Reference: CASI/BLR/BME/001
Date: 17th February 2022

To,
The Director (P&S, Tariff)
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex
Safdarjung Airport, New Delhi – 110003

Sub: In the matter of 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: Consultation Paper No. 31/2021-22 dated 4th Feb 2022

Dear Sir,

In reference to the above-mentioned CP issued by the Authority we would like to submit our comments on few of the points:

Reference: Chapter 2 – Methodology for Tariff determination Point 2.2 – Competition Assessment

It has been mentioned in the point that CASI is the only service provider proposed to commence BME services at Kempegowda International Airport (KIA), Bengaluru. Therefore, the BME services at KIA is Non – Competitive.

Comment –

It is most respectfully submitted that we beg to differ from the approach and interpretation adopted by your goodself in arriving to the conclusion that the BME Services provided by CASI are "Non-competitive". In our considerate and humble opinion, the said services are "Competitive" and as such, instead of "Price Cap approach", **a "light touch approach" must be adopted for determination of tariff(s) for such services, based on the following reasons**:

(1) <u>Defining "BME Services".</u>

It is most respectfully submitted that it has already been explained by your goodself in Clause 1.9.1 of the Consultation Paper under response bearing No. 31 / 2021-22, that BME Services "*consists of external Pre-Conditioned Air (PCA) units and Fixed Electrical Ground Power (FEGP) units, runs on electric power, and takes over the functions of the aircraft auxiliary power unit (APU), while the aircraft is on ground. The electricity powered units can thus provide the* *required energy to the aircraft to enable the operations on ground and maintain ambient temperature in the aircraft which is a necessity for passenger comfort.*". In reference thereto, it may be said that the kind of services which are subject matter herein are services which are provided to power up & keep Aircrafts cooled/ temperature ambient for comfort of passengers, whilst they are parked at any bay at KIA, be it at any remote bay or at an airbridge. It is eminent to note here that such services can also be provided to any parked Aircraft through Ground Power Unit (GPU) and/or Air Conditioning Unit (ACU) and/or by using its (aircraft's) own colling system (APU). As such, it may be clearly resolved that power & cooling services can be provided to Aircrafts on ground by (1) BME Service provider; (2) Ground Handlers through their GPU & ACU; (3) Through Aircraft Auxiliary Power Unit (APU). As such, the subject services being termed as "BME Services" cannot by any stretch of imagination be termed as "Non-Competitive" but rather are clearly "Competitive" in nature as are being provided through various modes and by various service providers. The airports where there is no BME Services, airlines either use their APU or take the required power & cool air from ground handling equipment like GPU and ACU.

(2) <u>BME Services are optional services and not Mandatory services</u>

Furtherance to above, your goodself's kind attention is also invited to Clause 1.9.2 of the Consultation Paper under response bearing No. 31 / 2021-22, which state that "*Availability of BME Services at the Airport will provide an **<u>option</u>** to the airlines to use this service instead of keeping Aircraft's APU on or using diesel run ground power & cooling unit.*". In reference thereto, it is most humbly submitted that an optional service which is not mandatory for the Aircrafts landing at KIA, cannot be termed as "Non-competitive". Furthermore, under BME services, there are two kind of equipment – Fixed Electric Ground Power Unit (FEGP) and Pre – Conditioned Air Cool Unit (PCA). These equipment takes over the functions of the aircraft Auxiliary Power Unit (APU) while it is on ground and provide the following services:

FEGP – It provides the required power to Aircraft to keep its basic functions operating

PCA – It maintains the required temperature inside the aircraft

All airports even do not have BME Services and airlines use other modes to take the required power & cool air from other available ground handling equipment like GPU & ACU.

However, with BME units at airport, Airlines get one more option from where they can take these services. The aircrafts which will not be parked at aerobridges will continue to take the services from APU or GPU/ACU.

Even none of the policies such as National Green Aviation Policy (Draft), DGCA Civil Aviation Requirement (Section 10 – Aviation Environmental Protection) and Whitepaper on National Green Aviation Policy make its usage mandatory.

