

Ref : MAFFFL/AERA/CP01/1449

Date : 03/05/2021

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

Subject: Stakeholder Comments to CP No. 01/2020-21 dated 08th April 2021 for determination of Aeronautical Tariff for M/s IndianOil Skytanking Private Limited providing Into-Plane Services at CSMI Airport, Mumbai for 3rd control period.

Dear Madam/Sir,

We, Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFL), would like to submit our comments with reference to CP No. 01/2020-21 as follows:

1. The selection of Into-Plane Services (ITP) service providers at Mumbai International Airport (MIAL) was done through a competitive bidding process. The winning bidder was M/s Bharat Stars Services Private Limited (BSSPL) which provided the lowest ITP Services fee. M/s IndianOil Skytanking Private Limited (IOSL) was required to match the same rate in order to be the 2nd operator to be selected.
2. We request the authority for having same ITP Service Fee for both IOSL and BSSPL, with competition being on service delivery and quality parameters.
3. As per the Sub-Concession agreement executed between MAFFFL and IOSL dated 31st October 2014, the relevant provisions are as follows:
 - A. Clause 1.1 :

'Effective Date' Shall mean October 31, 2014.

'LOA' means the Letter of Award issued by MAFFFL to the Sub-Concessionaire vide letter bearing no. MAFFFL/ITP/IOSL/1 dated October 29, 2014.

'Term' has the meaning ascribed to it in Clause 18.1.1

- B. Clause 3.3.4 : *Parties acknowledge and agree that in order to ensure competition at the airport, MAFFFL has granted sub-concession to 2 (two) different service providers, selected through competitive bidding process to undertake and provide the services to Users at the Airport, for a period of 10 years from the effective date.*

- C. Clause 13.5 : Fair Dealing

13.5.1 Neither the Sub-Concessionaire nor any of the subcontractors shall:

- (i) adopt, in relation to the activities performed by it under this Agreement or other activities carried on by it at the Airport, any trade practice, or any pricing policy, which unreasonably discriminates against any class of users of the Airport or any particular user or which unfairly exploits its bargaining position relative to users of the Airport generally or

Mumbai Aviation Fuel Farm Facility Private Limited

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CIN: U63000MH2010PTC200463



which directly causes the adoption by any other entity of a practice which has a similar effect;

- (ii) adopt, in relation to the granting of sub-concessions/ any subcontracts, any practice which:
 - (a) unreasonably discriminates against entities granted any class of such rights, or any particular grantee of such a right, or unfairly exploits its bargaining position relative to the grantees of such rights generally; or
 - (b) unreasonably discriminates against any class of entities applying for such rights or any particular applicant, or unreasonably limits the number of such rights that are granted in the case of any particular services or facilities; or
 - (c) which directly causes the adoption by any other entity of a practice, which has a similar effect.

D. Clause 18.1 TERM AND TERMINATION

18.1.1 The Sub-Concession shall take effect from the Effective Date and subsist till the date of expiration of the 10th anniversary of the LOA ('Term'). The Agreement may be terminated upon expiration of the Term or earlier, upon termination of the Agreement in terms hereof. The Agreement may be renewed in accordance with this Agreement.

18.1.2 MAFFFL shall have the right to extend the Term, at its sole discretion for a further period of maximum 5 (five) years.

18.1.3 MAFFFL may terminate the Agreement before date of expiration of the Term in the manner provided herein.

4. As we are still in the midst of Second wave of Covid-19, the full adverse impact on Aviation Sector in particular is difficult to comprehend at this stage. Based on the limited visibility on date, the following ATF volume projections of MAFFFL for CSMIA are submitted for 3rd control period for consideration of Authority:

Year	Recovery % on Base FY 2019-20		ATM Numbers (In '000)			% Fuel Efficiency Saving		ATF Volume (In '000 KL)		
	Dom	Intl	Dom	Intl	Total	Dom	Intl	Dom	Intl	Total
2019-20*	Base	Base	229	76	305	Base	Base	473	1010	1483
2020-21	Actual	Actual	92	24	116	Actual	Actual	203	403	606
2021-22	70	50	160	38	198	0	0	331	505	836
2022-23	100	75	229	57	286	3	3	459	734	1193
2023-24	(102)^3	100	243	76	319	5	5	477	959	1436
2024-25	(102)^4	(102)^4	248	82	330	6	6	481	1027	1508
2025-26	(102)^5	(102)^5	252	84	336	7	7	486	1036	1522

*Note : Figures for FY 2019-20 considered as base year for projection.

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5. Expected Market share, based on long term historical data, of IOSL for Third Control Period (till expiry of Term of Sub-concession) out of projected ATF volumes of CSMIA:

Year	ATM Numbers (In '000)						IOSL ATF Volume (In '000 KL)					
	Dom		Intl		Total		Dom		Intl		Total	
2021-22	125	78%	25	67%	150	76%	258	78%	303	60%	561	67%
2022-23	179	78%	38	67%	217	76%	358	78%	440	60%	798	67%
2023-24	189	78%	51	67%	240	75%	372	78%	575	60%	947	66%
2024-25*	113	78%	32	67%	145	75%	219	78%	360	60%	579	66%
TOTAL	606		146		752		1207		1678		2885	

*Note : For FY 2024-25 period from April to October (Seven months) is considered as term expires on 29th October 2024.

6. MAFFFL has no objections to re-adjustment of ITP tariff for IOSL as per the 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.

Thanking you and assuring you our best attention at all times,

Debasish Goswami

Debasish Goswami
(Authorised Signatory)
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFL)

Debasish Goswami
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