

भारत स्टार्स सर्विसेज
प्राइवेट लिमिटेड



BHARAT STARS SERVICES
PRIVATE LIMITED

AERA/ATP/BSSPL/FY 13-14

April 25, 2013

Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex
Safdarjung Airport
NEW DELHI – 110 003.

Dear Madam,

Subject: Comments on Annual Tariff Proposal for third, fourth and fifth year of the first control period by BSSPL for ITP services at Bangalore Airport

We write with reference to the Consultation Paper No.47/2012-13 on the subject & your communication dt.23.04.2013 seeking our comments on letter received from Shell MRPL Aviation Fuels and Services Ltd. Vide their letter dt.03.04.2013.

1. We would like to bring to your notice that we had notified the concerned suppliers about this proposal prior to submission of our ATP. In case of Shell MRPL, this information was provided to them vide our letter BSSPL/HO/ITP/11-12/03 dt.30.01.13.
2. The fact, which we have been consistently reiterating time and again, remains that this increase in cost is the bare minimum to sustain smooth and safe operations in the prevailing economic scenario. Thus taking into account the current inflation rate and increase in input costs e.g. Diesel, Electricity, Manpower, Rentals etc., the annual escalation of 5% is not only justified but is also the bare minimum increase required to sustain this crucial operations of Into-Plane Services.
3. ITP Volumes are not directly proportional to increase in aircraft movements. There can be numerous occasions when despite the increase in number of aircrafts being refueled, the ITP volumes would have not increased correspondingly due to addition of short sector flights operated by small aircrafts with very little or nil uplift. Similarly the cost structure / expenditure of ITP services are not directly proportional to fuel volumes but have many other complexities in terms of operational requirement for

Contd....\2

-2-

timely service. This service in terms of cost structure / expenditure is more dependent on number of operations, number of flights on ground requiring ITP services simultaneously during the same time period and short sector flights uplifting negligible or nil fuel.

You will appreciate that even though we have requisite approvals from AERA for higher rates in line with the proposed escalation factor of 5%, we are unable to implement it and recover the same, pending availability of leave of Hon'ble AERA Appellate Tribunal, thus leading to consistent financial burden on us.

In view of above facts, we request you to kindly release suitable order at the earliest convenience.

Thanking you and assuring you of our best cooperation at all times,

Yours faithfully,
For Bharat Stars Services Pvt. Ltd.



VIJAY RANJAN
Chief Executive Officer