Whitepaper on National Green Aviation Policy dated 11 March 2019 issued by Ministry of Civil Aviation, Government of India, states about the usage of BME in its Clauses 8.6 as under:

> *"Clause 8.6: All airlines should use the BME facilities if the option of using such facility is available in Airports as a **preferred choice** for meeting on gate power and conditioned air requirements."*

We have also communicated the same in our BME consultation meeting with the Airline Operators Committee (AOC) at Bengaluru on 5th January 2022. The meeting was attended by the AOC Chairman and Managers/ representative from 22 other airlines operating at Bengaluru Airport where this query was raised and we had reverted on the similar lines. Excerpts are mentioned below:

> *"Question 1: Is it mandatory to use BME (or) if the airlines can choose to continue with existing set-up of concerned GH providing GPU/APU as per request.*
> *Reply: Mr. Tauseef Khan (COO – CASI) explained that it is not mandatory to use however the advantages to the environment, airport, airline and the indirect savings due usage of BME was highlighted. The DGCA circular advising the usage was also shared. NCAP 2016, NGT, ICAO and MOCA white paper are strongly advising airports/airlines to shut APU and use BME to avoid Noise Pollution, carbon footprints, Ramp congestion."*

The premise of competition assessment is to see whether the User has option to avail the services from service provider or not which may give undue advantage to the Service Provider. All Airlines and Aircrafts landing at KIA have open option to choose parking Bay and their service provider as well as mode and manner of providing of cooling services as per their own calculation, cost and convenience. It is not mandatorily obligated upon them to use services from CASI only.

In our case, the User is not bound to avail our services or can avail these services through Ground Power Unit (GPU) and Air Conditioning Unit (ACU), which can be provided by any Ground Handling Agency or by Airline itself, hence this Services doesn't qualify Non – Competitive.

(3) **<u>BME Services are a part of "Ground Handling" services as provided and defined under AAI Regulations.</u>**

BME Services are a part of "Ground Handling" services as provided and defined either under Airports Authority of India (Ground Handling Services) Regulations, 2018; or under AIC Order Sl. No. 18/2019 dated 28.10.2019 issued by DGCA *qua* grant of permission for providing Ground Handling Services at Airports other than those belonging to the Airports Authority of India, as the case may be. It is most respectfully submitted that BME Services are not segregated from Ground Handling Services and as such, it is eminent to mention that such services, at any given Airport, are provided by several service providers and not by merely one. Though the mode and manner of providing the service may be different and/or Non-competitive, but it is at user's discretion to choose its own service provider amongst available many options. Similarly at KIA, such services are being provided by several service providers such (i) BME Service Provider (ii) Ground Handling agencies through their GPU & ACU (iii) Airlines through their Auxiliary power unit (APU) and not just by CASI. As such, the BME service which are a subject matter herein are not "Non-competitive" but on the contrary are clearly "Competitive", and as such, a "light touch approach" has to be adopted for determination of its tariff(s) and not the "Price Cap approach" method. Apart from above, it is also pertinent to mention here that at other Airports where BME Services are a part of Ground Handing Services, they are assessed to be of "Competitive" nature. It is requested that similar approach may kindly be adopted in the instant case.

(4) **<u>CASI was awarded Concession for BME Services under a competitive tendering procedure and on non-exclusive basis.</u>**

It is also pertinent to mention here that CASI has been awarded Concession for providing BME Services at KIA after it was selected as successful bidder under a competitive RFP / Tender process. Selection of BME service provider through Tendering method itself reveal the fact of competitiveness of business and services proposed to be provided. It is pertinent to mention here that in a Tender / RFP offered to various competitors, CASI was the successful bidder (H1) over other bidders by offering maximum financial bid to AAI, who was awarded contract only on non-exclusive basis, as such, has to be addressed and seen liberally. It is not the case that CASI has created an alleged Non-Competitive business opportunity for itself on its own, but on the contrary, it has faced the competition and has overcome it, to benefit the statutory authority to its maximum limit. Without prejudice, it is a statutory authority who has chosen CASI to provide such services and that CASI has not by itself emerged as a non-competitor. It was always open to appoint several services providers under the Tender and not just one. Non-competence approach as assessed by your goodself was never a part of RFP. Moreso, the concession granted to CASI is on non-exclusive basis, which itself mean that any amount of competition can be created against CASI at any point of time with CASI having no say to it. In other words, it is not the case wherein CASI has been awarded an exclusive contract to provide BME Services at KIA, thereby making its BME services as "Non-competitive". As such, the assessment of your goodself regarding BME Services proposed to be provided by CASI as "Non-Competitive" is not just and proper and in best interest of justice.

