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August 31, 2023

To,
The Chairperson,
Airports Economic Regulatory Authority,
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003.

Kind Attention – Shri. Balwinder Singh Bhullar Ji

Subject: Response to the AERA Consultation Paper No. 08/2023-24 dated August 8, 2023 on determination of tariff for Ground Handling Services for M/s Global Flight Handling Services (PUNE) Private Limited (GFHSPPL), at Pune International Airport, for the First Control Period (FY 2023-24 to FY 2027-28)

Dear Sir,

We write in response to the Consultation Paper No. 08/2023-24 issued on August 8, 2023 by the Airports Economic Regulatory Authority of India ("AERA" or "Authority") as referred in to the Subject above.

At the outset, we would like to express our sincere gratitude to AERA for inviting stakeholder comments on the Consultation Paper.

Refer the Tariff Rates for GFHSPPL as indicated in Annexure I, II & III of the Consultation Paper, we request the authority to clarify the basis of setting the base rates for the FY – 2023-24, as the same does not appear to be mentioned in the Consultation Paper. In any event, we kindly request that the approved Tariff Rates for GFHSPPL do not exceed the rates as approved by the Authority for M/s AIASL Airport Services Limited (AIASL) for similar services being rendered by them at Pune for the relevant periods.

It may please be noted that cost incurred by GFHSPPL impacts the airlines, as such cost is passed through or borne mostly by the airlines. In order to ensure that there is no adverse impact/increase in the tariff, we request AERA to kindly put on hold any increase in operational expenditure by GFHSPPL not related to safety or security.

Further, we submit that:

- (i) Payroll Costs: The proposed Y-o-Y increase of between 7.5% and 10% appear to be exorbitant. It is requested that the same may please not be more than approx. 6%, which may be considered as reasonable.
- (ii) Utility & Outsourcing Costs: The proposed Y-o-Y increase of 7.5% also appears to be exorbitant, and it is requested that the same may please not be more than approx. 5%, which may be considered as reasonable.

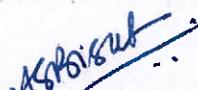
We humbly request AERA to kindly consider our submission as mentioned above, and review the proposed tariffs in light of the same, as the proposed rates of tariff are very high against the back drop of COVID-19, looming recessionary fears as well as recent collapse of an airline which may be in part due to high tariffs.

We hope that you will consider the above recommendations/ comments positively, as it will help in achieving the affordability and sustainability of the aviation sector including airlines, which is also outlined as a key objective in the National Civil Aviation Policy, 2016.

We look forward to your continued support in these challenging times.

Thanking you in advance,

Yours Truly,
For SpiceJet Limited


Suryavir Singh Bisht

Sr. General Manager – Regulatory Affairs

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Copy to: Director (P&S Tariff), Airports Economic Regulatory Authority of India (AERA)