

Consultation Paper No. 16/2012-13



Airports Economic Regulatory Authority of India

**Multi Year Tariff Proposal and Annual
Tariff Proposals in respect of Chennai
International Airport, Chennai for the
first Control Period (2011-12 to 2015-16)**

New Delhi : 23rd August, 2012

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

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1. Introduction

1.1. Airports Authority of India (AAI) was constituted under the Airports Authority of India Act 1994 (“AAI Act”) and came into being on 1st April 1995 by merging erstwhile National Airports Authority and International Airports Authority of India. The merger brought into existence a single organization entrusted with the responsibility of creating, upgrading, maintaining and managing civil aviation infrastructure, both on the ground and air space in the country.

1.2. AAI manages 125 airports, which include 11 International Airport, 8 Customs Airports, 81 Domestic Airports and 27 Civil Enclaves at Defence airfields. AAI provides Air Navigation Services (ANS) over 2.8 million square nautical miles of air space. During 2011-12, AAI handled 1.5 million aircraft movements, comprising of 0.3 million international and 1.2 domestic movements. Passenger throughput at AAI airports was 162.3 million [40.8 million international and 121.5 domestic passengers. The total cargo handled at all AAI airports was 2.3 million tonnes [1.5 million tonnes International and 0.8 million tonnes domestic].

1.3. The functions of AAI, laid down under Section 12 of the AAI Act, inter alia, includes:

- 1.3.1. Design, Development, Operation and Maintenance of international and domestic airports and civil enclaves.
- 1.3.2. Control and Management of the Indian airspace extending beyond the territorial limits of the country, as accepted by ICAO.
- 1.3.3. Construction, Modification and Management of passenger terminals.
- 1.3.4. Development and Management of cargo terminals at international and domestic airports.
- 1.3.5. Provision of passenger facilities and information system at the passenger terminals at airports.
- 1.3.6. Expansion and strengthening of operation area, viz. Runways, Aprons, Taxiway etc. and Provision of visual aids.
- 1.3.7. Provision of Communication and Navigation aids, viz. ILS, DVOR, DME, Radar etc.

1.4. The Chennai International Airport, Chennai (CIA) is one of the airports owned and managed by AAI. The annual passenger throughput at CIA, during 2010-11 and 2011-12, was 12.04 million and 12.93 million respectively.

1.5. The Airports Economic Regulatory Authority of India (the Authority) was established under the Airports Economic Regulatory Authority of India Act, 2008, (AERA Act) to regulate tariff and other charges for aeronautical services rendered at major airports and to monitor performance standards. The AERA Act came in to force w.e.f 01.01.2009. The Authority was established in May, 2009 and its regulatory functions were notified with effect from 01.09.2009. Pursuant thereto, the Authority set in motion an open and transparent process, involving extensive stakeholder consultation, to establish its regulatory philosophy and approach as well as to evolve detailed procedures and systems for determination of tariff and monitoring of performance standards.

1.6. As per section 2(m) of the AERA Act, an airport with passenger throughput, in excess of 1.5 million, is a “major airport”. As the passenger throughput at CIA is in excess of 1.5 million passengers per annum (mppa), it is a “major airport”. In terms of Sec 13 (1) of the AERA Act, the Authority shall, inter-alia, determine the tariff for the aeronautical services to be levied at a major airport, the development fees including user development fees and passenger service fee to be levied as per the Aircraft Rules, 1937 etc.

1.7. The Authority, vide its Order No. 13/2010-11 dated 10.01.2011 (Airport Order) finalized its approach in the matter of Regulatory Philosophy and Approach in Economic Regulations of Airport Operators. Further, the Authority vide its Direction No. 5/2010-11 dated 28.02.2011, finalized the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Airport Operators), Guidelines 2011 (Airport Guidelines).

1.8. As per the Airport Guidelines, the Authority shall determine tariff for the aeronautical services on the basis of a Multi Year Tariff Proposal (MYTP) made by the Airport Operator for a control period of 5 years. The Authority will initially determine an yield per passenger under the tariff determination process and subsequently detailed Annual Tariff Proposal(s) (ATP) from Airports Operators (pertaining to the approved yield per passenger) will be reviewed for approval.

1.9. As per the Airport Guidelines, all airport Operator(s) shall within four months of the date of issue of the Airport Guidelines, submit to the Authority for its consideration, a MYTP for the 1st Control Period, i.e., 5 year period commencing from 2011-12 in the form and manner specified in the Airport Guidelines. The last date for submission of the MYTP in terms of the airport Guidelines was 30.06.2011.

1.10. The Authority was conscious of the fact that in the nature of the timelines specified in the Airport Guidelines, it would not be possible to determine the tariff in respect of any of the major airports before 01.04.2011. In this light, the Authority had proposed to permit the concerned airport operators to continue charging the tariffs for aeronautical services provided by them, at the existing rates, in the interim period for which a separate order was issued after suitable Consultation (Order No.17/2010-11 dated 31.03.2011).

1.11. AAI submitted that they had already initiated the process of formulation of MYTP in respect of their major airports and some systematic and administrative changes were being carried out simultaneously for capturing of information/data related to regulatory matters and also furnished the status/progress of certain key activities. The Authority considered the aforesaid request of AAI and extended the timeline for submission of MYTP in respect of CIA up to 31.08.2011.

1.12. Accordingly, AAI filed the MYTP in respect of CIA which was scrutinized for sufficiency of information and wherever clarifications were required, the same was called for from AAI.

1.13. Considering the observations of the Authority and the revised capitalization due to change in probable date of completion of project, AAI submitted a revised MYTP for CIA along with the Annual Tariff Proposal (ATPs) for 1st Tariff Year (i.e., 2011-12) of the first Control period on 21.03.2012. AAI informed that Modernisation and Expansion of the CIA would be completed by 31.10.2012 (subsequently revised to 31.08.2012).

1.14. AAI also submitted clarifications on their depreciation policy, traffic forecasting methodology and details of the debt raised by them for the project. AAI also furnished component-wise breakup of the revenue and expenditure and furnished a brief note justifying the growth rates assumed and details of the component wise project cost, along with the probable date of completion of the project and their means of finance in respect of CIA.

1.15. AAI also informed that their accounts are audited by Comptroller and Auditor General of India (C&AG) -as mandated under the AAI Act. The C&AG's resident audit party takes up audit of AAI's airports, regional/field offices. However the final Audit Certificate is given to AAI as a whole.

1.16. Extensive discussions were held with AAI to discuss the underlying details/assumptions/ workings of the tariff proposal. During the course of these discussions AAI clarified that the project cost of Rs. 2,015 crore towards Modernisation and Expansion of Chennai Airport, including domestic and international buildings elevated corridor and allied work including extension of runway, construction of a bridge on the Adyar river, has been approved by the Ministry of Civil Aviation. The Authority has noted that in addition to the project cost AAI have proposed capital expenditure amounting to Rs. 311.71 crore towards Re carpeting of main runway; reconstruction of Taxiways and parallel Taxi Track for main runway etc., and Rs. 536 crore toward cargo facilities up gradation. With these expenditures, the total Capex under consideration of the Authority in this MYTP is Rs.2,862.71 crore.

1.17. As per the business plan submitted for CIA by AAI, it has been stated that CIA is the premier international gateway and air hub for South India. It is also the busiest and largest airport in South India. The domestic terminal building under construction is a three level structure having an area of 67,700 sq. mts with the provision of seven gates two hardstand hold rooms and 52 check-in-counters (excluding 8 counters for e-ticketing). The International Terminal Building under construction is a three level structure that will have 59,300 sq. mts of area with the provision of two gates, with multiple hardstand hold rooms, 52 check-in counters (excluding 8 counters for E-ticketing) ,18/10 immigration/ Customs counters for arrival passengers and 18/4 immigration / customs counters for departure passengers.

1.18. AAI have submitted the key assumption in respect of CIA for its Airport Services and Cargo Services, including growth rates assumed for various Revenue and Expenditure heads, based on which the Projected Profit and Loss Account, Balance sheet and Cash Flow Statement have been prepared. Further, it has been stated that the tariff proposal in respect of the airport tariff excludes the revenues and expenditure on account of the CNS ATM services provided by AAI at CIA .

1.19. In addition to being the Airport operator, AAI also manages and operates the International Cargo facility at CIA (domestic cargo services are being handled by the respective airlines themselves). AAI have clarified that separate Responsibility/Cost Centre have been assigned in AAI's accounting system for capturing accounting information relating to Cargo Operation Income, Expenditure and assets pertaining to Cargo service at unit level and they are separately accounted for in the books of AAI. AAI have submitted a separate MYTP and ATP for the Cargo Facility Services at CIA.

1.20. Further, the Authority had also requested AAI to appoint a Consultant for the purpose of assisting the Authority in the tariff determination process of AAI Airports. AAI has appointed a Consultant for this task pertaining to Kolkata and Chennai airport at present. The Consultant has assisted the Authority in its deliberations.

2. Cargo Facility Services at CIA – Regulatory Approach

2.1. AAI, in addition to being the Airport operator at CIA, also manages and operates the International Cargo facility at CIA.

2.2. The Authority, vide its Order No.11/2010-11 dated 05.01.2011, in the matter of AAI's proposal for revision of Cargo Tariff at Chennai and Kolkata Airports had approved a 5% revision of the schedule of cargo charges (Terminal Storage and Processing, Demurrage) at these airports over the existing charges, purely on an ad-hoc basis with immediate effect and had ordered that this ad-hoc determination would be reviewed at the stage of tariff determination for the first cycle and thereafter as the Authority may decide.

2.3. As per clause 5.7 of the Airport Guidelines, Cargo Facility service is a Regulated Service subject to separate control. Clause 5.7.1 of the Airport Guidelines state that:

"For any service provided by the Airport Operator for (i) ground handling services relating to aircraft, passengers and cargo at an airport; (ii) the cargo facility at an airport; and (iii) supplying fuel to the aircraft at an airport, the Authority shall follow the regulatory approach and process for tariff determination as mentioned in the Direction No 04/2010-11 on "Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling, and Supply of Fuel to the Aircraft) Guidelines, 2011". [i.e., the CGF Guidelines]

2.4. Further, Clause 5.4.4 of the Airport Guidelines states that the operation and maintenance expenses, related to regulated services subject to separate control provided by airport operator, shall be excluded from the determination of ARR. Also as per Clause 5.2.1 (e) of the Airport Guidelines -

“The assets related to any service(s) provided by the Airport Operator that are subject to separate control and regulated as per Clause 5.7, shall be excluded from the scope of RAB”.

2.5. The Airport Guidelines envisage that for the submission of MYTP for regulated services subject to separate control provided by the Airport Operator, the Airport Operator shall prepare separate audited pro-forma accounts clearly segregating and allocating the Regulatory Building Blocks related to such services with detailed justification and methodology for such allocation.

2.6. AAI have submitted a separate MYTP as well as ATP for airport services and cargo services at CIA. As per Section 2 (a) (v) of AERA Act, the provision of cargo facility at an airport is defined to be aeronautical service and charges for such a service would need to be determined as per the CGF Guidelines.

2.7. As per the CGF Guidelines, the Authority shall follow a three stage process for determining its approach to regulation of a regulated service:

2.7.1. Materiality Assessment

2.7.2. Competition Assessment

2.7.3. Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated services.

2.8. The Authority shall determine the materiality index with respect to services provided for cargo facility at a major airport based on information to be obtained from the AAI or any other source it may deem fit. The materiality index for service provided for cargo facility at major airport A shall be defined as:

Materiality Index for service provided for cargo facility at major airport A $\frac{\text{Cargo Volume at major airport A}}{\text{Total Cargo Volume at Major Airports}} \times 100$

2.9. Where the Materiality Index, as calculated above is 2.5% or more at a major airport, the service provided for cargo facility at major airport A shall be deemed “material”. If

Materiality Index is below 2.5%, then service provided for cargo facility at major airport A shall be deemed “not material”.

2.10. The percentage share of cargo volume for CIA, as per April’ 2010 to March’2011 AAI Traffic statistics, is 17.1% which is greater than 2.5% Materiality Index fixed for the cargo service. Hence the cargo service at Chennai Airport is deemed ‘material’.

2.11. AAI has submitted that Air India is also providing cargo facility services at CIA and hence there is competition for the cargo facility at CIA. Hence, the cargo service rendered by AAI at CIA is deemed “material but competitive”, as per CGF Guidelines. Accordingly, AAI have requested that the determination of tariff for cargo facility services provided by them at CIA may be considered under “Light Touch Approach.

2.12. Further, they have also stated that tariff for cargo services were fixed in consultation with the Trade as per the established policy as there is a broad understanding between AAI and Trade Bodies over annual escalation of 5% in cargo rates for FY 2010-11 and 2011-12. Copy of the minutes of meeting with apex trade bodies have been furnished by AAI in support of the claim as evidence of user consultation. As of today, the cargo charges are what were existing in 2010-11 (i.e., with the 5% increase over the charges over 2009-10). AAI have not increased these charges during 2011-12. Furthermore, AAI have not proposed any revision of rates for cargo services in the first control period. They have requested the Authority to allow them to continue levying the existing rates for the various cargo services during the remaining period of the first control period. In view of the above facts, the Authority proposes to approve determination of the tariff for cargo services provided by AAI at CIA under “Light Touch Approach” for the first control period.

Tentative Decision No1. Regarding MYTP and ATP for Cargo Facility Services at CIA

1.a. The Authority proposes to determine the tariff for cargo facility services provided by AAI at CIA under “light touch approach” for the first control period.

1.b. The Authority proposes to approve AAI’s proposal to continue levying the existing rates for the various cargo facility services during the remaining period of the first control period.

3. Airport Services at CIA - Regulatory Approach

3.1. As stated above, AAI, apart from being airport operator for CIA, is also providing cargo facility services at CIA. As per Section 2 (a) (v) of AERA Act, the provision of cargo facility at an airport is defined as aeronautical service. The Authority has specified that the charges for cargo service would need to be determined under the CGF Guidelines. The Authority has also taken a stand that the revenues arising from such aeronautical services would be aeronautical revenues at the hands of the respective service provider.

3.2. The service provider of these three services can either be Independent Service Provider (ISP) or the airport operator himself. If one or more of these three services are provided by the airport operator himself, the revenue arising therefrom would be treated as aeronautical revenue in the hands of the Airport operator. However, if the services are being rendered by an ISP, then the revenues therefrom would be treated as aeronautical revenue in the hands of the ISP and the ground/ lease rentals/royalty etc., which such an ISP may pay to the airport operator would be treated as non-aeronautical revenue at the hands of the airport operator.

3.3. In as much as the cargo facility services are being rendered by AAI at CIA, the revenue from the regulated service subject to separate control is to be determined in accordance with the framework for such determination i.e. CGF Guidelines.

3.4. Further as stated before, AAI has been traditionally maintaining integrated financial accounts for its activities on an All India basis, built-up from the airport-wise/regional accounts. Even though costs have been separated out in the airport accounts in the AAI accounting system, a further sub-categorisation of such costs between airport operation and cargo services at every respective airport, as the case may be, essentially adds another layer of apportionment of overheads. If, however, all cost elements of CIA (including those for cargo services) are treated together, it provides a more stable basis for determination of ARR from the building blocks as a whole for the airport

3.5. In line with the above approach the Authority proposes to determine the Aggregate Revenue Requirement (ARR) for AAI as a whole, taking into account the investments and costs for both the airport services as well as cargo services as follows:

ARR (for airport services) =	Total ARR (Airport services + Cargo facility services) Less - projected revenue from Cargo facility services
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Note: It is to be noted that the ARR includes revenues from services other than aeronautical services.

3.6. Further, as per the Airport Order, laying down the Regulatory Philosophy and Approach for Economic Regulation of Major Airports, the Authority had decided to adopt Single Till regulatory regime for major airports (except Delhi and Mumbai) in India. AAI have submitted their MYTP for CIA under "Single till" approach - which is in line with the Airport Order and Guidelines. The detailed submissions made by AAI in respect of the Regulatory Asset Base (RAB), the project cost and other items of the Regulatory Building Block have been discussed in the following sections.

4. Project Details

4.1. **Examination of the Project Cost** - The Modernisation and Expansion of CIA comprising domestic and international terminal buildings, elevated corridor and allied works including consultancy, extension of runway and construction of a bridge on the Adyar river has been approved by the Ministry of Civil Aviation at a total cost of Rs.2,015 crore.

4.2. As stated supra, the Authority has noted that in addition to the project cost AAI have proposed capital expenditure amounting to Rs.311.71 crore towards Re-carpeting of main runway; reconstruction of Taxiways and parallel Taxi Track for main runway etc., and Rs.536 crore toward cargo facilities up gradation. With these expenditures, the total capex under consideration of the Authority is Rs.2,862.71 crore for the first control period is as per the following table:

Table 1 Cost of the Project and allied Capital works at CIA

Details	Rs in crore
Project Cost - Modernization and Expansion of CIA - approved by the Ministry of Civil Aviation	2,015.00
Allied Capital Expenditure	
Reconstruction of Taxiways and parallel Taxi Track for main Runway etc	311.71
Cargo Facilities up gradation	536.00
Total	2,862.71

4.3. AAI have, in their business plan, indicated that CIA is the premier international gateway and air hub for south India and also the busiest and largest airport in South India.

AAI have submitted that the domestic integrated terminal building under construction is a three level structure having an area of 67,700 sqm with the provision of seven gates, two hardstand hold rooms and 52 check in counters (excluding 8 counters of eticketing). The International Integrated Terminal Building under construction is a three level structure that shall be of 59,300 sqmt with the provision of two gates with multiple hardstand hold rooms, 52 check in counter (excluding 8 counter of eticketing), 18/10 immigration/customs counter for arrival passengers and 18/4 immigration/customs counter for departure passengers.

4.4. As regards the Capacity of the new Terminal Buildings, AAI have stated that the capacity of the new domestic terminal building will be 10 million passengers per annum and the new international terminal building will cater for 4 million passengers per annum. After completion of both the new terminal buildings, the total capacity of CIA will be 23 million passengers per annum (i.e., 16 million domestic and 7 million International). Both terminal buildings are equipped with sophisticated in line baggage handling systems, capable of Level 4 security screening. The systems consist of five departure conveyors including a 'reject baggage' conveyor. There are four arrival carousels for domestic and three arrival carousels for international passengers. AAI have also informed that commissioning of the new terminal building at CIA would be by August, 2012.

4.5. User Consultation: The Authority had in its Airport Guidelines stated that the Airport Operator shall undertake user consultation with Airport Users Consultative Committee (AUCC) on major capital projects planned at the airport. The major capital projects were defined as capital investment projects that may represent more than 5% of the value of the RAB at the beginning of the control period or Rs.50 crore, whichever is lower amount. Further, the Authority had in its Guidelines classified the major projects in to two categories for effectiveness of the consultation process.

4.6. AAI have clarified that the work on the Project (Modernisation and Expansion of the CIA), commenced well before the Authority's Airport Guidelines on the user consultations came in force and the project at CIA already had the approval of the Competent Authority. However, AAI have conveyed that capital projects in future will be undertaken as per the Authority's user consultation protocol.

4.7. Area - The existing area of the terminal building at CIA 61,550 sqmts (Domestic 19,250 sqmts and International 42,300 sqmts). After commissioning of the new domestic

and international Terminal Buildings, the total area of CIA will be 1,88,550 sqmts (Domestic 86,950 sqmts and International 1,01,600 sqmts). The existing passenger capacity and the projected passenger capacity at CIA is as under:

Table 2 Projected passenger capacity vis-à-vis existing capacity

Annual Pax capacity	Capacity of the Existing Terminal Building at CIA (in Mn)			Capacity after commissioning of New Terminal Building Domestic & International (in Mn)		
	Domestic	International	Total	Domestic	International	Total
Arrival	2.4	1.25	3.65	6.4	3	9.4
Departure	3.6	1.75	5.35	9.6	4	13.6

4.8. It will thus be seen that the existing total capacity of the terminal building at CIA is 9 million passengers (Domestic 6 million; International 3million). However, the airport has already achieved an annual passenger throughput of 12.92 million passengers in 2011-12 (Domestic 4.30 million; International 8.62 million) far exceeding the existing capacity. AAI have submitted that after commissioning of the new Terminal Building, the Peak hour capacity at CIA will be 3300 domestic and 2300 international passengers. The capacity addition made at Chennai Airport now would thus alleviate congestion and provide for further traffic growth.

4.9. The Authority notes that the project is yet to be completed. The final project cost need to be reckoned for and appropriate adjustments to the RAB would need to be carried out. The Authority, for the present, proposes to consider the project cost of Rs.2,862.71 crore (as at Table 1 Cost of the Project and allied Capital works at CIA) for the purpose of the current tariff determination and corrections will be carried out in the next Control Period.

Tentative Decision No2. Regarding the Project Cost

2.a. The Authority proposes to consider the project cost of Rs. 2,862.71crore (as at Table 1 Cost of the Project and allied Capital works at CIA) for the purpose of the current tariff determination.

Truing Up: 1. Correction / Truing up for Tentative Decision No2

1.a. *The Authority proposes to adjust the RAB as per the final project cost in respect of CIA at the beginning of the next control period.*

5. Regulatory Asset Base (RAB)

5.1. As per the Airport Guidelines, the calculation of initial RAB has to take into consideration original value of fixed assets, accumulated depreciation, accumulated capital grants, subsidies or user contribution, and adjustment for value of land excluded from the scope of RAB.

5.2. AAI have worked out the initial RAB on the basis of the audited accounts of CIA for the FY 2010-11, audited by C&AG. The Authority proposes to consider the figures furnished by AAI in respect of the initial RAB at Rs.343.52 crore.

Tentative Decision No3. Regarding Initial RAB

3.a. The Authority proposes to consider the initial RAB at Rs.343.52 crore as furnished by AAI.

5.3. **Depreciation** - As per Clause 5.3.3 of the Airport Guidelines, the minimum residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the original cost of the asset on straight line method.

5.4. AAI have stated that the assets reflected in the proposal as part of the Initial RAB and the accumulated depreciation of these assets are as per the figures reflected in the audited accounts of CIA which are subject to the scrutiny of C&AG. It has been stated that AAI is following the straight line method for depreciation and the depreciation rate applied to various assets is as per AAI's approved accounting policy considering the useful life of the assets. The salient aspects of AAI's depreciation policy are as under:

5.4.1. Method of Depreciation –Straight Line Method.

5.4.2. Additions to Fixed Assets - Depreciation to be provided for full year irrespective of month of installation/completion.

5.4.3. No depreciation to be provided in the year the asset is disposed off/retired from active use.

5.4.4. Residual value for each asset to be taken as Re. 1 balance to be provided by way of depreciation as per prescribed rates.

5.5. In this regard it is observed that the AAI's accounts are maintained as per the provisions of the Section 28 (1) of the AAI Act.

"The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance-sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India."

5.6. Further as per Section 28(4) of the AAI Act,

"The accounts of the Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before both Houses of Parliament."

5.7. **Historical Figures** - AAI have stated that historically, AAI's financials have been prepared and maintained at a consolidated level across all the airports operated by it. AAI, for the purpose of the current MYTP submission for the first control period, have recast their the historical balance sheet and historical Profit and Loss account and cash flow statements. Further, AAI have also clarified that the books of account of AAI are audited by C&AG of India as mandated under the AAI Act. The C&AG's resident audit party takes up audit of AAI's airports, region/field offices. However, the Audit Certificate is given to AAI as whole.

5.8. The Authority notes that the depreciation policy of AAI (*in respect of depreciation to be provided for full year irrespective of month of installation/completion; No depreciation to be provided in the year the asset is disposed off/retired from active use; Residual value for each asset*) is not in accordance with the Airport Order and Airport Guidelines. However, AAI has been established under the AAI Act. The Board of AAI has approved the Depreciation policy that has been adopted by AAI. AAI's format of accounts have been formulated in consultation with the C&AG of India, who also audit the accounts of AAI as mandated under the AAI Act. The C&AG have not commented adversely on the depreciation methodology adopted by AAI. Further, accounts of the AAI, certified by the C&AG, together with the audit report are laid before the Parliament. The Audited final

Accounts of AAI for the FY 2010-11 including the AAI's Accounting Policy and the Audit Report of the C&AG is available on the website of AAI (www.aai.aero).

5.9. In this light the Authority proposes to consider the depreciation policy of AAI and the depreciation calculated in accordance thereof for the purpose of determination of tariffs for aeronautical services at CIA.

5.10. For the purpose of arriving at the forecast and Roll forward RAB for CIA for the first Control period and the Average RAB for Return purposes the following has been considered by AAI in the tariff proposal:

5.10.1. Initial RAB (book value of the assets at the beginning of control period i.e as on 01.04.2011) Rs.343.52 crore;

5.10.2. Additional capitalisation to the tune of Rs.2,862.71crore (for both Airport and Cargo Services) includes the assets created as part of the airport project, i.e., Modernisation and Expansion of CIA as well as forecast of other capex projected by AAI during the control period;

5.10.3. Depreciation calculated in accordance with the depreciation policy of AAI

5.11. Accordingly, the summary of the initial and Roll forward RAB and the Depreciation in AAI's tariff proposal for CIA (Airport and Cargo Services) is as under:

Table 3 Summary of Forecast and Roll forward RAB and Depreciation for CIA (Airport and Cargo Services) (Rs in crore)

	Details (Rs.in crore)	Tariff Year 1- 2011-12	Tariff Year 2- 2012-13	Tariff Year 3 2013-14	Tariff Year 4- 2014-15	Tariff Year 5- 2015-16
A	Opening RAB-A	343.52	741.24	2070.79	2322.19	2106.93
B	Additions - WIP Capitalisation-B	522.04	1615.21	590.47	134.99	0
C	Disposals/Transfers-C	0	0	0	0	0
D	Depreciation-D	124.32	285.66	339.07	350.25	344.86
E	Closing RAB(A+B-C-D)	741.24	2070.79	2322.19	2106.93	1762.07
F	Average RAB (A+E)/2	542.38	1406.01	2196.49	2214.56	1934.50

Tentative Decision No4. Regarding Roll Forward RAB and Depreciation

4.a. Authority proposes to consider the depreciation policy of AAI, the depreciation calculated in accordance thereof and Roll Forward RAB during the Control Period as given in Table 3 above for the purpose of determination of tariffs for aeronautical services at CIA.

Truing Up: 2. True Up/Correction for Tentative Decision No4

2.a. *Depending on the capex incurred and timing thereof (i.e the year of capitalisation of the underlying assets in question) the Authority proposes to make appropriate adjustments to the RAB at the beginning of the next Control period, taking into account, the accounting policies of AAI as indicated in Tentative Decision No4.*

6. Traffic Forecast

6.1. As per the Airport Guidelines, the airport operator is required to submit traffic forecasts as part of the MYTP submissions. The Airport Guidelines further provide that the Authority would reserve the right to review such forecast assumptions, methodologies and processes and to determine the final forecast to be used for the determination of tariffs. The Airport Guidelines further provide that the Authority will also use forecast correction mechanism if the actual traffic turns out to fall outside the prescribed bands with the upper and lower band percentages being equal. As part of the tariff determination process, the Authority would require Airport Operators to provide proposals for the values of the upper and lower bands, supported by evidence for the rationale of such bands and will review the operation of the bands and determine the final bands for the tariff determination. As per the Airport Guidelines, any variation outside of the bands will be shared equally between the Airport Operator and users.

6.2. AAI have submitted a note on traffic forecast methodology. As per their submission, growth in traffic has been considered keeping in view the regression/ econometric analysis with GDP, Index of Industrial Production (IIP) and foreign tourist as predictor variables. Forecasts of other international organisations like, ICAO, IATA, ACI and aircraft manufacturers, traffic trends, infrastructure facilities, safety and secure environment have also been factored. Besides, the forecast has been moderated taking in to account other factors contributing to the traffic growth like fleet of airline, subjective factors like increase in oil prices, safe and secure air travel, environment and other infrastructure like road and rail connectivity, hotels and tourist places of attraction. The growth rate as submitted by AAI in the tariff proposal for CIA is as follows:

Table 4 Traffic Growth rates assumed by AAI

Particulars	Growth rates adopted (%)
Passenger Growth	7% increase in passenger traffic in 2011-12, thereafter 9% growth is projected till the end of the control period 2015-16.
ATM	Aircraft movement (both domestic and international) has shown an increase by 5% in 2011-12 followed by 7% till the end of the control period 2015-16.
Freight	13% in 2011-12 11% in 2012-13 to 2016-17 and 10% thereafter.

6.3. As per the traffic statistics available on the website of AAI, the percentage change in traffic for the period April 2011-March 2012 as compared to the corresponding period April 2010- March 2011 is as follows:

Table 5: Actual Traffic Statistics 2010-11 and 2011-12 for CIA

	April 2011-March 2012			April 2010- March 2011			% change (actual 2010-11 to 2011-12)	% increase projected by AAI in MYTP (2010-11 to 2011-12)
	Intl	Dom	Total	Intl	Dom	Total		
Total ATM (Nos)	33535	86592	120127	32211	78567	110778	8.4%	5%
Total Pax (Nos)	4308038	8617180	12925218	4245836	7803843	12049679	7.3%	7%
Freight (Tonnes)	272461	84730	357191	295497	93336	388833	-8.1%	13%

6.4. CAGR for ATM, Freight and Passenger movements over the period 2002-03 to 2011-12 for CIA is as under:

Table 6: CAGR - 2002-03 to 2011-12 for CIA

CAGR 2002-03 to 2011-12	International	Domestic	Total
ATM	9.77%	12.56%	11.71%
Passenger	9.22%	16.30%	13.42%
Freight	10.96%	12.30%	11.27%

6.5. It is observed that the percentage increase in traffic forecasts factored in by AAI in the tariff proposal for ATM is lower than the CAGR for CIA over the period 2002-03 to 2011-12 as well as in comparison to the actual increase from 2010-11 to 2011-12. Similarly in the case of the Passenger growth the forecasts factored by AAI is lower than the CAGR for CIA over the period 2002-03 to 2011-12 but almost equal to the actual increase from 2010-11 to 2011-12. However, the total percentage increase considered by AAI in the Cargo traffic forecast is higher than the actuals but lower than the CAGR for CIA over the period 2002-03 to 2011-12. In view of the variations, the Authority proposes to consider the average of the growth projected by AAI and CAGR for CIA over the period 2002-03 to 2011-12 for the purpose of determination of aeronautical tariffs for CIA as follows:

Table 7 Traffic Growth Rates - Comparison of projection by AAI in the MYTP, CAGR and average of the two

Year	ATM			PAX			Freight		
	AAI %	CAGR %	Avg. of AA I & CAGR%	AAI %	CAGR %	Average of AAI & CAGR %	AAI %	CAGR %	Average of AAI & CAGR%
Domestic	8%	9.77%	8.89%	10%	9.22%	9.61%	10%	10.96%	10.48%
International	6%	12.56%	9.28%	8%	16.30%	12.15%	15%	12.30%	13.65%
Combined	7%	11.71%	9.35%	9%	13.42%	11.21%	11%	11.27%	11.13%

6.6. Further, the Authority also notes that the recent trends in traffic appear to indicate some volatility in growth and the actual traffic may vary significantly as compared to the projected traffic volumes/ numbers. The traffic projection may be considered for truing up based on actual growth.

Tentative Decision No5. Regarding Traffic Forecast

5.a. The Authority proposes to consider the following traffic Forecast for CIA for the first control period:

- i) ATM growth rate of 8.89% and 9.28% for Domestic and International movements respectively.**
- ii) Passenger growth rate of 9.61% and 12.15% for Domestic and International respectively.**
- iii) Freight growth rate of 10.48% and 13.65% for Domestic and International respectively.**

Truing Up: 3. Truing Up/Correction for Tentative Decision No5

3.a. *The Authority proposes to true up the traffic projection based on actual growth.*

7. Revenue from services other than aeronautical services

7.1. AAI have submitted the forecasts of the various components of Revenues from Services other than aeronautical service (non-aeronautical revenue streams) along with the respective areas as well the assumptions underlying the forecast. The historical and projected revenue generating area at CIA, as submitted by AAI is as given below:

Table 8: Historical and Projected Revenue generating area in Sq. mts at CIA

Sl	Particulars of Area in sq.mt.	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Retail	138.00	138.00	152.00	152.00	152.00	152.00
2	Commercial Offices	14,897.00	14,897.00	33,953.00	33,953.00	33,953.00	33,953.00
3	Advertisement	7,799.00	7,799.00	8,578.90	8,578.90	8,578.90	8,578.90
4	Ticketing	18.00	18.00	19.80	19.80	19.80	19.80
5	Duty free shop	267.14	267.14	293.85	293.85	293.85	293.85
6	Car Parking	1,256.40	1,256.40	1,382.04	1,382.04	1,382.04	1,382.04

7.2. Further, the assumptions taken by AAI for projection of each source of non-aeronautical revenue at CIA and the basis of the assumptions are as under:

Table 9: Assumptions taken by AAI for each item of Non Aeronautical Revenue at CIA

Revenue Heads	Growth rates adopted (%)
Public admission fees	25% in increase in 11-12 as per the current year estimates and 10% increases per annum in 2012-13 on onwards.
Trading concession including Restaurant, Hording & display, duty free shops etc	15% in increase in 11-12 as per the current year estimates and 35% increases in revenue projected in 2012-13 due to increase in commercial area following commissioning of new terminal building and normal increase of 10% is estimated on 2013-14 onwards
Rent & Services including Land lease and building non-residential	7.50% in increase in 11-12 as per the current year estimates and 35% increases in revenue projected in 2012-13 due to increase in commercial area following commissioning of new terminal building and normal increase of 7.50% is estimated on 2013-14 onwards
Miscellaneous	10% in increase in 11-12 as per the current year estimates and 35% increases in revenue projected in 2012-13 due to increase in commercial area following commissioning of new terminal building and normal increase of 10% is estimated on 2013-14 onwards. Historical factors are also considered.

7.3. As per AAI submissions, the growth in non-aeronautical revenue at CIA, have been worked out by applying the above growth rate to historical revenues and establishing the relationship with available commercial area.

7.4. AAI have projected the revenue from non-aeronautical services at CIA as follows

Table 10: Revenue from Non Aeronautical Sources – CIA (Rs.in crore)

Details	FY before Tariff Year 1 2010-11	Tariff Year 1-2011-12	Tariff Year 2-2012-13	Tariff Year 3-2013-14	Tariff Year 4-2014-15	Tariff Year 5-2015-16
Public Admission Fees	2.28	2.86	3.16	3.46	3.80	4.18
Trading concession including Restaurant, Hording & display, duty free shops etc	71.97	82.76	111.73	122.90	135.19	148.71
Rent & Services including Land lease and building non-residential Rents & Services	42.86	46.08	62.20	66.87	71.89	77.28

Details	FY before Tariff Year 1 2010-11	Tariff Year 1-2011-12	Tariff Year 2-2012-13	Tariff Year 3-2013-14	Tariff Year 4-2014-15	Tariff Year 5-2015-16
Other Revenue including Car parking	22.80	25.08	33.85	37.24	40.96	45.06
Interest Income	1.50	1.55	1.86	1.95	2.05	2.15
Total Revenue	141.41	158.33	212.80	232.42	253.89	277.38

7.5. The Authority has been informed that AAI is in the process of identifying, planning and concessioning out various areas/ locations within the new terminal building at CIA for non-aeronautical purposes. The underlying area will also alter as per the final decisions in this regard. As per the Airport Order and Directions, the Authority had decided that any upside or down side of non-aeronautical revenue would not be trued up. However, Authority notes that the plans regarding the area to be utilised towards non aero activities has not been firmed up in respect CIA. Hence the non-aeronautical revenue projections as submitted by AAI are therefore, likely to be tentative.