(5) <u>Proviso to Clause 5 of Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and supply of Fuel to the Aircraft) Guidelines, 2011 provides for exercising of discretion by AERA to consider additional factors and evidence regarding reasonableness of competition.</u>

Under Clause 2.2 of the Consultation Paper under response bearing No. 31 / 2021-22, your goodself has assessed the BME Services proposed to be provided by CASI at KIA as "Non-competitive" stating that *"CASI is the only service provider proposed to commence BME Services at Kempegowda International Airport, Bengaluru. Therefore, in the instant case, the BME Services at KIA is Non-Competitive"*. However, your goodself has statutory discretionary inheritant powers vested in your goodself to considering other crucial evidence, factors and reasons to resolve / assess otherwise. All the evidence, grounds and reasons mentioned hereinabove strongly denote BME Services proposed to be provided by CASI towards being eminently "Competitive". Therefore, your goodself is requested that, while considering the reasons mentioned hereinabove, kindly exercise the statutory discretionary inheritant powers vested in your goodself to direct / order / resolve / assess the proposed BME Services to be commenced by CASI as "Competitive"

Under the facts of matter stated above, it is within your goodself's statutory and discretionary authority, to consider above facts and reasons and assess / resolve that the BME Services being proposed to be provided by CASI as "Competitive" and thereafter to adopt a "light touch approach" instead of a "Price Cap approach" method while determining its tariff(s).

Reference – Chapter 1 – Phasing Plan

As per the Phasing Plan which was submitted by us and presented in Table 2 of CP, BME units under Phase 2A were going to be installed at Terminal 2 (Domestic Pier) of the Airport and it was expected to be operational from 1st April 2022. We had planned all our procurement activities of BME units accordingly and the units had also arrived at the Airport along with Phase 1 units. As per the current situation at the Airport, it seems that the Terminal will not be ready before Sep/Oct'22.

This will lead to a shift in the start of our operations at Phase 2A from earlier expected month of Apr'22 to Oct'22. The updated phasing plan is expected to be as below:

Table A - Revised Commencement date

Phasing Plan	Terminal	Operational Date	Revised Revenue Commencement date (expected)	Impact
Phase 2A	2 (Domestic Pier)	1-Apr-22	1-Oct-22	delay by 6 months

Due to this delay, our projected No. of Flights (NoF) & Revenue for FY 22-23 will go down by 18.4% on FEGP by 21.9% on PCA. The detailed calculation is presented in below table:

Table B - Impact on no. of flights & Revenue in FY 22-23

FEGP					
Phasing Plan	**No. of Operational Months in year after revision (A)**	**no. of units (B)**	**Unit month as per previous submission (C) = (B) X (12months)**	**Unit month with revised commencement dates (D) = (A) X (B)**	**NoF & Revenue Impact (E)/(D)%**
Phase 1	12	24	288	288	0.0%
Phase 2A	6	14	168	84	(50.0%)
Phase 2B	0	12	0	0	0.0%
		50	**456**	**372**	**(18.4%)**

PCA					
Phasing Plan	**No. of Operational Months in year after revision (A)**	**no. of units (B)**	**Unit month as per previous submission (C) = (B) X (12months)**	**Unit month with revised commencement dates (D) = (A) X (B)**	**NoF & Revenue Impact(E)/(D)%**
Phase 1	12	18	216	216	0.0%
Phase 2A	6	14	168	84	(50.0%)
Phase 2B	0	8	0	0	0.0%
		40	**384**	**300**	**(21.9%)**

As per initial submission

Revenue (in lacs)	2021-22	2022-23	2023-24	2024-25	2025-26	Total
FEGP	101	1,212	2,849	3,602	3,734	11,498
PCA	61	732	1,809	2,287	2,359	7,249
Total	**162**	**1,944**	**4,658**	**5,889**	**6,094**	**18,747**

Table D - As per revised

Revenue (in lacs)	2021-22	2022-23	2023-24	2024-25	2025-26	Total	Diff in FY 22-23
FEGP	101	989	2,849	3,602	3,734	11,275	(18.4%)
PCA	61	572	1,809	2,287	2,359	7,089	(21.9%)
Total	**162**	**1,561**	**4,658**	**5,889**	**6,094**	**18,363**	**(19.7%)**
Difference compared to initial submission	**0**	**383**	**0**	**0**	**0**	**383**	

Chapter 5 – Regulatory Asset Base & Depreciation

Normally in RAB, assets are included at the Capitalised value. As you know purchase of any asset involves payment of applicable GST as taxes. This GST is allowed to be claimed as input credit against the GST payable by the Company on services rendered. The input credit remains in the books of account till it gets set off against the output liability.

