper")

We write with reference to the statement appearing in your above noted Consultation Paper to the effect that "OMDA is not a concession offered by the Central Government"

We believe that OMDA dated 4th April 2006 read with State Support Agreement ("SSA") dated 26th April, 2006 executed between AAI and JVC (MIAL) is very much in the nature of a "Concession" contemplated under Section 13 (1) (a) of the AERA Act 2008 ("AERA Act").

The OMDA read with the SSA constitutes the complete commercial, contractual, legal basis on which the two airports at Mumbai and Delhi were privatised. The nomenclature of the contractual framework for Mumbai and Delhi airports were titled as "State Support Agreement", in cases of greenfield airports like Bangalore and Hyderabad it was termed as the "Concession Agreement". Since in the case of Mumbai and Delhi, airports belong to Airports Authority of India, hence, for obvious reasons, respective agreements have been executed between AAI and JVC (MIAL / DIAL). The fact remains that the economic basis on which we participated in the modernisation and development of the Mumbai airport (as would have DIAL, we presume, in the case of Delhi airport) is squarely reflected in the respective SSA read with the OMDA.

Cont..2

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T +91 22 6685 2200 F +91 22 6685 2059
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We submit that the AERA Act posits the sanctity of those economic and commercial parameters on which Delhi and Mumbai airport were privatised, irrespective of the nomenclature of the contractual document in which such economic and commercial understanding has been captured.

Reverting specifically to the case of determination of X-ray Certification Charges, we note that AERA has accepted that such charges for Domestic Cargo are to be same as applicable to International cargo because activity is the same, which seems to be a logical conclusion.

Further, we note that AERA has also agreed to consider provisions of concession agreements while carrying out the process of tariff determination. MIAL would like to submit that in line with the mandate of the AERA Act, AERA may kindly ensure that there is no economic or commercial setback caused to the relevant airports as a result of the tariff determination under the AERA Act.

सत्यमेव जयते

In the event that there are no further comments offered by MIAL on the Consultation Paper pertaining to Delhi airport, it may not be construed as our acceptance of the said Consultation Paper.

Thanking you,

Yours sincerely,

For Mumbai International Airport Pvt. Ltd.

(R. K. Jain)

President



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LIFE SCIENCES

ANNEXURE - II

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA



70/Secy/10
7/12/10

No.AAI/CHQ/AERA/2010

6th December, 2010

The Secretary

Airport Economic Regulatory Authority of India
AERA Building, New Administrative Block
Safdarjung Airport
New Delhi - 110 003.

70/Secy/10

70/Secy/10

Subject: AERA Consultative Paper No. 11/2010-11 dated 13th November, 2010

Dear Sir,

This has reference to the AERA consultative paper No. 11/2010-11 dated 13th November, 2010 regarding proposal of DIAL for levy of X-Ray charges for Domestic Cargo at IGI Airport, w.e.f. 01/05/2010 wherein Authority has sought feedback, comments and suggestions from the stakeholders on the proposal. सत्यमेव जयते

As regards the X-Ray machine usage charges, we are currently charging ₹ 0.75 per kg subject to a minimum of ₹ 100/- per shipment on international cargo at the AAI administered Airports and this was also the prevalent charges when the Delhi Airport was handed over to DIAL on 3rd May, 2006.

With regard to X-Ray servicing (certified) charges concerned, we are of the opinion that the proposed charges mentioned in consultation paper be considered since the same is arrived at based on consent with airlines and agreements entered into with DIAL.

This is for your information.