7.6. As regards projection of non-aeronautical revenue at CIA over the remaining part of the control period, the Authority deliberated on the methodology, if any, of forecasting the non-aeronautical revenue. It, however, noted that the past growth of non-aeronautical revenue may not serve either as a benchmark or guide in making the forecast. This is because the new terminal at CIA is about more than 3 times the existing terminal. Furthermore, the expansion/modernisation of CIA is not yet complete. After completion of the terminal building at CIA, AAI would be in a position to grant necessary concessions to vendors. The amount of non-aeronautical revenues that AAI may be able to obtain at CIA is, therefore, difficult to estimate.

7.7. Having regard to these considerations, the Authority considered that for the first control period it may consider the forecast of non-aeronautical revenue provided by AAI as indicated above for determination of tariffs and true up the actual receipts from non-aeronautical revenue while determining tariffs for the next control period. While doing so, the Authority also considered whether the forecast of non-aeronautical revenues provided by AAI can be taken as a floor. On balance, the Authority felt that in the absence of any alternative reasonable projections of non-aeronautical revenues at CIA for the first control period, the projection of non-aeronautical revenue at CIA by AAI may not be considered

as a floor and thus true up the non-aeronautical revenues on actuals. The Authority, however, may revisit this issue in the next control period.

Tentative Decision No6. Regarding Non Aeronautical Revenues

6.a. The Authority proposes to consider the Non Aero Revenue projection as submitted by AAI for determination of aeronautical tariffs for the current control period in respect of CIA as given in Table 10.

Truing Up: 4. Corrections/Truing up for Tentative Decision No6

4.a. *The Authority proposes to true up the non-aeronautical revenue based on the actual non-aeronautical revenue at CIA while determining the tariffs for the next control period.*

7.8. Fuel Throughput Fee - AAI have considered the fuel throughput fees received from oil marketing companies as aeronautical revenue for the purpose of current tariff determination, which is in line with the Authority's approach. In this connection, the Authority had vide Order No.07/2010-11 dated 04.11.2010, in the matter of suo moto revision of throughput fee by the Airport Operators had considered the submissions made by AAI and other stakeholders. AAI, had submitted that the revision of fuel throughput charges at AAI's airports is through a commercial agreement between AAI and Oil companies which covers many airports including those which are not under the purview of the AERA Act and that these agreements have been entered into with the Oil companies in the year 2005 based on the outcome of a competitive tendering process. The Authority had vide the above referred order, approved the fuel throughput charges at CIA (from Rs.1390.31 to Rs.1459.83 @ 5% increase as per contractual terms) with effect from 01.04.2010, on an adhoc basis. AAI have in their ATP proposed for a 5% annual increase as per the contractual terms, w.e.f. 01.11.2012 with further increase of 5% p.a w.e.f 01.04.2013; 01.04.2014 and 01.04.2015 as per the contractual arrangements with the Oil Marketing companies.

7.9. The Authority proposes to approve the above proposal of AAI for a 5% increase in throughput fee as per the contractual agreements with the Oil Marketing companies and the same has accordingly been incorporated in the section on ATP.

Tentative Decision No7. Regarding Throughput Fee

7.a. The Authority proposes to approve the 5% increase in throughput fee as per the contractual agreements with the Oil Marketing companies and give its effect as aeronautical revenue in the hands of AAI while determining aeronautical tariffs for the current control period.

7.10. Ground Handling Service - As regard the ground handling services, the Authority notes that AAI have concessioned out the services to an ISP at CIA and have considered the licence fee receivable from the ISP as non-aeronautical revenues. This is in line with the Authority's Approach in the Airport Order and Airport Guidelines.

8. Operation and Maintenance expenditure

8.1. As provided in Clause 5.4 of the Airport Guidelines, the operation and maintenance expenditure shall include all expenditures incurred by the Airport Operators including expenditure incurred on statutory operating cost and other mandated operating costs.

8.2. As per AAI's submission, the operational and maintenance expenditure in respect of CIA is as follows:

8.2.1. Staff Cost – AAI have stated that the staff cost includes Dearness Allowance, House Rent Allowance and other perks and other staff welfare funds (Gratuity and Provident funds) and other proportionate expenditure of AAI's Corporate Headquarters (CHQ). The expenses of CHQ and the Regional Headquarters (RHQ) have been apportioned over CIA based on the number of employees which is, as per the existing accounting policy of AAI. AAI have assumed an annual increase of 7% in pay and allowances at CIA during the 1st Control Period, however, no increase in staff count has been projected.

8.2.2. Repairs and Maintenance (R&M) – AAI have proposed a 51% increase in R&M expenses at CIA in year 2011-12 due to shifting of operation to NTB. It is noted that the R&M expenses are expected to increase by 110% due to the commissioning of the New Terminal Building resulting in the total increase in area by 65,450 sq. mts. (i.e. 107%). However, thereafter 10% annual increase in expenditure is considered from the FY 2013-14 onwards.

- 8.2.3. Utility and Outsourcing Expenditure - Under this category mainly Electricity, Water Charges, outsourcing expenses on field/site maintenance and cleaning etc. have been considered. Increase in expenditure at the rate of 22% in 2011-12 and at the rate 114% in 2012-13 has been assumed by AAI due to commissioning of the new terminal building leading to larger area under the coverage of air condition, lighting, decoration, horticulture and associated conservancy cleaning. However, thereafter 13% in 2013-14 and from 2014-15 onwards, an increase of 11% in expenditure has been contemplated.
- 8.2.4. Administrative and General Expenditure- AAI have given the break-up of the Administration and General Expenditure. It has been submitted that during the first two years of the control period, increase @40% in 2011-12 and 55% in 2012-13 have been considered due to commissioning of the new terminal building. However, after drop of 2% in 2013-14, growth rate of 9% has been projected in 2014-15 on ward.
- 8.2.5. **Other Miscellaneous Expenditure** – This head includes Municipal Property Tax, Insurance, other office expenditure and discount on landing charges. AAI have submitted that they have assumed an increase of 96.19% increase in 2011-12 largely due to increase in Municipal Tax. Thereafter, growth @ 8.30% has been considered w.e.f 2012-13 onwards. AAI in its submission stated that Municipal authorities have raised a claim of Rs.10.00 crores in r/o CIA . The same has been appealed against by AAI and the final claim may be settled at around Rs.6.00 to Rs.7.00 crore. Hence, in the tariff proposal for CIA, Municipal tax has been increased by 411% in 2011-12 and thereafter an increase @ 10% p.a. w.e.f 2012-13 has been considered . Further, the total interest on loan taken for financing the project at CIA during the current control period is Rs. 150 crore. The interest of Rs.67.29 crore (i.e., prior to commissioning) is proposed to be capitalised in 2012-13 and balance amount of interest of Rs.75.44 crore has been reflected as operational expenditure over the period of next 3 years effective from 2013-14 in the tariff proposal of AAI.

Table 11: Summary of operational and maintenance expenditure actual/projected by AAI (Rs in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Staff Cost	151.00	161.95	173.74	186.44	200.15	214.93
Administrative and General Expenditure	2.02	4.29	5.81	5.97	6.54	7.17
Repairs and Maintenance (R&M)	13.91	20.44	41.47	45.62	50.18	55.20
Utility and Outsourcing Expenditure	37.82	40.51	100.99	108.62	115.20	122.30
Other miscellaneous expenditure	6.33	12.43	13.45	14.57	15.78	17.10
Interest on Borrowings(Financing Charges)				25.57	25.57	24.30
Total	211.08	239.62	335.46	386.79	413.42	441.00

8.3. The Authority, in its Airport Order, had stated that it will follow a bottom-up approach for assessment of operation and maintenance expenditure, which will include a review of the operation and maintenance expenditure forecast submitted by the Airport Operator.

8.4. The Authority has considered the issue of operating expenses and their projections submitted by AAI. It is conscious of the fact that the issue of only efficient operating and maintenance costs is salient in a price cap determination. In this light it is seen that the C&AG is the auditor of all the accounts of AAI – including the expenditures incurred. The audit of the accounts by C&AG is comprehensive and the Audit report thereof is placed before the Parliament of India. The Audit Report of the C&AG is not only on the mathematical accuracy of accounts or their incurrence in accordance with the set procedure, but also on the propriety of such expenditure. In this light, the Authority proposes to accept the historical figures as provided by AAI, for the present.

8.5. In respect of the future projections, the Authority observed the following:

8.5.1. AAI have clarified during various discussions that the revenue and expenditure projections are not adjusted for inflation except partly in case of Salary & Wages (Dearness Allowance) and Utilities and Outsourcing Expenses (Electricity Rate).

8.5.2. In respect of the costs related to electricity and water charges, the Authority noted that these are determined by respective regulatory agencies. The Authority proposes to consider the change in per unit rate of cost related to electricity and water charges for the purpose of corrections to tariffs. In this regard, it is observed that since the operating costs being considered for the tariff determination exercise are taken as efficient costs, hence in respect of electricity and water charges the unit rate of water and electricity only should

be trued up as part of operational expenses at the beginning of the next control period. However, the underlying quantity/volume of water and electricity will not be trued up for the purpose of corrections to the tariffs. For example, if the utilised quantity of Electricity Units forecasted for tariff year 't' is 100 KL at per unit rate of Rs.100 per KL, then the operational expenditure in respect of this consumption will be forecasted at Rs.10,000. However, if the concerned regulator revises the per KL rate for water to, say Rs. 200 per KL, and the consumption is reported by AAI as 150 KL for tariff year 't', then for the purpose of truing up, the Authority will consider per unit rate of Rs. 200 but will retain the quantity of consumption at 100 KL, for tariff year 't' during true up.

8.5.3. Further, it is also observed that in the expenditure details, AAI has indicated expenditure on account of interest. Upon enquiry, the Authority was informed that this interest expenditure is on account of payment of interest on long term debt availed for the project and considered in the means of finance for the project. It was observed that all the interest towards long term debts is factored in as part of WACC and is applied on the RAB. Hence, any expenditure on account of payment of interest towards such debt – beyond capitalization of the underlying asset is not permitted. Hence, the expenditure – to the extent it relates to the payment of interest on long term debt – factored in the expenditures merits to be deducted therefrom.

8.5.4. Further, all statutory levies in the nature of fees, levies, taxes and other such charges by Central or State Government or local bodies, local taxes/levies, directly imposed on and paid for by AAI on final product/ service provided by AAI at CIA, may be reviewed by the Authority for the purpose of corrections (adjustments) to tariffs on a Tariff year basis. Furthermore, any additional payment by way of interest payments, penalty, fines and other such penal levies associated with such statutory levies, which AAI may have to pay for either any delay or non-compliance, on final product/ service provided by AAI at CIA, the same may not be trued up. On the input side if AAI has to pay

higher input costs even on account of change in levies/ taxes on any procurement of goods and services, the same may not be trued up.

8.6. The summary of operational and maintenance expenditure at CIA after the above mentioned adjustments are as under (Electricity Cost delinked from CPI, Interest on borrowings removed post capitalization of assets):

Table 12: Summary of reworked operational and maintenance expenditure at CIA (Rs. in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Staff Cost	151.01	161.95	173.73	186.44	200.15	214.94
Administrative and General Expenditure	2.02	4.28	5.81	5.97	6.54	7.17
Repairs and Maintenance (R&M)	13.91	20.44	41.47	45.62	50.18	55.20
Utility and Outsourcing Expenditure	37.82	40.51	100.99	107.72	113.24	119.12
Other miscellaneous expenditure	5.77	11.83	12.82	13.89	15.06	16.32
Total	210.53	239.01	334.82	359.64	385.17	412.75

8.7. In view of the facts stated above, the Authority proposes to consider the operational and maintenance expenditure – as given in Table 12 above, for the purpose of determination of aeronautical tariffs for the first Control Period.

Tentative Decision No8. Regarding Operation and Maintenance expenditure

8.a. The Authority proposes to consider the operational and maintenance expenditure – as given in Table 12 above, for the purpose of determination of aeronautical tariffs for the first Control Period.

Truing Up: 5. Truing up Corrections for Operation and Maintenance expenditure

5.a. *The Authority proposes that the following factors be reviewed for the purpose of corrections (adjustments) to tariffs:*

- i) Mandated costs incurred due to directions issued by regulatory agencies like DGCA;*
- ii) Change in per unit rate of costs related to electricity and water charges as determined by the respective regulatory agencies;*
- iii) All statutory levies in the nature of fees, levies, taxes and other such charges by Central or State Government or local bodies, local taxes/levies, directly imposed on and paid for by AAI on final product/ service provided by AAI, will be reviewed by the Authority for the purpose of corrections (adjustments) to tariffs on a Tariff year basis. Furthermore, any additional*

payment by way of interest payments, penalty, fines and other such penal levies associated with such statutory levies, which AAI has to pay for either any delay or non-compliance, the same will not be trued up. On the input side if AAI has to pay higher input costs even on account of change in levies/ taxes on any procurement of goods and services, the same will not be trued up.

9. Taxation

9.1. As per Clause 5.5.1 of the Airport Guidelines, Taxation represents payments by the Airport Operator in respect of corporate tax on income from assets/ amenities/ facilities/ services taken into consideration for determination of Aggregate Revenue Requirement. The Authority shall review forecast for corporate tax calculation with a view to ascertain inter alia the appropriateness of the allocation and the calculations thereof. It was also clarified in the Airport Guidelines that any interest payments, penalty, fines and other such penal levies associated with corporate tax, shall not be taken into consideration for calculation of Taxation As per Clause 5.5.1 of the Airport Guidelines, Taxation represents payments by the Airport Operator in respect of corporate tax on income from assets/ amenities/ facilities/ services taken into consideration for determination of Aggregate Revenue Requirement. The Authority shall review forecast for corporate tax calculation with a view to ascertain inter alia the appropriateness of the allocation and the calculations thereof. It was also clarified in the Airport Guidelines that any interest payments, penalty, fines and other such penal levies associated with corporate tax, shall not be taken into consideration for calculation of Taxation.

9.2. AAI have in their submissions considered corporate tax @ 37.5%. Further, AAI have stated that the calculation of depreciation is in straight line method in the books whereas under Income Tax Act, written down value of the assets are considered. Further, under Income Tax Act, the depreciation is allowed at half of the applicable rates for assets commissioned/ put to use for less than 182 days during the financial year whereas in the books of accounts depreciation is charged for the full year. Besides, certain amount of expenditure which are considered for calculation of book profit are disallowed as per income tax viz., interest, royalty, fees paid for technical services, fringe benefits tax,

contribution to non-statutory funds and provisions for bad debts and as such added back for reworking the profitability as per provisions of the Income Tax Act.

9.3. It is observed that as per the Income Tax Act, 1961, AAI falls in the category of domestic company in Indian and the following provisions are applicable for Corporate Tax:

9.3.1. Any income which is received or is deemed to be received in India in the relevant Previous Year by or on behalf of such company

9.3.2. Any income which accrues or arises or is deemed to accrue or arise in India during the relevant Previous Year

9.3.3. Any income which accrues or arises outside India during the relevant Previous Year.

9.3.4. Further, Companies with more than INR 10 million total income are subjected to a surcharge @ 5% on their taxes, education cess @ 3% is applicable. So the effective tax rate works out to 30% plus 1.5% plus 0.945% which is equal to 32.445%.

9.4. Therefore, the Authority proposes to consider income tax @ 32.445% instead of 37.5% considered by AAI, for the purpose of the current determination. The implication of the change in income tax rate is as under:

Table 13: Corporate Tax Assessment as per AAI and Authority for CIA (Rs. in crore)

Corporate Tax Assessment	2011-12	2012-13	2013-14	2014-15	2015-16
Tax @ 37.5% assumed by AAI Grossed up	48.81	126.54	197.68	199.31	174.10
Tax @ 32.445% Authority's Assessment	68.87	51.70	110.18	148.53	199.90

9.5. The Authority also notes that the corporate tax payable by AAI is a statutory payment due to the Government. Further, the tax is being expensed out as a cost in the target revenue computations. Therefore, if the actual tax paid in any of the years (in the control period) is lower than the tax forecast to have been paid (and accordingly included in the target revenue calculation), it would lead to a situation wherein AAI would be unjustly enriched. In view of this, the Authority proposes to consider the actual tax paid for that can be ascribed to CIA for the purpose of determining the target revenue. Since this number would be available only after finalisation of AAI's Annual Accounts the difference between forecast and taxes actually paid is proposed to be trued up after review at the end of the control period.

Tentative Decision No9. Regarding Taxation

- 9.a. The Authority proposes to consider corporate income tax @ 32.445%, instead of 37.5% as considered by AAI, for the purpose of the determination of tariffs during the current control period.

Truing Up: 6. Correction/Truing up for Taxation

- 6.a. *The Authority proposes to true up the difference between the projected corporate income tax for CIA and the actual corporate tax paid by AAI ascribed to CIA, while determining the aeronautical tariffs in the next control period commencing w.e.f 01.04.2016.*

10. Cost of Equity, Cost of Debt, Leverage, Weighted Average Cost of Capital (WACC) also called Fair Rate of Return (FROR) on Capital

10.1. In its submissions AAI have stated that they had engaged KPMG to determine the FRoR for its airport operation business. AAI have forwarded KPMG report wherein KPMG have stated that historically AAI's Financial Accounts have been prepared and maintained at consolidated level across all the airports operated by it and that currently it is very difficult to apportion funds and prepare the financial statements for each individual airport. Hence KPMG worked with the assumption that the gearing ratio and cost of debt for the airport operation business at each airport of AAI is the same as that for AAI as a whole.

10.2. **Debt contracted by AAI** - It has been informed by AAI that they have taken loan at Corporate level by issue of non-convertible redeemable bonds in nature of debentures for its various airport projects and same has been apportioned on the basis of Capex incurred for these project. It has also been informed that in respect of CIA, AAI have apportioned a secured loan of Rs.378.42 crore of which an amount of Rs.98.11 crore and Rs.130.11 crore has been proposed to be repaid during 2012-13 and 2015-16 respectively.

10.3. Gearing and Cost of Debt

10.3.1. As per the Airport Guidelines, the Authority shall determine a weighted average gearing in the control period for the purpose of determination of FRoR. The determination of such weighted average gearing shall have

reference to actual and such projected quantum of debt submitted by the Airport Operator. The calculation of such weighted gearing shall be based on the forecast quantum of debt and equity for each Tariff Year in a Control Period. The Gearing is the level of an entity's debt compared with its equity component and is calculated as $\text{Gearing} = \text{Debt} / (\text{Debt} + \text{Equity})$.

10.3.2. In the tariff proposal for CIA, AAI have assumed that future capital funding requirement will be met in similar Debt-Equity proportion for AAI as a whole at the current levels and projected the expected gearing to be 8.84% (Debt of Rs. 675 crores and Equity of Rs. 6696 crores) equivalent to debt/equity ratio) in the first control period as also stated by KPMG. The weighted average cost of existing debt of AAI is 8.03% and KPMG have assumed that AAI will be able to raise the incremental debt requirement in the first control period on similar terms. AAI have factored in the same in the tariff proposal.

10.4. Weighted Average cost of Capital (WACC) [Fair Rate of Return (FRoR)]

10.4.1. **Cost of Equity** - In the report of KPMG, submitted by AAI, the cost of equity for AAI has been computed using the Capital Asset Price Model (CAPM) and the expected cost of equity for AAI's airport operations business is projected to be 15.64%. KPMG, in their report, have stated that "on applying the above mentioned values of various parameters to the FRoR methodology prescribed by AERA, the Fair Rate of Return for AAI's airports operations business works out to 14.96%, i.e., 15%". AAI have adopted this FRoR of 15% to determine the return on RAB and in discounting Target Revenue to arrive at the NPV.

10.5. It was further observed that vide its letter AV. 24032/037/2011-AD dated 12.03.2012, the Ministry of Civil Aviation (MoCA) forwarded report of SBI Capital Market Ltd (i.e. SBI CAPS) in the matter of "Fair Rate of Return of Equity for Indian Airport Sector" and had stated that

"Airports Authority of India got a study conducted through a Financial Advisor namely M/s SBI Capital Markets Ltd. (SBI CAPS). The Financial Advisor has since submitted its report and has opined that a return on the Equity in the range of 18.5% to 20.5% would be reasonable for airport sector in India. A copy of the report of the Financial Advisor is enclosed.

.....

3. *The report of the Financial Advisor may kindly be considered in taking decision in this regard.....”*

10.6. In this report, forwarded by MoCA, the consultant i.e. SBI CAPS had stated that FRoR in respect of aviation sector in India is 18.5% to 20.5%.

10.7. The building blocks and detailed methodology of calculation of WACC (FRoR) are laid down in the Authority’s Airport Order and Airport Guidelines. Further, the Authority had given an exhaustive analysis of the building blocks of WACC (FRoR) in its Order No.03/2012-13 dated 24.04.2012 (DIAL Tariff Order) in the matter of tariff determination of IGI Airport, New Delhi, taking in to consideration academic literature, practices adopted by other regulators, report of several consultants including the Authority’s Consultant, the National Institute of Public Finance and Policy (NIPFP) and stakeholder consultation responses. These are relevant for determination of WACC (FRoR) for CIA airport as well. For the sake of brevity these are not reproduced here. The report of the Authority’s Consultant, NIPFP, is annexed as Annexure-I to the DIAL Tariff Order. The report of SBI CAPS has also been uploaded by this Authority on the AERA website vide Public Notice No.01/2012-13 dated 12.04.2012. Both these documents may be accessed from the Authority’s website www.aera.gov.in. However, the key operative conclusions on the methodology are as under:

10.7.1. Selection of Comparator set of estimation of Asset Beta. The Authority has stated that the comparator set should not be restricted to only the developing/emerging countries.

10.7.2. The KPMG comparator set is limited to countries like China, Mexico and Malaysia. It is also noted that SBI CAPS have used comparator sets of airports from developing countries only. The Authority had concluded in its Order No.3/2012-13 dated 24.04.2012, in the matter of determination of aeronautical charges at IGI Airport, New Delhi (Delhi Tariff Order) that such an approach is not appropriate and a wider set of airports may provide a more meaningful basis for estimation of Asset beta as advised by NIPFP.

10.7.3. Determination of Asset beta of the airport based on the appropriately chosen comparator set.

10.7.4. The asset beta of the airport to be re-levered using the notional Debt – Equity ratio of 1.5 (equivalent to gearing of 60%). This was also the approach indicated by SBI Caps.

10.7.5. WACC calculation to be made based on the book values of Debt and Equity.

10.8. The Authority has reviewed the above methodology and feels that the same may be adopted to arrive at the WACC (FRoR) for CIA. It has also noted that KPMG and SBI Caps have taken different values for key variables which yield different values for key parameters like asset beta etc . For example asset beta according to SBI Caps for Indian Airport Sector is 0.71 while that of KPMG for AAI Airports as a whole is 0.92. Based on its own framework mentioned above, the Authority has also noted that average asset beta for Chennai airport can be taken at **0.61** without taking into account any risk mitigating factors. This is on the basis of the comparator set used by National Institute of Public Finance and Policy (NIPFP) which contained airports of the developing regions (emerging markets) and developed regions. NIPFP as well as Authority have given reasons for taking the airports both in the developing as well as developed regions for purposes of comparator set in the DIAL Tariff Order.

10.9. The Authority notes that based on different values of parameters like Risk Free Rate, Equity Risk Premium, Asset Beta, etc. the value of equity beta (and therefore Rate of Return on Equity) have been calculated differently by KPMG and SBI CAP. SBI CAP have not given its calculation for Weighted Average Cost of Capital (FRoR) as they did not have an occasion to examine the levels of debt and costs thereof in the different airports in India (including those of AAI). KPMG, however, have specifically taken into consideration the cost of debt (8.03%) as well as the overall proportion of debt for AAI as a whole (9.6%) to arrive at a WACC of 14.96%. AAI has, therefore, rounded up this figure and made calculations for a WACC of 15%.

10.10. According to the above mentioned approach of the Authority, its calculation yields a WACC of 14.12%, if the debt to equity ratio of AAI as a whole is taken into consideration. The Authority notes that the higher WACC value is on account of preponderance of equity in the capital structure of AAI. However, if the actual debt-equity ratio of CIA (ie., average outstanding debt of Rs.274 crore and average equity of Rs.2,155 crore giving actual D/E Ratio of 12.76% and consequent gearing of 11.28%) specifically is taken into account the

calculation yields a WACC @ 13.96% or say 14%. The Authority, therefore, proposes that having regard to the actual debt-equity structure of AAI (or that of CIA) and considering that in the current i.e., first control period, the Authority would be inclined to give some allowance for the uncertainties in estimation of different parameters, WACC of 15%, as proposed by AAI, is reasonable for this control period and provides for sufficiently generous allowance for such uncertainty in estimation.

10.11. The Authority, however, wishes to reiterate that in order to moderate aeronautical charges, effort should be made to move towards efficient debt-equity ratio with higher proportion of debt. AAI would be in a position to obtain higher levels of debt and thereby lower its overall cost of capital i.e., WACC. This would result in lower aeronautical tariffs. The Authority had indicated in its Delhi Tariff Order that the proportion of debt of around 60% in the capital structure could be regarded as an efficient means of finance. This appears to strike a reasonable balance between moderating WACC and not, at the same time, exacerbating the financial risk on account of higher proportion of debt. The Authority also notes that moving towards the efficient debt equity structure would take time. The Authority would revisit this issue at the time of tariff determination for the next control period and make appropriate decisions.

Tentative Decision No10. Regarding WACC (FROR)

10.a. The Authority proposes to consider the WACC at 15% for CIA for the first control period.

11. Quality of Service

11.1. In the scheme of the AERA Act, the Authority has two mandates relating to quality of service – first, to consider the quality of service for determination of tariff and secondly, to monitor the set performance standards relating to quality of service. These are two distinct functions - one relates to determination of tariff whereas the other relates to monitoring of set performance standards.

11.2. The Authority in its Airport Order had ordered that while it will discharge its other functions under the AERA Act with respect to monitoring the set performance standards as may be specified by the Central Government (Section 13 (1) (d) of the Act), it will, in

accordance with the provisions of Section 13(1)(a)(ii) of the Act, take into consideration the quality of service provided by Airport Operators on specified parameters and measures while determining tariffs.

11.3. The specific Objective Quality of Service Parameters and Benchmarks and the Subjective Quality of Service Parameters and Benchmarks to be measured at the major airports have already been adopted by the Authority in the Airport Guidelines (Appendix 2 and Appendix 3 of the Airport Guidelines).

11.4. The Authority also adopted a mechanism to consider reduced tariffs for under-performance vis-a-vis specified benchmarks on quality of service to adequately protect the interest of users. Under such a mechanism, the calculated level of rebate for a year will be passed on to users of airport services in the form of reduced tariffs in the following year(s). The Authority had specified that under-performance with respect to specified benchmark for each objective service quality measure will have a monthly rebate incidence of 0.25% of aeronautical revenue, subject to an overall cap of 1.5%. As regards the subjective service quality parameters the Authority had adopted an overall benchmark of 3.5 on the Airports Council International's Airport Service Quality (ACI ASQ) survey for subjective quality of service assessment to be undertaken by all major airports. The Authority believed that in order to progressively ensure better service quality performance within the control period, it would be appropriate to prescribe a higher overall benchmark for fourth and fifth years of the first control period. Accordingly it decided that the overall benchmark for subjective quality requirements for the fourth and fifth year of the first control period shall be 3.75 on the ACIASQ survey.

11.5. The Authority also considered the issue of specifying a transition period for implementation of the scheme of quality of service measurement and determination of any rebates as relevant for CIA and feels that a period of one year from the date of tariff determination would be a reasonable time for AAI to appropriately align their processes/ procedures and make any other required interventions.

11.6. In the current determination of aeronautical tariff(s) for CIA, a period of about two years of the first control period have already elapsed and given the transition period of one year, for implementation of the above scheme (quality of service measurement and determination of any rebates) would be applicable only from the fourth tariff year of the

Control period i.e., 2014-15. The Authority notes that it will be possible to calculate the rebate for the year 2014-15 only in the tariff year t+2, viz., in 2016-17, which is the first tariff year of the next control period. In this light the Authority proposes to use the rebate mechanism as indicated in the Airport Order and the Airport Guidelines for CIA.

Tentative Decision No11. Regarding Quality of Service

11.a. The Authority proposes to use the rebate mechanism as indicated in the Airport Order and the Airport Guidelines for AAI.

11.b. The implementation of the rebate scheme would be applicable from the 4th Tariff year of the Current Control period i.e., 2014-15. Rebate for year 2014-15 would be carried out in 2016-17, which is the first tariff year of the next control period

12. Matters regarding Error Correction and Annual Compliance Statement

12.1. The Authority had in its Airport Guidelines laid down the error correction mechanism with reference to the adjustment to the Estimated Maximum Allowed Yield per passenger, calculated using the error correction term of Tariff Year t-2 and the compounding factor. The error correction calculated as per the Airport Guidelines indicated the quantum of over-recovery or under-recovery due to increase or decrease respectively of the Actual Yield per passenger with respect to Actual Maximum Allowed Yield per passenger in the Tariff Year.

12.2. The Authority has noted that this is the first control period in which a period of one and half year has already elapsed. Tariff being determined is to be recovered in the balance period of about three and half years of the current control period .

12.3. In the case of CIA as discussed supra, the Authority has proposed to make appropriate adjustments to the RAB at the beginning of the next Control period in respect of actual investments. It has also proposed to consider the depreciation policy of AAI, the depreciation calculated in accordance thereof and Roll Forward RAB during the Control Period for the purpose of determination of tariffs for aeronautical services at CIA. The Authority has also proposed to true up the traffic projection based on actual growth. It has

also proposed that the non-aeronautical revenue would be trued up, after the completion of the current control period.

12.4. Further, the Authority also proposes that in view of all the corrections/truing up to be carried out at the end of the control period there may not be any requirement for CIA to submit Annual Compliance Statements etc., as per the timelines indicated in the Airport Guidelines. Instead, CIA should submit the Annual Compliance Statements along with the MYTP for the next Control Period.

12.5. Hence the Authority proposes to consider the multi-year Annual Tariff Proposal(s) submitted by AAI in respect of CIA at the MYTP stage itself.

Tentative Decision No12. Regarding Error Correction and Annual Compliance Statement

12.a. The Authority proposes that CIA should submit the Annual Compliance Statements for the individual tariff years of the first control period along with the MYTP for the next Control Period

12.b. Authority proposes to consider the multi-year ATP(s) submitted by AAI in respect of CIA at the MYTP stage itself

13. Aggregate Revenue Requirement for CIA (ARR)

13.1. The Aggregate Revenue sought by AAI for CIA i.e., for Airport and Cargo Services and the Yield per pax is as follows:

Table 14: ARR sought by AAI including Cargo Services and Yield (Rs in crore)

Details (Rs.in Crores)	Tariff Year 1 2011-12	Tariff Year 2 - 2012-13	Tariff Year 3 - 2013-14	Tariff Year 4 - 2014-15	Tariff Year 5 - 2015-16
Average RAB	542.38	1406.01	2196.49	2214.57	1934.50
Return on Average RAB @15%	81.35	210.90	329.47	332.18	290.17
Operating Expenditure	239.62	335.46	386.78	413.41	440.98
Depreciation	124.32	285.66	339.07	350.25	344.86
Corporate Tax for return on RAB @37.5%	48.81	126.54	197.68	199.31	174.10
Less - Revenue from services other than Regulated Services	158.33	212.80	232.42	253.91	277.40
Less - Revenue from Cargo Services	165.62	183.83	204.06	226.50	251.42
ARR	170.15	561.93	816.52	814.74	721.29
No. of Passengers	1,19,98,177	1,30,48,087	1,41,90,995	1,54,35,242	1,67,89,925

Details (Rs.in Crores)	Tariff Year 1 2011-12	Tariff Year 2 - 2012-13	Tariff Year 3 - 2013-14	Tariff Year 4 - 2014-15	Tariff Year 5 - 2015-16
Yield (Rs / pax)	141.81	430.66	575.37	527.84	429.60

13.2. After considering the change in assumptions made by the Authority (Traffic Forecast, expenditure disallowances etc.,) that have been discussed above and considering that the date of implementation of the revision in tariff(s) w.e.f 01.11.2012, the reworked ARR for CIA has been computed as under:

Table 15: Reworked ARR and Yield per pax for CIA (Rs in crore)

Details (Rs.in Crores)	Tariff Year 1 2011-12	Tariff Year 2 - 2012-13	Tariff Year 3 - 2013-14	Tariff Year 4 - 2014-15	Tariff Year 5 - 2015-16
Average RAB	542.38	1406.01	2196.49	2214.57	1934.50
Return on Average RAB @15%	81.35	210.90	329.47	332.18	290.17
Operating Expenditure	239.01	334.82	359.64	385.17	412.75
Depreciation	124.32	285.66	339.07	350.25	344.86
Corporate Tax for return on RAB @32.445%	68.84	51.70	110.18	148.53	199.90
LESS-Revenue from services other than Regulated Services	158.33	212.80	232.42	253.91	277.40
LESS-Revenue from CARGO services	165.62	190.17	202.78	232.50	257.07
ARR(Airport operations, excluding Cargo)	189.60	480.11	703.16	729.72	731.21
No. of Passengers	1,29,25,217	1,43,86,206	1,60,14,190	1,78,28,448	1,98,50,505
Yield (Rs / pax)	146.67	333.73	439.08	409.30	359.29

14. Annual Tariff Proposal

14.1. During the course of various discussions, AAI submitted that it would like to submit ATP(s) for all the years of the First Control Period for various categories of aeronautical services provided by it at CIA. In this regard it was observed that there are only about three and half years left in the current control period. The airport tariffs have not been revised since 2001, except for a one time increase of 10% in 2009 for all AAI airports. Therefore current charges do not reflect normal cost escalations. The Authority also noted that at CIA, significant capital expenditure gets capitalized in the second and third tariff year of the current control period. Further, AAI have proposed tariff for Landing , Housing & Parking, Passengers Services Fee (facilitation), Throughput Charges, User Development Fee(UDF) for FY 2012-13(effective from 1st Nov, 2012), FY 2013-14, FY 2014-15 and FY 2015-16. During discussions it was also indicated that tariff increases pertaining to airlines may be given

effect from 1st November, 2012 and UDF w.e.f 1st January, 2013 (so as to give sufficient time to minimize collection at the airport). Further AAI indicated to effect an upfront increase in the aeronautical charges during financial year 2012-13 at the date aforesaid, followed by annual increases w.e.f 1st April of each tariff year during the rest of the control period. In their tariff proposal, AAI have considered a WPI of 6% based on the long term forecast of WPI as available in the RBI website. Further, AAI have considered an X factor of 0.1% in their tariff calculations.