The GST which is paid on asset purchase increase the initial cash outflow in the project and which gets settled in coming years. In the whole RAB calculation, this impact doesn't get reflected and impacts the overall return on the project. This was missed by us to be included in the initial submission and we would like to include the same now. Therefore, we request the Authority to allow us to include the GST paid on asset in Gross Block of RAB and the input credit which we will claim every year can be reduced from each year's RAB for arriving at average RAB every year.

RAB after including the GST impact is presented in below table:

Table E - GST on Asset Value **Amount in lacs**

Project Investment	Purchase Cost	GST	Capitalised Value
FEGP & PCA	5,929	1,223	4,706
Installation & Commissioning	767	117	650
IT Assets	140		140
Total	**6,836**	**1,340**	**5,496**

Table F - RAB **Amount in lacs**

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Opening	**-**	**5,351**	**5,719**	**5,308**	**4,359**	**-**
Additions						
BME units	4,229	677	451	-	-	5,356
IT assets	140					140
GST credit to be availed (as per Table E)	1,085	255	-	-	-	1,340
Total Additions	**5,453**	**932**	**451**	**-**	**-**	**6,836**
Depreciation	(95)	(442)	(487)	(487)	(487)	(1,998)
GST set off (net off revenue & expenses)	(8)	(121)	(375)	(462)	(374)	(1,340)
Total deductions	**(103)**	**(563)**	**(862)**	**(949)**	**(861)**	**(3,338)**
Closing	**5,351**	**5,719**	**5,308**	**4,359**	**3,498**	**3,498**
Average RAB	**2,675**	**5,535**	**5,514**	**4,834**	**3,929**	

Point 5.5.3 – Return on Security Deposit

Authority has not considered our proposal to include Security deposit in RAB and has allowed us the return on Security deposit @ nominal rate of return of 5%.

Hereby, we would like to request to kindly consider the return on Security deposit @ Cost of Debt i.e 8.1% in this project. The reason to claim the return on Cost of debt is because if the Company would have not paid the deposit it could have reduced its debt amount to this extent and would have saved the interest cost which is going to be at 8.10%.

With the change in gross revenue as mentioned in Table D the deposit requirement has changed. So in the below table the revised Gross Revenue has been considered to arrive at the Return on Security Deposit @ Cost of Debt:

Table G - Return on Security Deposit						Amount in lacs
	21-22	22-23	23-24	24-25	25-26	Total
Gross Revenue (as per Table D) - (A)	162	1,561	4,658	5,889	6,094	
24% of Previous Year Revenue - (B)	0	39	375	1,118	1,413	
Minimum SD payable (C)	175	350	350	350	350	
SD payable (higher of C and B) = (D)	175	350	375	1,118	1,413	
Return on SD @ 8.10% on D	**14**	**28**	**30**	**91**	**114**	**278**

Chapter 6 – Fair Rate of Return – Point 6.2.2

Authority has reduced our Cost of Equity proposal from 18% to 14%. In normal circumstances we do accept authority's view to consider it at 14% but here there are certain other factors as well which are required to be considered as –

- Project risk – This is a new project with no historical data and every new project brings higher risk compared to a settled business in its execution, timely start, customer acquisition, readiness, acceptability challenges etc.
- Pandemic Impact – Due to Covid-19 aviation industry has been badly impacted and went into negative growth for last two years. Still the industry is suffering from its impact and not likely to recover fully and come to its pre-pandemic levels before next 1-2 years.

