



Dated 28 May 2021

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

Sir,

Sub:Response by Bharat Stars Services Pvt. Ltd. (BSSPL) on stakeholder's comments to CP No.02/2021-22, IN THE MATTER OF DETERMINATION OF TARIFF IN RESPECT OF M/S BHARAT STARS SERVICES PRIVATE LIMITED (BSSPL) FOR PROVIDING INTO PLANE SERVICES AT CSMI AIRPORT, MUMBAI FROM 01.04.2021 TO 24.01.2025 OF THE THIRD CONTROL PERIOD.

I. Mumbai Aviation Fuel Farm Facility Pvt. Ltd (MAFFFL);

Bharat Stars Services is in agreement with the submission by MAFFFL on their comments on CP No.02/2021-22.

II. Mumbai International Airport Ltd.

BSSPL agrees to the view expressed by MIAL that "Light touch approach" should be adopted for determining the tariff of the ITP operators, RAB on capex should not be reduced in view of pandemic situation and agree that the ATMs may not be as proposed by the honourable Authority, considering the significant no. of curtailment & uncertainty of next wave of Covid which are going to affect ATMs.

We also agree to the view of MIAL that true up mechanism may not be available for BSSPL as the 10 Year term gets over by end of October, 2024



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III. **Hindustan Petroleum Corporation Ltd. (HPCL).**

The views expressed by HPCL on differential tariff for both ITPs is very much valid and BSSPL agrees to these views.

IV. **Bharat Petroleum Corp Ltd**

Views expressed by BPCL in their comments dated 21st May 2021 are very pertinent and worth consideration and BSSPL is in agreement with these views.

V. **Indian Oil Skytanking Private Limited (IOSPL)**

BSSPL is in complete agreement with the views expressed by IOSPL in their comments on CP No.02/2021-22.

VI. **International Air Transport Association (IATA).**

1. While it is an undisputed fact that airlines are taking an unprecedented economic hit facing considerable uncertainty about their future, so is BSSPL. Being a MSME company, BSSPL will not be able to sustain losses. As is known, the ITP agents operate with their own equipment which needs to comply regulations on its limited life, taxation and other such statutory rules. The operating costs on account of lease rentals, electricity, communications, manpower salaries and wages, continues to go up with each passing year. The operations continue to be abysmally low with ITP agents incurring heavy losses as optimum level of equipment and manpower is being sustained even on low volumes as none of these can be reduced keeping in view that Airlines may resume their operations at short notice once the pandemic subsides. Even replacements of older equipment with new ones continue to be done as the same can't be deferred. It is pertinent to mention that more than 80% of Total cost is generally fixed in nature irrespective of the volume of business.
2. IATA has expressed a view that "given the dire state of the Indian aviation industry that would not be able to take on further cost increases, we seek AERA's consideration to keep tariffs unchanged for the first year of the 3rd control period and to defer the proposed 14.15% increase to the second year".

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प्राइवेट लिमिटेड



**BHARAT STARS SERVICES
PRIVATE LIMITED**

(A JV of BPCL & ST - Airport Services, Singapore)

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We submit that in Table 29 of the CP-02/2021-22, the profit before Tax proposed by the authority for the year 2021-22 for BSSPL is (-)12.81% even after considering the 14.15 % increase in Tariff.

VII. Submission by Bharat Stars Services Pvt. Ltd. (BSSPL).

In view of the submission made by us with regard to C.P no. 02 /2021-22, we are sure that Authority will reconsider, keeping in mind that almost all stakeholders have expressed the view that surge in virus cases, scarcity of vaccines and travel restrictions have impacted previous forecasts.

Thanking you


Prashanth M Kamath
Chief Executive Officer