14.2. The Authority noted that the Passenger Service Fee (PSF) being collected at CIA comprises of two components [PSF Security component (SC) – Rs.130 and Facilitation Component (FC) - Rs.77]. While proposing the levy of UDF for passengers at CIA, AAI have included the facilitation component of the PSF i.e., Rs.77 in the proposed UDF levy. AAI, presently, have not proposed any increase in the PSF Security component at CIA and the same will remain at Rs.130 per passenger.

14.3. AAI have not proposed any revision of rates for cargo services at CIA in the first control period. They have requested the Authority to allow them to continue levying the existing rates for the various cargo services during the remaining period of the first control period.

14.4. Accordingly AAI have submitted the ATP(s) for the balance period of the Control period in respect of CIA vide their letter dated 16.08.2012. The ATPs submitted by AAI for the remainder period of the Control Period are annexed herewith for stakeholder consultation. AAI have proposed the following revision in the tariff(s)(excluding taxes/any levies) :

14.4.1. Increase of 118% in International landing charges and 48% in Domestic landing charges we.f 01.11.2012.

14.4.2. Minimum Landing Fee of Rs. 5000/-per landing for all flights except training flights operated by Flying Clubs.

14.4.3. Uniform increase of 83% in parking and housing charges .

14.4.4. PSF (Security) proposed to be continued at the existing rates i.e. Rs 130/-per departing passenger.

14.4.5. Passenger Service Fees (PSF): No increase is proposed in current PSF (Facilitation) rate i.e. Rs 77/ per embarking passenger. From 1st January, 2013, this PSF (Facilitation) to be merged with proposed UDF levy.

14.4.6. Introduction of User Development Fees w.e.f 01.01.2013 -

14.4.6.a. Per Domestic Departing Passenger- Rs. 165.00

14.4.6.b. Per International Departing Passenger-Rs.667.00

14.4.7. As per the understanding with the Oil Companies the Fuel Throughput charges at CIA have been proposed by AAI to be increased by 5% per annum. For FY 2012-13, revision in rates are proposed to be effective from 1st November, 2012 as under:

Existing Rate Rs. 1459.83 per Kilolitre. Proposed Rate Rs 1532.82 per Kilolitre.

14.4.8. For the ensuing tariff years 2013-14 onwards of the current control period Annual escalation @ 6 % p.a. w.e.f. 1st April of each tariff year proposed on Landing, Housing, Parking and UDF. In the case of Fuel Throughput Charges annual escalation proposed is @ 5 % p.a. w.e.f. 1st April of ensuing financial years.

14.4.9. No increase in rates for Cargo Services has been proposed for the first control period.

15. Summary of tentative views

15.1. The Summary of the tentative decisions being put forth for the stakeholder consultation is as under:

Tentative Decision No1. Regarding MYTP and ATP for Cargo Facility Services at CIA 8

1.a. The Authority proposes to determine the tariff for cargo facility services provided by AAI at CIA under "light touch approach" for the first control period. 8

1.b. The Authority proposes to approve AAI's proposal to continue levying the existing rates for the various cargo facility services during the remaining period of the first control period..... 8

Tentative Decision No2. Regarding the Project Cost 12

2.a. The Authority proposes to consider the project cost of Rs. 2,862.71crore (as at Table 1 Cost of the Project and allied Capital works at CIA) for the purpose of the current tariff determination.	12
Truing Up: 1. Correction / Truing up for Tentative Decision No2	12
<i>1.a. The Authority proposes to adjust the RAB as per the final project cost in respect of CIA at the beginning of the next control period.</i>	<i>12</i>
Tentative Decision No3. Regarding Initial RAB	13
3.a. The Authority proposes to consider the initial RAB at Rs.343.52 crore as furnished by AAI.	13
Tentative Decision No4. Regarding Roll Forward RAB and Depreciation	15
4.a. Authority proposes to consider the depreciation policy of AAI, the depreciation calculated in accordance thereof and Roll Forward RAB during the Control Period as given in Table 3 above for the purpose of determination of tariffs for aeronautical services at CIA.	15
Truing Up: 2. True Up/Correction for Tentative Decision No4	16
<i>2.a. Depending on the capex incurred and timing thereof (i.e the year of capitalisation of the underlying assets in question) the Authority proposes to make appropriate adjustments to the RAB at the beginning of the next Control period, taking into account, the accounting policies of AAI as indicated in Tentative Decision No4.</i>	<i>16</i>
Tentative Decision No5. Regarding Traffic Forecast	18
5.a. The Authority proposes to consider the following traffic Forecast for CIA for the first control period:	18
i) ATM growth rate of 8.89% and 9.28% for Domestic and International movements respectively.	18
ii) Passenger growth rate of 9.61% and 12.15% for Domestic and International respectively.	18
iii) Freight growth rate of 10.48% and 13.65% for Domestic and International respectively.	18
Truing Up: 3. Truing Up/Correction for Tentative Decision No5	18

3.a. The Authority proposes to true up the traffic projection based on actual growth.....	18
Tentative Decision No6. Regarding Non Aeronautical Revenues	21
6.a. The Authority proposes to consider the Non Aero Revenue projection as submitted by AAI for determination of aeronautical tariffs for the current control period in respect of CIA as given in Table 10.	21
Truing Up: 4. Corrections/Truing up for Tentative Decision No6	21
4.a. The Authority proposes to true up the non-aeronautical revenue based on the actual non-aeronautical revenue at CIA while determining the tariffs for the next control period.....	21
Tentative Decision No7. Regarding Throughput Fee	22
7.a. The Authority proposes to approve the 5% increase in throughput fee as per the contractual agreements with the Oil Marketing companies and give its effect as aeronautical revenue in the hands of AAI while determining aeronautical tariffs for the current control period.	22
Tentative Decision No8. Regarding Operation and Maintenance expenditure	26
8.a. The Authority proposes to consider the operational and maintenance expenditure – as given in Table 12 above, for the purpose of determination of aeronautical tariffs for the first Control Period.....	26
Truing Up: 5. Truing up Corrections for Operation and Maintenance expenditure.....	26
5.a. The Authority proposes that the following factors be reviewed for the purpose of corrections (adjustments) to tariffs:.....	26
i) Mandated costs incurred due to directions issued by regulatory agencies like DGCA;.....	26
ii) Change in per unit rate of costs related to electricity and water charges as determined by the respective regulatory agencies;.....	26
iii) All statutory levies in the nature of fees, levies, taxes and other such charges by Central or State Government or local bodies, local taxes/levies, directly imposed on and paid for by AAI on final product/ service provided by AAI, will be reviewed by the Authority for the purpose of corrections (adjustments) to tariffs on a Tariff year basis.	

Furthermore, any additional payment by way of interest payments, penalty, fines and other such penal levies associated with such statutory levies, which AAI has to pay for either any delay or non-compliance, the same will not be trued up. On the input side if AAI has to pay higher input costs even on account of change in levies/ taxes on any procurement of goods and services, the same will not be trued up.....26

Tentative Decision No9. Regarding Taxation..... 29

9.a. The Authority proposes to consider corporate income tax @ 32.445%, instead of 37.5% as considered by AAI, for the purpose of the determination of tariffs during the current control period..... 29

Truing Up: 6. Correction/Truing up for Taxation..... 29

6.a. The Authority proposes to true up the difference between the projected corporate income tax for CIA and the actual corporate tax paid by AAI ascribed to CIA, while determining the aeronautical tariffs in the next control period commencing w.e.f 01.04.2016.29

Tentative Decision No10. Regarding WACC (FROR)..... 33

10.a. The Authority proposes to consider the WACC at 15% for CIA for the first control period. 33

Tentative Decision No11. Regarding Quality of Service 35

11.a. The Authority proposes to use the rebate mechanism as indicated in the Airport Order and the Airport Guidelines for AAI. 35

11.b. The implementation of the rebate scheme would be applicable from the 4th Tariff year of the Current Control period i.e., 2014-15. Rebate for year 2014-15 would be carried out in 2016-17, which is the first tariff year of the next control period 35

Tentative Decision No12. Regarding Error Correction and Annual Compliance Statement 36

12.a. The Authority proposes that CIA should submit the Annual Compliance Statements for the individual tariff years of the first control period along with the MYTP for the next Control Period..... 36

12.b. Authority proposes to consider the multi-year ATP(s) submitted by AAI in respect of CIA at the MYTP stage itself..... 36

15.2. The Aggregate Revenue Requirement and Maximum Yield reworked by the Authority are also being put up for stakeholder Consultation along with the ATP submitted by AAI in respect of CIA.

15.3. In accordance with the provisions of Section 13(4) of the AERA Act 2008, the proposal contained in the Section – Summary of Tentative views (para 15.1 above) read with the relevant discussion in the other Sections of the paper, is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed (**Annexure I to IV**). For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

15.4. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in (para 15.1 above), latest by 13.09.2012 at the following address:

Capt.Kapil Chaudhary
Secretary
Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: kapil.chaudhary@aera.gov.in
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Yashwant S. Bhawe
Chairperson

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Annexure - I



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

Multi Year Tariff Proposal

For

Chennai Airport

FINANCE & ACCOUNTS DIRECTORATE

573

BUSINESS PLAN OF CHENNAI AIRPORT

Objectives

The objectives of this business plan are:

1. To submit to AERA for determination of the tariff for the aeronautical services namely Landing and Parking in respect of Chennai Airport.
2. As per AERA Consultation Paper the Multi Year Tariff Proposal should reconcile with the Business Plan submitted.

Mission

Mission: To achieve highest standards of safety and quality in air traffic services and airport management by providing state of the art infrastructure for total customer satisfaction contributing to the economic growth and prosperity of the nation.

Vision: To be a world class organization providing leadership in air traffic services and airport management and making India a major hub in Asia Pacific Region by 2016.

Keys to success

The keys to success for Airports Authority of India are;

Employing an experienced ,highly professional management team that combines vision ,realism and belief in the utilization and benefits of the latest aviation ,electronic and information technologies; realization of the importance of an organization's personnel to its success and a total familiarity with and commitment to the overall mission and goals of the organization.

Concentration on safety with highly trained dedicated and professional personnel, induction of the latest state of the art equipment and also new facilities to improve standards of safety of airports .Adoptions of new and improved procedure go hand in hand with induction of new equipment.

Provision of excellent passenger facilities and related amenities at its terminals and meeting the customer's satisfaction.

Company Summary

AAI was constituted by an act of Parliament and came into being on 1st April 1995 by merging erstwhile National Airports Authority and International Airports Authority. The merger brought into existence a single organization entrusted with the responsibility of creating, upgrading, maintaining and managing civil aviation infrastructure both on the ground and space in the country.

AAI manages 125 airports which includes 11 International Airports ,8 Customs Airports ,81 Domestic Airports and 27 civil enclaves at Defence airfields.AAI provides air navigation services over 2.8 million square nautical miles of air space.

Company Locations and Facilities

Chennai airport is the premier international gateway and air hub for south India the busiest airport in India the main International airport in India it is also its largest.

The modernization and expansion of Chennai airport is in full swing. The mega project comprising domestic and international terminal buildings elevated corridor and allied works including consultancy extension of runway and construction of a bridge on the Asyar river would be costing 2015 cr.

The domestic integrated terminal building under construction is a 3 level structure having an area of 67,700 sqm with the provision of seven gates two hardstand hold rooms and 52 check -in-counters (excluding 8 counters for e-ticketing).The International Integrated Terminal Building under construction is a 3 -level structure that shall be of 59,300 sqm with the provision of two gates with multiple hardstand hold rooms, 52 check in counters (excluding 8 counters for E-ticketing) ,18/10 immigration/Customs counters for arrival passengers and 18/4 immigration/customs counters for departure passengers.

The capacity of the new domestic terminal building will be for ten million passengers per annum and the new international terminal building will cater for four million passengers per annum. After completion of both new terminal buildings the total capacity of Chennai airport will be 23 mppa out of which 16 million is domestic and 7 million is international. Peak hour capacity will be 3300 domestic and 2300 international passengers. An elevated road connecting the international and domestic terminal building is about 1 km in length and 34m wide with other utility services provided.

After modernization the airport will be able to handle 40 aircraft movements an hour from the current 30 aircraft while the number of parking bays will be increased to 84 from the existing 70.

Both the terminals are equipped with sophisticated in line baggage handling systems which are capable of Level 4 security screening. The system consists of five departure conveyors including a rejected baggage conveyor. There are four arrival carousels for domestic and three arrival carousels for international passengers. The total length of the conveyors will be approximately 3500 meters, this can handle 1200 bags per hour.

It is also proposed to provide the latest IT systems, including Public Address Voice Alarm, Security Surveillance, CCTV covering the whole terminal building and the entire length of the conveyor, fire detection and alarm, very early smoke Detection and alarm and BMS. It is proposed to have a metro rail station with a total area of 20,000 sqm with a four level terminal having concourse, platform, two wheeler parking for Metro users and car park for airport users. The Airports Authority of India has agreed to execute the work of construction the metro station within the airport premises.

Services

At Chennai airport, AAI is providing Terminal Building facilities as well as providing International Cargo Terminal facilities. There are 21 International and 24 Domestic Destinations connected from the Chennai International airport.

Cargo Operations: AAI is a custodian of Customs for handling international Cargo. At Chennai airport other than AAI, Air India is also a custodian and hence there is a competition at this airport. Though the amount of Cargo handled is significant, its operations fall

under "Competitive and Material". Hence Cargo charges should be regulated under Light Touch Approach. The charges levied for various activities were fixed in consultation with the Trade as per the established policy.

Market Analysis Summary

In the recent past there has been a rapid increase in tourist traffic including foreign visitors as an international tourist destination. Being the premier international gateway and air hub for south India, the government of India, ministry of civil aviation has decided to expand the Chennai airport.

The total number of aircraft movements (International and Domestic) handled in 2010- 2011 were 110778 as compared to 110165 nos registering a marginal growth of 0.6% in 2010-11 over previous year. However, aircraft movements during first quarter of 2011 have shown an increase of 10% (29792 movements) as compared to first quarter of 2010 (27080 movements).

Passenger Traffic

Chennai airport handled 12.04 million passengers in 2010-11 as compared to 10.5 million in 2009-10. There has been a growth of 14.4% in passenger traffic in 2010-11 as compared to 2009-10.

Freight Traffic

The total freight traffic has increased to 388833 tonnes in 2010-11 from 320768 tonnes in 2009-10, which is an increase of increase of 21.2% during April –March 2010-11 as compared to freight traffic handled in April –March 2009-10. The increase is due to start of freight handling by low cost airlines.

It is forecasted by CPMS Directorate that there will be a growth of 7-11% in passenger traffic, aircraft traffic will grow by 7-9% and Freight Turnover will increase by 10-13% during the period from 2011-12 up to 2019-20.



Airports Authority of India

**Position Paper on Regulatory
Matters - Fair Rate of Return
Estimation for AAI**

Draft Report No. 2

**KPMG Advisory Services Private Limited
July 2011**

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2. This report is provided to Airports Authority of India ('AAI') pursuant to the Award Letter (AAI/CHQ/REV/AERA/Consultant/2011, dated 16 June 2011) issued by AAI. It is subject in all respects to the terms and conditions of the said letter and of the proposal submitted by KPMG to AAI, including restrictions on disclosure of this presentation to third parties.
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Disclaimer

- This document is being submitted to Airports Authority of India (AAI) as the partial Draft Report (Draft Report No. 2) for our engagement of assisting AAI in Developing a Position Paper on Regulatory Matters(AAI letter ref. AAI/CHQ/REV/AERA/Consultant/2011, dated 16 June 2011).
- This Draft Report (Draft Report No. 2) pertains to the scope of work on assisting AAI in estimation of Fair Rate of Return (FRoR). A separate Draft Report has been submitted for the remaining scope of work on assisting AAI in developing the position on appropriate regulatory till for AAI. This report (or part thereof) is a draft version only and may be revised, updated or reworked and should not be understood as the final report.
- The report contains KPMG's analysis of secondary sources of published information and incorporates the inputs gathered through meetings with industry sources, which for reasons of confidentiality, cannot be quoted in this document. While information obtained from the public domain has not be verified for authenticity, we have obtained information, as far as possible, from sources generally considered to be reliable.
- Our analysis is based on the prevailing market conditions and regulatory environment and any change may impact the outcome of our review
- Wherever our report makes reference to 'KPMG Analysis', it indicates that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; we do not accept responsibility for the underlying data. Wherever information was not available in the public domain, suitable assumptions were made to extrapolate values for the same.
- We must emphasize that the realization of the prospective financial information set out within our report (based on secondary sources, as well as our internal analysis), is dependent on the continuing validity of the assumptions on which it is based. The assumptions will need to be reviewed and revised to reflect such changes in business trends, cost structures or the direction of the business as further clarity emerges. We accept no responsibility for the realization of the prospective financial information. Our inferences therefore will not and cannot be directed to provide any assurance about the achievability of the projections. Since the projections relate to the future, actual results are likely to be different from those shown in the prospective financial information because events and circumstances frequently do not occur as expected, and differences may be material. Any advice, opinion and/ or recommendation indicated in this document shall not amount to any form of guarantee that KPMG has determined and/ or predicted future events or circumstances.

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CHAPTER – II

Estimation of Fair Rate of Return

1 Executive Summary

- 1.1 Fair Rate of Return (FRoR) for AAI's airport operations business has been computed for the control period of next five years as per AERA Guidelines.
- 1.2 Assuming the future capital funding to be met in similar Debt-Equity proportion as the current levels, the expected gearing is projected to be 8.84%.
- 1.3 The weighted average cost of existing debt of AAI is 8.03%. It is assumed that AAI will be able to raise the incremental debt requirement in the next control period on similar terms.
- 1.4 Cost of equity has been computed using the Capital Asset Pricing Model (CAPM) as per AERA guidelines. The expected cost of equity for AAI's airport operations business is projected to be 15.64%.
- 1.5 On applying the above mentioned values of various parameters to the FRoR methodology prescribed by AERA, the Fair Rate of Return for AAI's airports operations business works out to 14.96%.

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2 FRoR estimation

- 2.1 As per Clause 5.1 in the AERA Guidelines on Terms and Conditions for Determination of Tariff for Airport Operators, 2011 issued on 28 February 2011 (henceforth referred to as "Guidelines"), Fair Rate of Return (FRoR) is to be estimated for a control period of five years as:

$$\text{FRoR} = (g * R_d) + ((1-g) * R_e)$$

where:

g is gearing (i.e. debt / debt + equity)

R_d is the pre-tax cost of debt

R_e is the post-tax cost of equity

The objective of this study is to estimate FRoR for the airport operations business of AAI. Currently AAI operates as a single organization, operating 127 airports and offering multiple services at each airport. Besides performing the role of airport operator and of ANS service provider at its airports, AAI also provides ground handling and cargo handling services in certain airports.

Historically, AAI's financials have been prepared and maintained at a consolidated level across all the airports operated by it. Currently it is very difficult to apportion funds and prepare the financial statements for each individual airport. We have worked with the assumption that the gearing ratio and cost of debt for the airport operations business at each airport of AAI is the same as that for AAI as a whole.

2.2 Gearing (g)

For the purpose of determination of FRoR, 'g' refers to the weighted average gearing based on projected quantum of debt in a control period of five years. Since a detailed investment and funding plan is yet to be worked out by AAI, it is assumed that the capital requirements for the control period of next five years would be met through similar debt-equity ratio as that of the current FY2011 level. Debt in the estimation of gearing includes only the long term funding (excluding all short term debt¹). The summary of present sources of funds for AAI is as below² –

Table 1: Sources of Funding (INR cr)

Sources of Funding	2010	2011E
I. Long term debt		
a. Secured Loan	300.00	600.00
b. Unsecured Loan		
- Provided by Central govt	49.57	32.28

¹ Of maturity less than 12 months

² Source: AAI's Provisional Financial Statements for FY 2011



- Other loans	4.00	4.00
c. Foreign Institutions	✓ 40.57	✓ 38.96
Total	394.14	675.24
II. Equity		
a. Capital Account	623.34	656.61
b. Capital Reserve	17.34	15.10
c. General Reserve	4677.85	4478.22
d. Fixed Asset replacement Reserve	1059.21	1059.21
e. Obsolescence Reserve	379.41	379.41
f. Contingency Reserve	379.41	379.41
Total	7136.54	6966.96
Total Funding	7530.69	7642.20
Gearing	5.23%	8.84%

75 30.14

DPE = 75 30.69

As stated above, we assume the gearing (g) in the next five years to be at 8.84%.

2.3 Cost of Debt (R_d)

The current debt structure and cost of each debt instrument of AAI has been analyzed. As shown in the Table below, the weighted (as per the existing debt shown above) average cost of existing debt is 8.03%³-

Table 2: Cost of existing Debt

Cost of Existing Debt	2009	2010	2011E
I. Long term debt			
a1. Secured Loan 1		7.40%	7.40%
a2. Secured Loan 2			9.20%
b. Unsecured Loan			
- Provided by Central government	12.50%	12.50%	12.50%
- Other loans			*
c. Foreign Institutions			0.07%
Net cost of debt	4.31%	7.20%	8.03%

It is being assumed that AAI will be able to raise the incremental debt requirement in the next control period with similar debt terms. Hence, the cost of debt taken for the FROR estimation for the next control period is 8.03%.

2.4 Cost of Equity (R_e)

As per AERA Guidelines, Capital Asset Pricing Model (CAPM) is to be used for

³ AAI's Financial statements



estimation of Cost of Equity. Hence, we estimate R_e as below –

$R_e = R_f + \beta*(R_m - R_f)$, where:

R_f is the Risk-free rate of return

β (beta) is the systematic risk of an asset relative to the market

$R_m - R_f$ is the average equity risk premium above the risk-free rate that a “market” portfolio of assets is earning

2.4.1 Risk-free rate of return (R_f)

The risk-free rate is derived based on the long-term bond yields. We consider 10-year bond yield (due to high trade volumes and a stronger resilience to inflation than a 30-year bond) at the valuation date for the purpose of calculation R_f .

The average yield for a 10-year bond as on 31 March 2011⁴ of 7.99% is being used as the risk-free rate of return.

2.4.2 Equity Risk premium ($R_m - R_f$)

Equity Risk Premium ($R_m - R_f$) is the difference between the expected rate of return on the market portfolio and the risk-free rate. The market rate of return or R_m has been calculated based on 10 year annualized return on 90 days moving average of market return. Using BSE Sensex as the market return indicator, the value of R_m as on 31 March 2011 is computed to be 15.83%. As discussed above, R_f as on 31 March 2011 is 7.99%. The 10 year average for Equity Risk Premium ($R_m - R_f$) therefore turns out to be 7.84% as on 31 March 2011⁵.

2.4.3 Beta

Beta is a measure of systematic risk. Systematic risks capture the business risks of the company vis-à-vis other securities listed on the stock exchange. Currently AAI is not listed and hence measure of its Beta is not readily available. In order to estimate Beta for AAI, we looked at the Beta of comparable companies in airport operations business in Indian market. There are no listed pure airport operators currently in India. Hence, Betas of listed airport operators in the emerging markets have been considered as a proxy for the systematic risk of AAI.

We have taken a filtered approach while indentifying comparable airports, like – country of operations - Emerging markets, Business model, Regulatory environment and Liquidity of the stock. The following table provides the list of airports shortlisted after applying the above filter. The equity betas for these shortlisted airport companies were found and subsequently the asset betas for each of them were calculated by adjusting their respective financial leverage.

⁴ Source: Bloomberg and KPMG Analysis

⁵ Source: Bloomberg, www.bseindia.com and KPMG Analysis

Table 3: Beta of comparable airports

Airport / Group	Country	Equity Beta	Tax Rate	Debt (in Billion local currency)	Mkt Cap (in Billion local currency)	Debt /Mcap	Asset Beta
Airports of Thailand PCL	Thailand	1.14	30%	56.2	54.3	1.03	0.66
Beijing Capital International Airport	China	1.03	25%	18.5	14.8	1.25	0.53
Guangzhou Baiyun International Airport	China	0.91	25%	0.0	8.3	0.00	0.91
Shanghai International Airport	China	1.04	25%	2.5	22.0	0.11	0.96
Xiamen International Airport	China	0.95	25%	0.0	4.1	0.00	0.95
Grupo Aeroportuario del Sureste SAB de CV (Group of 9 airports in Mexico)	Mexico	0.94	30%	0.6	21.0	0.03	0.92
Grupo Aeroportuario del Pacifico SAB de CV	Mexico	0.84	30%	1.0	27.2	0.04	0.82
Grupo Aeroportuario Centro Norte, S.A. de C.V.	Mexico	0.99	30%	1.0	9.2	0.10	0.92

The median value of asset beta for the above comparable set is 0.92 which is being used as the asset beta for airport operations business of AAI. This needs to be re-levered as per the expected gearing of AAI in the control period to estimate the equity beta for AAI.

Table 4: Equity Beta for AAI

Estimated asset beta for AAI	0.92
Gearing for AAI	8.84%
Tax rate for AAI	32.45%
Equity beta for AAI	0.98

Equity beta for AAI works out to 0.98.

2.4.4 Cost of Equity (R_e)

Using the above estimated values of various parameters of the CAPM model, the Cost of Equity (R_e) for AAI for the control period of next five years is estimated as 15.64%.

Table 5: Cost of Equity for AAI

Risk-free rate	7.99%
Beta	0.98
Equity risk premium ($R_m - R_f$)	7.84%
Cost of Equity (R_e)	15.64%



2.5 Fair Rate of Return (FRoR)

Using the gearing ratio, cost of debt and cost of equity estimated above, the FRoR for AAI for the control period of next five years is estimated to be **14.96%** as shown below:

$$\begin{aligned}FROR &= (g \times Rd) + ((1 - g) \times Re) \\ &= (8.84\% \times 8.03\%) + ((1 - 8.84\%) \times 15.64\%) \\ &= 14.96\%\end{aligned}$$

3 Key assumptions

- 3.1 The gearing ratio, cost of debt, risk profile and hence the cost of equity for the airport operations business at all the major airports of AAI is the same as that for AAI as a whole.
- 3.2 The funding requirements for the control period of next five years would be met through similar debt-equity ratio as it exists currently.
- 3.3 AAI will be able to raise the incremental debt and equity requirement in the next control period on similar terms as it exists currently.
- 3.4 Systematic risk (Beta) of airport business of AAI is comparable to the systematic risk of the selected international airports.

Annexure - II

AAI/CHQ/REV/AERA/Apt. Services/2012 / 163

21.03.2012

The Secretary,
AERA,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi-110033

OSD-II
22/3/12

AAM(RK)

May pls examine
and put
up.

Sub: Submission of MYTP by AAI in respect of Chennai airport- reg.

Madam,

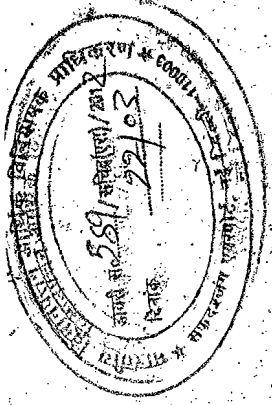
Reference is invited to your letter no. AERA/20010/MYTP/AAI/ Chennai/2011-12/2590 dated 17th Feb., 2012 on the above subject.

The point-wise information on Chennai MYTP is as under:

- i) Note on AAI's depreciation policy attached at annexure -A.
- ii) Note on traffic forecast methodology is attached at annexure -B.
- iii) The copies of secured non-convertible redeemable bonds in the nature of debentures (Series I to III) & non-convertible redeemable bonds (Series IV) issued during FY 2009-10 for Rs 300 crs, 2010-11 for Rs 300 crs & 2011-12 for Rs 815 crs are enclosed at annexure -C.
- iv) The terms & conditions including rate of interest, period of repayment & list of original allottees etc. are indicated in Summary Term Sheet. The year-wise apportionment of loan taken at corporate level to various airport projects has been done on the basis of proportionate Capex incurred for these projects.
- v) Key assumptions for growth rates adopted for revenue & expenditure components along with justifications are furnished in MYTP model.
- vi) The revenue & expenditure projections are not adjusted for inflation except partly in case of Salary & Wage (Dearness allowance & Electricity Rates)
- vii) The break-up of project cost is indicated in Form F10(a) of MYTP. The mega project is expected to be complete by first quarter of 2012.
- viii) No costs relating to proposed Metro Station at Chennai airport have been included in the Chennai airport project costs.
- ix) The work on mega project commenced well before the AERA's guidelines on user consultations came into force and Chennai project has the approval of Govt of India. However, capital projects in future will be undertaken as per the AERA's user consultation protocol.

22/3/12

OSD-II / 578
22/03/2012



- ✓
→ 2/2 3
- ix) It is informed that the accounts of AAI are audited by C&AG of India as mandated by AAI Act. C&AG's resident audit party takes up audit of AAI's regional/field offices, however the Audit Certificate is given to AAI as a whole.
- x) Separate Responsibility/Cost Centre codes have been assigned in AAI's accounting system for capturing accounting information relating to Cargo operations. Income, expenditure & assets pertaining to Cargo services at unit level are separately accounted in the books of AAI accordingly.

Considering the above aspects and taking into account the revised capitalization due to change in probable date of completion of project the revised MYTP for Chennai airport & Chennai Cargo are enclosed herewith for your perusal.

It is requested that Annual Tariff Proposal for Tariff Year-1 attached herewith for airport services may be approved.

As regard to Cargo services at Chennai, it is informed that apart from AAI M/s Air India is also handling international cargo. Hence, Cargo services at Chennai airport may be regulated under the light touch approach. Though AAI has already reached the understanding with the Trade bodies for effecting annual escalation in Cargo rates for FY 2010-11 & 2011-12; however AAI is not proposing any revision of rates for Cargo Services for first two tariff year of the first control period. In view of the above, AAI may be allowed to levy the existing rates (i.e. the rates prevailing as on 31.3.2011) for various cargo services.

Yours faithfully,



(Shankar Chaudhary)
Executive Director(Finance)

Encl.: As above.

Depreciation Policy of AAI

AAI is following Straight Line Method of providing depreciation in books of Accounts.

Determination of rates of depreciation

The minimum useful service life of various assets is reviewed from time to time for the purpose of scrapping and replacement considering the technical factors prevailing at the airports and also due to fast changes in technology and the obsolescence factor in aviation sector.

Depreciation rates were reviewed in 2006 by a Committee comprising of senior officers from Finance, Engineering, E & M, CNS (Planning), Technical and Electronics Departments.

On the basis of the review the depreciation rates were revised on the basis of the minimum Technical and useful service life of various assets under different categories.

The revised depreciation rates were approved by AAI Board in its 109th Board meeting held on 27th April 2007. The revised depreciation rates were made applicable w.e.f. 1st April 2006 (FY 2006-07).

The salient aspects of the revised policy are as follows:

- a) Method of Depreciation – Straight Line Method.
- b) Additions to Fixed Assets – Depreciation to be provided for full year irrespective of month of installation/completion.
- c) No depreciation to be provided in the year the asset is disposed off/retired from active use.
- d) Residual value for each asset to be taken as Re.1 balance to be provided by way of depreciation as per prescribed rates.

The revised depreciation rates are given at annexure – I.

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SL. NO.	ASSET HEAD	Annexure - I	
		EXISTING DEPRECIATION RATE	REVISED DEPRECIATION RATE w.E.F. 1.04.2006
	Leasehold	NIL	NIL
1	RUNWAYS, TAXIWAYS, APRONS, ROADS, BRIDGES & CULVERTS	12.17%	13.00%
2	BUILDINGS FREEHOLD		
	a) Terminal, Cargo & Operational Buildings	7.31%	8.00%
	b) Temporary Buildings	100.00%	100.00%
	c) Residential	4.00%	5.00%
	d) Others	7.31%	8.00%
3	BUILDINGS LEASEHOLD	7.31%	8.00%
4	SECURITY FENCING	100.00%	100.00%
5	Boundary wall (Operational)	7.31%	8.00%
	Boundary wall (Residential)	4.00%	5.00%
6	PLANT & MACHINERY	12.17%	11.00%
7	TOOLS & EQUIPMENTS		
	X-Ray Baggage Machines	12.17%	11.00%
	Others	12.17%	20.00%
8	FURNITURE & FIXTURES	20.00%	20.00%
9	COMPUTER & I.T. HARDWARE & ACCESS.	20.00%	20.00%
10	INTANGIBLE ASSETS - COMPUTER SOFTWARE	20.00%	20.00%
11	VEHICLES		
	Crash Fire Tenders & Fire Fighting Equip.	19.19%	13.00%
	Others	12.17%	14.00%
12	AIRCRAFT and AFIS	24.34%	10.00%
13	ELEC INSTALLATIONS	12.17%	11.00%
14	OTHER OFFICE APPLIANCES	20.00%	18.00%

Note : 1. Land Freehold - No depreciation.
2. Land Leasehold - Premium amortised over the lease period as per capitalisation policy

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Annexure - BP-71
mom-9**Methodologies and Assumptions involved in Traffic Forecast**

The following methodologies are adopted and assumptions are made while preparing the traffic forecast :

- i) Bottom up approach is adopted i.e., the Traffic Forecast for individual airports are prepared and summed up to arrive at the traffic forecast of all the airports taken together.
- ii) While making forecast for individual airports the traffic trends of respective airport is a guiding factor.
- iii) A higher weightage is given to the traffic growth witnessed during recent past.
- iv) Regression/ Econometric Analysis are also undertaken with GDP, IIP and foreign tourist arrival as predictor variables for major airports
- v) Adequate infrastructure is created and capacity constraints are not allowed to operate.
- vi) The forecasts of other international organizations viz. ICAO, IATA, ACI and Aircraft manufacturers are also considered while finalizing the growth rates.
- vii) Adjustment for subjective factors viz., increase in oil prices, safe and secure environment for tourists, safe and secure air travel, other infrastructures like road and rail connectivity creation of adequate hotel/ motel capacity are also considered.
- viii) Fleet plans of airlines.
- ix) Factors contributing to the Traffic Growth as mentioned above will continue to operate to fuel the growth in the Civil Aviation Sector in the 12th Plan also.

The above methodologies are used both for passenger and cargo traffic, whereas the aircraft movements are projected based on the trends in passenger, aircraft movement ratios.

While making the traffic forecast, the opportunities that exist at various Indian airports and the concessions given by AAI to facilitate operation at its airports are also taken into consideration.

15

BASIS OF TAXATION RATES

The normal Income tax rate for companies for A.Y. 09-10, 10-11 and 11-12 was 33.99%, 33.22% & 32.45% considering the surcharge of 10%, 5% and 5% respectively. However, the effective rate of tax for AAI, which is considered in the books for creation of provision for income tax comes to approx. 37 to 38% on the P.B.T.

