



Date: 30 May 2023

To,

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

Dear Sir / Ma'am,

Sub: Response towards stakeholder comments on Consultation Paper no. 02/2023-24 dated 03.05.2023 regarding the determination of Tariff for Ground Handling Services for Celebi Airport Services India Private Limited (CASIPL) at Manohar International Airport, MOPA, GOA for the First Control Period (FY 2023-2024 to FY 2027-28).

In reference to the above subject matter, we would like to submit our responses on SpiceJet Limited letter dated May 24, 2023 and Business Aircraft Operators Association (BAOA) dated May 23, 2023 point by point basis:

Response on Spicejet Limited letter

1. Review of Tendering Process

We agree that there should be some incentive mechanism to attract investment and to improve efficiency to have low operational cost.

2. Aircraft Traffic

The airport traffic has been forecasted after normalizing the post covid scenario only. We do agree that GOA being a popular tourist destination has high potential however it is going to be India's first city where two airports will be operational, which will lead to sharing the aircraft traffic. Despite with no history, projected aircraft traffic considered is based on the reasonable assumptions.

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.

CELEBI AIRPORT SERVICES INDIA PRIVATE LIMITED

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4. Abolishment of Royalty charges/Concession Fees

This is a policy matter, requesting Authority to review.

5. Operational Expenditure – Drastic Cost Cutting

(i) **Payroll Costs:** Employees are the backbone of every company and majority of our employees come under the purview of Minimum Wages Act. Therefore, we will have to abide by the related laws and regulations.

Employee strength and cost is in line with the volume of operations and revenue.

(ii) **Repair & Maintenance Costs:** The YoY increase in repairs & maintenance costs is due to the increase in wear & tear of the equipment with the higher usage, increase in the age of the equipment and inflationary effect of the same. Also, would like to highlight that the cost is not more than 0.6% - 0.63% of the revenue.

(iii) **Utility & Outsourcing Costs:** as the operations will grow the cost will increase and the same is in line with the increase in volume of operations.

We would also like to highlight that Celebi has always continued to maintain our quality and safety certifications to ensure compliance with the regulations and continued to deliver the required service standards to the airline customers. All these incur cost without any direct revenue benefit.

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.

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.

Units mentioned are applicable for all the years.

There are other ad hoc services as well where our proposed tariffs are lower than BASPL (Bird Airport Services (Konkan) Private Limited namely Ambulift, Ground power Unit, Passenger step Ladder, Passenger Transport etc.

Response on Business Aircraft Operators Association (BAOA) letter

- (i) None of the services are mandatory for NSOP/GA aircrafts and they can choose any services as per the requirement.
- (ii) The charges determined for all the ad hoc services are based on the estimated cost, expected volume etc.

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Summarizing, to all the comments provided by SpiceJet Limited & BAOA, we would like to re-iterate the fact that 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.

Thanking you,

Yours sincerely,

For Celebi Airport Services India Pvt. Ltd

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