



No.COM/In-flight sales/2010

April 20, 2010

Airport Director  
Airports Authority of India  
Kolkata & Chennai Airports

Regional Executive Director,  
Airports Authority of India  
Northern/Western/Southern  
Eastern /North-Eastern Regions

***Subject: In-flight sales of various products by agencies engaged by the Airlines***

Sir,

It has been observed that various airlines are engaging agencies for in-flight sales of various products. In order to facilitate onboard sales, the agencies engaged by the airlines take the assistance of the airlines to carry out the sales of various products/its logistic and handing over of its products for the onboard sales.

CAB in its 187<sup>th</sup> meeting held on 19.3.2010 have approved as a policy for grant of permission for onboard airlines sales by the agencies engaged by airlines on the following terms and conditions:

- i. The period of permission on all India bases to carry out in-flight sales of various products onboard of airline engaged by the concerned airline shall initially be for a period of 3 years.
- ii. In case of demand for space by the agency concerned, AAI may allot 100 sq. ft. of area in arrival concourse subject to its availability on payment of applicable licence fee prevalent at the airport, submission of security deposit and execution of agreement. Payment of space rental/electricity charges are payable at respective airports.
- iii. The arrangement of in-flight sales with concerned airlines (irrespective of number of airlines) is subject to payment of 13% of the GTO as royalty or minimum guaranteed amount of Rs.3.30 lacs per month, whichever is higher.
- iv. The agency shall pay security deposit in the form of Pay order/Demand Draft. In case the agency fails to make the payment against the outstanding dues towards licence fee/royalty within the stipulated period, AAI will adjust security deposit

- amount so deposited against AAI dues. The agency will recoup the same immediately failing which permission so granted will be withdrawn.
- v. The agency shall submit monthly sales figure by 10<sup>th</sup> of every month alongwith royalty payment to the Commercial Deptt. on which the Accounts Deptt. will raise the requisite bills. The agency will submit audited sales figure at the expiry of every six months.
  - vi. One month notice from either side shall be applicable if the permission so granted is to be terminated. The agency hand over the in-flight counter space so allotted at airport immediately after clearance of all the outstanding payment.
  - vii. AAI will not be responsible for any damage or loss be caused to the agency for removing of its counter or merchandise its products in-flight. The agency concerned shall also intimate AAI as and when any airlines added or deleted for in-flight sales of its products. AAI reserves right to accord similar type of contract to agency providing similar facilities to the airlines passengers.
  - viii. All India permission to the concerned agency for in-flight sales will be accorded by CHQ based on the recommendations of the Unit.

Yours faithfully,

**(LL Krishnan)**  
**Executive Director (Commercial)**