The difference is due to the fact that, depreciation is calculated as per straight line method in the books of accounts, whereas under the Income Tax Act depreciation is calculated under W.D.V. method. Further, under the Income Tax Act assets capitalized during the period October to March, the depreciation is allowed at 50% of the applicable rates, whereas in the books of accounts the same is calculated at full rate.

Certain amount of expenditure/provisions which are considered for calculation of book profit are not allowed as deductions under the income tax act, are added back to the profit for calculation of the Income tax. The examples of which are as follows:-

- A) Interest, Royalty, Fees for technical services payable outside India u/s 40(a) (i)
- B) Fringe Benefit Tax and Income tax u/s 40(a) (ii)
- C) Tax on perquisite paid by employer u/s 40(a) (v)
- D) Contribution to non statutory funds u/s 40 (A) (9)
- E) Unpaid statutory liabilities u/s 43 (b) i.e. payments of tax duty cess or fee contribution to PF bonus to employees interest on loan borrowed from Financial Institutions/PSU Banks, any sum payable by employer in lieu of leave at the credit of the employee etc.
- F) Provisions for bad debts

- 811 - 7 ~~Annexure II~~

AIRPORTS AUTHORITY OF INDIA
Operational Offices, Gurgaon Road, New Delhi-110037.

No. ED/Cargo/2009/1351/17/ 579-595

April 19, 2010

SUMMARY RECORDS OF DISCUSSIONS HELD BETWEEN AAI AND THE APEX TRADE BODIES REGARDING REVISION OF SCHEDULE OF CHARGES ON 16.04.2010 AT 1100 HRS. AT THE AAIOI, SAFDARJUNG AIRPORT, NEW DELHI.

The following were present :

Airports Authority of India	Apex Trade Bodies
1. Shri V.k. Monga, ED(Cargo) (...in Chair) 2. Shri Y.K. Goel, GM(Cargo) 3. Shri M. Ravi Verma, GM(F&A) 4. Shri B.K. Mehrotra, DGM(Cargo) 5. Shri Dinesh Mehra, Asstt. GM(Cargo) 6. Shri S.K. Chauhan, Manager (Cargo)	1. Ms. Priya Safaya, Jt. Dy. Director General, FIEO 2. Shri Utpal Das, Executive Committee Member, Calcutta Customs House Agents Association, Kolkata 3. Shri P.C. Maity, Member, Calcutta Customs House Agents Ass., Kolkata 4. Shri Raman Raj Sud, Chairman, FFFAI 5. ACAAI* 6. CII* 7. FICCI* 8. ASSOCHAM* 9. Chennai Customs House Agents Association* 10. The Customs Clearing Agents Ass., Amritsar*
	* did not attend the meeting due to pre-occupation.

1. Chairman welcomed the members of FIEO, FFFAI, the Apex Trade Bodies of Cargo Handling Agents, importers and exporters to the 2nd round of meeting to discuss the revision of AAI schedule of charges for the next 2 years i.e. 2010-11 and 2011-12, to be levied by AAI for providing various cargo handling services at the Cargo Terminals managed by AAI. Chairman briefly recapitulated the background and informed about the letters received from ACAAI raising their objection to AAI for holding such meetings for revision of AAI charges as they have mentioned that only M/s. AERA had the jurisdiction to settle issues regarding of charges. Chairman clarified that since AERA is in place and cargo

charges falling under Aeronautical charges, AAI has invited all the members of different Apex Bodies as per the guidelines of AERA to discuss and bring consensus between AAI and the Apex Trade Bodies before it is sent for the approval of AERA. Keeping in view the past practice and AERA Guidelines, AAI has commenced the dialogue process and requested wholehearted support from the Apex Trade Bodies on this issue.

2. Since some new members have joined for the first time, on the request of Chairman, the presentation was given by Shri Y.K. Goel, General Manager(Cargo) to update the members of the apex trade bodies. In spite of recession in cargo volumes in the past, however since October, 2009, a positive trend has emerged but AAI on its part is continuously pumping its resources to create cargo infrastructure as the same can not be built overnight. It was highlighted that Rs.79.66 crores have since been spent on building of cargo infrastructure at Chennai and Kolkata during 2008-09 to 2009-10. Further an investment of Rs. 160.00 crores have planned in 2010-11 on construction of Import Terminal Phase III at Chennai and covered shed on air side for import cargo at Kolkata Airport.

3. Shri M. Ravi Verma, GM(F&A) shared the financial part of the presentation and proposed an increase of 10% in each year 2010-11 and 2011-12. He informed that AAI did not revise charges on export side during last revision i.e. in the year 2007 keeping in view the sentiments of the exporters association particularly FIEO and still made huge capital investment for the development of cargo infrastructure / facilities inspite of the recession.

4. Thereafter, the Chairman invited the members to present their view points. Initiating the discussions, Ms. Priya Safaya of FIEO appreciated the AAI initiatives for development of infrastructure at airports and for maintaining the transparency and openness in the discussions with the trade. She further stated that FIEO is associated in this process for the last so many years and thanked AAI for keeping the sentiments of exporters in mind by not increasing the AAI charges in the last revision. She requested that though there is a positive trend in increase in exports, the situation of export is not still very good and requested AAI to maintain status quo for another year.

5. Shri Utpal Das, the representative of Kolkata Customs House Agents Association was in all appreciation of development of cargo infrastructure and facilities including AS&RS and the State of the Art Centre for Perishable Cargo developed by AAI at Kolkata Airport.

6. Shri Raman Raj Sud, Chairman of FFFAI expressed his appreciation for AAI capital investment for infrastructural development and system improvements. He, however, suggested that a wider participation of agents

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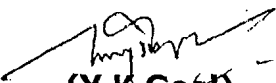
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from Chennai and Kolkata Airports. He was explained that the local bodies of CHAs at Chennai and Kolkata have already been invited by AAI for this meeting. The representative of local Association of CHAs from Kolkata Airport is already present in the meeting. He was informed that the local bodies of cargo handling agents at Chennai and Kolkata have left it to FFFAI to take decision. Sh. Sud discussed telephonically with the Secretary of Cargo Handling Agents Association at Chennai and Sh. Ajay Sahai, D.G. FIEO. After discussions with them, he proposed an increase of 5% in the revision of AAI schedule of charges. Chairman agreed to discuss with AAI management about the proposal of 5% increase in schedule of charges each year of two years agreement period i.e. 2010-11 & 2011-12, before it is sent to AERA for approval.]

7. Chairman, FFFAI pointed out that Director, Customs in one of the recent meetings held in Customs House has stated that there was a formula to fix custodian charges on cargo related services which needs clarifications from Customs. He also highlighted that FICCI is also holding a meeting of Special Task Force on transactions cost in the last week of April, 2010. He raised another issue about the implementation of 72 hours free period for import cargo in the light of judgment by the Hon'ble Court and requested AAI to revisit the Court Order for correct implementation of the judgment.

8. Summing up the session, Chairman thanked the apex trade bodies for other proactive attitude and their valuable contribution in the process of fruitful discussions leading to the development of cargo infrastructure / services undertaken by AAI. Chairman assured that points raised by FFFAI will be definitely looked into. The consensus emerged on revision of Schedule of Charges shall be put up to AERA for their approval before implementation by AAI.

The meeting ended with a vote of thanks to the Chair.


(Y K Goel)
General Manager(Cargo)

Distribution:

1. Apex Trade Bodies (as per list attached).
2. All participants of AAI.

D:\AAI docs\Minutes.doc

Apex Trade Bodies

<p>Sh. Raman Raj Sud, Chairman, FFFAI, Mahinder Chambers, Opp. Dukes Factory, W.T. Patil Marg, Chembur, Mumbai 400 071 Telfax : 67107500 (Mumbai) / 25655224 (Del) / Tel. 25655166/161/181 (Del), Mob 9891546460 Email : fffai@vsnl.com</p>	<p>ACAAI, 28 - B, Nariman Bhavan, Nariman Point, Mumbai - 400021 Maharashtra, India. Fax No.: 91-22-2282 4029 E-mail: ho_bom@acaai.org.in</p>
<p>Mr. N. Sivasubramaniam, Chairman, ACAAI (SR, Chennai), C/o AIR CONNECTION PVT. LTD. # 18, Poes Road, First Street, Teynampet, Chennai - 600 018 Fax: (044) 24320444 Email: acpl87@eth.net</p>	<p>Mr. P. Shanmugam, Chairman, ACAAI (Coimbatore-Tirupur Sub region), C/o SHAAN'S CARGO PVT. LTD., Shaan's Building, Site No.155, Nanjappa Nagar, (Near Rajalakshmi Mills) Trichy Road, Singanallur, Coimbatore-641 005. Fax: +91 422 2599336 Email: shaan@shaanscjb.com</p>
<p>Sh. Ajay Sahay, Director General, Federation of Indian Exports Organisation, Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi-110 057 Fax: +91-11-26148194, 26150066, 26150077 Email: fieo@nda.vsnl.net.in; fieo@airtelmail.in; ajaysahai@fieo.org</p>	<p>Sh. Chandrajit Banerjee, [Director General] Confederation of Indian Industry Mantosh Sondhi Centre, 23 Institutional Area, Lodi Road, New Delhi-110003 Fax :91-11-24626149 / 24633168 Email : cb@cii.in</p>
<p>Sh. Mahesh Reddy, FICCI, Federation House, Tansen Marg, New Delhi-110001 Fax 011-23320714, 23721504 Email: ficci@ficci.com; infra@ficci.com; maheshreddy@ficci.com</p>	<p>Sh. D S Rawat, Secretary General, The Associated Chambers of Commerce and Industry of India, 1, Community Centre, Zamrudpur, Kailash Col New Delhi – 110 048 Fax: 46536481/482/497/498/489 E-mail: assochem@nic.in; d.s.rawat@assochem.com</p>
<p>Sh. P.S. Krishanan, President, Chennai Custom House Agent's Association, No. 40, Moore Street, Chennai-600 001 Fax : 044-25221657 Mob. 9840062283 e.mail : gurushipping@gmail.com</p>	<p>Sh. Utpal Das, Chairman(Airport Sub Committee), Calcutta Customs House Agents' Association, 23, Sir R N Mukherjee Road, Kolkata-700001. Fax:033-22482951 Mob 9830028828 e.mail : cchaa@sify.com</p>
<p>Sh. Dilip Singh, Secretary, The Customs Clearing Agents Association, Bazar Gujran, Majith Mandi, Amritsar. Phone:0183-2543688/ 2226094 Fax 0183-2558131 Mob 9814051978</p>	

(First Year: 2010 – 11)
(@5% increase)

(Second Year: 2011 – 12)
(@5% sub sequential
increase)

Annexure - V 51
DRAFT ----- TSP RATES

THE SCHEDULE
(See regulation 5)

PART - I

CHARGES AT AAI AIRPORTS

A - EXPORT CARGO

(I) TERMINAL, STORAGE AND PROCESSING CHARGES

Sl. No.	Type of Cargo	Rates " Fin Yr: 2010 – 11" (with effect from _____ , 2010)		Rates " Fin Yr: 2011 – 12 " (with effect from <u>April</u> , 2011)	
		Rs/P		Rs/P	
		Rate per kilogram	Minimum rate per consignment	Rate per kilogram	Minimum rate per consignment
(1)	(2)	(3)	(4)	(5)	(6)
1	General	Re. 0.74	Rs. 125.00	Re. 0.78	Rs. 130.00
2	# Special	Rs. 1.47	Rs. 245.00	Rs. 1.54	Rs. 255.00
3	Perishable	Re. 0.74	Rs. 125.00	Re. 0.78	Rs. 130.00

(II) DEMURRAGE CHARGES (Leviable From Shipper)

Sl. No.	Type of Cargo	Rates " Fin Yr: 2010 – 11" (with effect from _____ , 2010)		Rates " Fin Yr: 2011 – 12 " (with effect from <u>April</u> , 2011)	
		Rs/P		Rs/P	
		Rate per kilogram	Minimum rate per consignment	Rate per kilogram	Minimum rate per consignment
(1)	(2)	(3)	(4)	(5)	(6)
1	General	Re. 0.76	Rs. 125.00	Re. 0.80	Rs. 130.00
2	# Special	Rs. 1.50	Rs. 245.00	Rs. 1.58	Rs. 255.00
3	Perishable	Re. 0.76	Rs. 125.00	Re. 0.80	Rs. 130.00

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NOTES:

1. The free period for export cargo shall be one working day (24 hours) for examination/processing by the shippers.
2. 10% discount in the Terminal, Storage and Processing charges will be granted to Exports who opt for engaging their own loaders for offloading cargo from their vehicles at Truck Dock and shifting to Custom Examination Area.
3. Terminal, Storage and Processing charges applicable to Newspaper and TV reel consignments shall be 50% of the prescribed charges.
4. Consignments of human remains, coffin including unaccompanied baggage of deceased and Human eyes will be exempted from the purview of Terminal, Storage and Processing and Demurrage charges.
5. Terminal, Storage and Processing charges are inclusive of Forklift charges wherever Forklift usage is involved. No separate Forklift charges will be levied.
6. # Special cargo consists of live animals, hazardous goods and valuable cargo.
7. Charges will be levied on the '**gross weight**' or the '**chargeable weight**' of the consignment, whichever is higher. Wherever the '**gross weight**' and (or) '**volume weight**' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the '**actual gross weight**' or '**actual volumetric weight**', whichever is higher.
8. For misdeclaration of weight above 2% and upto 5% of declared weight, penal charges @ double the applicable Terminal, Storage and Processing charges and for variation above 5%, the penal charges @ 5 times the applicable Terminal, Storage and Processing charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum Terminal Storage and Processing Charges. No penal charges will be leviable for variation upto and inclusive of 2%. This will not apply to Valuable Cargo.
9. All the Bills shall be rounded off to the nearest of Rs. 5/-. As per IATA Tact Rule book Clause-5.7.2, the rounding off procedure, when the rounding off Unit is 5.

When the results of calculations are between / and

Rounded off amount will be

102.5 - 107.4	105
107.5 - 112.4	110

10. As an incentive to trade to utilize the lean hours, 20% discount in the Terminal, Storage and Processing charges will be granted for Export cargo admitted between 1000 hrs to 1500 hrs, subject to levy of minimum rate per consignment as given in Scale of Charges.
11. Merchant Over Time (MOT) charges @ Rs.200.00 per consignment for admitting cargo beyond normal working hours.

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B - IMPORT CARGO

(I) TERMINAL, STORAGE AND PROCESSING CHARGES

Sl. No.	Type of Cargo	Rates " Fin Yr: 2010 - 11" (with effect from _____, 2010)		Rates " Fin Yr: 2011 - 12" (with effect from <u>April</u> , 2011)	
		Rs/P		Rs/P	
		Rate per kilogram	Minimum rate per consignment	Rate per kilogram	Minimum rate per consignment
(1)	(2)	(3)	(4)	(5)	(6)
1	General	Rs. 4.96	Rs. 135.00	Rs. 5.21	Rs. 140.00
2	# Special and Valuable	Rs. 9.89	Rs. 265.00	Rs. 10.38	Rs. 280.00

(II) DEMURRAGE CHARGES

Free storage period for Import cargo shall be 72 hrs. (03 working days) including the date of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg; per day" non-cumulative basis, provided the consignment is cleared within 120 hrs. (Five working days). If clearance is affected after 120 hrs. (05 working days) demurrage will accrue for the entire period from the date/time of the arrival of the flight, as follows:-

Sl. No	Type of Cargo	PERIOD	Rates " Fin Yr: 2010 - 11" (with effect from _____, 2010)		Rates " Fin Yr: 2011 - 12" (with effect from <u>April</u> , 2011)	
			Rs/P		Rs/P	
			Rate per Kilogram per day	Minimum rate per consignment	Rate per Kilogram per day	Minimum rate per consignment
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	General Cargo	Up to 120 hrs. (5 days working) including free period.	Rs.1.44	Rs. 325.00	Rs.1.51	Rs. 340.00
		Between 120 hrs. and 720 hrs (6 and 30 days)	Rs. 2.87		Rs. 3.01	
		Beyond 720 hrs. (30 days)	Rs. 4.31		Rs. 4.53	
2.	# Special Cargo	Up to 120 hrs. (05 working days) including free period	Rs. 2.87	Rs. 640.00	Rs. 3.01	Rs. 670.00
		Between 120 hrs. and 720 hrs (6 and 30 days)	Rs. 5.73		Rs. 6.02	
		Beyond 720 hrs. (30 days)	Rs. 8.60		Rs. 9.03	
3.	@ Valuable Cargo	Up to 120 hrs. (05 working days) including free period	Rs. 5.73	Rs. 1,280.00	Rs. 6.02	Rs. 1,340.00
		Between 120 hrs. and 720 hrs (6 and 30 days)	Rs. 11.47		Rs. 12.04	
		Beyond 720 hrs. (30 days)	Rs. 17.20		Rs. 18.06	

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NOTES:

1. Consignments of human remains, coffin including baggage of deceased and Human eyes will be exempted from the purview of Terminal, Storage and Processing and Demurrage charges.
2. No separate Forklift charges will be levied.
3. Charges will be levied on the 'gross weight' or the 'chargeable weight' of the consignment whichever is higher. Wherever the 'gross weight' and (or) volume weight is wrongly indicated on the Airway Bill and is actually found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight' or 'chargeable weight' whichever is higher.
4. # Special Import cargo consists of cargo stored in cold storage, live animals and hazardous goods.
5. @ Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum and items valued at USD 1000 per Kg. and above.
6. All the Bills shall be rounded off to the nearest of Rs. 5/-. As per IATA Tact Rule book Clause-5.7.2, the rounding off procedure, when the rounding off Unit is 5.

When the results of calculations are between / and

Rounded off amount will be

102.5	-	107.4	105
107.5	-	112.4	110

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AIRPORTS AUTHORITY OF INDIA

KEY ASSUMPTIONS ON CHENNAI MYTP

Sl no	Parameters	Assumptions	Basis of assumption
1	Traffic		
i	Passenger growth rate per annum (combined Dom.+Intl.)	7% growth in 11-12, 9% in 12-13 up to 16-17 & 11% thereafter upto 19-20	Passenger Growth rates assumed as per forecast made by CPMS deptt. of AAI taking into account econometric analysis, regression analysis pertinent economic factors & policy framework etc.
ii	Growth rate of aircraft movements per annum (combined Dom.+Intl.)	5% in 11-12, 7% in 12-13 up to 16-17 & 9% thereafter upto 19-20.	Aircraft growth rates assumed as per forecast made by CPMS deptt. of AAI taking into account econometric analysis, regression analysis pertinent economic factors & policy framework etc.
iii	Expected date of commencement of operation from new terminal building	Apr-June, 2012	
iv	Percentage of departing passengers	50% total passengers handled at the airport	
2	Regulated Revenue		
i.	Growth rate of Landing, Parking & Housing Revenue	As per the growth rates of aircraft movements projected by CPMS	Revenue from Landing, Parking & Housing is correlated to no of aircraft landings, hence same growth rate as that of aircrafts has been adopted
ii	Growth rate of Passenger Service Fee (Facilitation)	Same as passenger growth rate mentioned above	
iii	Throughput Charges	Same as aircraft growth rates indicated above.	
3	Other than Regulated Revenue		
	Public Admission Fee	25% increase in 11-12, 10% increase p.a. in 12-13 onwards	Increase in 11-12 as per the current year estimates and 10% increase p.a. in 12-13 onwards based on the projected increase in passenger traffic.
i	Trading Concessions including Restaurant, Hoarding & display, duty free shops etc	15% increase in 2011-12, 35% increase in 12-13 following the commissioning of new terminal building and 10% annual increase afterwards	35% increase in revenue projected in 12-13 due to increase in commercial/retail area following commissioning of NTB and normal increase of 10% p.a. is estimated in 13-14 onwards.
ii	Rent and Services including Land lease and buildings non-residential	7.5% in 2011-12, 35% increase in 12-13 following commissioning of new terminal building and 8% annual increase afterwards	35% increase in revenue projected in 12-13 due to increase in commercial/retail area following commissioning of NTB. Normal increase of 7.5% p.a. as per the rental agreements is estimated for 13-14 onwards.
iii	Miscellaneous revenue	10% in 2011-12, 35% increase in 12-13 following commissioning of new terminal building and 10% annual increase afterwards	35% increase in revenue projected in 12-13 due to increase in commercial/retail area following commissioning of NTB. Normal increase of 10% p.a. is estimated afterwards.
4	Expenses		
i	Growth rate of Pay roll related expenses	i) Salaries & Wages, including Dearness Allowances, House Rent Allowance & other perks and allowances, medical expenses, staff welfare fund (Gratuity etc) and Provident Fund contributions etc are estimated to grow at a rate of 9% p.a. ii) OTA expenses and apportionment of CHQ expenses are estimated to increase @ 5% p.a.	The effect of annual increments, increase in DA and promotions, increase in perks & allowances comes to approx. 8-9%. However, the financial implication of increase in staff strength is not considered at this stage. Staff related expenses of CHQ apportioned to airports based on the number of employees at the airports and other expenses of CHQ proportionately apportioned to airports based on revenue of the airports as per the existing methodology of AAI.
ii	Administration and General Expenditure	i) Rent & Taxes - 10% increase p.a. ii) Communication Exp. - 50% in 12-13 & 10% increase p.a. thereafter assumed. iii) Travelling & Conveyance exp. - 45% increase in 11-12 and 8% p.a. in 12-13 onwards iv) Advt. Expenses - 31% increase in 11-12, 125% increase in 12-13 and drop of 42% increase in 13-14 and 10% increase thereafter estimated. v) Office Maint. - 38% increase in 11-12, 100% increase in 12-13 & 10% increase p.a. in 13-14 onwards. vi) Printing & Stationary Exp.- Increase of 8% p.a. is projected for all the years. vii) Legal Expenses - Increase of 6% p.a. assumed. viii) Other Professional Charges, including charges for computerisation of accounts etc - 8% increase p.a. is assumed from 12-13 onwards. ix) Insurance Costs - Insurance cost is expected to increase by 110% in 12-13, 10% p.a. in 12-13 onwards x) Recruitment & Training Exp. - 75% increase in 11-2 and nominal increase of 6% p.a. thereafter assumed. xi) Bank Charges - Increase of 6% p.a. assumed	i) Increase in Rent & Taxes, including airport License Fee, Taxes & fees on vehicles etc projected considering the past trends/ future projections etc. ii) Communication expenses are likely to increase following commissioning of new terminal building adding 65450 sqm approx. in floor area with provision of new modern equipments & systems. iii) Though travelling/conveyance expenses projections show an increase of 45% in 11-12 as compared to 10-11, however when compared to actuals of 09-10 it translates into a drop of 52%. Travelling expenses are expected to moderate to normal level i.e. 8% p.a. in 12-13 onwards. iv) Advt. Expenses projections shows an increase of 31% as compared to 10-11 figures, however when compared to actuals of 09-10 it represents a drop of 24%. With the commissioning of NTB in 12-13, advt. & publicity expenses are likely by 125% due to inauguration of NTB & award of new contracts in NTB with larger area, however during 13-14 Advt. expenses are estimated to drop by 42% and then a normal increase of 10% p.a. is estimated in remaining years. v) Office Maintenance exp. in 10-11 dropped as compared to 09-10 as most of the maintenance works were avoided due to constn of NTB; however office expenses will increase in 12-13 onwards due to larger office area for maintenance in NTB. vi) Nominal increase of 8% p.a. in printing & stationary exp. estimated & no significant variation is foreseen. vii) Legal expenses assumed to grow at a nominal rate of 6% p.a. viii) Though professional charges (computerisation etc) expected to drop in 11-12, however nominal increase of 8% p.a. is expected in 12-13 onwards.

iii	Growth rates for repairs and maintenance expenses	51% average increase in 11-12 and 110% increase in R&M Expenses in 12-13 under Civil, Electrical, Plant & Machinery, Furniture & Fittings and Electronics assumed following the commissioning of NTB in 12-13 and thereafter regular growth rate of 10% estimated for all the heads.	The 51% increase in 11-12 is based on the revised estimates for 11-12 including expenses relating to shifting of operations to NTB. The R&M Expenses are expected to increase in 12-13 due to operationalisation of NTB in 12-13 involving increased area for maintenance (65450 Sqm; 107% increase) and maintenance of more facilities & systems. However, normal growth rate of 10% p.a. is expected in 13-14 onwards.
iii	Utilities and Outsourcing Expenses	Expenses under this category mainly include Electricity, Water Charges & outsourcing expenses on airfield side maintenance & cleaning etc. - An increase of 22% in 11-12, 114% in 12-13, 13% in 13-14 & 11% increase thereafter is assumed.	22% increase in 11-12 are based on the revised estimates for 11-12. An increase of 114% in 12-13 is estimated due to commissioning of NTB with larger area for air-conditioning & lighting and installation of more electrical & electronics system leading to higher consumption of electricity charges. However, the growth rate is expected to moderate in 13-14 to 13% & 11% in 14-15 onwards.
iv	Other outflow	i) Municipal tax - 411% increase in 11-12, 10% increase p.a. in 12-13 onwards. ii) Collection charges on PSF - 7% increase in 11-12 & 9% increase p.a. in 12-13 onwards iii) discount on Landing charges - 5% increase in 11-12 and 7% increase p.a. in 12-13 onwards iv) Other misc. office expenses drop of 10% in 11-12 and 7% increase p.a. in 12-13 onwards	i) Municipal authorities has raised a claim of 10 Crs, however same has been appealed against by AAI and final claim will settle around 6-7 crs p.a. hence municipal taxes increased by 411% in 11-12 & normal increase of 10% p.a. for 12-13 onwards projected. ii) Increase in Colln. Charges on PSF is projected as per the growth rate of PSF. iii) Discount on landing charges projected at a same rates as that of landing charges. iv.) Other Misc office expenses projected at a nominal rate of 7% p.a. from 12-13 onwards.
5 Tax rates			
i	Corporate tax	Corporate tax rate 30.9% & effective tax rate of 37.5% have been considered in MYTP	Though the corporate tax rate is 30.9%. Due to differential in depreciation rates adopted by Tax authorities and AAI and due to disallowances of many expenses, the effective tax rate for AAI is worked out at 37.5% and same has been adopted in MYTP.
6 Assets			
iii	Depreciation rate	Depreciation rates adopted for various asset categories are as per the depreciation policy of AAI. Depreciation rates are indicated in Form F9 - RAB	Depreciation rate followed by AAI is as per accounting policy approved by AAI Board considering the useful / technical life of the assets. As per the depreciation policy of AAI, the assets are depreciated upto 100% of its acquisition costs. Depreciation is charged for full year irrespective of the actual date of capitalisation and no depreciation is charged in the year the assets are disposed off.
7	FRoR	FRoR has been considered at 15%	FRoR has been considered at 15% as per the report submitted by the M/s KPMG.

Form F1: Historical and Proposed Aggregate Revenue Requirement (ref: Section A5.2)

CHENNAI AIRPORT AIRPORT (AIRPORT)

[RS. IN LAKHS]

Sl. No.	Aggregate Revenue Requirement	Last available audited year#	Financial Year before Tariff Year 1* 10-11	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 3 (2013-14)	Tariff Year 4 (2014-15)	Tariff Year 5 (2015-16)
1	Aggregate Revenue Requirement			26,794.14	62,215.25	82,856.03	80,376.24	73,594.00

CHENNAI AIRPORT (AIRPORT SERVICES)

[Rs in lakhs]

Form 2(a) - Historical and Projected Balance Sheet								
S.NO.	PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	SOURCES OF FUNDS							
	A) Shareholders' Funds							
	a) Share Capital	76790.68	83194.98	158003.16	191625.47	184361.46	188112.13	193064.02
	b) Share Application Money							
	c) Reserves and Surplus							
	B) Loan Funds							
	a) Secured Loans	9186.00	21524.00	36524.00	27338.00	27338.00	27338.00	15000.00
	b) Unsecured Loans		0.00	0.00	0.00	0.00	0.00	0.00
	C) Capital Grants							
	D) Deferred Tax Liability							
	TOTAL SOURCES OF FUNDS	85976.68	104718.98	194527.16	218963.47	211699.46	215450.13	208064.02
2	APPLICATION OF FUNDS							
	A) Fixed Assets							
	a) Gross Block (Net of assets not in use)	59552.36	65116.29	115619.29	266201.79	294249.16	297749.16	297749.16
	b) Less: Accumulated Depreciation	34236.72	38888.48	50349.17	76337.03	105195.77	134389.21	163043.91
	c) Net Block	25315.64	26227.81	65270.12	189864.76	189053.39	163359.95	134705.25
	d) Capital Work in Progress	48270.02	71558.34	121190.48	19200.00	11950.00	40532.37	60864.74
	B) Investments							
	C) Deferred Tax Assets							
	D) Current Assets, Loans and Advances							
	a) Sundry Debtors	11716.85	9652.55	12297.32	14490.18	15679.75	16969.62	18368.45
	b) Cash and Bank Balances	576.31	1082.83	600.00	618.00	636.54	655.64	675.31
	c) Inventories	97.88	68.02	96.00	102.72	109.91	117.60	125.84
	d) Other Current Assets	3.38	9.78	10.00	11.00	12.10	13.31	14.64
	e) Loans and Advances	2547.05	1986.00	2383.20	2573.86	2779.77	3002.15	3242.32
		14941.47	12799.19	15386.52	17795.76	19218.07	20758.32	22426.55
	Less: Current Liabilities and Provisions							
	a) Liabilities	2518.59	5858.19	7305.66	7881.32	8504.70	9181.48	9911.59
	b) Provisions	31.86	8.17	14.30	15.73	17.30	19.03	20.93
		2550.45	5866.36	7319.96	7897.04	8522.00	9200.51	9932.53
	Net Current Assets	12391.02	6932.83	8066.56	9898.71	10696.07	11557.81	12494.02
	TOTAL APPLICATION OF FUNDS	85976.68	104718.98	194527.16	218963.47	211699.46	215450.13	208064.02

CHENNAI AIRPORT (AIRPORT SERVICES)

[RS IN LAKHS]

Form 2 (b) Historical and Projected Profit & Loss Account

S.NO.	PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	REVENUE							
	Revnues from Regulated Services	21863.76	23869.00	25157.29	27019.78	29021.78	31173.87	33487.46
	Revenues from other than Regulated Services	12833.93	14142.65	15833.77	21280.81	23244.07	25391.52	27740.69
		34697.69	38011.65	40991.07	48300.59	52265.85	56565.39	61228.16
2	Operation & maintenance expenditure							
	Payroll Costs	13047.87	12326.73	13213.87	14169.75	15199.98	16310.69	17508.49
	Adminstrative and General Costs	273.90	158.12	221.67	343.36	338.34	369.75	404.12
	Utilities and Outsourcing Costs	3353.21	2610.87	3183.41	6814.18	7701.36	8554.21	9502.34
	Repair and Maintenance Costs	1633.24	1139.92	1721.00	3614.10	3975.51	4373.06	4810.37
	Other Outflows	508.43	633.36	1242.61	1345.72	1457.43	1578.46	1709.59
	Total Operation & Maint. Exp.	18816.65	16868.99	19582.57	26287.10	28672.63	31186.17	33934.90
3	Earnings before depreciation, interest and taxation(EBDIT)	15881.04	21142.66	21408.50	22013.48	23593.22	25379.22	27293.26
	Depreciation and Amortisation	5045.17	5245.56	11460.69	25987.86	28858.74	29193.44	28654.70
4	Earnings before interest and taxation (EBIT)	10835.87	15897.10	9947.81	-3974.38	-5265.52	-3814.22	-1361.44
	Total interest and finance charges	0.00	0.00	0.00	0.00	2493.65	2493.65	2372.36
5	Profit/Loss before tax	10835.87	15897.10	9947.81	-3974.38	-7759.17	-6307.86	-3733.81
	Provision for taxation (effective tax rate 37.50 %)	4063.45	5961.41	3730.43	0.00	0.00	0.00	0.00
6	Profit/Loss after taxation	6772.42	9935.69	6217.38	-3974.38	-7759.17	-6307.86	-3733.81
7	Balance Carried to Balance Sheet	6772.42	9935.69	6217.38	-3974.38	-7759.17	-6307.86	-3733.81

CHENNAI AIRPORT - AIRPORT SERVICES

[RS IN LAKHS]

Form 2 (c) Historical and Projected Cash Flow Statements

S.N.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Cashflow from operating activities						
	Net Profit before taxation	15897.10	9947.81	-3974.38	-7759.17	-6307.86	-3733.81
	Adjustment for :						
	Depreciation and Amortisation	5245.56	11460.69	25987.86	28858.74	29193.44	28654.70
	Loss/ (Profit) on sale of assets(net)	(61.85)	0	-	-	-	-
	Provisions - Additions (Write back) Net						
	Operating Profit before working capital changes	21080.81	21408.50	22013.48	21099.57	22885.57	24920.89
	Adjustment for :						
	Decrease(increase) in Trade Receivable	2064.30	-2644.77	-2192.86	-1189.58	-1289.86	-1398.83
	Decrease(increase) in Inventories	29.86	-27.98	-6.72	-7.19	-7.69	-8.23
	Decrease(increase) in Loans and Advances	561.05	-397.20	-190.66	-205.91	-222.38	-240.17
	Decrease(increase) in Cash & Bank Balance	-506.52	482.83	-18.00	-18.54	-19.10	-19.67
	Increase(Decrease) in Sundry Creditors	3315.90	1453.60	577.08	624.96	678.51	732.02
	Net Cash Flow from Operating Activities	26,545.40	20,274.99	20,182.33	20,303.31	22,025.04	23,986.01
2	Cash flow from investing activities						
	Purchase of Fixed Assets	-5563.93	-50503.00	-150582.50	-28047.37	-3500.00	0.00
	Decrease in WIP	-23288.32	-49632.14	101990.48	7250.00	-28582.37	-20332.37
	Total Cash flow from investing activities	-28852.25	-100135.14	-48592.02	-20797.37	-32082.37	-20332.37
3	Cashflow from financing activities						
	Increase in Borrowings	12338.00	15000.00	-9186.00	0.00	0.00	-12338.00
	Increase/Decrease in Share Capital	6404.30	74808.18	33622.31	-7264.01	3750.67	4951.88
	Total Cash flow from Financing activities	18742.30	89808.18	24436.31	-7264.01	3750.67	-7386.12
4	Net change in cash and cash equivalents	16435.45	9948.03	-3973.38	-7758.07	-6306.65	-3732.48
5	Cash and Cash Equivalents at the beginning of the period	576.31	1082.83	600.00	618.00	636.54	655.64
6	Cash and Cash Equivalents at the end of the period	1082.83	600.00	618.00	636.54	655.64	675.31

CHENNAI AIRPORT - AIRPORT SERVICES

Form F3 - Historical and Projected Revenue Generating Area breakup at the airport														
Breakup of Revenue Generating Areas in Sq.mtrs.														
S.N.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Tariff Year 1	Tariff Year 2	Tariff Year3	Tariff Year4	Tariff Year 5
1	Retail	138.00	138.00	162.00	165.00	165.00	165.00	117.00	138.00	138.00	152.00	152.00	152.00	152.00
2	Commercial	13310.00	18118.00	18118.00	28276.00	28276.00	28276.00	23404.00	14897.00	14897.00	33953.00	33953.00	33953.00	33953.00
3	Advertisement	19.00	19.00	19.00	19.00	19.00	19.00	7799.00	7799.00	7799.00	8578.90	8578.90	8578.90	8578.90
4	Ticketing	10.00	10.00	10.00	18.00	18.00	18.00	18.00	18.00	18.00	19.80	19.80	19.80	19.80
5	Duty Free Shops	233.74	233.74	233.74	233.74	233.74	267.14	267.14	267.14	267.14	293.85	293.85	293.85	293.85
6	Car Parking	786.70	786.70	786.70	786.70	786.70	786.70	1256.40	1256.40	1256.40	1382.04	1382.04	1382.04	1382.04

CHENNAI AIRPORT - AIRPORT SERVICES

Form F4 - Historical and Projected capacity of Airport																			
Passenger Terminal capacity																			
S.N.	Terminal Building	Terminal Use	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1		International Departure	Declared Peak Hour Capacity	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
		(IN MILLIONS)	Declared Annual Capacity	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
2		Intenational Arrival	Declared Peak Hour Capacity	750	750	750	750	750	750	750	750	750	1907	1907	1907	1907	1907	1907	1907
		(IN MILLIONS)	Declared Annual Capacity	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	3	3	3	3	3	3	3
3		Domestic Departure	Declared Peak Hour Capacity	800	800	800	800	800	800	800	800	800	1320	2144	2144	2144	2144	2144	2144
		(IN MILLIONS)	Declared Annual Capacity	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
4		Domestic Arrival	Declared Peak Hour Capacity	1200	1200	1200	1200	1200	1200	1200	1200	1200	1980	3216	3216	3216	3216	3216	3216
		(IN MILLIONS)	Declared Annual Capacity	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Cargo Terminal Capacity																			
S.N.	Terminal Building	Terminal Use	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1		Export	Declared Peak Hour Capacity	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26
			Declared Annual Capacity	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428
2		Import	Declared Peak Hour Capacity	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
			Declared Annual Capacity	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284
3		Domestic - Outbound	Declared Peak Hour Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Declared Annual Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4		Domestic - Inbound	Declared Peak Hour Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Declared Annual Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Runway Capacity																			
S.N.	Runway	Runway Use	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1		International Departure	Declared Peak Hour Capacity	28	28	28	28	28	28	28	28	28	30	30	30	30	30	30	30
			Declared Annual Capacity	245280	245280	245280	245280	245280	245280	245280	245280	245280	262800	262800	262800	262800	262800	262800	262800
2			Declared Peak Hour Capacity																
			Declared Annual Capacity																
			Declared Peak Hour Capacity																
			Declared Annual Capacity																
Other Infrastructure Capacity																			
S.N.			2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Airside Facilities	Parking Bays	48	48	48	48	48	48	48	48	56	56	56	56	56	56	56	56	56
		Hangars	1	1	1	1	1	3	3	3	3	3	3	3	3	3	3	3	3
2	Terminal Facilities	Baggage Systems	8	8	8	8	8	8	8	8	15	15	15	15	15	15	15	15	15
3	Landside Facilities	Car Parking	1200	1200	1200	1200	1200	1200	1200	1200	1200	1600	1600	1600	1600	1600	1600	1600	1600

Form F5: Cost of Equity and Post-tax FRoR Forecast (ref: Section A5.5.2)

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	Tariff Year 1			Tariff Year 2			Tariff Year 3			Tariff Year 4			Tariff Year 5		
	Low	High	Point Estimate	Low	High	Point Estimate	Low	High	Point Estimate	Low	High	Point Estimate	Low	High	Point Estimate
Gearing			8.84%			8.84%			8.84%			8.84%			8.84%
Pre-tax cost of debt			8.03%			8.03%			8.03%			8.03%			8.03%
Risk-free rate			7.99%			7.99%			7.99%			7.99%			7.99%
Equity-risk premium			7.84%			7.84%			7.84%			7.84%			7.84%
Beta			0.98%			0.98%			0.98%			0.98%			0.98%
Post-tax cost of equity			15.64%			15.64%			15.64%			15.64%			15.64%
Post-tax FRoR			14.96%			14.96%			14.96%			14.96%			14.96%

CHENNAI AIRPORT - AIRPORT SERVICES

Form F6 (a): Loan Master (ref: Section A5.5.2)

[RS IN LAKHS]

Provide details of all debts (all types of debt instruments).

