



Date: 21st May 2021

The Chairman

Airports Economic Regulatory Authority (AERA)

AERA Building, Administrative Complex.

Safdarjung Airport, New Delhi-110003

Subject: Stakeholder Comments to CP 02 / 2021-22 dated 08th April 2021 in the matter of determination of aeronautical tariff for M/s Bharat Stars Services Pvt Ltd (BSSPL) for providing into plane services (ITP) at CSI Airport, Mumbai for the 3rd control period (FY 2021-22 to FY 2025-26).

Dear Sir,

We submit our comments with reference to consultation paper 02/2021-22 as stated below.

1. There are two ITP service providers i.e. BSSPL & IOSPL at Mumbai airport hence the ITP services provided is deemed as 'Competitive'. The assumption that there is no real competition is not correct as both Into Plane Service Providers (ITP service providers) as separate business entities have equal opportunity to acquire business from Oil Marketing Companies (OMCs) doing business at the airport.

BPCL has taken ITP services from IOSPL at Mumbai Airport in the past & may again do so in future as per emerging business requirements. Similarly another OMC operational at Mumbai Airport i.e. Hindustan Petroleum Corporation Ltd (HPCL) use the service of both ITP agencies as per their own business needs & decisions. It will be pertinent to mention here that due to competitive nature of ITP service, in future any new entrant (OMC) commencing their business operations at Mumbai Airport will have the flexibility to use services of one or both agencies as per their specific business needs. The two ITP agencies compete for business on regular basis & are able to acquire business based on their fleet size / manpower strength & business plan.

The ITP service providers had come through competitive bidding process at Mumbai Airport & it has been rightly considered as 'Competitive' in earlier control period.

In view of above it is requested that the ITP services may continue to please be considered as 'Competitive'.

2. In view of above point there is no reason for change to 'Price Cap' mechanism in the 3rd Control Period from the existing 'Light Touch approach'. This is also in sync with AERA guideline and the mechanism adopted so far in 1st & 2nd control period i.e. 'Light Touch approach' should remain valid for the 3rd Control Period as well.

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3. As per points 3.5.2 and 3.6 (Tables 5 & 6) of consultation paper , it is assumed that reversal of volumes to pre covid level will be 61% to 63% in 2021-22 and 100% in 2022-23 and will further grow in 2023-24.

However due to raging pandemic with the 2nd wave of covid infections severely impacting Aviation sector in the country, the projections for Air Traffic & ATF volume in consultative period needs to be reviewed & moderated to ensure that ITP agencies have Fair Tariff and approved Rates for ensuring smooth & safe ITP operations at all times.

To provide uninterrupted into plane services to Airline customers with utmost stress on Safety & Quality, it is in the interest of all OMCs operating at Mumbai Airport to ensure that ITP providers have reasonable financial situation for smooth operations. Thus in view of anticipated low volumes during FY 21-22 & further years of the Control Period, the returns may be calculated on more realistic volumes to ensure appropriate financial situation for providing Safe & Quality ITP services at all times.

4. The issue of 'True Up' is not applicable & logical in this instant case as business continuity of BSSPL at Mumbai Airport beyond the current contract period is not guaranteed as it will be based on outcome of selection process. Thus it is requested that without any linkage to 'True Up' mechanism reasonable tariff & returns as per AERA guidelines are considered.
5. It has been observed from consultation papers CP 01 / 2021-22 & CP 02 / 2021-22 dated 08th April 2021 in the matter of determination of tariff for IOSPL and BSSPL respectively for providing ITP services at Mumbai for 3rd control period that the proposed tariff is varying for both agencies.

Since there is well defined service parameters for ITP services benchmarked to international standards & ITP agencies need to diligently follow strict guidelines for Safety and Quality we are of the opinion that ITP tariff should not be at variance for both ITP agencies as they are constantly monitored on services rendered at the apron and the actual service level provided by ITP agencies is one of the key factors. Difference in ITP tariffs may lead to a situation of major business allocation shifting to the party having lower tariff thus weakening the competitive landscape for ITP services.

Best Regards,



(Pulkit Mathur)

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