



Reference: CASI/BLR/BME/002

Date: 14th March 2022

To,

The Director (P&S, Tariff)

Airports Economic Regulatory Authority of India

AERA Building, Administrative Complex

Safdarjung Airport, New Delhi – 110003

Subject: Comments/Submission received from Stakeholders on Consultation Paper no. 31/2021-2022 dt. 04.02.2022 regarding the determination of tariff for Bridge Mounted Equipment Services (BMES) at Kempegowda International Airport, Bengaluru in respect of M/S Celebi Airport Services India Private Limited (CASI) for Third Control Period (FY 2021-22 to FY 2025-26)

Reference: Public Notice No. 49/2021-22 dated 4th Mar 2022

Dear Sir,

In reference to the above-mentioned Public Notice issued by the Authority we would like to submit our comments on the comments raised by Stakeholders:

Stakeholder – SpiceJet Limited letter dt. 03.02.2022

Reference: Point 1 – Applicability of BME Services

Response –

We have already clarified in our letter dated 4th Feb, 2022 Point 1 & 2 that airlines will always have an option to use either their own Aircraft's APU or ground handling equipment like GPU & ACU. Such multiple options clearly indicate that there is a competition for this service.

Reference: Point 2 – Capital Expenditure

Response – The capex has been planned already spread over 3 years based on the aerobridges going to be fitted at KIAB. Number of flights at KIAB have already reached at 84% at Pre-pandemic levels (Dec'21 vs Dec'19) and even if we have to serve BME services to one flight, BME units will have to be installed on the areobridge.

Reference: Point 3 – Regulatory Asset Base

Response – Return on FD @ 3% is fully not correct as for longer tenure the FD interest rate is higher than 5%. The security deposit is paid through the borrowed funds therefore the return on the deposits should be at the borrowing cost.

CELEBI AIRPORT SERVICES INDIA PRIVATE LIMITED

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- ISO 9001 QUALITY MANAGEMENT SYSTEM
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Reference: Point 4 – Fair rate of return (FRoR)

Response – Any business is being done with the combination of debt & equity. Cost of Debt is as per the prevailing bank rate and the Cost of Equity is return on Govt. bonds plus risk premium. FRoR is nothing but weighted average cost of capital.

Reference: Point 5 – Operating Expenditure

Response – Our majority of the expenses are variable in nature and will incur as and when the services will be provided.

Reference: Point 6 – Tariff proposal

Response – Our tariffs are competitive in nature and detailed rationale has been explained in our comments on the consultation paper.

Stakeholder – SpiceJet Limited (Addendum No. 1) letter dt. 03.03.2022

Reference: Point 1 - Conflict of interest between different legal entities

Response – We have a robust system of capturing & accounting the expenses in SAP and the same gets audited as well. CelebiNAS is not a service provider at Kempegowda International Airport, Bengaluru. There is no conflict of interest.

Reference: Point 2 – Tariff Proposal

Response – Investment made at IGIA, Delhi was done more than a decade ago and therefore it is not comparable.

Reference: Point 3 – Long Duration Usage

Response – AERA approved tariffs is the maximum tariffs and long usage customers can negotiate for the discount on one to one basis with the service provider.

For **Celebi Airport Services India Private Limited**



Cem Sensoz
Chief Executive Officer

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