Particulars	Last available audited year# (09-10)	FY before Tariff Year 1* (10-11)	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 3 (2013-14)	Tariff Year 4 (2014-15)	Tariff Year 5 (2015-16)
Secured Loan	9186	12338	15000				
Repayments during the year		0	0	9186	0	0	12338
Interest payments during the year	128.5	801.05	2482.27	3044.91	2493.65	2493.65	2372.36
Outstanding at the end of the year	9186	21524	36524	27338	27338	27338	15000
Unsecured Loan							
Repayments during the year							
Interest payments during the year							
Outstanding at the end of the year							

For every loan (actual/proposed, secured/unsecured) the following information should also be provided/ indicated

1) Apportionment of loan amounting to Rs 9186 Lakhs in 09-10	
Repayment in one lump sum in 2012-13	
Rate of interest - 7.4% p.a.	
2) Loan (apportionment) of Rs. 12338 lakhs in 10-11	
Repayment in one lumpsum installment after 5 years(15-16)	
Rate of interest 9.2% p.a.	
3) Apportionment of unsecured loan of Rs. 11043 lakhs in 11-12	
Repayment in one lumpsum installment after 5 years (16-17)	
Rate of Interest 8.97%	
4) Loan (apportionment) of Rs. 3957 lakhs in 11-12	
Repayment in one lumpsum installment after 5 years(16-17)	
Rate of Interest 9.30%	

Form F6(b): Summary Statement of Interest and Finance Charges (ref: Section A5.5.2)

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Sl.No.		Particulars	Last available audited year^	Financial Year before Tariff Year 1*	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
			09-10	10-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	1	Interest charges on Government Loans, Bonds And Advances							
		Government Loans							
		Bonds							
		Foreign Currency Loans / Credits							
		Debentures							
								
		Total							
	2	Interest on Long Term Loans / Credits from the FIs/banks/organisations approved by the Government							
		Secured							
								
		Unsecured							
								
		Total							
		Total = 1+2							
B		Cost of raising finance & Bank Charges on project loans							
C		Grand Total Of Interest & Finance Charges: A + B			As per Form 11(f)				
D		Less: Interest & Finance Charges Capitalised			As per Form 10(d)				
E		Net Total of Interest and Finance Charges on Project related Loans							
F		Interest on Working Capital Loans							
G		Other interest charges (Provide head-wise details)							
H		Total interest and finance charges chargeable to P&L account (E+F+G)							

CHENNAI AIRPORT - AIRPORT SERVICES

Form F8 (a): Format for providing asset-wise information of stakeholder contributions (ref: Section A5.5.3)

Details of User Contributions for the assets												
S.N.	Contribution	Asset Name	Extent of User Contribution approved for the project	Year of approval	Tenure for User Contribution	Actual Accumulated Collection till beginning of previous year	Accumulated Collection estimated till the beginning of first Tariff Year*	Total Collection proposed in Tariff Year 1	Total Collection proposed in Tariff Year 2	Total Collection proposed in Tariff Year 3	Total Collection proposed in Tariff Year 4	Total Collection proposed in Tariff Year 5
1	Grant	Asset A										
2		Asset B										
3											
4	Developer	Asset C										
5											

NIL

Form F8 (b): Format for providing proposed exclusions from RAB (ref: Section A5.5.3)

CHENNAI AIRPORT

Details of Proposed Excluded Assets from RAB

S.N.	Asset Name	Book Value	Accumulated Depreciation	Justifications for exclusion	Any Land associated with asset	If yes, Details of land
1	Asset A					
2	Asset B					
3			Nil		
4					
5					

Form F 9 : Format for Forecast and Actual(RO) forward RAB								
CHENNAI AIRPORT - AIRPORT SERVICES								(RS IN L ACS)
	Last available audited year	Financial Year before	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5	
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
A	Opening RAB							
	Terminal & Other Building	6852.20	8859.45	11105.56	11763.09	105623.16	110828.31	100686.09
	BUILDINGS - TEMPORARY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BUILDINGS - RESIDENTIAL	158.11	189.10	171.35	154.06	136.77	119.48	102.19
	Plant & Machinery	859.38	1075.78	881.27	698.70	506.13	313.56	120.99
	Electrical Installation	6719.34	6965.82	5911.31	4949.57	34891.83	29734.09	25021.35
	Furniture and Fittings	123.32	173.60	60.07	8.00	6.00	4.00	2.00
	R/W, T/W, APRON	6279.94	5511.41	5991.74	46585.20	38446.78	41281.36	34025.94
	Roads , Bridges & Culverts	1865.16	1631.52	1290.84	950.16	637.32	292.48	27.84
	Other Vehicles	99.04	106.76	79.93	51.40	22.87	0.00	0.00
	Security Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Computers	45.28	28.30	11.17	0.00	0.00	0.00	0.00
	Office Appliances	5.61	20.30	13.92	8.53	3.14	0.00	0.00
	Tools &Eqpt	201.49	135.19	61.84	0.00	10018.16	7436.32	4854.48
	BOUNDARY WALL- OPERATIONAL	860.64	829.28	753.07	676.86	600.65	524.44	448.24
	C.F.T / FIRE FIGHTING EQUIP.	1376.86	1175.78	951.03	726.28	501.53	276.78	52.03
	XBIS	1611.52	1378.16	1115.72	869.28	641.43	413.58	189.81
	LAND	349.42	349.42	349.42	349.42	349.42	349.42	349.42
	TOTAL (OP. BALANCE)	27407.31	28429.87	28748.24	67790.55	192385.19	191573.82	165880.38
B	Additions - WIP Capitalisation							
	Building	3157.22	3061.74	1350.00	102774.50	15347.37	0.00	0.00
	BUILDINGS - TEMPORARY	21.02	0.00					
	BUILDINGS - RESIDENTIAL	48.35						
	Plant & Machinery	399.59	0.00	10.00	0.00			
	Electrical Installation	1618.17	326.01	335.00	35100.00	0.00	500.00	
	Furniture and Fittings	138.65	3.97	10.00	0.00			
	R/W, T/W, APRON	533.17	2341.13	48798.00	76.00	12700.00	3000.00	
	Roads , Bridges & Culverts	132.76	0.00		32.00			
	Vehicles	64.87	2.89					
	Security Fencing		3.89					
	Computers	1.28	0.00					
	Office Appliances	20.63	0.04					
	Tools &Eqpt	58.75	0.93		12600.00			
	BOUNDARY WALL- OPERATIONAL	51.41	0.00					
	C.F.T / FIRE FIGHTING EQUIP.	24.17	0.00					
	XBIS	17.77	0.00					
	LAND		0.00					
	TOTAL (ADDITIONS-CAP.)	6287.81	5740.60	50503.00	150582.50	28047.37	3500.00	0.00

	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
C Disposals/Transfers							
Building	68.20	40.59	0.00	0.00	0.00	0.00	0.00
BUILDINGS - TEMPORARY							
BUILDINGS - RESIDENTIAL		0.46					
Plant & Machinery	25.88	3.04	0.00	0.00	0.00	0.00	0.00
Electrical Installation	4.45	120.63	0.00	0.00	0.00	0.00	0.00
Furniture and Fittings	0.00	8.28	0.00	0.00	0.00	0.00	0.00
R/W, T/W, APRON	29.58		0.00				
Roads , Bridges & Culverts	1.02		0.00				
Vehicles	25.54	1.19	0.00				
Security Fencing	0.00		0.00				
Computers	0.00	0.00	0.00				
Office Appliances	0.00	1.03	0.00				
Tools &Eqpt	47.29	1.45	0.00				
BOUNDARY WALL- OPERATIONAL	2.00	0.00	0.00				
C.F.T / FIRE FIGHTING EQUIP.	0.00	0.00	0.00				
XBIS	16.12	0.00	0.00				
LAND	0.00	0.00	0.00				
TOTAL (DISPOSALS/TFRS)	220.08	176.67	0.00	0.00	0.00	0.00	0.00
D Depreciation Charge							
Building	1081.77	775.04	692.47	8914.43	10142.22	10142.22	10142.22
BUILDINGS - TEMPORARY	21.02						
BUILDINGS - RESIDENTIAL	17.36	17.29	17.29	17.29	17.29	17.29	17.29
Plant & Machinery	157.31	191.47	192.57	192.57	192.57	192.57	120.99
Electrical Installation	1367.24	1259.89	1296.74	5157.74	5157.74	5212.74	5212.74
Furniture and Fittings	88.37	109.22	62.07	2.00	2.00	2.00	2.00
R/W, T/W, APRON	1272.12	1860.80	8204.54	8214.42	9865.42	10255.42	10255.42
Roads , Bridges & Culverts	365.38	340.68	340.68	344.84	344.84	264.64	4.16
Vehicles	31.61	28.53	28.53	28.53	22.87		
Security Fencing	0.00	3.89					
Computers	18.26	17.13	11.17			0.00	0.00
Office Appliances	5.94	5.39	5.39	5.39	3.14		
Tools &Eqpt	77.76	72.83	61.84	2581.84	2581.84	2581.84	2581.84
BOUNDARY WALL- OPERATIONAL	80.77	76.21	76.21	76.21	76.21	76.20	76.20
C.F.T / FIRE FIGHTING EQUIP.	225.25	224.75	224.75	224.75	224.75	224.75	52.03
XBIS	235.01	262.44	246.44	227.85	227.85	223.77	189.81
LAND							
TOTAL - DEP. CHARGE	5045.17	5245.56	11460.69	25987.86	28858.74	29193.44	28654.70
E Closing RAB(A+B-C-D)							

	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Terminal & Other Bdg.	8859.45	11105.56	11763.09	105623.16	110828.31	100686.09	90543.87
BUILDINGS - TEMPORARY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BUILDINGS - RESIDENTIAL	189.10	171.35	154.06	136.77	119.48	102.19	84.90
Plant & Machinery	1075.78	881.27	698.70	506.13	313.56	120.99	0.00
Electrical Installation	6965.82	5911.31	4949.57	34891.83	29734.09	25021.35	19808.61
Furniture and Fittings	173.60	60.07	8.00	6.00	4.00	2.00	0.00
R/W, T/W, APRON	5511.41	5991.74	46585.20	38446.78	41281.36	34025.94	23770.52
Roads, Bridges & Culverts	1631.52	1290.84	950.16	637.32	292.48	27.84	23.68
Other Vehicles	106.76	79.93	51.40	22.87	0.00	0.00	0.00
Security Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computers	28.30	11.17	0.00	0.00	0.00	0.00	0.00
Office Appliances	20.30	13.92	8.53	3.14	0.00	0.00	0.00
Tools & Eqpt	135.19	61.84	0.00	10018.16	7436.32	4854.48	2272.64
BOUNDARY WALL- OPERATIONAL	829.28	753.07	676.86	600.65	524.44	448.24	372.04
C.F.T / FIRE FIGHTING EQUIP.	1175.78	951.03	726.28	501.53	276.78	52.03	0.00
XBIS	1378.16	1115.72	869.28	641.43	413.58	189.81	0.00
Land	349.42	349.42	349.42	349.42	349.42	349.42	349.42
TOTAL(CLOSING BALANCE)	28429.87	28748.24	67790.55	192385.19	191573.82	165880.38	137225.68
F Average RAB	27918.59	28589.06	48269.40	130087.87	191979.51	178727.10	151553.03

CHENNAI AIRPORT - AIRPORT SERVICES

[RS IN LAKHS]

Project Details			Projected Capital Expenditure																						
S.N	Project Name	Project Type	Comm.Date	Tariff Year 1 (2011-12)				Tariff Year 2 (2012-13)				Tariff Year 3 (2013-14)				Tariff Year 4 (2014-15)				Tariff Year 5 (2015-16)					
				WIP(OB)	Capex	Com.	Cdate	WIP	Capex	Com.	Cdate	WIP	Capex	Com.	Cdate	WIP	Capex	Com.	Cdate	WIP	Capex	Com.	Cdate	WIP	
1	Fire Station			107.00	718.00	825.00	11-12	0.00																	
2	Power house			166.00	34.00	200.00	11-12	0.00																	
3	Providing & Fixing Frameless glazing for Airside corridor of AIT (Intl. T.B.)			0.00	30.00	25.00	11-12	5.00		5.00															
4	Mega Project	New Terminal Building		63520.00	25057.48			88577.48	14192.02	102769.50															
5	Mega Project	Facelift to old T.B.							14100.00			14100.00	232.37	14332.37											
6		Constn. Of new Domestic T.B. after dismantling existing T.B.											10000			10000.00	30232.37			40232.37	20232.37			60464.74	
7	Mega Project	ELECT. INSTALLATIONS		21754.00	11091.00	345.00	11-12	32500.00		32500.00															
8		(AERO BRIDGE +ALCMS)							200.00			200.00	815.00	1015.00			500.00	500.00							
9	Mega Project	Provision of walkalators							2600.00	2600.00															
10	Mega Project	R/W,T/W APRON including ext. of secondary r/w and bridge over adayar river		47639.00	1567.00	49098.00	11-12																		
11		c/o perimeter road and c/o b taxi track (ph-i0)						108.00		108.00															
12		RECARPETING OF MAIN R/W							1500.00			1500.00	700.00	2200.00											
13		RECONSTRUCTION OF H TAXI TRACK (PH-II) & b taxi track							800.00			800.00	700.00	500.00		1000.00	500.00	1500.00							
14		PARALLEL TAXI TRACK FOR MAIN R/W							2500.00			2500.00	7500.00	10000.00											
15		reconstruction of domestic & international bays											500.00			500	1000.00								
16		IMPROVEMENT TO DRAINS							100.00			100.00	350.00			450.00	350	500.00		300.00	100.00			400.00	
17		EQUIPMENTS			10.00	10.00	11-12	0.00																	
18	Mega Project	aerobridges							12600.00	12600.00															
TOTAL				133186.00	38507.48	50503.00	0.00	121190.48	48592.02	150582.50	0.00	19200.00	20797.37	28047.37	0.00	11950.00	32082.37	3500.00	0.00	40532.37	20332.37	0.00	0.00	60864.74	
				160311.61	232632.87																				
				(total capex)	(tot capitalsn)																				

Note: WIP(OB) for Terminal Bldg (Mega Project) i.e. Rs 63520 lacs includes commulative Project expenses & Interest Charges upto 10-11
Project expenses & Interest charges for FY 11-12 & 12-13, as shown in Form F10(d), are included in the Capex column for the relevant year.

Form 10 (b) : Capital Project Completed before current
CHENNAI AIRPORT - AIRPORT SERVICES

Project Details				Projected Capital Expenditure											
S.N	Project Name	Project Type	Comm.Date	Financial year			Tariff Year 1			Tariff Year 2			Tariff Year 10		
				TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP
1	Project 1	Buildings													
2	Project 2	Vehicles													
3	Project 3	R&M													
4	Project 3	F&F													
AS PER FORM 10(B)															

CHENNAI AIRPORT - AIRPORT SERVICES

[RS. IN LAKHS]

Project Details		Tariff Year 1 (2011-12)				Tariff Year 2 (2012-13)				Tariff Year 3 (2013-14)				Tariff Year 4 (2014-15)				Tariff Year 5 (2015-16)			
SN.	Total Capex Planned	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt
	160311.61	23507.48			15000	48592.02			0	20797.37				32082.37			0	20332.37			0

Total Internal accruals 145311.61
 Total Debt proposed 15000

Legend	
Total Capex Planned	Total Capex Planned indicates the total forecated capex for all assets during the next 10 years
Internal Accrual	Internal Accrual (from free reserves and surplus) in the year
Equity Infused	Equity Infusion planned during the year
User Contributions	Representing Development Fees/ User Contributions/ Capital Grants/ Subsidies etc. planned during the year for the capital project
Total Debt	Total Debt planned for funding capex during the year

Form F10(d): Summary Statement of Expenses to be Capitalised								
CHENNAI AIRPORT - AIRPORT SERVICES								
Sl.No	Particulars	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Interest and Financial Charges Capitalised	128.50	801.05	2482.27	3044.91			
B	Cost of raising finance & Bank Charges							
C	Other Expenses Capitalised							
	Employees Expenses	1302.78	1545.25	1273.31	1050.49	200.00	200.00	200.00
	Administrative and General Expenses	83.27	47.77	93.75	74.53	20.00	20.00	20.00
	Utilities and Outsourcing Expenses	0.52	2.67	3.15	2.41	1.348	1.348	1.348
	Any Other expenses being capitalised	21.33	24.18	25.00	19.69	11.024	2.00	2.00
D	Less WIP	1536.40	2420.92	3877.48	0.00	0.00	223.35	223.35
E	Expenses Capitalised for the year(A+B+C-D)	0.00	0.00	0.00	4192.02	232.37	0.00	0.00
F	Cummulative Project Exp. & Interest (WIP) C/F	1536.40	3957.32	7834.80			223.35	446.70
					7834.80			
G	Total expenses & Interest capitalised				12026.82	232.37		
Capitalised in 12-13						Cap. 13-14		

Note: Expenses capitalised are not part of expenses charged to P&L A/c [Form F2(b)]

Form F10(E) : Additional Capital Projects (Summary)

CHENNAI AIRPORT

Forecast WIP Assets						
E	Opening WIP Assets	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					
F	Additions - New WIP					
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					
G	WIP Capitalisaion					
	Building	AS PER FORM F10(A)				
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					
H	Closing WIP Assets					
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					

CHENNAI AIRPORT - AIRPORT SERVICES

Form 11(a) Employee Srength

S.N.	Particulars with details break up	Last available audited year	Financial Year before	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		09-10	10-11	11-12	12-13	13-14	14-15	15-16
A	Department wise Full-Time Employee							
	Department - General Adminsitration	247	247	247	247	247	247	247
	Department - Engineering (Civil)	68	68	68	68	68	68	68
	Department - Engineering (Electricals)	158	158	158	158	158	158	158
	Department - Electronics	30	30	30	30	30	30	30
	Department - Fire	105	105	105	105	105	105	105
	Department - MT	49	49	49	49	49	49	49
	Department - Cargo							
	Department - House Keeping	221	221	221	221	221	221	221
	Department - Security	5	5	5	5	5	5	5
	Department - Operations	66	66	66	66	66	66	66
	Department - Medical	3	3	3	3	3	3	3
		952	952	952	952	952	952	952
B	Department wise Part-Time / Contract Employee							
	Department 1							
	Department 2							
	Department 3							
	Department 4							

Note: Increase in nos of employees not considered at this stage

No of employees of Cargo 133 - not considered in Airport Services.

(RS. IN LACS)

Form 11(b): Payroll Related Expenditure and Provisions

CHENNAI AIRPORT

S.N.	Particulars - with detailed breakup	Last available audited year (09-10)	Financial Year before Tariff Year(10-11)	Tariff Year 1 (11-12)	Tariff Year 2 (12-13)	Tariff Year 3 (13-14)	Tariff Year 4 (14-15)	Tariff Year 5 (15-16)
A	Salaries and Wages	3635.70	4965.60	5412.50	5899.63	6430.60	7009.35	7640.19
B	PF Contribution	333.52	434.25	473.33	515.93	562.36	612.98	668.14
C	Medical Expenses	411.80	479.94	523.14	570.22	621.54	677.48	738.45
D	Overtime	375.62	401.29	421.35	442.42	464.54	487.77	512.16
E	Staff Welfare Fund	634.50	890.40	970.54	1057.88	1153.09	1256.87	1369.99
F	Apportionment of CHQ Expenses	7656.73	5155.25	5413.01	5683.66	5967.85	6266.24	6579.55
1	Grand Total	13047.87	12326.73	13213.87	14169.75	15199.98	16310.69	17508.49
2	Employees expensed capitalised							
3	Net employee expenses (1) - (2)	13047.87	12326.73	13213.87	14169.75	15199.98	16310.69	17508.49

Form 11 (c) : Administration and Genreal Expenditure

CHENNAI AIRPORT

(RS IN LACS)

S.N.	Particulars - with detailed breakup	Last available audited year (09-10)	Financial Year before Tariff Year(10-11)	Tariff Year 1 (11-12)	Tariff Year 2 (12-13)	Tariff Year 3 (13-14)	Tariff Year 4 (14-15)	Tariff Year 5 (15-16)
A	Adminstration Charges							
	Director's Sitting Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Rent & Taxes							
	Lease/Rent							
	Rent & Taxes	0.94	9.03	9.00	9.90	10.89	11.98	13.18
	Communication expenses	49.89	37.92	38.00	57.00	62.70	68.97	75.87
	Travelling and Conveyance	85.88	24.59	35.63	38.48	41.55	44.88	48.47
	Advertisment	42.12	24.48	31.96	71.91	42.00	46.20	50.82
	Office Maintenance	2.65	1.23	1.70	3.40	3.74	4.11	4.53
	Printing and Stationery	26.75	35.60	38.45	41.52	44.85	48.43	52.31
B	Legal Charges/ Audited's Fees							
	Auditor's Charges	0.00						
	Legal Charges	8.46	9.66	10.20	10.81	11.46	12.15	12.88
C	Consultancy/Advisory Expenses							
	Other Professional Charges	6.69	9.75	7.00	7.56	8.16	8.82	9.52
D	Other Charges							
	Insurance Costs	48.13	4.80	48.13	101.07	111.17	122.29	134.52
	Recruitment and Training Charge	2.33	0.91	1.59	1.69	1.79	1.90	2.01
	Bank Charges	0.05	0.14	0.02	0.02	0.02	0.02	0.03
E	Grand Total	273.90	158.12	221.67	343.36	338.34	369.75	404.12
F	Adminstration & General expenses capitalised							
G	Net A&G expenses (E) - (F)	273.90	158.12	221.67	343.36	338.34	369.75	404.12

CHENNAI AIRPORT- AIRPORT SERVICES

Form 11 (d) : Repairs and Maintenance Expenditure

(RS. IN LACS)

S.N.	Particulars - with detailed breakup	Last available audited year (09-10)	Financial Year before Tariff Year(10-11)	Tariff Year 1 (11-12)	Tariff Year 2 (12-13)	Tariff Year 3 (13-14)	Tariff Year 4 (14-15)	Tariff Year 5 (15-16)
A	Building	1031.57	376.73	726.00	1524.60	1677.06	1844.77	2029.24
B	Plant & Machinery	21.87	44.93	155.00	325.50	358.05	393.86	433.24
C	Electrical Installation	482.08	578.09	678.00	1423.80	1566.18	1722.80	1895.08
D	Furniture and Fittings	3.18	5.05	12.00	25.20	27.72	30.49	33.54
E	Electronics	94.54	135.12	150.00	315.00	346.50	381.15	419.27
1	Grand Total	1633.24	1139.92	1721.00	3614.10	3975.51	4373.06	4810.37

CHENNAI AIRPORT - AIRPORT SERVICES

Form 11 (e) : Utilities and Outsourcing Expenditure

[Amt. in Rs]

S.N.	Particulars - with detailed break	Last available audited year (09-10)	Financial Year before Tariff Year(10-11)	Tariff Year 1 (11-12)	Tariff Year 2 (12-13)	Tariff Year 3 (13-14)	Tariff Year 4 (14-15)	Tariff Year 5 (15-16)
A	Utilities Costs							
	Power Charges							
	Units Consumed	44175251.04	45978306.56	48277221.89	108623749.25	116227411.70	122038782.28	128140721.39
	Effective Unit Rate	5.00	5.00	5.80	5.80	6.15	6.52	6.91
	Power Costs	220876255.20	229891532.80	280007886.95	630017745.64	714566127.10	795312099.47	885182366.71
	Water Charges							
	Units Consumed (KLITRES)	1324499.4	139896.69	153886.36	323161	339319	356285	374100
	Effective Unit Rate	60	60.00	60.00	60	60	60	60
	Water Costs	79497000	8393801.4	9233181.54	19389681.23	20359165.3	21377123.56	22445979.74
	Other							
B	Departmentwise Outsourcing Costs							
	Airfield Services & Facilities							
	Terminals	3876175	2721193.00	4000000.00	4400000.00	4840000.00	5324000.00	5856400.00
	Maintenance & cleaning	31071901	20080072.00	25100090.00	27610099.00	30371108.90	33408219.79	36749041.77
1	Grand Total	335321331.20	261086599.2	318341158.49	681417525.87	770136401.3	855421442.8	950233788.2
2	Utilities And Outsourcing expenses capitalised	0						
3	Net Utilities and Outsourcing exp	335321331.20	261086599.2	318341158.49	681417525.87	770136401.3	855421442.8	950233788.2
	RS. IN LACS----->	3353.21	2610.87	3183.41	6814.18	7701.36	8554.21	9502.34

CHENNAI AIRPORT - AIRPORT SERVICES

Form 11 (f) : Other Outflow

S.N.	Particulars	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
I								
A	Municipal Taxes	102.36	140.96	720.00	777.60	839.81	906.99	979.55
B	Discount on Landing Charges	290.24	56.22	59.03	63.16	67.58	72.32	77.38
C	Collection Charges on PSF	90.94	417.36	446.58	486.77	530.58	578.33	630.38
D	Other Misc. Office Expenses	24.89	18.82	17.00	18.19	19.46	20.83	22.28
I	Total I	508.43	633.36	1242.61	1345.72	1457.43	1578.46	1709.59
II	FINANCING CHARGES					2493.65	2493.65	2372.36
	Grand Total (I+II)	508.43	633.36	1242.61	1345.72	3951.08	4072.11	4081.95

Note - Financing charges upto 2012-13 capitalised & financing charges from 13-14 onwards charged to P&L A/c [included in Form F2(b)]

CHENNAI AIRPORT - AIRPORT SERVICES

Form 11 (g) : Current Assets & Liabilities

S.N.	Particulars	Last available audited year (09-10)	Financial Year before Tariff Year(10-11)	Tariff Year 1 (11-12)	Tariff Year 2 (12-13)	Tariff Year 3 (13-14)	Tariff Year 4 (14-15)	Tariff Year 5 (15-16)
A	Current Assets, Loans and Advances							
	Sundry Debtors	11716.85	9652.55	12297.32	14490.18	15679.75	16969.62	18368.45
	Inventories	97.88	68.02	96.00	102.72	109.91	117.60	125.84
	Cash and Bank Balances	576.31	1082.83	600.00	618.00	636.54	655.64	675.31
	Loans and Advances	2547.05	1986.00	2383.20	2573.86	2779.77	3002.15	3242.32
	Others	3.38	9.78	10.00	11.00	12.10	13.31	14.64
	TOTAL OF 'A'	14941.47	12799.187	15386.52	17795.76	19218.07	20758.32	22426.55
B	Current Liabilities and Provisions							
I	Current Liabilities	2415.19	5716.53	7145.66	7717.32	8334.70	9001.48	9721.59
	Sundry Creditors	103.40	141.66	160.00	164.00	170.00	180.00	190.00
	Liabilities towards Suppliers	-	0.00	0.00	0.00	0.00	0.00	0.00
II	Provisions	31.86	8.17	14.30	15.73	17.30	19.03	20.93
	TOTAL OF 'B' (I+II)	2,550.45	5,866.36	7319.96	7897.04	8522.00	9200.51	9932.53
C	NET CURRENT ASSETS (=A-B)	12,391.02	6,903.01	10513.95	7,699.86	10,696.07	15,589.17	16,622.88

CHENNAI AIRPORT

Form F12 (a) - Historical and Projected Passenger Traffic (ref. Section A5.6)

YEAR	Domestic Passengers				International Passengers				Total Passengers	Forecast error Correction band				
	Scheduled		Non- Scheduled		TOTAL	Scheduled		Non- Scheduled		TOTAL	% from central Forecast	Upper Bound	Lower bound	
	Embarking	Disembark	Embarking	Disembarking		Embarking	Disembark	Embarking		Disembarking				
2003-04					2501778					2054043	4555821	2%	4646937	4464705
2004-05					3233256					2400670	5633926	2%	5746605	5521247
2005-06					4173345					2606638	6779983	2%	6915583	6644383
2006-07					6078196					2895930	8974126	2%	9153609	8794643
2007-08					7249501					3410253	10659754	2%	10872949	10446559
2008-09					6179282					3663908	9843190	2%	10040054	9646326
2009-10					6670875					3860410	10531285	2%	10741911	10320659
2010-11					7071128					4169243	11240370	2%	11465178	11015563
2011-12					7495395					4502782	11998177	2%	12238141	11758213
2012-13					8095027					4953060	13048087	2%	13309049	12787125
2013-14					8742629					5448366	14190995	2%	14474815	13907175
2014-15					9442039					5993203	15435242	2%	15743947	15126537
2015-16					10197402					6592523	16789925	2%	17125724	16454127
2016-17					11013195					7251776	18264971	2%	18630270	17899672
2017-18					12114514					8121989	20236503	2%	20641233	19831773
2018-19					13325965					9096628	22422593	2%	22871045	21974141
2019-20					14658562					10188223	24846785	2%	25343721	24349849

* The Forecast Passengers numbers are the point estimates of scenarios presented in Form F12(b)

* Forecast Error Correction band is the value of upper and lower bounds, which should be equal in percentage terms, proposed by the airport and to be used for determining

NOTE:-Schedule and non schedule are combined together separate bifurcation is not available

Form F12 (b) -Forecasted Passenger Traffic (ref. Section A5.6)

CHENNAI AIRPORT

YEAR	Domestic Passengers								
	Embarking			Disembarking			Total		
	Optimistic	Most Likely	Conservati	Optimistic	Most Likely	Conservati	Optimistic	Most Likely	Conservative
2010-11	3616089	3545185	3474281	3596462	3525943	3455424	7212551	7071128	6929705
2011-12	3833054	3757896	3682738	3812249	3737499	3662749	7645303	7495395	7345487
2012-13	4139699	4058528	3977357	4117229	4036499	3955769	8256928	8095027	7933126
2013-14	4470874	4383210	4295546	4446607	4359419	4272231	8917482	8742629	8567776
2014-15	4828544	4733867	4639190	4802336	4708173	4614010	9630881	9442040	9253199
2015-16	5214828	5112576	5010324	5186523	5084826	4983129	10401350	10197402	9993454
2016-17	5632014	5521582	5411150	5601445	5491613	5381781	11233459	11013195	10792931
2017-18	6195215	6073740	5952265	6161589	6040774	5919959	12356804	12114514	11872224
2018-19	6814736	6681114	6547492	6777748	6644851	6511954	13592484	13325965	13059446
2019-20	7496211	7349226	7202241	7455523	7309336	7163149	14951733	14658562	14365391

YEAR	International Passengers								
	Embarking			Disembarking			Total		
	Optimistic	Most Likely	Conservati	Optimistic	Most Likely	Conservati	Optimistic	Most Likely	Conservative
2010-11	2133803	2091964	2050125	2118824	2077278	2035732	4252627	4169242	4085857
2011-12	2304507	2259321	2214135	2288330	2243461	2198592	4592838	4502782	4412726
2012-13	2534959	2485254	2435549	2517163	2467807	2418451	5052122	4953061	4854000
2013-14	2788455	2733779	2679103	2768880	2714588	2660296	5557334	5448367	5339400
2014-15	3067300	3007157	2947014	3045767	2986046	2926325	6113067	5993203	5873339
2015-16	3374030	3307873	3241716	3350344	3284651	3218958	6724374	6592524	6460674
2016-17	3711433	3638660	3565887	3685378	3613116	3540854	7396812	7251776	7106740
2017-18	4156805	4075299	3993793	4127624	4046690	3965756	8284429	8121989	7959549
2018-19	4655622	4564335	4473048	4622939	4532293	4441647	9278561	9096628	8914695
2019-20	5214296	5112055	5009814	5177691	5076168	4974645	10391987	10188223	9984459

Form F12 (c) - Historical and Pojected ATM Traffic (ref. Section A5.6.6 and Section A5.6.8)

CHENNAI AIRPORT

Year	Domestic		% increas	International			Total		G.Tot(S+NS)
	Scheduled	Non-Scheduled		Scheduled	Non-Scheduled		Scheduled	Non-Scheduled	
2003-04	36749	0		11605	2897		48354	2897	51251
2004-05	43122	0		15591	2520		58713	2520	61233
2005-06	47900	0		17877	3278		65777	3278	69055
2006-07	76208	0		23567	0		99775	0	99775
2007-08	88175	0		27690	0		115865	0	115865
2008-09	84969	489		30199	254		115168	743	115911
2009-10	77974	517	-8.15%	31172	502	4.01%	109146	1019	110165
2010-11	81093	538	4.00%	33042	532	6.00%	114135	1070	115205
2011-12	84337	559	4.00%	35025	564	6.00%	119362	1123	120485
2012-13	89397	593	6.00%	37827	609	8.00%	127224	1202	128426
2013-14	94761	628	6.00%	40853	658	8.00%	135614	1286	136900
2014-15	100446	666	6.00%	44121	711	8.00%	144567	1377	145944
2015-16	106473	706	6.00%	47651	767	8.00%	154124	1473	155597
2016-17	112862	748	6.00%	51463	829	8.00%	164325	1577	165902
2017-18	121890	808	8.00%	56609	912	10.00%	178499	1720	180219
2018-19	131642	873	8.00%	62270	1003	10.00%	193912	1876	195788
2019-20	142173	943	8.00%	68497	1103	10.00%	210670	2046	212716

Form F12 (d) - Historical and Projected Cargo Volumes in tonnes (ref. Section A5.6)

CHENNAI AIRPORT														
YEAR	Domestic							International						
	Loaded				Unloaded			Loaded				Unloaded		
	General	Perishable	Valuable	Other	General	Perishable	Other	General	Perishable	Valuable	Other	General	Perishable	Other
2003-04	20152				14408			68443				51120		
2004-05	23066				16361			82285				64158		
2005-06	21796				16322			89436				78417		
2006-07	25058				18072			99296				95899		
2007-08	24994				17910			107530				120174		
2008-09	29652				23154			105663				113899		
2009-10	31199				36815			128812				120710		
2010-11	36815				49506	86321		144269				135195	279464	
2011-12	43441				58417	101858		161582				151419	313001	
2012-13	49958				67179	117137		177740				166560	344300	
2013-14	57451				77256	134707		195514				183217	378731	
2014-15	66069				88845	154914		215065				201538	416603	
2015-16	75979				102171	178150		236572				221692	458264	
2016-17	87376				117497	204873		260229				243861	504090	
2017-18	96114				129247	225361		286252				268247	554499	
2018-19	105725				142171	247896		314877				295072	609949	
2019-2020	116298				156388	272686		346365				324579	670944	

Fields in italics are indicative only

* Applicable for forecasted years only

NOTE:- Separate classification of general, perishable, valuable and others are not available.