With all these higher risks & volatility, we request the Authority to kindly consider an additional premium of 2% on the standard Return on Equity and allow the Cost of Equity to be considered in FRoR @ 16%. The FRoR table is presented below:

Table H - FRoR

Particulars	**As per CASI - Revised**				
	2021-22	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Debt	33	41	32	23	14
Equity	27	27	27	27	27
Debt + Equity	60	68	59	50	41
Cost of Debt	8.10%	8.10%	8.10%	8.10%	8.10%
Cost of Equity	16.00%	16.00%	16.00%	16.00%	16.00%
Individual year gearing	54.80%	60.44%	54.43%	46.27%	34.55%
Weighted Average Gearing					
Weighted Average Cost of Debt	4.44%	4.90%	4.41%	3.75%	2.80%
Weighted Average Cost of Equity	7.23%	6.33%	7.29%	8.60%	10.47%
Fair rate of return	11.67%	11.23%	11.70%	12.34%	13.27%
Average FRoR	12.04%				

Chapter 7 –

Point 7.2.1 Salaries & Wages

We accept Authority's view on No. of manpower for FY 2023-24 onwards. However, as mentioned above that there could be delay in the commencement of Phase 2A, the NoF & Revenue will reduce. Due to this reduction the manpower requirement in FY 2022-23 is also expected to come down from 59 to 48. With this reduction, the revised manpower cost is presented below:

Table I - Manpower Cost

Particulars	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**Total**
Total Manpower Cost (in lacs)	45	166	310	331	352	1,204
Manpower at year end	40	48	88	88	88	

Point 7.2.3 – Repairs & Maintenance Expenses

Authority has reduced the Repairs & Maintenance Expenses compared to the proposal submitted. We would like to inform that expenses claimed by us in the initial submission were very reasonable and comparable with the existing BME operations at Mumbai airport. In the first 4 years of the BME operations at Mumbai Airport, the effective repair & maintenance expenses as % to BME asset value were even higher starting from 1.20% and increasing to 4.80% by 4th year. Please refer below table:

CNAS - BOM BME	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Capex (in cr.)	6,646	6,646	6,867	6,867
Rep & Main Expense	80	150	276	329
Effective % to Capex	1.20%	2.26%	4.01%	4.80%

Due to delay in Phase 2A, we accept that there will be reduction in repair & maintenance expenses, and we can reduce that by 50% from 2% to 1% of the Asset value but for the remaining years, we request to kindly accept our proposed % as presented in below table:

Table J - Repair & Maintenance Expenses

Particulars	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**Total**
Asset Value (in lacs) as per Table F	4,229	4,905	5,356	5,356	5,356	
% of Capex		1.0%	2.0%	3.0%	4.0%	
Rep & Maintenance (in lacs)	**0**	**49**	**107**	**161**	**214**	**531**

Point 7.2.4 – Power & Fuel

Power & Fuel expenses have been revised in CP based on the reduced revenue. We would like to highlight that the reduction in revenue mentioned in CP is due to the lower tariffs which is not going to reduce the power consumption and resultantly the expenses. It will only reduce to the extent of reduction in no. of flights due to delay in commencement of Phase 2A and will be as follows:

Revised Consumption in units	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
FEGP	97,227	787,841	2,463,731	3,101,866	3,175,011
PCA	128,305	1,194,560	3,920,853	4,948,905	5,070,015

Table K – Power & Fuel Expenses **Amount in lacs**

Particulars	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**Total**
FEGP	14	125	424	566	610	1,725
PCA	19	190	675	901	974	2,740
Other Consumption	-	2	14	14	15	45
Total Power cost	**33**	**316**	**1,113**	**1,482**	**1,599**	**4,543**

Point 7.2.5 – Concession Fees

As the revenue projection got changed due to delay in starting of Phase 2A we have updated below Concession fee table.

Table L - Concession Fees **Amount in Lacs**

Particulars	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**Total**
Concession Fees %	24%	24%	24%	24%	24%	
Revenue (in lacs)	162	1,561	4,658	5,889	6,094	
Concession Fees on Revenue (1)	39	375	1,118	1,413	1,462	
Minimum Annual Guarantee as per Concession Agreement (2)	84	404	744	1,179	1,243	
Maximum of (1) & (2)	**84**	**404**	**1,118**	**1,413**	**1,462**	**4,481**

Corporate Overhead Allocation

Similar to every organisation, we also have non-operational cost like staff cost of support departments like Finance, HR, IT, Procurement, Legal, Sales & Marketing etc., audit fees, consultancy expenses, legal expenses, sales & marketing expenses, travel expenses, IT related expenses on common IT infrastructure, software etc. These expenses were missed to be allocated to this BME project.

The allocation is on Net Revenue basis (Revenue less Concession fees) across all the projects of CASI.

