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To: "SATISH KUMAR" <satish.kr@aera.gov.in>

Cc: "Manu Sooden" <secretary@aera.gov.in>, "RAM KRISHAN" <director-ps@aera.gov.in>, "Inderpal Singh" <inderpal.s@aera.gov.in>, "Prabhjot Singh" <prabhjot.marwah@govcontractor.in>, shyam@indothai.in

Sent: Friday, September 15, 2023 9:59:06 PM

Subject: Re: For submission of counter comments on the comments received from SpiceJet Limited -reg.

Date: 15.09.2023

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. 09/2023-24 dated 17.08.2023 regarding the determination of Tariff for Ground Handling Services for M/s. GSEC Indo Thai Ground Handling Private Limited (GSEC Indothai) at Lokoriya Gopinath Bordoloi International Airport, Guwahati, for the First Control Period (FY 2022-23 to FY 2026-27)

Ref: Public Notice F.No. AERA/20010/MYTP/Indothai/GH/Guwahati/CP-III/2022-27 dated 12-09-2023.

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 Northern India Airport since 2011 and while projecting the Aircraft Traffic has taken a realistic view considering the present operation being carried out by Indothai at Guwahati Airport.
The observation of Spicejet Ltd. is factually incorrect.

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**

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.

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

6. **Tariff:** It may please be noted that Tariff is proposed on the volume of flights to be handled by any GHA at a particular Airport.

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