Form F12 (e) - Historical and Projected ATM Traffic by Aircraft Type and Aircraft Weight (ref. Section A5.6)

CHENNAI AIRPORT

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Aircraft Type																	
Type 1	51251	61233	69055	99775	115865	115911	110165	115205.1	120485	128425.6	136899.9	145944	155597	165901.6	180219.6	195787.5	212716
Type 2																	
Type 3																	
Type 4																	
.....																	
Total																	
Aircraft We	N/A																
Weight category 1																	
Weight category 2																	
Weight category 3																	
.....																	
Total																	

NOTE:-Aircraft Type Type1, Type2, Type3 and Type4 are combined together seprate bifurcation Aircraft Type1, Type2, Type3 and Type 4 is not available.

Form F12 (f) - Historical and Projected Average Passenger per ATM (ref: Section A5.6)

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Aircraft Type	Aircraft type-wise data not available																
Type 1																	
Type 2																	
Type 3																	
Type 4																	

CHENNAI AIRPORT

SL.NO	YEAR		UPLIFTMENT
			In KL
1	2003-04		
2	2004-05		
3	2005-06		
4	2006-07		
5	2007-08		306417
6	2008-09		358855
7	2009-10		474714
8	2010-11		521305
9	2011-12		527459
10	2012-13		564381
11	2013-14		603887
12	2014-15		646160
13	2015-16		691391
14	2016-17		739788
15	2017-18		806369
16	2018-19		878942
17	2019-20		958047

CHENNAI AIRPORT- AIRPORT SERVICES

Form 13(a) : Historical Tariff and Revenues from Regulatory Services

CHENNAI AIRPORT

S.N.	Particulars	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
		Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Per Unit Tariff (Rs.)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)	Revenue (Rs in lakhs)
A	Revenue from Regulated Services																					
1	LANDING & PARKING	24187.24	5847.75	21854.27	6415.65	21931.83	7213.05	16758.23	8360.26	17652.53	10226.55	17156.95	9879.57	17097.83	10258.70	11516.81	12092.65	12939.14	13844.88	14814.02	15851.00	
2	PSF(Facilitation)	70.00	1700.00	70.00	2200.00	70.00	2682.47	70.00	3228.63	70.00	3650.94	70.00	3181.00	77.00	3541.60	4742.07	5074.01	5530.68	6028.44	6571.00	7162.39	
3	Throughput charges														8063.46	7610.12	7990.63	8549.97	9148.47	9788.86	10474.08	
	Total Revenues		7547.75		8615.65		9895.52		11588.89		13877.49		13060.57		21863.76	23869.00	25157.29	27019.78	29021.78	31173.87	33487.46	

Form 13(b) : Historical Tariff and Projected revenues from Services other than Regulated Services

CHENNAI AIRPORT

S.N.	Particulars	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Revenue from services other than Regulated Services							
1	Revenue from PUBLIC ADMISSION FEE	521.08	228.92	286.15	314.77	346.24	380.87	418.95
2	Revenue from TRADING CONCESSIONS	5280.70	7197.00	8276.55	11173.34	12290.68	13519.74	14871.72
3	Revenue from RENT & SERVICES	4467.16	4286.57	4608.06	6220.88	6687.45	7189.01	7728.19
B	Other Revenues	2407.39	2280.01	2508.01	3385.81	3724.40	4096.84	4506.52
1	Revenue from Interest Income	157.60	150.15	155.00	186.00	195.30	205.07	215.32
	Total Revenues	12833.93	14142.65	15833.77	21280.81	23244.07	25391.52	27740.69

CHENNAI AIRPORT - AIRPORT SERVICES (EXCLUDING CARGO)

23-08-2012 09:46

Form F17 - CALCULATION OF AGGREGATE REVENUE REQUIREMENT

[RUPEES IN LAKHS]

	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 3 (2013-14)	Tariff Year 4 (2014-15)	Tariff Year 5 (2015-16)
Total Revenue from Regulated Services (1)	25157.29	27019.78	29021.78	31173.87	33487.46
Total Revenue from services other than Regulated Services (2)	15833.77	21280.81	23244.07	25391.52	27740.69
Operating Expenditure (3)	19582.57	26287.10	31166.27	33679.82	36307.27
Depreciation (4)	11460.69	25987.86	28858.74	29193.44	28654.70
TAXATION (5)	3730.43	0.00	0.00	0.00	0.00
Total Expenditure (3) + (4) +(5)= (6)	34773.68	52274.96	60025.01	62873.26	64961.97
Regulatory operating Profit (1) + (2) - (6) = (7)	6217.38	-3974.38	-7759.17	-6307.86	-3733.81
Capital expenditure (8)	50503.00	150582.50	28047.37	3500.00	0.00
Opening RAB (9)	28748.24	67790.55	192385.19	191573.82	165880.38
Disposals/ Transfers (10)	0.00	0.00	0.00	0.00	0.00
Closing RAB (8) + (9) – (4) - (10) = (11)	67790.55	192385.19	191573.82	165880.38	137225.68
Average RAB [(9) + (11)] /2 = (12)	48269.40	130087.87	191979.51	178727.10	151553.03
Return on Average RAB (12) *15% = (13)	7240.41	19513.18	28796.93	26809.07	22732.96
Tax on Return on RAB (13) *0.3750 =14	2715.15	7317.44	10798.85	10053.40	8524.86
Increase in ARR to recover tax on RAB (14) *100/62.50 = (15)	4344.25	11707.91	17278.16	16085.44	13639.77
ARR=(3)+(4)+(13)+(15)-Non Aero Revenue(2)=(16)	26794.14	62215.25	82856.03	80376.24	73594.00
Total Passenger Volume (17)	11998177	13048087	14190995	15435242	16789925
Required Yield per passenger (16/17) [Rs/per pax]	223.32	476.82	583.86	520.73	438.32
	209.68	207.08	204.51	201.97	199.45

CHENNAI AIRPORT (AIRPORT SERVICES)

CALCULATION OF YIELD PER PASSENGER		[Amt. in Rs.]				
		Tarrif Yr 1 2011-12	Tarrif Yr 2 2012-13	Tarrif Yr 3 2013-14	Tarrif Yr 4 2014-15	Tarrif Yr 5 2015-16
Aggregate Revenue Requirement (Crores)	ARR	268	622	829	804	736
Estimated Volume	VE	11998177	13048087	14190995	15435242	16789925
Discount Rate	15%	1.00	0.87	0.76	0.66	0.57
Present Value of ARR	PV(ARR)	268	541	627	528	421
Σ PV(ARR)		2385				
Σ VE		71462426				
Yield Per passenger (Y) = Σ PV(ARR)/ Σ VE	Y	0.00				

Forecasted change in WPI	WPI-t	6%	6%	6%	6%	6%
X	X-t	1%	1%	1%	1%	1%
Yield per passenger for Tariff Year t		403.10	423.26	444.42	466.64	489.97
Revenue = VE x Y	crores	483.65	552.27	630.67	720.27	822.66
Present Value (VE x Y)	crores	483.65	480.23	476.88	473.59	470.36
Sum PV (VE x Y)		2384.70				
Sum VE		71462426.00				
Y= Sum PV (VE x Y) / Sum VE		0.00				

CHENNAI AIRPORT
FINANCING CHARGES CHENNAI AIRPORT DEVELOPMENT PROJECT
[Rs in Lakhs]

			INTEREST CHARGES							
YEAR	LOAN AMT	Date of loan	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
2009-10	9186	22-01-2010	128.50	679.76	679.76	551.26				
2010-11	12338	21-02-2011		121.28	1135.09	1135.09	1135.09	1135.09	1013.80	
2011-12	11043	11-10-2011			466.78	990.56	990.56	990.56	990.56	523.77
2011-12	3957	14-09-2011			200.64	368.00	368.00	368.00	368.00	167.36
Total	36524		128.50	801.05	2482.27	3044.91	2493.65	2493.65	2372.36	691.14
			Capitalised							

AIRPORTS AUTHORITY OF INDIA

KEY ASSUMPTIONS ON CHENNAI CARGO MYTP

Sl no	Parameters	Assumptions	Basis of assumption
1	Traffic		
i	Cargo growth rate (combined growth rate dom.+intl.)	13% increase in 11-12 & 11% increase p.a. from 12-13 onwards	Cargo growth rates assumed is as per forecast made by CPMS deptt. of AAI taking into account econometric analysis, regression analysis pertinent economic factors & policy framework etc.
ii	Expected date of commencement of operation from new Cargo complex	Apr-June, 2012	
2	Regulated Revenue		
i.	Growth rate of Cargo Revenue	Decrease of 10% in 11-12 and 11% increase p.a. in 12-13 onwards.	10% decrease in 11-12 is based on the 6.3% drop in cargo traffic in Apr-Dec11 period. However, taking a longer term view, 11% increase p.a. has been considered in 12-13 onwards.
3	Expenses		
i	Growth rate of Pay roll related expenses	<p>i) Salaries & Wages, including Dearness Allowances, House Rent Allowance & other perks and allowances, medical expenses, staff welfare fund (Gratuity etc) and Provident Fund contributions etc are estimated to grow at a rate of 9% p.a.</p> <p>ii) OTA expenses and apportionment of CHQ expenses are estimated to increase @ 5% p.a.</p>	The effect of annual increments, increase in DA and promotions, increase in perks & allowances comes to approx. 8-9%. However, the financial implication of increase in staff strength is not considered at this stage. Staff related expenses of CHQ apportioned to airports based on the number of employees at the airports and other expenses of CHQ proportionately apportioned to airports based on revenue of the airports as per the existing methodology of AAI.
ii	Administration and General Expenditure	<p>i) Rent & Taxes - 321% increase in 11-12 & 10% increase p.a. thereafter</p> <p>ii) Communication Exp. - 10% in 11-12, 100% increase in 12-13 & 10% increase p.a. thereafter assumed.</p> <p>iii) Travelling & Conveyance exp. - 10% increase in 11-12 and 8% p.a. in 12-13 onwards</p> <p>iv) Advt. Expenses - 10% increase in 11-12, 200% increase in 12-13 and drop of 41% in 13-14 and 10% increase thereafter estimated.</p> <p>v) Office Maint. - 590% increase in 11-12, 50% increase in 12-13 & 8% increase p.a. in 13-14 onwards.</p> <p>vi) Printing & Stationary Exp.- A uniform increase of 8% p.a. is assumed for all the years.</p> <p>vii) Legal Expenses - Increase of 6% p.a. assumed.</p> <p>viii) Insurance Costs - Insurance cost is expected to increase by 70% in 12-13, 10% p.a. in 12-13 onwards</p> <p>ix) Municipal Taxes - 538% increase in 11-12, 10% increase p.a. in 12-13 onwards. x) Bank Charges - Increase of 6% p.a. assumed</p>	<p>i) Though the projected increase is 321% in 11-12, however in real terms increase amount to Rs 1.52 lacs only. A nominal increase of 10% p.a. is projected for 12-13 onwards.</p> <p>ii) Communication expenses are likely to increase in 12-13 following commissioning of new Cargo building with provision of new modern equipments & systems and nominal increase of 10% is projected for 13-14 onwards.</p> <p>iii) An increase of 10% in travelling/conveyance expenses in 11-12 is expected due to ongoing mega project, however, from 12-13 onwards growth rate is expected to moderate to normal level i.e. 8% p.a.</p> <p>iv) Normal increase of 10% p.a. in 11-12 is projected and with the commissioning of NTB in 12-13 Advt. & publicity expenses are likely to increase by 200% due to inauguration of NTB & award of new contracts in Cargo building with larger area etc. In 13-14 advt. expenses are projected to drop by 41% and normal increase of 10% p.a. is estimated thereafter.</p> <p>v) Though there is projected increase of 590% in office maint. exp. in 10-11, however in real terms increase amount to mere Rs 1.28 lacs only, expenses are projected to increase by 100% in 12-13 and then moderate to 8% p.a. in 13-14 onwards.</p> <p>vi) Nominal increase of 8% p.a. in printing & stationery exp. is considered as no significant variation in expenses foreseen.</p> <p>vii) Increase in legal expenses is projected at a nominal rate of 6% p.a.</p> <p>viii) Insurance cost in 11-12 is kept at a level of 09-10 and insurance charges are expected to increase by 70% in 12-13 following commissioning of new Cargo building (61% addition in area) and 10% increase p.a. is expected in 13-14 onwards.</p> <p>ix) Municipal</p>
iii	Growth rates for repairs and maintenance expenses	28% average increase in 11-12 and 65% increase in R&M Expenses in 12-13 and 10% p.a. increase is estimated in 13-14 onwards.	28% increase in 11-12 is as per revised estimates for FY 11-12. The R&M Expenses are expected to increase in 12-13 due to operationalisation of new cargo facilities in 12-13 leading to increase in area for maintenance and also due to projected increase in level of cargo turnover. However, a normal growth rate of 10% p.a. is expected in 13-14 onwards.
iv	Utilities and Outsourcing Expenses	Expenses under this category mainly include Electricity, Water Charges & outsourcing expenses on cleaning & maint. etc. - An average increase of 16% in 11-12, 55% in 12-13, 9% increase p.a. in 13-14 onwards.	26% decrease in 11-12 is due to termination of labour contract for cleaning, pallatisation, container loading, import destuffing after handing over of Cargo GHAs to M/s Bhadra in 10-11. 100% increase in 12-13 is due to commissioning of new cargo building with larger area, installation of more electrical & electronics system leading to higher consumption of electricity and also due to expected award of security contract at DGR Rates, which are likely to be substantially higher than the existing rates. However, the growth rate is expected to moderate to 9% p.a. from 13-14 onwards.
5	Tax rates		
	Corporate tax	Corporate tax rate 30.9% & effective tax rate of 37.5% have been considered in MYTP	Though the corporate tax rate is 30.9%. Due to differential in depreciation rates adopted by Tax authorities and disallowances of many expenses, the effective tax rate has been worked out at 37.5% and same has been adopted in MYTP.
6	Assets		

	Depreciation rate	Depreciation rates adopted for various asset categories are as per the depreciation policy of AAI. Depreciation rates are indicated in Form F9 - RAB	Depreciation rate followed by AAI is as per accounting policy approved by AAI Board considering the useful / technical life of the assets. As per the depreciation policy of AAI, the assets are depreciated upto 100% of its acquisition costs. Depreciation is charged for full year irrespective of the actual date of capitalisation and no depreciation is charged in the year the assets are disposed off.
7	FRoR	FRoR has been considered at 15%	FRoR has been considered at 15% as per the study of M/s KPMG for AAI.

Form F1: Historical and Proposed Aggregate Revenue Requirement (ref: Section A5.2)

CHENNAI AIRPORT AIRPORT (CARGO)

[RS. IN LAKHS]

Sl. No.	Aggregate Revenue Requirement	Last available audited year#	Financial Year before Tariff Year 1* 10-11	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 3 (2013-14)	Tariff Year 4 (2014-15)	Tariff Year 5 (2015-16)
1	Aggregate Revenue Requirement			6784.41	10812.45	17941.54	22861.38	23225.11

CHENNAI AIRPORT - CARGO								
Form 2(a) - Historical and Projected Balance Sheet								
S.NO.	PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	SOURCES OF FUNDS							
	A) Shareholders' Funds							
	a) Share Capital	6370.31	7378.23	8376.36	22568.42	46005.29	45229.38	40023.03
	b) Share Application Money							
	c) Reserves and Surplus							
	d) Loan Capital	625.00	1318.00	1318.00	693.00	693.00	693.00	0.00
	B) Loan Funds							
	a) Secured Loans							
	b) Unsecured Loans							
	C) Capital Grants							
	D) Deferred Tax Liability							
	TOTAL SOURCES OF FUNDS	6995.31	8696.23	9694.36	23261.42	46698.29	45922.38	40023.03
2	APPLICATION OF FUNDS							
	A) Fixed Assets							
	a) Gross Block (Net of assets not in use)	8221.68	11623.48	13324.48	24263.55	55263.55	65263.55	65263.55
	b) Less: Accumulated Depreciation	4219.16	5136.36	6108.30	8686.60	13735.33	19567.05	25398.76
	c) Net Block	4002.52	6487.12	7216.18	15576.96	41528.22	45696.51	39864.79
	d) Capital Work in Progress	2563.83	1893.80	2379.81	7500.00	5000.00	0.00	0
	B) Investments							
	C) Deferred Tax Assets							
	D) Current Assets, Loans and Advances							
	a) Sundry Debtors	316.70	353.00	165.62	167.28	168.95	170.64	172.34
	b) Cash and Bank Balances	345	450	350	400	350	400	350
	c) Inventories	24.47	17.01	40.00	42.00	44.10	46.31	48.62
	d) Other Current Assets	0.50	0.50	0.75	0.79	0.83	0.87	0.91
	e) Loans and Advances	283.01	220.67	303.01	454.50	545.40	599.94	635.94
		969.68	1041.17	859.38	1064.56	1109.28	1217.75	1207.81
	Less: Current Liabilities and Provisions							
	a) Current Liabilities	127.12	300.87	311.00	415.10	459.21	506.88	559.57
	b) Sundry Creditors	413.60	425.00	450.00	465.00	480.00	485.00	490.00
		540.72	725.87	761.00	880.10	939.21	991.88	1049.57
	Net Current Assets	428.96	315.30	98.38	184.46	170.07	225.87	158.24
	TOTAL APPLICATION OF FUNDS	6995.31	8696.23	9694.36	23261.42	46698.29	45922.38	40023.03

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[RS IN LAKHS]

Form 2 (b) Historical and Projected Profit & Loss Account

S.NO.	PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	REVENUE							
	Revenues from Regulated Services (Cargo)	14660.13	18425.58	16561.99	18383.81	20406.03	22650.69	25142.27
		14660.13	18425.58	16561.99	18383.81	20406.03	22650.69	25142.27
2	Operation & maintenance expenditure							
	Payroll Costs	2806.79	2774.87	2981.32	3204.18	3444.82	3704.74	3985.55
	Administrative and General Costs	47.08	43.88	207.20	238.02	259.32	284.89	312.99
	Utilities and Outsourcing Costs	1090.57	1171.21	868.02	1735.03	1897.19	2075.52	2272.20
	Repair and Maintenance Costs	257.79	251.76	323.40	533.61	586.97	645.67	710.23
	Total Operation & Maintenance Expenditure	4202.22	4241.73	4379.94	5710.85	6188.30	6710.82	7280.97
3	Earnings before depreciation, interest and taxation(EBDIT)	10457.91	14183.85	12182.05	12672.96	14217.73	15939.87	17861.30
	Depreciation and Amortisation	748.86	917.20	971.94	2578.30	5048.74	5831.72	5831.72
4	Earnings before interest and taxation (EBIT)	9709.04	13266.65	11210.11	10094.67	9168.99	10108.16	12029.58
	Total interest and finance charges	-	-	-	-	63.76	63.76	56.94
5	Profit/Loss before tax	9709.04	13266.65	11210.11	10094.67	9105.24	10044.40	11972.64
	Provision for taxation (37.5 % effective tax rate)	3640.89	4974.99	4203.79	3785.50	3414.46	3766.65	4489.74
6	Profit/Loss after Tax	6068.15	8291.66	7006.32	6309.17	5754.53	6341.51	7539.84
7	Balance Carried to Balance Sheet	6068.15	8291.66	7006.32	6309.17	5754.53	6341.51	7539.84

CHENNAI AIRPORT - CARGO

[RS IN LAKHS]

Form 2 (c) Historical and Projected Cash Flow Statements

S.N.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Cashflow from operating activities						
	Net Profit before taxation	13266.65	11210.11	10094.67	9105.24	10044.40	11972.64
	Adjustment for :						
	Depreciation and Amortisation	917.20	971.94	2578.30	5048.74	5831.72	5831.72
	Loss/ (Profit) on sale of assets(net)	-	0	-	-	-	-
	Provisions - Additions (Write back) Net						
	Operating Profit before working capital changes	14183.85	12182.05	12672.96	14153.97	15876.12	17804.35
	Adjustment for :						
	Decrease(increase) in Trade Receivable	-36.30	187.38	-1.66	-1.67	-1.69	-1.71
	Decrease(increase) in Inventories	7.46	-22.99	-2.00	-2.10	-2.21	-2.32
	Decrease(increase) in Loans and Advances	62.34	-82.34	-151.49	-90.90	-54.54	-36.00
	Decrease(increase) in Cash & Bank balance	-105.00	100.00	-50.00	50.00	-50.00	50.00
	Decrease(increase) in other current assets	0.00	-0.25	-0.04	-0.04	-0.04	-0.04
	Increase/(Decrease) in Current liabilities	173.75	10.13	104.10	44.11	47.67	52.69
	Increase/(Decrease) in Sundry Creditors	11.40	25.00	15.00	15.00	5.00	5.00
	Net Cash Flow from Operating Activities	14,297.51	12,398.98	12,586.87	14,168.37	15,820.31	17,871.98
2	Cash flow from investing activities						
	Purchase of Fixed Assets	-3401.80	-1701.00	-10939.07	-31000.00	-10000.00	0.00
	Decrease in WIP	670.03	-486.01	-5120.19	2500.00	5000.00	0.00
	Total Cash flow from investing activities	-2731.77	-2187.01	-16059.26	-28500.00	-5000.00	0.00
3	Cashflow from financing activities						
	Increase/Decrease in Share Capital	1007.91	998.14	14192.06	23436.87	-775.91	-5206.34
	Total Cash flow from Financing activities	1007.91	998.14	14192.06	23436.87	-775.91	-5206.34
4	Net change in cash and cash equivalents	12573.65	11210.11	10719.67	9105.24	10044.40	12665.64
5	Cash and Cash Equivalents at the beginning of the period	345	450	350	400	350	400
6	Cash and Cash Equivalents at the end of the period	450	350	400	350	400	350

Form F4 - Historical and Projected capacity of Airport																				
CHENNAI AIRPORT																				
Passenger Terminal capacity																				
S.N.	Terminal Building	Terminal Use	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
1		International Departure	Declared Peak Hour Capacity	1000	1000	1000	1000	1000	1000	1000	1000	2543	2543	2543	2543	2543	2543	2543	2543	
		(IN MILLIONS)	Declared Annual Capacity	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	4	4	4	4	4	4	4	4	
2		Intenational Arrival	Declared Peak Hour Capacity	750	750	750	750	750	750	750	750	1907	1907	1907	1907	1907	1907	1907	1907	
		(IN MILLIONS)	Declared Annual Capacity	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	3	3	3	3	3	3	3	3	
3		Domestic Departure	Declared Peak Hour Capacity	800	800	800	800	800	800	800	800	1320	2144	2144	2144	2144	2144	2144	2144	
		(IN MILLIONS)	Declared Annual Capacity	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	
4		Domestic Arrival	Declared Peak Hour Capacity	1200	1200	1200	1200	1200	1200	1200	1200	1980	3216	3216	3216	3216	3216	3216	3216	
		(IN MILLIONS)	Declared Annual Capacity	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	
Cargo Terminal Capacity																				
S.N.	Terminal Building	Terminal Use	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
1		Export	Declared Peak Hour Capacity	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	
			Declared Annual Capacity	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	224428	
2		Import	Declared Peak Hour Capacity	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	
			Declared Annual Capacity	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	139284	
3		Domestic - Outbound	Declared Peak Hour Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Declared Annual Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4		Domestic - Inbound	Declared Peak Hour Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Declared Annual Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Runway Capacity																				
S.N.	Runway	Runway Use	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
1		International Departure	Declared Peak Hour Capacity	28	28	28	28	28	28	28	28	30	30	30	30	30	30	30	30	
			Declared Annual Capacity	245280	245280	245280	245280	245280	245280	245280	245280	262800	262800	262800	262800	262800	262800	262800	262800	
2			Declared Peak Hour Capacity																	
			Declared Annual Capacity																	
			Declared Peak Hour Capacity																	
Other Infrastructure Capacity																				
S.N.			2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
1	Airside Fcilities	Parking Bays	48	48	48	48	48	48	48	48	56	56	56	56	56	56	56	56	56	
		Hangars	1	1	1	1	1	3	3	3	3	3	3	3	3	3	3	3	3	
2	Terminal Facilities	Baggage Systems	8	8	8	8	8	8	8	8	15	15	15	15	15	15	15	15	15	
3	Landside Facilities	Car Parking	1200	1200	1200	1200	1200	1200	1200	1200	1200	1600	1600	1600	1600	1600	1600	1600	1600	

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	Tariff Year 1			Tariff Year 2			Tariff Year 3			Tariff Year 4			Tariff Year 5		
	Low	High	Point Estimate	Low	High	Point Estimate	Low	High	Point Estimate	Low	High	Point Estimate	Low	High	Point Estimate
Gearing			8.84%			8.84%			8.84%			8.84%			8.84%
Pre-tax cost of debt			8.03%			8.03%			8.03%			8.03%			8.03%
Risk-free rate			7.99%			7.99%			7.99%			7.99%			7.99%
Equity-risk premium			7.84%			7.84%			7.84%			7.84%			7.84%
Beta			0.98%			0.98%			0.98%			0.98%			0.98%
Post-tax cost of equity			15.64%			15.64%			15.64%			15.64%			15.64%
Post-tax FRoR			14.96%			14.96%			14.96%			14.96%			14.96%

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Form F6 (a): Loan Master (ref: Section A5.5.2)

[RS IN LAKHS]

Provide details of all debts (all types of debt instruments).

Particulars	Last available audited year# (09-10)	FY before Tariff Year 1* (10-11)	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 3 (2013-14)	Tariff Year 4 (2014-15)	Tariff Year 5 (2015-16)
Secured Loan	625	693					
Repayments during the year		0	0	625	0	0	693
Interest payments during the year	8.74	53.06	110.01	101.26	63.76	63.76	56.94
Outstanding at the end of the year	625	1318	1318	693	693	693	0
Unsecured Loan							
Repayments during the year							
Interest payments during the year							
Outstanding at the end of the year							

For every loan (actual/proposed, secured/unsecured) the following information should also be provided/ indicated

1) Loan (apportionment) of Rs 625 lakhs in 09-10	
Repayment in one lumpsum in 12-13	
Rate of Interest - 7.4% p.a.	
2) Loan (apportionment) of Rs. 693 lakhs in 10-11	
Repayment in one lumpsum in 15-16 (after 5 years)	
Rate of Interest - 9.2% p.a.	

Form F6(b): Summary Statement of Interest and Finance Charges (ref: Section A5.5.2)

CHENNAI AIRPORT - CARGO									
Sl.No.		Particulars	Last available audited year ^	Financial Year before Tariff Year 1*	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
			09-10	10-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	1	Interest charges on Government Loans, Bonds And Advances							
		Government Loans							
		Bonds							
		Foreign Currency Loans / Credits							
		Debentures							
								
		Total							
	2	Interest on Long Term Loans / Credits from the FIs/banks/organisations approved by the Government							
		Secured							
								
		Unsecured							
								
		Total							
		Total = 1+2							
B		Cost of raising finance & Bank Charges on project loans							
C		Grand Total Of Interest & Finance Charges: A + B			As per Form 11(f)				
D		Less: Interest & Finance Charges Capitalised			As per Form 10(d)				
E		Net Total of Interest and Finance Charges on Project related Loans							
F		Interest on Working Capital Loans							
G		Other interest charges (Provide head-wise details)							
H		Total interest and finance charges chargeable to P&L account (E+F+G)							

Form F8 (a): Format for providing asset-wise information of stakeholder contributions (ref: Section A5.5.3)

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Details of User Contributions for the assets

S.N.	Contribution	Asset Name	Extent of User Contribution approved for the project	Year of approval	Tenure for User Contribution Collection	Actual Accumulated Collection till beginning of previous year	Accumulated Collection estimated till the beginning of first Tariff Year*	Total Collection proposed in Tariff Year 1	Total Collection proposed in Tariff Year 2	Total Collection proposed in Tariff Year 3	Total Collection proposed in Tariff Year 4	Total Collection proposed in Tariff Year 5
1	Grant	Asset A										
2		Asset B										
3											
4	Developer	Asset C										
5											

NIL

Form F8 (b): Format for providing proposed exclusions from RAB (ref: Section A5.5.3)

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Details of Proposed Excluded Assets from RAB						
S.N.	Asset Name	Book Value	Accumulated Depreciation	Justifications for exclusion	Any Land associated with asset	If yes, Details of land
1	Asset A			Nil		
2	Asset B					
3					
4					
5					

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Form F 9 : Format for Forecast and Actual(RO) forward RAB

(RS IN L ACS)

		Forecast for the Control Period						
	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5	
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
A	Opening RAB							
	Cargo Building	2390.55	2126.67	4537.24	5469.01	8035.52	35642.97	41450.41
	BUILDINGS - TEMPORARY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BUILDINGS - RESIDENTIAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Plant & Machinery	232.38	79.75	0.00	0.00	0.00	0.00	0.00
	Electrical Installation	950.66	728.95	928.34	820.78	1521.62	1162.46	803.30
	Furniture and Fittings	123.58	96.76	70.18	43.60	17.02	0.00	0.00
	R/W, T/W, APRON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Roads , Bridges & Culverts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Security Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Computers	55.52	36.57	17.62	0.00	0.00	0.00	0.00
	Office Appliances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Tools &Eqpt	43.61	29.32	15.13	0.00	5120.00	3840.00	2560.00
	BOUNDARY WALL- OPERATIONAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	C.F.T / FIRE FIGHTING EQUIP.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	XBIS	117.96	76.89	35.82	0.00	0.00	0.00	0.00
	LAND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL (OP. BALANCE)	3914.26	3174.90	5604.32	6333.38	14694.16	40645.42	44813.71
B	Additions - WIP Capitalisation							
	Cargo Building	12.52	2974.70	1566.00	3479.07	31000.00	10000.00	

	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
BUILDINGS - TEMPORARY	0.00	0.00					
BUILDINGS - RESIDENTIAL	0.00	0.00					
Plant & Machinery	0.00	0.00					
Electrical Installation	0.00	427.10	135.00	1060.00	0.00	0.00	0.00
Furniture and Fittings	0.00	0.00					
R/W, T/W, APRON	0.00	0.00					
Roads , Bridges & Culverts	0.00	0.00					
Vehicles	0.00	0.00					
Security Fencing		0.00					
Computers	0.00	0.00					
Office Appliances	0.00	0.00					
Tools & Eqpt	0.00	0.00		6400.00			
BOUNDARY WALL- OPERATIONAL	0.00	0.00					
C.F.T / FIRE FIGHTING EQUIP.	0.00	0.00					
XBIS	0.00	0.00					
LAND		0.00					
TOTAL (ADDITONS-CAP.)	12.52	3401.80	1701.00	10939.07	31000.00	10000.00	0.00
C Disposals/Transfers							
Cargo Building	2.91	55.18	0.00	0.00	0.00	0.00	0.00
BUILDINGS - TEMPORARY							
BUILDINGS - RESIDENTIAL		0.00					
Plant & Machinery	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electrical Installation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Furniture and Fittings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R/W, T/W, APRON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roads , Bridges & Culverts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Appliances	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Tools &Eqpt	0.10	0.00	0.00	0.00	0.00	0.00	0.00
BOUNDARY WALL- OPERATIONAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C.F.T / FIRE FIGHTING EQUIP.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XBIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (DISPOSALS/TFRS)	3.01	55.18	0.00	0.00	0.00	0.00	0.00
D Depreciation Charge							
Cargo Building	273.49	508.95	634.23	912.56	3392.56	4192.56	4192.56
BUILDINGS - TEMPORARY	0.00						
BUILDINGS - RESIDENTIAL	0.00		0.00	0.00	0.00	0.00	0.00
Plant & Machinery	152.63	79.75	0.00				
Electrical Installation	221.71	227.71	242.56	359.16	359.16	359.16	359.16
Furniture and Fittings	26.82	26.58	26.58	26.58	17.02		
R/W, T/W, APRON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roads , Bridges & Culverts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security Fencing	0.00						
Computers	18.95	18.95	17.62			0.00	0.00
Office Appliances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tools &Eqpt	14.19	14.19	15.13	1280.00	1280.00	1280.00	1280.00
BOUNDARY WALL- OPERATIONAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C.F.T / FIRE FIGHTING EQUIP.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XBIS	41.07	41.07	35.82				
LAND							
TOTAL - DEP. CHARGE	748.86	917.20	971.94	2578.30	5048.74	5831.72	5831.72
E Closing RAB(A+B-C-D)							
cargo Building	2126.67	4537.24	5469.01	8035.52	35642.97	41450.41	37257.86
BUILDINGS - TEMPORARY	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
BUILDINGS - RESIDENTIAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant & Machinery	79.75	0.00	0.00	0.00	0.00	0.00	0.00
Electrical Installation	728.95	928.34	820.78	1521.62	1162.46	803.30	444.14
Furniture and Fittings	96.76	70.18	43.60	17.02	0.00	0.00	0.00
R/W, T/W, APRON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roads , Bridges & Culverts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computers	36.57	17.62	0.00	0.00	0.00	0.00	0.00
Office Appliances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tools &Eqpt	29.32	15.13	0.00	5120.00	3840.00	2560.00	1280.00
BOUNDARY WALL- OPERATIONAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C.F.T / FIRE FIGHTING EQUIP.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XBIS	76.89	35.82	0.00	0.00	0.00	0.00	0.00
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CLOSING BALANCE	3174.90	5604.32	6333.38	14694.16	40645.42	44813.71	38981.99
F Average RAB	3544.58	4389.61	5968.85	10513.77	27669.79	42729.56	41897.85

Form F10(a): Capital Projects Completed before current Review for Roll-Forward of RAB: Section A5.5.3

CHENNAI AIRPORT - CARGO																								
[RS IN LAKHS]																								
Project Details				PROJECTED CAPITAL EXPENDITURE																				
S.N	Project Name	Project Type	Comm. Date	WIP(OB)	Tariff Year 1 (2011-12)				Tariff Year 2 (2012-13)				Tariff Year 3 (2013-14)				Tariff Year 4(2014-15)				Tariff Year 5 (2015-16)			
					Capex	Com	Cdate	WIP	Capex	Com	Cdate	WIP	Capex	Com	Cdate	WIP	Capex	Com	Cdate	WIP	Capex	Com	Cdate	WIP
1	Project 1	Cargo Buildings (IMPORT PHASE-III)		888.80	1881	1450	2011-12	1319.81	2101.26	3421.07	2012-13													
		ELECTRICAL/ ELECTRONIC WORKS		1005	190	135	2011-12	1060.00		1060	2012-13													
		AUTOMATIC STORAGE & RETRIVAL SYSTEM.							6400	6400	2012-13													
2	Project2	Construction of Vehicle maintenance shed for MT Section at Cargo. SH:(a) Building work			29	29																		
		SHIFTING OF SHED TO NEW LOCATION OF CARGO COMPLEX AT CHAP			73	73			58	58														
		C/O Public toilets at Cargo.			14	14																		
2	Project 3	Constn. Of new Export Cargo Building							5000			5000	8500	13500	2014-15									
3	Project 4	Constn. Of multi-level car park/truck pkg											5000			5000	5000	10000	2014-15					
4	Project 5	Constn. Of Integrated Common user domestic Cargo building							2500			2500	15000	17500	2014-15									
TOTAL				1894	2187	1701		2380	16059	10939.07		7500	28500	31000		5000	5000	10000		0	0	0	0	

Note: OB WIP (11-12) for Cargo building i.e. Rs 888.80 lacs includes interest charges upto 11-12 (Rs 61.80 lacs), as indicated in form F11(d)
Interest charges for FY 11-12 & 12-13 included in Capex column.

