

भारत स्टार्स सर्विसेज
प्राइवेट लिमिटेड



**BHARAT STARS SERVICES
PRIVATE LIMITED**

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

Trusted Partnership

Date: 25th June 2021

The Chairman
Airports Economic Regulatory Authority (AERA)
AERA Building, Administrative Complex
Safdarjung Airport, New Delhi-110003

Subject: Stakeholder Comments on Consultation Paper No 05/2021-22 dated 28th May'2021 for determination of Fuel Infrastructure charges in respect of Mumbai Aviation Fuel Farm Facility Pvt Ltd. (MAFFFL) for Third Control Period.

Dear Sir,

We submit our comments with reference to consultation paper 05/2021-22 as stated below:-

- a. The Authority proposes to rework the RAB for the third Control Period, by reducing the RAB by 1% of the delayed cost of the projects.**

Comment from BSSPL:

BSSPL is of the view that in the Country is facing unprecedented Pandemic situation and given that several more waves of COVID are likely to hit the human population, there is no visibility of the future. Hence, imposing penalties for not incurring capex as projected on account of reasons not within one's control may not be a viable solution, particularly when considering that any delay in commissioning and capitalizing the project, implies denial of return on such asset.

- b. The Authority proposes to consider the projected Fuel Throughput (Volume) for determination of tariff for the third Control Period as per Table no. 30**

Comment from BSSPL:

It appears that the Authority has taken an optimistic view that the ATMs shall start recovery by year 2021-22, and fully recover by year 2022-23 in respect of domestic and international traffic. However, in view of the surge in the COVID-19 pandemic with new variants affecting population across the globe, the extent of effectiveness of vaccines still under study and considering that a third wave is likely to hit, which may be worse than the first and second one, such an optimistic view may be misplaced. Moreover, it cannot be ignored that travel and movement restrictions did provide impetus to new-age communication technology which will considerably reduce business travel in the post Covid scenario. View above, authority may take a considered view as far as fuel throughput volumes are considered.

Thanking you

For **BHARAT STARS SERVICES PRIVATE LIMITED**


Prashanth M Kamath
Chief Executive Officer



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