In the below table, we have considered the non – operational expenses incurred in FY 2019-20 (pre pandemic year) for FY 2022-23 and post that 5% inflationary increase every year to be allocated for the control period

Table M - Corporate Allocation

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26
Total Corporate Cost (in lacs)	2,116	2,434	2,555	2,683	2,817
Net Revenue % share to BLR BME		3.79%	7.60%	8.01%	7.45%

Chapter 9 – Profitability & Income Tax

With all the above mentioned changes the proposed revised P&L Summary along with Income tax is as below:

Table N - P&L Summary	As per CASI - Revised					
Particulars	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**Total**
Revenue	**162**	**1,561**	**4,658**	**5,889**	**6,094**	**18,363**
Revenue from regulated services	162	1,561	4,658	5,889	6,094	18,363
Revenue from other than regulated services						-
Operating Expenditure	**164**	**1,054**	**2,886**	**3,653**	**3,889**	**10,934**
Payroll Costs	45	166	310	331	352	1,204
Administrative & General Costs	1	23	40	47	49	159
Utilities & Outsourcing Costs	33	316	1,113	1,482	1,599	4,543
Concession Fees	84	404	1,118	1,413	1,462	4,481
License Fees	1	3	3	4	4	15
Repair & Maintenance Costs	-	49	107	161	214	531
Corporate Overhead allocation	-	92	194	215	210	711
Earning before depreciation, interest & taxation (EBDIT)	**(2)**	**507**	**1,772**	**2,237**	**2,204**	**7,429**
Depreciation and Amortisation	95	442	487	487	487	1,998
Earning before interest & taxation (EBIT)	**(97)**	**65**	**1,285**	**1,750**	**1,717**	**5,431**
Total Interest and Finance Charges	97	323	316	241	167	1,144
Profit/Loss before tax	**(194)**	**(258)**	**969**	**1,509**	**1,550**	**4,287**
Provision for taxation & Deferred Tax (Income)/Expense	-	-	130	380	390	901
Profit/Loss after taxation	**(194)**	**(258)**	**839**	**1,129**	**1,159**	**3,386**
PAT %	-119.9%	-17%	18%	19%	19%	18%

Chapter 10 – Aggregate Revenue Requirement

With all the above-mentioned requests, the revised aggregate revenue requirement to be considered is as below:

Table O - ARR (Aggregate Revenue Requirement)

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	Total
RAB for Calculating ARR (refer Table F)	2,675	5,535	5,514	4,834	3,929	
Fair Rate of Return applied to the RAB	12.04%	12.04%	12.04%	12.04%	12.04%	
Return on Average RAB	322	667	664	582	473	**2,708**
Depreciation	95	442	487	487	487	**1,998**
Operation & Maintenance Expenditure (Refer table N)	164	1,054	2,886	3,653	3,889	**11,646**
Tax (Refer table N)	-	-	130	380	390	**901**
Revenues from services other than regulated services	-	-	-	-	-	**-**
Add: Return on Security Deposit (refer Table G)	14	28	30	91	114	**278**
ARR	**596**	**2,190**	**4,198**	**5,192**	**5,354**	**17,530**
PV of ARR	**596**	**1,955**	**3,344**	**3,691**	**3,398**	**12,984**
PV of Projected Revenue	**162**	**1,393**	**3,711**	**4,187**	**3,867**	**13,319**

We would also like to bring to your kind notice the following.

On 5th January 2022, we had conducted users' consultations attended by representative for 22 Airlines operating at KIA, Bengaluru. Herewith we are attaching evidence of the meeting which includes photograph and minutes of the meeting.

As informed earlier BME concession has been novated from Celebi NAS Airport Services India Private Limited (CNAS) to Celebi Airport Services India Private Limited (CASI) vide novation agreement dated 31st January 2022, however BME equipment will continue to be owned by CNAS and leased to CASI on rental basis, however rental charged between the companies will not have any impact in overall cost of BME Services at KIA, Bengaluru.

We eagerly looking forward for your positive consideration of the above submissions. Should your goodself be kind enough to grant us an opportunity of personal hearing before taking any final decision, to explain our case further, in case of your goodself's disagreement on above proposal.

For **Celebi Airport Services India Private Limited**

Celebi Airport Services India Pvt. Ltd.

Cem Sensoz
Chief Executive Officer

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