Form 10 (b) : Capital Project Completed before current
 CHENNAI AIRPORT - CARGO

Project Details				Projected Capital Expenditure														
S.N	Project Name	Project Type	Comm.Date	Financial year			Tariff Year 1			Tariff Year 2			Tariff Year 3			Tariff Year 10		
				TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP	TCAPEX	TCOMM	WIP
1	Project 1	Buildings																
2	Project 2	Vehicles																
3	Project 3	R&M																
4	Project 3	F&F																

As per Form F10(a)

CHENNAI AIRPORT - CARGO

[RS. IN LAKHS]

Project Details		Tariff Year 1 (2011-12)				Tariff Year 2 (2012-13)				Tariff Year 3 (2013-14)				Tariff Year 4 (2014-15)				Tariff Year 5 (2015-16)			
SN.	Total Capex Planned	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt	Internal Accrual	Equity infused	User Contributions	Total Debt
	51746.27	2187.01				16059.26			0	28500.00				5000.00			0	0.00			0

CHENNAI AIRPORT - CARGO

[Rs in lakhs]

Form f10(d): Summary Statement of Expenses to be Capitalised									
Sl.No	Particulars	Last available audited year (2009-10)	Financial Year before Tariff Year 1 (2010-11)	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 2 (2013-14)	Tariff Year 3 (2014-15)	Tariff Year 4 (2015-16)	
A	Interest and Financial Charges Capitalised	8.74	53.06	110.01	101.26				
B	Cost of raising finance & Bank Charges								
C	Other Expenses Capitalised								
	Employees Expenses								
	Administrative and General Expenses	CONSIDERED IN AIRPORT AS NO SEGGREGATION AVAILABLE.							
	Utilities and Outsourcing Expenses								
	Any Other expenses being capitalised								
D	Total Expenses Being Capitalised (A+B+C)	8.74	53.06	110.01	101.26	0.00	0.00	0.00	

Form F10(E) : Additional Capital Projects (Summary)
 CHENNAI AIRPORT - CARGO

Forecast WIP Assets						
E	Opening WIP Assets	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					
F	Additions - New WIP					
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					
G	WIP Capitalisaion					
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings	As per Form F10(a)				
H	Closing WIP Assets					
	Building					
	Plant & Machinery					
	Electrical Installation					
	Furniture and Fittings					

CHENNAI AIRPORT - CARGO

Form 11(a) Employee Srength

S.N.	Particulars with details break up	Last available audited year	Financial Year before Tariff Year	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
A	Department wise Full-Time Employee							
	Department - General Adminsitration							
	Department - Engineering (Civil)							
	Department - Engineering (Electricals)							
	Department - Electronics							
	Department - Fire							
	Department - MT							
	Department - Cargo	133	133	133	133	133	133	133
	Department - House Keeping							
	Department - Security							
	Department - Operations							
	Department - Medical							
B	Department wise Part-Time / Contract Employee							
	Department 1							
	Department 2							
	Department 3							
	Department 4							

Note: Increase in employee strength not projected at this stage

CHENNAI AIRPORT - CARGO

(RS. IN LACS)

Form 11(b): Payroll Related Expenditure and Provisions

S.N.	Particulars - with detailed breakup	Last available audited year	Financial Year before Tariff Year	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Salaries and Wages	908.93	1241.40	1353.13	1474.91	1607.65	1752.34	1910.05
B	PF Contribution	83.38	108.56	118.33	128.98	140.59	153.24	167.04
C	Medical Expenses	102.95	119.99	130.78	142.56	155.39	169.37	184.61
D	Overtime	93.91	100.32	105.34	110.61	116.14	121.94	128.04
E	Staff Welfare Fund	158.62	222.60	242.63	264.47	288.27	314.22	342.50
F	Apportionment of CHQ Expenses	1459.00	982.00	1031.10	1082.66	1136.79	1193.63	1253.31
1	Grand Total	2806.79	2774.87	2981.32	3204.18	3444.82	3704.74	3985.55
2	Employees expensed capitalised							
3	Net employee expenses (1) - (2)	2806.79	2774.87	2981.32	3204.18	3444.82	3704.74	3985.55

CHENNAI AIRPORT - CARGO

Form 11 (c) : Administration and Genreal Expenditure

(RS IN LACS)

S.N.	Particulars - with detailed breakup	Last available audited year	Financial Year before Tariff Year	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Adminstration Charges							
	Director's Sitting Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Rent & Taxes							
	Lease/Rent							
	Rent & Taxes	0.05	0.48	2.00	2.20	2.42	2.66	2.93
	Communication expenses	2.63	2.00	2.20	4.40	4.84	5.32	5.86
	Travelling and Conveyance	4.52	1.88	2.06	2.23	2.41	2.60	2.81
	Advertisement	2.22	1.29	1.42	4.25	2.50	2.75	3.03
	Office Maintenance	0.47	0.22	1.50	2.25	2.43	2.62	2.83
	Printing and Stationery	6.69	7.14	7.71	8.33	8.99	9.71	10.49
B	Legal Charges/ Audited's Fees							
	Legal Charges	1.49	1.71	1.80	1.91	2.02	2.14	2.27
C	Other Charges							
	Land Lease	0.00						
	Insurance Costs							
	During Construction period							
	During Operation period	8.49	0.85	8.49	14.44	15.88	17.47	19.22
	Bank Charges	0.05	0.14	0.02	0.02	0.02	0.02	0.03
	Miscellaneous Expenses(Municipal Taxes)	20.47	28.19	180.00	198.00	217.80	239.58	263.54
	Interest on short term loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D	Grand Total	47.08	43.88	207.20	238.02	259.32	284.89	312.99
E	Adminstration & General expenses capitalised							
F	Net A&G expenses (D) - (E)	47.08	43.88	207.20	238.02	259.32	284.89	312.99

NOTES: Miscellaneous expenses mainly pertains to municipal taxes

CHENNAI AIRPORT - CARGO

Form 11 (d) : Repair and Maintenance Expenditure

(RS. IN LACS)

S.N.	Particulars - with detailed breakup	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Building	100.00	50.00	85.00	140.25	154.28	169.70	186.67
B	Plant & Machinery	82.00	118.00	129.80	214.17	235.59	259.15	285.06
C	Electrical Installation	60.00	62.50	80.00	132.00	145.20	159.72	175.69
D	Furniture and Fittings	0.79	1.26	3.60	5.94	6.53	7.19	7.91
E	Electronics	15.00	20.00	25.00	41.25	45.38	49.91	54.90
1	Grand Total	257.79	251.76	323.40	533.61	586.97	645.67	710.23

CHENNAI AIRPORT - CARGO

Form 11 (e) : Utilities and Outsourcing Expenditure

S.N.	Particulars - with detailed breakup	Last available audited year	Financial Year before Tariff Year	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Utilities Costs							
	Power Charges							
	Units Consumed	11043812.76	11494576.64	11724468.17	20517819.30	21543710.27	22620895.78	23751940.57
	Effective Unit Rate	5.00	5.00	5.80	5.80	6.15	6.52	6.91
	Power Costs (Rs)	55219063.80	57472883.20	68001915.40	119003351.95	132493818.15	147465619.60	164129234.61
	Water Charges							
	Units Consumed (KLITRES)	147166.6	139896.69	213333.33	450000	472500	496125	520931
	Effective Unit Rate	60	60.00	60.00	60	60	60	60
	Water Costs(Rs)	883300	8393801.4	12800000.00	27000000	28350000	29767500	31255875
	Other	0						
B	Departmentwise Outsourcing Costs							
	Airfield Services & Facilities							
	Terminals	0	0.00	0.00	0.00	0.00	0.00	0.00
	Maintenance, cleaning & Security (Rs)	52954524	51254719.00	6000000.00	27500000.00	28875000.00	30318750.00	31834687.50
1	Grand Total	109056887.80	117121403.60	86801915.40	173503352	189718818.1	207551869.6	227219797.1
2	Utilities And Outsourcing expenses capitalised	0						
3	Net Utilities and Outsourcing expenses (1) - (2)	109056887.8	117121403.6	86801915.4	173503352	189718818.1	207551869.6	227219797.1
	RUPEES IN LACS	1090.57	1171.21	868.02	1735.03	1897.19	2075.52	2272.20

CHENNAI AIRPORT - CARGO

[RS IN LAKHS]

Form 11 (f) : Other Outflow

S.N.	Particulars	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Financing Charges					63.76	63.76	56.94
1	Grand Total	0.00	0.00	0.00	0.00	63.76	63.76	56.94

Note: Financing Charges upto 2012-13 capitalised

CHENNAI AIRPORT - CARGO

Form 11 (g) : Current Assets & Liabilities

[RS IN LACS]

S.N.	Particulars	Last available audited year	Financial Year before Tariff Year	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A	Current Assets, Loans and Advances							
	Sundry Debtors	316.70	353.00	165.62	167.28	168.95	170.64	172.34
	Inventories	24.47	17.01	40.00	42.00	44.10	46.31	48.62
	Cash and Bank Balances	345.00	450.00	350.00	400.00	350.00	400.00	350.00
	Loans and Advances	283.01	220.67	303.01	454.50	545.40	599.94	635.94
	Others	0.50	0.50	0.75	0.79	0.83	0.87	0.91
	TOTAL OF 'A'	969.68	1041.17	859.38	1064.56	1109.28	1217.75	1207.81
B	Current Liabilities and Provisions							
I	Current Liabilities	127.12	300.87	311.00	415.10	459.21	506.88	559.57
	Sundry Creditors	413.60	425.00	450.00	465.00	480.00	485.00	490.00
	Liabilities towards Suppliers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II	Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL OF 'B' (I+II)	540.72	725.87	761.00	880.10	939.21	991.88	1049.57
C	NET CURRENT ASSETS (=A-B)	428.96	315.30	98.38	184.46	170.07	225.87	158.24

Form F12 (d) - Historical and Pojected Cargo Volumes in tonnes (ref. Section A)

CHENNAI AIRPORT

YEAR	Domestic				International				TOTAL		G.TOTAL	GR. RATE IN %		
	Loaded	Unloaded	total		Loaded	Unloaded	total		DOM	INTL	DOM+INTL	DOM	INTL	DOM+INTL
	General	General		%	General	General		%						
2003-04	20152	14408	34560		68443	51120	119563		34560.00	119563.00	154123.00			
2004-05	23066	16361	39427	14.08%	82285	64158	146443	22.48%	39427.00	146443.00	185870.00			
2005-06	21796	16322	38118	-3.32%	89436	78417	167853	14.62%	38118.00	167853.00	205971.00			
2006-07	25058	18072	43130	13.15%	99296	95899	195195	16.29%	43130.00	195195.00	238325.00			
2007-08	24994	17910	42904	-0.52%	107530	120174	227704	16.65%	42904.00	227704.00	270608.00			
2008-09	29652	23154	52806	23.08%	105663	113899	219562	-3.58%	52806.00	219562.00	272368.00			
2009-10	31199	41954	73153	38.53%	128812	120710	249522	13.65%	73153.00	249522.00	322675.00			
2010-11	36815	56521	93336	27.59%	160302	135195	295497	18.43%	93336.00	295497.00	388833.00	27.59%	18.43%	20.50%
2011-12	43441	58417	101858	9.13%	161582	151419	313001	5.92%	101858.00	313001.00	414859.00	9.13%	5.92%	6.69%
2012-13	49958	67179	117137	15.00%	177740	166560	344300	10.00%	117137.00	344300.00	461437.00	15.00%	10.00%	11.23%
2013-14	57451	77256	134707	15.00%	195514	183217	378731	10.00%	134707.00	378731.00	513438.00	15.00%	10.00%	11.27%
2014-15	66069	88845	154914	15.00%	215065	201538	416603	10.00%	154914.00	416603.00	571517.00	15.00%	10.00%	11.31%
2015-16	75979	102171	178150	15.00%	236572	221692	458264	10.00%	178150.00	458264.00	636414.00	15.00%	10.00%	11.36%
2016-17	87376	117497	204873	15.00%	260229	243861	504090	10.00%	204873.00	504090.00	708963.00	15.00%	10.00%	11.40%
2017-18	96114	129247	225361	10.00%	286252	268247	554499	10.00%	225361.00	554499.00	779860.00	10.00%	10.00%	10.00%
2018-19	105725	142171	247896	10.00%	314877	295072	609949	10.00%	247896.00	609949.00	857845.00	10.00%	10.00%	10.00%
2019-2020	116298	156388	272686	10.00%	346365	324579	670944	10.00%	272686.00	670944.00	943630.00	10.00%	10.00%	10.00%

Fields in italics are indicative only

* Applicable for forecasted years only

NOTE:-Seprate classification of general,perishable,valuable and others are not available.

CHENNAI AIRPORT - CARGO

Form 13(b) : Historical Tariff and Projected revenues from Regulated Services (Cargo)

[RS IN LAKHS]

S.N.	Particulars	Last available audited year	Financial Year before Tariff Year 1	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Revenue from CARGO	14660.13	18425.58	16561.99	18383.81	20406.03	22650.69	25142.27
	Total Revenues	14660.13	18425.58	16561.99	18383.81	20406.03	22650.69	25142.27

Form F17 - CALCULATION OF AGGREGATE REVENUE REQUIREMENT
CHENNAI AIRPORT - CARGO

23-08-2012 09:41

[RUPEES IN LAKHS]

	Tariff Year 1 (2011-12)	Tariff Year 2 (2012-13)	Tariff Year 3 (2013-14)	Tariff Year 4 (2014-15)	Tariff Year 5 (2015-16)
Total Revenue from Regulated Services(Cargo) (1)	16561.99	18383.81	20406.03	22650.69	25142.27
Operating Expenditure (2)	4379.94	5710.85	6252.06	6774.57	7337.92
Depreciation (3)	971.94	2578.30	5048.74	5831.72	5831.72
TAXATION (4)	4203.79	3785.50	3414.46	3766.65	4489.74
Total Expenditure (2) + (3) +(4)= (5)	9555.67	12074.64	14715.26	16372.94	17659.37
Regulatory operating Profit (1) - (5) = (6)	7006.32	6309.17	5690.77	6277.75	7482.90
Capital expenditure (7)	1701.00	10939.07	31000.00	10000.00	0.00
Opening RAB (8)	5604.32	6333.38	14694.16	40645.42	44813.71
Disposals/ Transfers (9)	0.00	0.00	0.00	0.00	0.00
Closing RAB (7) + (8) - (9) = (10)	6333.38	14694.16	40645.42	44813.71	38981.99
Average RAB [(8) + (10)] /2 = (11)	5968.85	10513.77	27669.79	42729.56	41897.85
Return on Average RAB (11) *15% = (12)	895.33	1577.07	4150.47	6409.43	6284.68
Tax on Return on RAB (13) *0.375=13	335.75	591.40	1556.43	2403.54	2356.75
Increase in ARR to recover tax on RAB (14) *100/62.50 = (15)	537.20	946.24	2490.28	3845.66	3770.81
ARR=(2)+(3)+(12)+(14)=(15)	6784.41	10812.45	17941.54	22861.38	23225.11
Total Cargo handling in Tonnes (16)	313001	344300	378731	416603	458264
Required Yield per Ton of Cargo (13/14)=17	2167.53	3140.41	4737.28	5487.57	5068.06
Total Cargo handling in Tonnes (16)	272463	299710	329681	362650	398915
presesent yield	2490.03	3607.64	5442.09	6303.98	5822.07
Total Passenger Volume (17) after consider of actual pax(based on Actual of 2011-12)	272463	312844	345912	382475	422902
Required Yield per passenger (16/17) [Rs/per pax]	2490.03	3456.18	5186.74	5977.22	5491.84

CALCULATION OF YIELD PER TON - CARGO SERVICES

[Amt. in Rs.]

CHENNAI AIRPORT - CARGO

		Tarrif Yr 1 2011-12	Tarrif Yr 2 2012-13	Tarrif Yr 3 2013-14	Tarrif Yr 4 2014-15	Tarrif Yr 5 2015-16
Aggregate Revenue Requirement	ARR	678440526	1081244722	1794154107	2286138499	2322511447
Estimated Volume (In Ton)	VE	313001	344300	378731	416603	458264
Discount Rate	15%	1.00	0.87	0.76	0.66	0.57
Present Value of ARR	PV(ARR)	678440526	940212801	1356638266	1503173172	1327903458
\sum PV(ARR)		5806368224				
\sum VE		1910899				
Yield Per Ton (Y) = \sum PV(ARR) / \sum VE	Y	3038.55				

Forecasted change in WPI	WPI-t	6%	6%	6%	6%	6%
X	X-t	1%	1%	1%	1%	1%
Yield per Ton for Tariff Year t		3678.01	3861.91	4055.01	4257.76	4470.64
Revenue = VE x Y		1151220808.01	1329655785.15	1535756486.85	1773794058.78	2048735267.35
Present Value (VE x Y)		1151220808.01	1156222421.87	1161252542.04	1166298386.64	1171371038.47
Sum PV (VE x Y)		5806365197.03				
Sum VE		1910899.00				
Y = Sum PV (VE x Y) / Sum VE		3038.55				

CHENNAI AIRPORT (CARGO)
FINANCING CHARGES CHENNAI AIRPORT CARGO PROJECT

[Rs in Lakhs]

			INTEREST CHARGES							
YEAR	LOAN AMT	Date of loan	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
2009-10	625	22-01-2010	8.74	46.25	46.25	37.51				
2010-11	693	21-02-2011		6.81	63.76	63.76	63.76	63.76	56.94	
2011-12	0	11-10-2011			0.00	0.00	0.00	0.00	0.00	0.00
2011-12	0	14-09-2011			0.00	0.00	0.00	0.00	0.00	0.00
Total	1318		8.74	53.06	110.01	101.26	63.76	63.76	56.94	0.00
			Capitalised							

Annexure - III



AAI/CHQ/REV/AERA/AS/2012

8th Aug. 2012

The Secretary,
AERA,
AERA Building,
SAP Office Complex,
New Delhi.

Sub: Addl. Information on Chennai & Kolkata MYTP.

Madam,

Kindly refer to your letter no. AERA/20010/MYTP/AAI dated on the above subject.

The point-wise information required in respect of Chennai & Kolkata MYTPs is submitted below ;

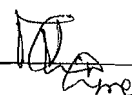
- i) Pax data for 2010-11 – The traffic data available in AAI website for FY 2010-11/ 2011-12 may be considered as base for traffic projections.
- ii) Project Cost and Target date of completion - The details of project costs in respect of Chennai & Kolkata mega projects is enclosed vide annexure A. The expected date of commissioning of new terminal building at Chennai is August, 2012. The expected date of commissioning of new terminal building at Kolkata airport is October, 12 except for Zone -I for which completion date is December 12.
- iii) Confirmation of depreciation policy adopted by AAI - The depreciation policy approved by AAI Board is consistently applied for preparation of AAI's financial accounts. The annual accounts of AAI are audited by C&AG and the depreciation policy followed by AAI is accepted by C&AG. In case the depreciation is reworked as per AERA guidelines considering the 90% of value of assets as depreciable and leaving 10% of asset value as residual value, then the value of Assets (net block) would not tally with the

value of assets appearing in the AAI books of accounts. Further, it would be difficult to verify assets as per AERA guidelines vis-à-vis AAI records. If depreciation calculation is to be reworked as per AERA policy then net block of Fixed Assets which have been 100% depreciated as per AAI books would need recasting.

- iv) Application of WPI - The WPI applied in MYTP is based on the long term forecast of WPI as available in RBI website (copy enclosed at annexure-B).
- v) X-factor – The X factor indicated in the MYTPs submitted earlier to AERA was erroneously typed as 1% instead of 0.1%. X factor may be considered as 0.1%.
- vi) Details of Capitalisation - The details of capitalization for the control period, including mega projects, is furnished in the Form F10(a) of MYTPs.

The ATP for Chennai & Kolkata airports will be submitted separately.

Yours faithfully,



(M. Ravi Varma)
General Manager(Finance)

Encl. As above.

MODERNISATION OF NSCBI AIRPORT, KOLAKATA
[Break-up of Costs]

(Rs. in Crores)

Sl. No.	Brief of Sub-head	Cost as per Revised PIB provisions
1	Construction of Integrated Terminal Building at NSCBI Airport, Kolkata (Includes, civil, plumbing, internal electrical, power supply, HVAC, Escalators, Travellators Elevators, Electrical Substation, Entry/Exit roads, Elevated road for departure, VIP Flyover etc.)	1602.61 (-) 49.50 1553.11
		1553.11
2	Extension of Secondary Runway, Construction of Taxi Tracks, aprons provision of visual aids with apron lighting and associated Civil & Electrical works.	100.00
3	Flight Information Display = 9.00 EPABX = 0.80 CCTV = 4.75 Access Control system = 0.75 Total = 15.30	15.30
4	Equipments (Aero bridge on line baggage screening system, x-ray machine, HHMD & DFMD), Baggage conveyer (Dep & Arrival)	180.00
5	Aluminum / façade work	158.22
6	Water Treatment Plant and Sewage Treatment Plant	15.00
7	Interior works (counter furnishing) i) Counters = 0.64 ii) Furnishings = 2.00 iii) PA System = 8.00 iv) Art work = 3.00 v) Internal Lighting = 20.94 vi) FDA = 3.07 vii) BMS = 8.50 Total = 46.15	43.15
8	Canopy at Departure level	12.00
9	Signages	5.00
10	Soft Landscaping work	1.00
11	Architectural/ Engineering Consultancy Services for Development of Integrated Passenger Terminal and associated works at NSCBI Airport Kolkata.	69.20
12	Construction Supervision Consultancy for the work of "Construction of Integrated Passenger Terminal Building at NSCBI Airport, Kolkata".	17.53
13	Provision for payment to State Electricity Board	15.00
14	Interest during Construction Period	70.00
15	Contingencies	59.48
16	Service Tax on consultants and PMC Fee @ 12.36% on paid amount & 10.30% on balance	10.64
	GRAND TOTAL	2324.63

K B K

25/11/12

No. AAI/CAP/EDE/BUDGET/2012/

Date: 26.07.2012

From	Executive Director (Engg), AAI Chennai Airport Project, Chennai.
To	Executive Director (Arch), AAI CHQ, New Delhi.
CC	Member Planning, AAI CHQ, RGB New Delhi.

Sub: Multi –Year Tariff proposal (MYTP) for Chennai Airport.

Ref: PLG/516/2.8/12 dt. 25.07.2012.

The breakup of Project cost of Mega Project at Chennai Airport is given as below :

1. Terminal Buildings

I. The expected completion cost for various Civil, Electro-Mechanical works IT of Terminal Buildings are given below :-

a. Civil works	– 805 cr.
b. Electrical	– 330 cr.
c. Various Civil & Elect taken up to various contracts as per site requirement and charging the expenditure to the savings of the Project	– 14.5 cr.
d. Works taken up through contingencies which are contingent to the Project	– 38.7 cr.
e. BHS	– 36 cr.
f. Aerobridges	– 21 cr.
g. Various interior works like counters, signages etc	– 9.23 cr.
h. Design consultancy (including service tax)	– 55.5 cr.
i. Project Management Consultancy (incl. service tax)	– 32.60 cr.
j. Deposit for TNEB (same as kept in approved PIB)	– 50 cr.
k. Interest during the construction period (same as kept in approved PIB)	– 70 cr.
l. IT work awarded as a part of main contract subsequently	– 35.5 cr.
m. Relocation of Defence installation	– 8 cr.
n. *X-ray and HHMD (same as kept in approved PIB)	– 9.40 cr.
o. *In-line x-ray baggage system (same as kept in approved PIB)	– 29.50 cr.
p. *Art and mural work	– 1.60 cr.

Total (A)	Rs.1546.53 cr.
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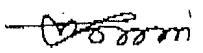
* Tender for these works are being done from CHQ.

II. The above cost shown in (A) do not include the following cost. This cost has not been taken in the PIB.

Contd...2/-

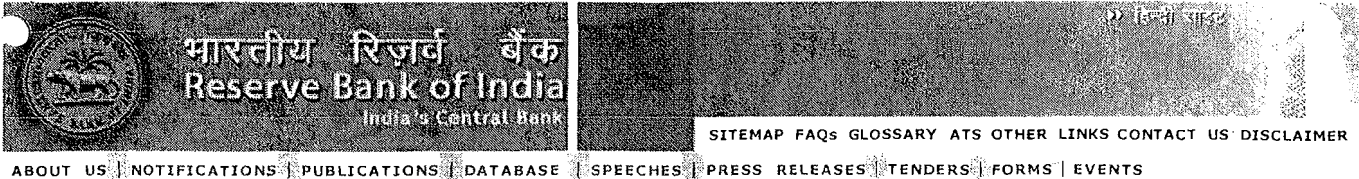
- (1) Expected escalation for the main package approx. of Rs. 102.25 cr. (civil and electrical and IT for Terminal building).
 - (2) Arbitration and DRB which are already in progress.
 - (3) IT works already awarded as a balance package from CHQ subsequently after AOCC work not taken up. This cost has also not been projected in the revised PIB.
2. **Extension of Secondary Runway (yet to be operationalized)**
- Work Completed cost of ₹ 251.09 Cr excluding the cost of escalation. (ie ₹. 6.52 Cr. paid) & including contingencies amount. Date of Completion of work 31.03.2011. (B)
3. **Bridge over Adyar River** – (yet to be operationalised).
- Work completed ₹ 216.70 Cr excluding the cost of escalation and DRB. (ie Rs. 11.00Cr paid till date) & including contingencies amount. Date of Completion of Work 30.03.2011. (C)
4. **The above cost also does not include the salary and establishment cost etc. of about Rs.26.22 cr. upto June, 2012.**
5. The Total cost of Terminal Buildings, Extension of Secondary Runway & Bridge over Adyar river comes (A+B+C) is ₹ 2014.32 Cr against the revised approved PIB amount of ₹. 2015.00 Cr
6. **Commissioning of Terminal buildings.**
- (i) The trial run for Domestic Terminal-2 for Arrival passengers for Departing passengers has been completed on 30.04.2012 & 03.07.2012 respectively. The Aero Bridge (7nos) installation is in progress and likely to completed by 20.08.2012.
 - (ii) ~~The trial run for International Terminal-2 for Arrival passengers has been completed on 24.07.2012. The Aero Bridge (2+1 nos) procurement & installation is likely to be completed by 15.09.2012.~~
 - (iii) The expected date of Commissioning of Domestic Terminal-2 is planned in Aug 2012 & for International Terminal -2 by end of Sep 2012.

This is for your information and further necessary action.


(S. Bhaduri)
Executive Director (Engg)

-6-

Annexure - B



The header section of the Reserve Bank of India website. On the left is the RBI logo featuring a galloping gal and the text 'भारतीय रिज़र्व बैंक' and 'Reserve Bank of India India's Central Bank'. To the right is a dark navigation bar with white text for 'SITEMAP', 'FAQs', 'GLOSSARY', 'ATS', 'OTHER LINKS', 'CONTACT US', and 'DISCLAIMER'. Below this is a secondary navigation bar with links for 'ABOUT US', 'NOTIFICATIONS', 'PUBLICATIONS', 'DATABASE', 'SPEECHES', 'PRESS RELEASES', 'TENDERS', 'FORMS', and 'EVENTS'.

the next ten years, WPI inflation is expected to be 5.9 per cent, revised marginally downwards from 6.0 per cent in last survey. CPI-IW inflation is revised upwards to 6.5 per cent from 6.2 per cent over the next ten years.

Table 9: Long Term Median Forecasts for Growth and Inflation

Growth rate in %	Next Five Years	Next Ten Years
Real GDP	8.0	8.4
WPI	6.0	5.9
CPI-IW	7.0	6.5

Annex

Table A.1 : Annual Forecasts for 2011-12

Key Macroeconomic Indicators	Annual Forecasts for 2011-12				Actuals for 2010-11
	Mean	Median	Max	Min	
1 Real GDP growth rate at factor cost (in per cent)	7.0	7.0	7.2	6.6	8.5#
a Agriculture & Allied Activities	3.5	3.4	5.9	2.8	6.6#
b Industry	4.2	4.1	5.5	2.4	7.8#
c Services	8.9	9.0	9.4	8.0	9.2#
2 Private Final Consumption Expenditure at current market price (growth rate in per cent)	15.6	15.8	18.0	13.0	19.1#
3 Gross Domestic Saving (per cent of GDP at current market price) of which Private Corporate Sector	33.1	33.0	34.0	32.1	
4 Gross Fixed Capital Formation (per cent of GDP at current market price)	29.9	28.7	35.5	27.9	29.5#
5 Money Supply (M3) (growth rate in per cent)	15.9	16.0	17.0	14.0	16.0
6 Bank Credit (growth rate in per cent)	17.2	17.0	19.0	15.1	21.5
7 Combined Gross Fiscal Deficit (per cent of GDP)	8.4	8.2	12.0	6.8	7.7#
8 Central Govt. Fiscal Deficit (per cent of GDP)	5.8	5.7	8.0	5.2	5.1#
9 Corporate profit after tax (growth rate in per cent)	8.6	8.0	12.0	5.1	7.6
10 Repo (end period)	8.50	8.50	8.50	6.50	6.75
11 Reverse Repo (end period)	7.50	7.50	7.50	5.50	5.75
12 CRR (end period)	6.00	6.00	6.00	5.00	6.00
13 INR/ 1USD (RBI reference rate-end period)	51.50	52.00	55.25	48.00	44.65
14 T-Bill 91 days Yield (Weighted average cut-off yield)	8.27	8.19	8.70	8.00	8.2
15 10 year Govt. Securities Yield (per cent-average)	8.33	8.33	8.60	8.00	8.4
16 Overall Balance (in US \$ bn.)	8.0	7.5	13.6	2.1	13.1@
17 Export (in US \$ bn.)	289.4	290.6	304.0	268.0	250.5@
18 Export (growth rate in percent)	10.2	17.5	22.6	7.0	37.4@
Import (in US \$ bn.)	451.0	454.8	479.0	405.0	380.9@
19 Import (Growth rate in percent)	19.6	20.6	27.8	6.3	26.7@
Trade Balance (% of GDP)	-8.8	-8.7	-6.4	-15.5	-7.6@
20 Invisible Balance (US \$ bn)	97.4	102.0	112.0	67.0	86.2@
21 Current Account Balance (US \$ bn)	-65.8	-63.9	-56.0	-91.3	-44.2@
22 Current Account Balance (% of GDP)	-6.4	-3.4	-2.9	-67.4	-2.6@
23 Capital Account Balance (US \$ bn)	62.9	63.6	80.0	49.2	59.7@
24 Capital Account Balance (% of GDP)	6.9	3.5	64.9	2.5	3.5@

#: RE; @: Preliminary.

