



Date: 2 November, 2023

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

Dear Sir,

Sub: Response towards stakeholder comments on Consultation Paper no. 13/2023-24 dated 6 October, 2023 in the matter of determination of Tariff for the First Control Period (FY 2023-2024 to FY 2026-27) for Celebi Ground Services Chennai Private Limited (CGSCPL) at Chennai International Airport.

In reference to the above subject matter, we would like to submit our responses on SpiceJet Limited letter dated October 23, 2023 point by point basis:

1. Review of Tendering Process

The concession has been awarded by Airport Authority of India through competitive & transparent bidding process.

2. Aircraft Traffic

The aircraft traffic to be handled by CGSCPL in FY 2023-24 will increase gradually and the traffic for FY 2024-25 has been forecasted based on the market study and existing customer relations and we believe that this is achievable.

3. Deferment of Capital Expenditure

The capex has been planned based on the aircraft volume expected to be handled after considering all the safety aspects, essentiality & smooth running of the operations. All the plant & machinery related capex presented in projections has already been ordered which demonstrates its requirement and essentiality.

The comment on the justification of capex with the estimated market share of 5% should be seen in a different way. We are expecting to handle 4847 international flights which represents approx. market share in the range of 25% of the total international flights comprising of various type of aircrafts – wide body, narrow body, freighters etc. The equipment required to handle wide body international flights are large, sophisticated & expensive compared to handle domestic narrow body flights. Therefore, the capex proposed in the MYTP are reasonable & required for the operations.

4. Abolishment of Royalty Charges/Concession Fee

The recommendation made under this point is of Policy nature therefore we would not be in position to comment on the same.

5. Operating Expenditure

All the costs has been presented considering the optimum utilization of the resources and are essential in nature to provide the best services with high standards of safety & quality.

CELEBI GROUND SERVICES CHENNAI PRIVATE LIMITED

Regd. Office: No.12/18, RMS Apartments, 3rd Floor, Gopalakrishna Street, Pondy Bazaar, TNagar, Chennai, Tamil Nadu - 600 017
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6. Tariff

As we know, the proposed tariffs are the maximum tariffs and the final tariffs to be charged to the airline will be based on one to one discussion with Airlines.

It is not completely correct to compare the tariffs with different service providers operating at different regions. Moreover, there are other services where our charges are lower than the AERA approved tariffs of M/S GSEC Indo Thai Pvt. Ltd, Jaipur. Highlighting few of them below for FY 2023-24:

Ambulift Domestic : Rs. 6000 vs Rs. 10,000
Exterior Cleaning NB : Rs 31,755 vs Rs. 52,500.
Exterior Cleaning WB : Rs. 84100 vs Rs. 1,50,000
Interior Deep Cleaning WB : Rs. 15,000 vs Rs. 24,000
VIP vehicle rates in all categories
Conveyor Belt: Rs. 10,600 vs Rs. 14,373

The charges mentioned for White collar staff & Blue collar staff are on per hour basis only as you would understand that these services are provided on ad hoc basis and Company has to arrange resources for this.

Summarising, to all the comments provided by SpiceJet Limited, we would like to re-iterate the fact that the pandemic has affected the entire industry and we have implemented all measures to reduce & control the cost. But to continue the operations, maintain the infrastructure and to provide the best services, costs will have to be incurred. The tariffs have been proposed considering all these facts only.

For Celebi Ground Services Chennai Private Limited

Authorised Signatory



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