

Order No. 23/2018-19

AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi - 110003

Date of Issue: 05.10. 2018

Service : Into-Plane Fueling Services  
Service provider : M/s Bharat Stars Services Private Limited  
Airport : Kempagowda International Airport, Bengaluru.

In the matter of the Annual Tariff Proposal for the extended period of the contract with BIAL w.e.f. 24.05.2018 to 23.05.2019 for the second control period in respect of M/s Bharat Stars Services Private Limited for providing Into-Plane fueling service at Kempagowda International Airport, Bengaluru.

सत्यमेव जयते

M/s Bharat Stars Services Private Limited (BSSPL) is one of the Into Plane Fuelling Service provider appointed by BIAL at Kempagowda International Airport, Bengaluru. The Authority, vide its MYTO Order No. 20/2011-12 dated 25.10.2011, had decided to adopt 'Light Touch Approach' in respect of the Bharat Stars Services Private Limited for providing Into Plane Services (ITP) at Bangalore airport for determination of tariffs for the first control period. Further the Authority vide Order no. 26/2012-13 dated 29.10.2012 determined tariffs for 1<sup>st</sup>, and 2<sup>nd</sup> tariff year. Thereafter, vide Order no. 20/2013-14 dated 28.06.2013, the Authority also determined tariffs for 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> tariff year of first control period.

2. The Authority vide Order No. 01/2017-18 dated 17.04.2017, decided to adopt 'Light Touch Approach' for determination of tariffs in respect of BSSPL for its ITP services at Bangalore airport during for the second control period with effect from 01.04.2016 to 31.03.2021. In the same order, the Authority also determined the tariff for first, second and third tariff year (up to 30.04.2018). In this order the Authority continued/maintained the same rates as prevailing on 31.03.2016 which were determined vide order no. 20/2013-14 dated 28.06.2013.

3. The Authority, further vide interim Order No. 43/2017-18 dated 28.03.2018, allowed to continue levy of tariffs existing as on 31.03.2018, for a further period of six months w.e.f. 01.04.2018 or till determination of tariffs for the second control period whichever is earlier.





4. BSSPL, vide letter dated 27.06.2018, informed that their existing contract for ITP Services at Bangalore Airport which was valid upto 23.05.2018, has been further extended by one year by BIAL from 24.05.2018 to 23.05.2019. BSSPL furnished a copy of the supplementary agreement for renewal of the contract. BSSPL submitted its Annual tariff proposal for the extended period of the contract by BIAL wherein 5% increase has been sought in rates on existing charges of Rs 268.03 to Rs 281.43 per Kl for aircraft fueling in line with original concession agreement with BIAL. BSSPL has submitted various other justifications for the proposed 5% increase in tariff for the extended period of the contract.

5. The Authority considered the submissions made by BSSPL and issued a Consultation Paper No. 13/2018-19 dated 14.08.2018 wherein the Authority proposed that the 5% increase in tariff as sought by BSSPL is not justified and the same tariff existing as on 31.03.2016, may be continued for the extended period of the contract with BIAL i.e. from 01.05.2018 to 23.05.2019 for the second control period. The Authority sought written evidence based feedback, comments and suggestions from stakeholders on the above proposal latest by 04.09.2018. In response to the proposal contained in the said Consultation Paper, comments have been received from M/s Hindustan Petroleum Corporation Limited (HPCL). The comments received from stakeholder, were uploaded on AERA's website vide Public Notice No. 21/2018-19 dated 11.09.2018. Brief details of the comments received from HPCL are given hereunder:

5.1 **M/s Hindustan Petroleum Corporation Limited (HPCL):** HPCL has stated that the AERA has proposed to keep the rates unchanged for the extended period of the contract with BIAL and agree to the proposal of the AERA. However any revision in the charges should be approved on prospective basis only.

5.2 M/s Bharat Stars Services Private Limited (BSSPL), the service provider, has not offered any comments on the proposal of the aforesaid consultation paper.

## 6. Views of the Authority:

6.1 The Authority observed that BSSPL has submitted tariff proposal with 5% increase in tariff for the extended period of the contract with BIAL effective from 24.05.2018 to 23.05.2019. The Authority carefully examined and considered the comments of the stakeholder viz. HPCL and also noted that BSSPL has not offered any comments on the proposal in the said consultation paper.

6.2 The Authority noted that BSSPL has good return on average RAB, the profit margins on sales are good, operating profit has grown and volumes of fuel throughput have also increased. In projections for FY 2018-19 also, revenue has grown, profit margin and return on average RAB are good.

6.3 Considering all the above facts, the Authority has decided to maintain/continue the levy of same tariffs existing as on 31.03.2016 for the extended period of the contract i.e. from 01.05.2018 to 23.05.2019 (last tariff was determined upto 30.04.2018 so intervening period from 01.05.2018 to 23.05.2018 is also covered) of the second control period which was determined vide order no. 20/2013-14 dated 28.06.2013 and further maintained/continued at the same level vide order no. 01/2017-18 dated 17.04.2017 (01.04.2016 to 30.04.2018).



## 7. ORDER

Upon careful consideration of material available on record, as well as submissions made by the stakeholders/service provider, the Authority in exercise of powers conferred upon it by Section 13(1) (a) of the AERA Act, 2008 hereby orders that:

- i. The Authority has decided to allow M/s Bharat Stars Services Private Limited (BSSPL), to continue the levy of tariffs existing as on 31.03.2016 for the extended period of the contract also i.e. from 01.05.2018 to 23.05.2019 of the second control period as at **Annexure-I**.



By the Order of and in the  
Name of the Authority

  
(Puja Jindal)  
Secretary

सत्यमेव जयते

To ..

M/s Bharat Stars Services (P) Ltd.,  
First Floor, Plot No. A- 5&6, Sector-1,  
Noida-201301, UP.  
(Through: Shri Akash Tiwari, Chief Executive Officer,

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**Annexure I**

<b>M/s Bharat Stars Services Private Limited Kempagowda International Airport, Bengaluru.</b>					
<b>Tariff Card for the Extended Period of the contract with BIAL of the Second Control Period (01.05.2018 to 23.05.2019)</b>					
<b>(Amount in Rs. Per Kl)</b>					
<b>Period</b>	<b>Fuelling of Aircraft</b>	<b>Defuelling of Aircraft</b>		<b>Refuelling of Defuelled Product</b>	
		<b>Within 6 Hours</b>	<b>Beyond 6 Hours</b>	<b>Within 6 Hours</b>	<b>Beyond 6 Hours</b>
<b>Tariff year 3 (01.05.2018 to 31.03.2019) Tariff Year 4 (01.04.2019 to 23.05.2019)</b>	268.03	268.03	321.63	294.82	321.63

Note: The above tariff(s) are as per AERA Order No. 01/2017-18 dated 17.04.2017

