

Date: 21.08.2023

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

Dear Sir,

Sub: Comments / Submission received from Stakeholder on the Consultation Paper No. 07/2023-24 dated 28.07.2023 regarding the determination of Tariff for Ground Handling Services for M/s. GSEC Indo Thai Ground Handling Private Limited (GSEC IndoThai) at Jaipur International Airport for the First Control Period (FY 2022-23 to FY 2026-27)

Ref: Public Notice F.No. AERA/20010/MYTP/IndoThai?GH/Jaipur/CP-III/2022-27 dated 21.08-2023.

This is with reference to the referred Public Notice wherein we are required to clarify the Comments / Submission received from Stakeholder. The same is appended herein below:

1. Review of Tendering Process:

This is not in the scope of Ground Handling agency (GHA), only the concerned Authority can comment.

2. Aircraft Traffic

The SPV partner of GSEC-Indo-Thai Ground Handling Private Limited (GSEC-Indo-Thai) is IndoThai Airport Management Services Private Limited (IndoThai) and IndoThai has been concessionaire and been operating at Jaipur Airport since 2011.

The observation of Spicejet Ltd. is factually incorrect.

GSEC-INDO-THAI GROUND HANDLING PVT. LTD.

Registered Office : 484/1, 2nd Floor, Gujarat Chamber of Commerce, Ranchhodlal Navarangpura, Ahmedabad - 380009

E info@indo thai.in, CIN : U63000GJ2022PTC128645



3. Deferment of Capital Expenditure

GSEC-Indo-Thai is obliged to keep safety of passenger and Aircraft and for that it will have to procure equipment and make capital expenditure. This is also required by both domestic and international carriers.

Moreover, it may please be noted that before award of contract by any Airline, a Ground Handler has to undergo intensive Audit procedure as lead down by airline and strength and all types of equipment is a must.

Considering above, GSEC-Indo-Thai has planned its capital expenditure very cautiously and it will have to procure equipment for providing services to airlines.

4. Abolishment of Royalty Charges / Concession Fee

The Royalty charges are as per Open Tender floated by the Airport Operator and same has to be honored.

5. Operating Expenditure – Drastic Cost Cutting

Payroll costs: There is hardly any increase in the Payroll cost. In all the year from FY 2023-24 to 2026-67 payroll cost is ranging between 37-38% of revenue. And in the initial year i.e. 2022-23 we were providing services mainly to NSOP operators (out of 1444 flights handled 1069 NSOP) and from FY 2023-24 started providing services to Schedule Domestic and Schedule International Airline requiring trained and experience man power there by increasing Payroll costs from FY 2023-24 to 2026-27.

Repair and Maintenance Costs: During the year 2022-23 we have procured equipment new equipment and such the cost of Repair and Maintenance were negligible but after one year of operation machines / equipment / etc. are required to be put under yearly maintenance and such the cost during 2023-24 seems to be high but after that it has been maintained at 5% of the total revenue of the company.

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Utility & Outsourcing cost: During the year 2022-23 was initial year of operations and from revenue of Rs. 421 lacs in the FY 2022-23 we will be generating a Revenue of Rs. 2294 lacs in the FY 2023-24 a 5.45 time increase and consumption of Utility & Outsourcing has also increased in the same proportion.

In view of the same Operating Expenditure are increasing with the increased volume and considering Inflation also.

6. **Tariff:** as illustrated by Spicejet Ltd. Blue Collar Staff the Maxim rate if Rs. 800/- per hour. Means if Spicejet require a Blue color for one hour it has to pay Rs. 800/- only but incase of other airports even if Spicejet Ltd. requires Blue Collar for 1 hour it will have to make payment for the entire day which is more than double our rate.

Furthermore, it may please be noted that this is the maxim price approved by AERA. An airline is always welcome to negotiate with us while giving us opportunity to serve them.

Hope you will find the above in order.

Thanking you,
Yours sincerely,

For GSEC-INDOTHAI Ground Handling Private Limited



Vikash Ladia
Director



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