Yours faithfully,

70/Secy/10

[M. RAVI VARMA]
GENERAL MANAGER (FINANCE)

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राजीव गांधी भवन
Rajiv Gandhi Bhawan

सफदरजंग हवाई अड्डा, नई दिल्ली-110003
Safdarjung Airport, New Delhi-110003

दूरभाष : २४६३२९५०
Phone : 24632950

फैक्स : ९१-११-२४६३२९६०
Fax : 91-11-24632990





DELHI INDIRA GANDHI INTERNATIONAL AIRPORT

Delhi International Airport (P) Limited

424-

ANNEXURE III



Registered office: New Udaan Bhawan,
Terminal 3, Opp. ATIS Complex,
International Terminal, IGI Airport,
New Delhi 110037 India
T: +91 11 47197000
F: +91 11 47197181
W: www.newdelhiairport.in

Date: 19th November 2010

Ref: DIAL/AERA /2010-11/1776

To
Mr. C.V. Deepak,
Airport Economic Regulatory Authority of India
AERA Building, New Administrative Block
Safdarjung Airport
New Delhi- 110 003

Dear Sir,

Subject: Direction No. 03/2010-11 under section 15 read with Section 13 of the Airports Economic Regulatory Authority of India Act, 2008- Reg.

This has reference to your letter No. AERA/20011/DIAL-C/2010-11/1177 dated 9th November 2010 seeking DIAL confirmation on compliance to Authority's Direction No. 03/2010-11 dated 06.10.2010 to Delhi International Airport (P) Ltd., to stop charging the X-Ray baggage screening charges, with effect from 01.05.2010, in respect of the domestic cargo at IGI Airport, New Delhi.

In this regard we would like confirm that DIAL has not charged any X-Ray baggage screening charges post the order. Also to clarify that for the period of September 2010, the invoices were inadvertently issued by the system post the above mentioned order and the same has thereafter been withdrawn and no payment has been collected by DIAL on account of this.

We have further to this letter submitted our viewpoint on the rationale of the X-Ray certification charges vide our letters dated 08-11-2010, 11-11-2010 and 12-11-2010 which has been put to Consultation process by your kind office vide the consultation paper number 11/2010-11 dated 13-11-2010.

As such this issue is under consultation and we are awaiting the outcome of the above process before resuming the X-Ray certification charges.

We do hope the above clarifies the matter.

Thanking you,

Yours sincerely

For Delhi International Airport Private Limited

Sidharath Kapur
[CFO-Airports]

भा.वि.आ.वि.प्रा.
AERA

SM (AER)

Swasti
DIAL-C file

12/11

We have advised on the email received on 19/11/10. However the Authority informed req Delhi's confirmation. However WSC has not confirmed.

22/11/10

00000003





DELHI CARGO SERVICE CENTER

Delhi

November 19, 2010

The Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex
Safdarjung Airport,
New Delhi- 110 003

Kind Attn: Mr. C.V. Deepak

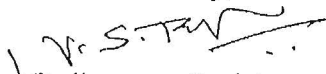
Subject: Your Letter No. F.No.AERA/20011/DIAL-C/2010-11 dated November 9, 2010.

Dear Sir,


We are in receipt of your above letter on November 18, 2010 whereby you have requested us to confirm our compliance with the directions issued to us by the Airports Economic Regulatory Authority of India ("Authority") vide its Direction No.03/2010-11 dated October 6, 2010. In this behalf, we would like to state that M/s Delhi Cargo Service Center Private Limited has filed an Appeal under Section 18(2) of the Airports Economic Regulatory Authority Act, 2008 before the Airports Economic Regulatory Authority Appellate Tribunal ("AERA Appellate Tribunal") against the said direction dated October 6, 2010 issued by the Authority. Further, the Hon'ble AERA Appellate Tribunal has also issued notice of the said Appeal to all the respondents including the Authority on November 10, 2010.

Without prejudice to the above, and without prejudice to our rights and contentions, the Direction No.03/2010-11 dated October 6, 2010 issued by the Authority has been complied with under protest and at present M/s Delhi Cargo Service Center Private Limited has not invoiced any customer TSP, unitization and de-unitization charges for the services rendered in respect of domestic cargo at Common User Domestic Cargo Terminal (CUDCT) at the IGI Airport.

Yours Sincerely,


Radharaman Panicker
Director & CEO

Received on 24/11/2010 15:45 hrs


24/11/10

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