

भारत स्टार्स सर्विसेज  
प्राइवेट लिमिटेड



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BHARAT STARS SERVICES  
PRIVATE LIMITED

HO.BSSPL.AERA

15<sup>th</sup> September 2010

Secretary  
Airports Economic Regulatory Authority of India  
AERA Building, Administrative Complex  
Safdarjung Airport  
New Delhi – 110003

Kind Attn: Mr Sandeep Prakash

Dear Sir,

Subject: Economic Regulation of Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft – Consultation Paper No 05/2010-11.

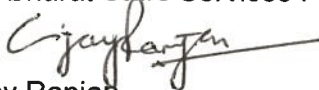
We take this opportunity to welcome the establishment of AERA for providing required direction, guidance to concerned Aviation stakeholders as per AERA Act 2008. The following points as our response on the subject are being listed for your kind perusal & consideration.

1. The investments have been made by us as concessionaire on fair & competitive market conditions.
2. In our opinion any service provided by more than one agency leads to "Competition". It will be appreciated that measure of competition for a particular service cannot be evaluated only based on the number of players but other pertinent factors like market share, size & projected business growth etc also needs to be factored. In the Indian context any service by a minimum of two agencies can be construed to provide competitive services. It is kindly requested that wherever more than one agency is providing services it should be considered competitive instead of three entities / agencies as proposed in draft guidelines.
3. We had participated in competitive bids at Bengaluru International Airport & Delhi International Airport in which many (> 3) national & international parties had submitted their bids. The selections were made on competitive terms based on "Technical Qualification" & "Optimal Commercial Rates". Hence competition is already prevalent for "Into-Plane Services" through services by two selected agencies within the price cap discovered through competitive bidding amongst many national & international bidders.
4. Accordingly based on selection through competitive process, the Company has made/committed investments based on business assumptions, considering the provision of concession agreements etc & long terms contracts have been executed.

In view of the above facts, the long term contracts put in place through a competitive process should be honoured & thus "Into-Plane Services" should be considered outside the purview of AERA regulatory framework.

Thanking you & assuring of our best cooperation at all times.

Yours truly,  
For Bharat Stars Services Pvt Ltd

  
Vijay Ranjan  
CEO

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