Table A.2 : Annual Forecasts for 2012-13

Key Macroeconomic Indicators	Annual Forecasts for 2012-13			
	Mean	Median	Max	Min
1 Real GDP growth rate at factor cost (in per cent)	7.1	7.3	8.0	6.1
a Agriculture & Allied Activities	3.1	3.0	4.4	0.8
b Industry	5.7	5.8	7.5	3.7
c Services	8.7	8.8	9.4	7.5
2 Private Final Consumption Expenditure at current market price (growth rate in per cent)	14.6	14.7	18.5	11.6

Table 6: Median Forecasts for External Sector

	2011-12	2012-13
Overall BoP (in US \$ bn.)	7.5	5.8
Export (in US \$ bn.)	290.6	331.2
Export (growth rate in %)	17.5	14.3
Import (in US \$ bn.)	454.8	520.0
Import (growth rate in %)	20.6	14.4
Trade Balance (% of GDP)	-8.7	-8.6
Invisible Balance (US \$ bn)	102.0	113.0
Current Account Balance (US \$ bn)	-63.9	-68.0
Capital Account Balance (US \$ bn)	63.6	74.1

2. Quarterly Forecasts:

- The real GDP growth in the third quarter of 2011-12 is projected at 6.7 per cent, showing a downward revision from 7.7 per cent in the last survey. Median forecasts for the third quarter of 2011-12 for real GDP originating from agriculture, industry and services sectors are projected to be 3.3 per cent, 2.7 per cent and 8.9 per cent, respectively. The forecast has been revised upwards from 2.7 per cent for agriculture sector. For industry and services sectors, the forecast is revised downwards from 7.1 per cent and 9.2 per cent, respectively, in the last survey. There is a significant downward revision in Index of Industrial Production growth forecast in the third quarter of 2011-12 to 1.5 per cent, from 5.8 per cent in the last survey ([Table 7](#)).

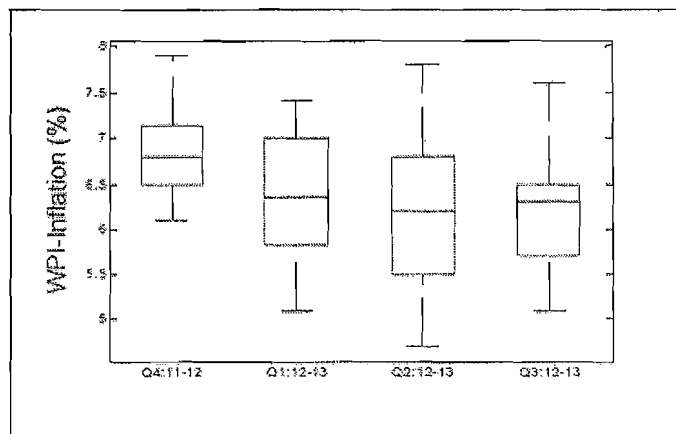
Table 7: Median Forecasts for Quarterly GDP and IIP

Growth Rate in %	Q3:	Q4:	Q1:	Q2:	Q3:
	11-12	11-12	12-13	12-13	12-13
Overall GDP	6.7	7.0	6.8	7.1	7.3
Agri. & Allied Act.	3.3	3.5	3.0	3.2	3.3
Industry	2.7	3.8	4.4	5.1	5.8
Services	8.9	8.5	8.5	8.7	8.8
IIP	1.5	2.7	4.8	5.8	6.8

- Forecasters' median estimate for average WPI inflation in the fourth quarter of 2011-12 is at 6.8 per cent, which has been revised downwards from the last survey. For the first quarter of 2012-13, WPI-inflation forecast is 6.4 per cent ([Table 8](#)). The box plot of the WPI-inflation forecast is also presented in [Chart 3](#).

**Table 8: Median Forecast for WPI and CPI-IW
Inflation: Quarterly**

	WPI	WPI-MP	CPI-IW
Q4:11-12	6.8	6.4	8.2
Q1:12-13	6.4	5.9	8.4
Q2:12-13	6.2	5.8	7.8
Q3:12-13	6.3	5.6	7.4

Chart 3: Box Plot for Quarterly WPI-Inflation**3. Long Term Forecasts:**

- Long term forecast for real GDP for the next five years (2012-2016) is 8.0 per cent, which is same as the last survey. For the next ten years (2012-2021), the GDP is expected to grow at 8.4 per cent, which is revised upwards from the last survey ([Table 9](#)). Over the next five years, WPI inflation is expected to be 6.0 per cent, same as the last survey. CPI-IW inflation forecast over next five years remained unchanged at 7.0 per cent. Over

URGENT

F. No. AV.24032/050/2004-AAI (Vol. II)

Government of India
Ministry of Civil Aviation

'B' Block, R. G. Bhawan,
S. J. Airport, New Delhi

Date: 19.06.2012

To,

Shri V. P. Agrawal, Chairman,
Airports Authority of India,
'A' Block, R. G. Bhawan,
S. J. Airport, New Delhi

Subject: Modernization and expansion of Chennai airport at a revised cost of ` 2015 crores.

Sir,

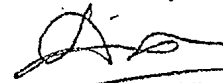
In continuation to this Ministry's letter of No. 20036/081/2004-AAI dated 26th August, 2008 vide which approval of the Govt. for an amount of `1808 Crores for development of Kamraj Domestic Terminal Phase-II, and Expansion of Anna International Terminal and associated works at Chennai airport was conveyed by this Ministry, I am directed to refer to AAI's UO Note No. Plg./516/2.8/10 dated 12th April, 2010 vide which PIB Note indicating the revised cost calculated as ` 2015 crores was forwarded for consideration and obtaining approval of the Competent Authority and subsequent correspondence with regard to the issue.

2. EFC in its meeting held on 19.05.2011 examined the proposal and decided to recommend it with the revised cost of ` 2015 crores for its approval by the competent authority.

3. After obtaining the approval of the competent authority in this Ministry the matter was taken up with the D/o Expenditure, M/o of Finance. D/o Expenditure vide its UO. No.27(6)/PF-II/2007(Vol.II) dated 06.06.2012 has conveyed the final approval of the competent authority i. e. Finance Minister in respect of Kamraj Domestic Terminal Phase-II - expansion at the revised cost of ` 2015 Crore with completion schedule of July, 2012 subject to the condition that Ministry of Civil Aviation ensures no further time and cost overruns.

4. AAI may take urgent necessary action in this regard so that instructions of D/o of Expenditure may be followed and the project may be completed without any further time and cost overrun. A report in this regard may also be submitted to the Ministry at the earliest.

Yours faithfully,


(Syed Imran Ahmed)

Under Secretary to the Govt. of India

Enclosures: As above.

Copy for information to:

1. D/o Expenditure, M/o Finance, North Block, New Delhi
2. Planning Commission, Yojana Bhawan, Parliament Street, New Delhi
3. M/o Statistic & Programme Implementation, S. P. Bhawan, Parliament Street, New Delhi
4. Ministry of Environment and Forest, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi.
5. Integrated Finance Division, M/o Civil Aviation.

Handwritten notes:
plu-2011/7
17/7
16/6

Handwritten notes:
done with Encl.
for
22/6/2012

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P...
V...
II

Handwritten note:
GM (Fin)

Annexure - IV



AAI/CHQ/REV/AERA/AS/Chennai-MYTP/2012

16.08.2012

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

Sub: Multi-Year Tariff Proposal for Chennai Airport – ATP reg.

Sir,

Kindly refer to the revised MYTP for Chennai airport submitted by AAI in April, 2012. Pursuant to various discussions with AERA, including the meeting held on 13.07.2012 at your office, MYTP model has been updated and submitted to AERA.

2. Detailed Annual Tariff Proposal (ATP) applicable to 1st Regulatory Control Period in respect of Aeronautical Services viz. Landing, Housing & Parking, Passenger Service Fee(Facilitation), Throughput Charges, User Development Fee(UDF) for FY 2012-13 [effective from 1st Nov., 2012], FY 2013-14, FY 2014-15 & FY 2015-16 are enclosed vide Annexure-I for your consideration and approval please. The tariff proposals are as under:

- (i) Landing Charges – It is proposed to levy the following landing charges effective from 1st Nov.2012.

[Amt. in Rs.]

Weight of A/craft	Existing Rates		Proposed rates	
	Intl. flight	Dom. Flight	Intl. flight	Dom. Flight
Upto 100MT	250.50 per MT	187.90 per MT	546.10 per MT	278.10 per MT
Above 100 MT	25050+ 336.60 per MT in excess of 100 MT	18790+ 252.50 per MT in excess of 100 MT	54610+ 733.80 per MT in excess of 100 MT	27810+ 373.70 per MT in excess of 100 MT

Minimum Landing Fee of Rs 5000/- per landing is proposed for all flights except training flights operated by the Flying Clubs.

*Reedon
17/8/12
Shown to
Chairman AERA
for
17/8/12
Sr. Mpx(AA)
Secy(AERA)*

- (ii) Housing & Parking Charges – are proposed to be revised effective from 1st Nov. 2012 as per details given below:

[Amt. in Rs]

Weight of Aircraft	Existing Rates		Proposed rates	
	Housing Charges per Hr.	Parking Charges per Hour	Housing Charges per Hour	Parking Charges per Hour
Upto 100MT	8.10 per hr. per MT	4.10 per hour per MT	14.80 per hour per MT	7.50 per hour per MT
Above 100 MT	810+10.80 per MT per hour in excess of 100 MT	410 + 5.40 per hour per MT	1480 + 19.80 per hour per MT	750.30+9.90 per MT per hour in excess of 100 MT

- (iii) Passenger Service Fee (Facilitation) – No increase in current rate i.e. Rs 77/- per embarking passenger is proposed. From 1st January, 2013, PSF(Facilitation) will be merged with proposed UDF levy. PSF(Security) will be continued to be levied at the existing rates i.e. Rs 130/- per departing pax.
- (iv) Fuel Throughput Charges – As per the understanding with the Oil Companies the throughput charges are proposed to be increased by 5% per annum. For FY 12-13 rates proposed effective from 1st Nov. 2012 is as under:

Existing Rate	Proposed Rate
Rs. 1459.83 per Kilolitre	Rs 1532.82 per Kilolitre

- (v) User Development Fee (UDF) - It is proposed to levy of UDF on departing passengers at Chennai airport w.e.f. 1st January, 2013 as per the rates given below:


	Proposed Rate
Domestic Pax	Rs 165 per embarking pax
Intl. Pax	Rs 667 per embarking pax

3. The annual escalation @ 6 % p.a. w.e.f. 1st April of ensuing financial years is proposed on Landing, Housing & Parking and UDF from Tariff Year-3 (2013-14) onwards and in case of fuel throughput charges annual escalation proposed is 5 % p.a. w.e.f. 1st April of ensuing financial years.

4. No increase in rates for Cargo Services is proposed for the first control period.

It is requested that ATP for Chennai Airport enclosed herewith may be considered for approval please.

Yours faithfully,



(S. Suresh)
Member(Finance)

Encl.: As above.

AIRPORTS AUTHORITY OF INDIA

CHENNAI AIRPORT - PROPOSED RATE CARD FOR AERONAUTICAL SERVICES EFFECTIVE FROM 1ST NOV' 2012 UP TO 31ST MARCH, 2013

(I) LANDING CHARGES

Weight of Aircraft	EXISTING RATES (IN INR)		PROPOSED RATES (IN INR)		REMARKS
	Rate per landing International Flight	Rate per Landing Other than International Flight	Rate per landing International Flight	Rate per Landing Other than International Flight	
Upto 100 MT	250.50 per MT	187.90 per MT	546.10 per MT	278.10 per MT	48.00% increase for Domestic flights
Above 100 MT	25050.00 + 336.60 per MT in excess of 100 MT	18790.00 + 252.50 per MT in excess of 100 MT	54610.00 + 733.80 per MT in excess of 100 MT	27810.00 + 373.70 per MT in excess of 100 MT	118.00% increase for Intl. flights

Note:

- a) Charges shall be calculated on the basis of nearest Metric Tonne(MT)(i.e.1,000 kgs.) of the aircraft.
- b) A surcharge of 25% will be levied on landing charges for supersonic aircraft.
- c) A minimum fee of INR 5000/- shall be charged per single landing for all types of aircraft /helicopter flights, including but not limited to domestic landing, international landing and general aviation landing, however this will not apply to training flights operated by Flying Clubs.
- d) Weight of the aircraft means maximum takeoff weight(MTOW) as indicated in the certificate of Airworthiness filed with Director General Civil Aviation(DGCA).
- e) All domestic legs of International routes flown by indian operators will be treated as domestic flights as far as air side airport user charges are concerned, irrespective of the flight number assigned to such flights.

(II) HOUSING AND PARKING CHARGES

Weight of Aircraft	EXISTING RATES (IN INR)		PROPOSED RATES (IN INR)		REMARKS
	Housing Charges Rates per Hour	Parking Charges Rates per Hour	Housing Charges Rates per Hour	Parking Charges Rates per Hour	
Upto 100 MT	8.10 per hour per MT	4.10 per hour per MT	14.80 per hour per MT	7.50 per hour per MT	83.00% increase
Above 100 MT	810.00 + 10.80 per MT per hour in excess of 100 MT	410.00 + 5.40 per MT per hour in excess of 100 MT	1480.00 + 19.80 per MT per hour in excess of 100 MT	750.00 + 9.90 per MT per hour in excess of 100 MT	

Note:

- a) No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. these periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before takeoff.

- b) For calculating chargeable parking time, any part of an hour shall be rounded off to the next hour.
- c) Charges shall be calculated on the basis of next MT.
- d) Charges for each period parking shall be rounded off to nearest Rupee.
- e) Whilst in -contact stands, after free parking, for the next two hours Parking charges shall be levied. After this period, the Housing charges shall be levied.

(III) PASSENGER SERVICE FEE(FACILITATION)

EXISTING RATE	PROPOSED RATE	REMARKS
Rs 77 per embarking passenger	No increase proposed. The existing levy of PSF(Facilitation) proposed to be discontinued from the 1st Jan'2013	PSF(Facilitation) will be merged with proposed UDF levy w.e.f. 1st Jan. 2013.

Note: PSF(Security) shall be continued to be levied at an applicable rate.

(IV) THROUGHPUT CHARGES

EXISTING RATE (IN INR)	PROPOSED RATE (IN INR)	REMARKS
1459.83 per Kilolitre	1532.82 per Kilolitre	5% increase proposed

(V) USER DEVELOPMENT FEE(UDF)

	EXISTING RATE	PROPOSED RATE(INR)	REMARKS
Dom. Passenger	Not applicable	165 per embarking passenger	New levy to be made effective from 1st Jan.13
Intl. Passenger	Not applicable	667 per embarking passenger	

Note:

- a) In respect of the tickets issued in foreign currency, the UDF shall be levied in US Dollars.
- b) Collection charges: if the payment is made within 15 days of receipt of invoice, then collection charges at INR 5 per departing passenger shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the UDF invoice to AAI within the credit period of 15 days.
- c) Transit/Transfer passengers: A passenger is treated in-transit/transfer only if the onward journey is within 24 hours from the time of arrival at airport and the onward travel is part of same ticket. In case 2 separate tickets are issued (one for arrival and one for departure), the passenger would not be treated as a transfer passenger. Transfer passenger does not include passenger on return journey.

(VI) General Condition:

All the above Charges are excluding of Service Tax. Service Tax at the applicable rates will be paid by the operator in addition to above charges.

AIRPORTS AUTHORITY OF INDIA

CHENNAI AIRPORT - PROPOSED RATE CARD FOR AERONAUTICAL SERVICES
EFFECTIVE FROM 1ST APRIL 2013 UP TO 31ST MARCH 2014

(I) LANDING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Rate per landing International Flight	Rate per Landing Other than International Flight	
Upto 100 MT	578.90 per MT	294.80 per MT	6% increase
Above 100 MT	57890.00 + 777.80 per MT in excess of 100 MT	29480.00 + 396.10 per MT in excess of 100 MT	

Note:

- a) Charges shall be calculated on the basis of nearest Metric Tonne(MT)(i.e.1,000 kgs.) of the aircraft.
- b) A surcharge of 25% will be levied on landing charges for supersonic aircraft.
- c) A minimum fee of INR 5000/- shall be charged per single landing for all types of aircraft /helicopter flights, including but not limited to domestic landing, international landing and general aviation landing, however this will not apply to training flights operated by Flying Clubs.
- d) Weight of the aircraft means maximum takeoff weight(MTOW) as indicated in the certificate of Airworthiness filed with Director General Civil Aviation(DGCA).
- e) All domestic legs of International routes flown by indian operators will be treated as domestic flights as far as air side airport user charges are concerned, irrespective of the flight number assigned to such flights.

(II) HOUSING AND PARKING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Housing Charges per hour	Parking Charges per hour	
Upto 100 MT	15.70 per hour per MT	8.00 per hour per MT	6% increase
Above 100 MT	1570.00 + 21.00 per MT per hour in excess of 100 MT	800.00 + 10.50 per MT per hour in excess of 100 MT	

Note:

- a) No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. these periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before takeoff.
- b) For calculating chargeable parking time, any part of an hour shall be rounded off to the next hour.
- c) Charges shall be calculated on the basis of next MT.
- d) Charges for each period parking shall be rounded off to nearest Rupee.
- e) Whilst in -contact stands, after free parking, for the next two hours Parking charges shall be levied. After this period, the Housing charges shall be levied.

(III) THROUGHPUT CHARGES

PROPOSED RATE (IN INR)	REMARKS
1532.82 per Kilolitre	5% increase proposed

(IV) USER DEVELOPMENT FEE(UDF)

	PROPOSED RATE	REMARKS
Dom. Passenger	175 per embarking passenger	6% increase
Intl. Passenger	707 per embarking passenger	

Note:

- a) In respect of the tickets issued in foreign currency, the UDF shall be levied in US Dollars.
- b) Collection charges: if the payment is made within 15 days of receipt of invoice, then collection charges at INR 5 per departing passenger shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the UDF invoice to AAI within the credit period of 15 days.
- c) Transit/Transfer passengers: A passenger is treated in-transit/transfer only if the onward journey is within 24 hours from the time of arrival at airport and the onward travel is part of same ticket. In case 2 separate tickets are issued (one for arrival and one for departure), the passenger would not be treated as a transfer passenger. Transfer passenger does not include passenger on return journey.

(V) General Condition:

All the above Charges are excluding of Service Tax. Service Tax at the applicable rates will be paid by the operator in addition to above charges.

Note: PSF(Security) shall be continued to be levied at an applicable rate.

AIRPORTS AUTHORITY OF INDIA

CHENNAI AIRPORT - PROPOSED RATE CARD FOR AERONAUTICAL SERVICES EFFECTIVE FROM 1ST APRIL 2014 UP TO 31ST MARCH 2015

(I) LANDING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Rate per landing International Flight	Rate per Landing Other than International Flight	
Upto 100 MT	613.60 per MT	312.50 per MT	6% increase
Above 100 MT	61360.00 + 824.50 per MT in excess of 100 MT	31250.00 + 419.90 per MT in excess of 100 MT	

Note:

- a) Charges shall be calculated on the basis of nearest Metric Tonne(MT)(i.e.1,000 kgs.) of the aircraft.
- b) A surcharge of 25% will be levied on landing charges for supersonic aircraft.
- c) A minimum fee of INR 5000/- shall be charged per single landing for all types of aircraft /helicopter flights, including but not limited to domestic landing, international landing and general aviation landing, however this will not apply to training flights operated by Flying Clubs.
- d) Weight of the aircraft means maximum takeoff weight(MTOW) as indicated in the certificate of Airworthiness filed with Director General Civil Aviation(DGCA).
- e) All domestic legs of International routes flown by indian operators will be treated as domestic flights as far as air side airport user charges are concerned, irrespective of the flight number assigned to such flights.

(II) HOUSING AND PARKING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Housing Charges per hour	Parking Charges per hour	
Upto 100 MT	16.70 per hour per MT	8.40 per hour per MT	6% increase
Above 100 MT	1670.00 + 22.20 per MT in excess of 100 MT	840.00 + 11.10 per MT in excess of 100 MT	

Note:

- a) No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. These periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before takeoff.
- b) For calculating chargeable parking time, any part of an hour shall be rounded off to the next hour.
- c) Charges shall be calculated on the basis of next MT.
- d) Charges for each period parking shall be rounded off to nearest Rupee.
- e) Whilst in -contact stands, after free parking, for the next two hours Parking charges shall be levied. After this period, the Housing charges shall be levied.

(III) THROUGHPUT CHARGES

PROPOSED RATE (IN INR)	REMARKS
1609.46 per Kilolitre	5% increase proposed

(IV) USER DEVELOPMENT FEE(UDF)

	PROPOSED RATE(INR)	REMARKS
Dom. Passenger	185 per embarking passenger	6% annual increase
Intl. Passenger	749 per embarking passenger	

Note:

- a) In respect of the tickets issued in foreign currency, the UDF shall be levied in US Dollars.
- b) Collection charges: if the payment is made within 15 days of receipt of invoice, then collection charges at INR 5 per departing passenger shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the UDF invoice to AAI within the credit period of 15 days.
- c) Transit/Transfer passengers: A passenger is treated in-transit/transfer only if the onward journey is within 24 hours from the time of arrival at airport and the onward travel is part of same ticket. In case 2 separate tickets are issued (one for arrival and one for departure), the passenger would not be treated as a transfer passenger. Transfer passenger does not include passenger on return journey.

(V) General Condition:

All the above Charges are excluding of Service Tax. Service Tax at the applicable rates will be paid by the operator in addition to above charges.

Note: PSF(Security) shall be continued to be levied at an applicable rate.

AIRPORTS AUTHORITY OF INDIA

CHENNAI AIRPORT - PROPOSED RATE CARD FOR AERONAUTICAL SERVICES
EFFECTIVE FROM 1ST APRIL 2015 UP TO 31ST MARCH 2016

(I) LANDING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Rate per landing International Flight	Rate per Landing Other than International Flight	
Upto 100 MT	650.40 per MT	331.20 per MT	6% increase
Above 100 MT	65040.00 + 874.00 per MT in excess of 100 MT	33120.00 + 445.10 per MT in excess of 100 MT	

Note:

- Charges shall be calculated on the basis of nearest Metric Tonne(MT)(i.e. 1,000 kgs.) of the aircraft.
- A surcharge of 25% will be levied on landing charges for supersonic aircraft.
- A minimum fee of INR 5000/- shall be charged per single landing for all types of aircraft /helicopter flights, including but not limited to domestic landing, international landing and general aviation landing, however this will not apply to training flights operated by Flying Clubs.
- Weight of the aircraft means maximum takeoff weight(MTOW) as indicated in the certificate of Airworthiness filed with Director General Civil Aviation(DGCA).
- All domestic legs of International routes flown by Indian operators will be treated as domestic flights as far as air side airport user charges are concerned, irrespective of the flight number assigned to such flights.

(II) HOUSING AND PARKING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Housing Charges per hour	Parking Charges per hour	
Upto 100 MT	17.70 per hour per MT	8.90 per hour per MT	6% increase
Above 100 MT	1770.00 + 23.50 per MT in excess of 100 MT	890.00 + 11.80 per MT in excess of 100 MT	

Note:

- No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. these periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before takeoff.
- For calculating chargeable parking time, any part of an hour shall be rounded off to the next hour.
- Charges shall be calculated on the basis of next MT.
- Charges for each period parking shall be rounded off to nearest Rupee.
- Whilst in -contact stands, after free parking, for the next two hours Parking charges shall be levied. After this period, the Housing charges shall be levied.

(III) THROUGHPUT CHARGES

PROPOSED RATE (IN INR)	REMARKS
1689.94 per Kilolitre	5% annual increase

(IV) USER DEVELOPMENT FEE(UDF)

	PROPOSED RATE(INR)	REMARKS
Dom. Passenger	197 per embarking passenger	6% annual increase
Intl. Passenger	794 per embarking passenger	

Note:

- In respect of the tickets issued in foreign currency, the UDF shall be levied in US Dollars.
- Collection charges: if the payment is made within 15 days of receipt of invoice, then collection charges at INR 5 per departing passenger shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the UDF invoice to AAI within the credit period of 15 days.
- Transit/Transfer passengers: A passenger is treated in-transit/transfer only if the onward journey is within 24 hours from the time of arrival at airport and the onward travel is part of same ticket. In case 2 separate tickets are issued (one for arrival and one for departure), the passenger would not be treated as a transfer passenger. Transfer passenger does not include passenger on return journey.

(V) General Condition:

All the above Charges are excluding of Service Tax. Service Tax at the applicable rates will be paid by the operator in addition to above charges.

Note: PSF(Security) shall be continued to be levied at an applicable rate.

CHENNAI AIRPORT RATE CHART FOR CARGO SERVICES
FOR THE FIRST CONTROL PERIOD 2012-13 TO 2015-16
(Effective from 1st Nov 2012 to 31st Mar 2016)

A – EXPORT CARGO

I) TERMINAL , STORAGE AND PROCESSING CHARGES:

Sl.No.	Type of Cargo	Rate per Kilogram Rs. / P	Minimum rate per consignment Rs. / P
1	General	0.74	125.00
2	Special	1.47	245.00
3	Perishable	0.74	125.00

II) DEMURRAGE CHARGES (Leviable from Shipper)

Sl.No.	Type of Cargo	Rate per Kilogram Rs. / P	Minimum rate per consignment Rs. / P
1	General	0.76	125.00
2	Special	1.50	245.00
3	Perishable	0.76	125.00

NOTES: [Export Cargo]

1. The free period for export cargo shall be one working day (24 hours) for examination/processing by the Shippers.
2. 10% discount in the Terminal, Storage and Processing charges will be granted to Exporters, who opt for engaging their own loaders for offloading cargo from their vehicles at Truck Dock and shifting to Custom Examination Area.
3. Terminal, Storage and Processing charges applicable to Newspaper and TV reel consignments shall be 50% of the prescribed charges.
4. Consignments of human remains, coffin including unaccompanied baggage of deceased and Human eyes will be exempted from the purview of Terminal, Storage and Processing charges & Demurrage charges.
5. Terminal, Storage and Processing charges are inclusive of Forklift charges wherever Forklift usage is involved. No separate Forklift charges will be levied.
6. Special cargo consists of live animals, hazardous goods and valuable cargo.
7. Charges will be levied on the '**gross weight**' or the '**chargeable weight**' of the consignment, whichever is higher. Wherever the '**gross weight**' and (or) '**volume weight**' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the '**actual gross weight**' or '**actual volumetric weight**', whichever is higher.

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8. For misdeclaration of weight above 2% and upto 5% of declared weight, penal charges @ double the applicable Terminal, Storage and Processing charges and for variation above 5%, the penal charges @ 5 times the applicable Terminal, Storage and Processing charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum Terminal, Storage and Processing charges. No penal charges will be leviable for variation upto and inclusive of 2%. This will not apply to valuable cargo.
9. All Bills shall be rounded off to the nearest of Rs.5/=. As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5.

<u>When the results of calculations are between / and</u>	<u>Rounded off amount will be</u>
102.5 - 107.4	105
107.5 - 112.4	110

10. As an incentive to trade to utilize the lean hours, 20% discount in the Terminal, Storage and Processing charges will be granted to Export cargo admitted between 1000 hrs. to 1500 hrs., subject to levy of minimum rate per consignment as given in Scale of Charges.
11. Merchant Over Time (MOT) charges @ Rs.200.00 per consignment for admitting cargo beyond normal working hours.

SCHEDULE OF CHARGES
B – IMPORT CARGO

I) TERMINAL , STORAGE AND PROCESSING CHARGES:

Sl. No.	Type of Cargo	Rate per Kilogram Rs. / P	Minimum rate per consignment Rs. / P
1	General	4.96	135.00
2	Special and Valuable	9.89	265.00

II) DEMURRAGE CHARGES

Free storage period for Import cargo shall be 72 hrs. (03 working days) including the date of the arrival of flight. For the next 48 hrs. (02 working days), demurrage will be charged at "per kg; per day" non-cumulative basis, provided the consignment is cleared within 120 hrs. (05 working days). If clearance is affected after 120 hrs. (05 working days), demurrage will accrue for the entire period from the date / time of the arrival of the flight, as follows:-

S. No	Type of Cargo	PERIOD	Rate per Kilogram Rs. / P	Minimum rate per consign-ment (Rs. / P.)
1	General Cargo	Upto 120 hrs. (5 days working) including free period	1.44	325.00
		Between 120 hrs. and 720 hrs. (6 and 30 days)	2.87	
		Beyond 720 hrs. (30 days)	4.31	
2	Special Cargo	Upto 120 hrs. (5 days working) including free period	2.87	640.00
		Between 120 hrs. and 720 hrs. (6 and 30 days)	5.73	
		Beyond 720 hrs. (30 days)	8.60	
3	Valuable Cargo	Upto 120 hrs. (5 days working) including free period	5.73	1280.00
		Between 120 hrs. and 720 hrs. (6 and 30 days)	11.47	
		Beyond 720 hrs. (30 days)	17.20	

NOTES: [Import Cargo]

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1. Consignments of human remains, coffin including baggage of deceased & Human eyes will be exempted from the purview of Terminal, Storage and Processing charges & Demurrage charges.
2. No separate Forklift charges will be levied.
3. Charges will be levied on the '**gross weight**' or the '**chargeable weight**' of the consignment whichever is higher. Wherever the '**gross weight**' and (or) volume weight is wrongly indicated on the Airway Bill and is actually found more, charges will be levied on the '**actual gross weight**' or '**actual volumetric weight**' or '**chargeable weight**' whichever is higher.
4. Special Import Cargo consists of cargo stored in cold storage, live animals and hazardous goods.
5. Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travelers' cheques, diamonds (including diamonds for industrial use), diamond jewelry, jewelry & watches made of silver, gold platinum and items valued at USD 1000 per Kg. & above.
6. All Bills shall be rounded off to the nearest of Rs.5/=. As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5.

<u>When the results of calculations are between / and</u>	<u>Rounded off amount will be</u>
102.5 - 107.4	105
107.5 - 112.4	110

Schedule of Charges leviable on Non-Scheduled Operators

S.No.	Particular of services	Charges (Rs.) after 5% increase (after conversion into per Kg. rate)
1	Storage charges for export cargo uplifted beyond free period	2.99 / Kg. / day
2	Storage charges for export valuable perishable cargo, live animals and hazardous cargo uplifted beyond free period	6.02 / Kg. / day
3	<p>(A) Storage charges for import general cargo unchecked after a free period of 24 hours from the time of arrival of an aircraft per kg./day:</p> <p> i) Bulk Cargo</p> <p> ii) Loaded ULD</p> <p>(B) Storage charges for special import cargo unchecked after a free period of 24 hours from the time of arrival of an aircraft:-</p> <p> i) Valuable</p> <p> ii) Perishable/Hazardous/Live animal</p> <p>(C) Minimum charges per consignment (AWB)</p>	<p>2.99 / Kg. / day 1194</p> <p>7.52 / Kg. / day</p> <p>4.98 / Kg. / day</p> <p>414.81</p>

Notes:

1. Demurrage charges on Import Transshipment cargo will be as applicable to import cargo except that no handling charges shall be charged.
2. Demurrage charges on transshipment cargo from domestic to international and from international to international shall be treated as same as applicable for export cargo, after allowing the prescribed free period.
3. The free period for export cargo for the NSOs would be 48 hrs. in the bonded area since the time of bonding.
4. All bills preferred by the handling company i.e. AAI shall be rounded off to the nearest higher of Rs.5/=.
5. All charges by NSOs shall be on cash and carry basis.
6. No free period may be allowed on second time handling/upliftment of export cargo from cargo terminal. Applicable charges (storage) shall be levied.
7. In case of transit ULDs brought by the Airlines handed over to AAI for storage in the bonded area / ETV stacker for any reasons, the storage charges as per para 3 shall be levied.

DOMESTIC OUTBOUND CARGO CHARGES LEVIABLE ON SHIPPERS/CONSIGNOR(S) ETC.

ACTIVITY	PROPOSED AAI CHARGES	
	MINI MUM	PER KG
1. Standard Charges for processing & Handling (TSP charges inclusive of off-loading / Loading/ Shifting & Forklift Usage)	INR	INR
a) General Cargo	110	0.75
b) Special (AVI) #	220.00	1.50
c) PER/DGR/VAL	220.00	1.50
2. Demurrage Charges / Storage (per day)		
a) General Cargo	110.00	0.75
b) Special (AVI)#	220.00	1.50
c) PER/DGR/VAL(If cold storage is used)	220.00	1.50
3. Courier Handling	120.00	1.00
4. Amendment of Airway Bill	100.00 per AWB	
5. Return Cargo Charges	100.00 per AWB	
6. Strapping Charges	10.00 per Bag	
7. In addition to the above, in the event of mis-Declaration of Weight, following charges based on the difference will apply		
2% - 5% variation	2 times of excess weight	
More than 5% (Not Applicable in VAL Cargo)	5 times of excess weight	

Notes:

- The free period for outbound domestic cargo shall be one working day for examination/processing by the shipper/consignor/authorized representative etc.
- 10% discount in the domestic cargo handling charges will be granted to the shippers/consignors who opt for engaging their own loaders for offloading cargo from their vehicles at Truck Dock and shifting to the examination/storage area before handing over to the airlines concerned.**
- The domestic cargo handling charges applicable to newspaper and TV reel consignments shall be 50% of the prescribed charges.
- Consignment of human remains, coffin including unaccompanied baggage of deceased and human eyes will be exempted from the preview of domestic cargo handling & demurrage charges.
- The domestic cargo handling charges are inclusive of fork lift charges wherever fork lift usage is involved. No separate fork lift charges will be levied.
- #As per IATA definition, Special cargo consists of cold storage, live animals, hazardous goods & valuable cargo.
- Charges will be levied on the 'gross weight' or the 'chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
- For mis-declaration of weight above 2% and upto 5% of declared weight, penal charges @ double the applicable domestic cargo handling charges and for variation above 5%, the penal charges @ 5 times the applicable domestic cargo handling charges will be leviable on the differential weight, subject to minimum amount equivalent to the applicable minimum domestic cargo handling Charges. No penal charges will be leviable for variation upto and inclusive of 2%. This will not apply to Valuable Cargo.
- All the Bills shall be rounded off to the nearest of Rs.5/- . As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5.

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When the results of calculations are
between / and

102.5 - 107.4

107.5 - 112.4

Rounded off amount will be

105

110

DOMESTIC INBOUND CARGO CHARGES LEVIABLE ON CONSIGNEE(S) ETC.

ACTIVITY	PROPOSED AAI CHARGES	
	MINIMUM(INR)	PER KG. (INR)
1. Standard Charges for processing & Handling (TSP charges inclusive of off-loading / Loading/ Shifting & Forklift Usage)		
a) General Cargo	110.00	0.75
b) Special (AVI) #	220.00	1.50
c) PER/DGR/VAL*	220.00	1.50
2. Demurrage Charges / Storage (per day)		
a) General Cargo	110.00	0.75
b) Special (AVI)	220.00	1.50
c) PER/DGR/VAL* (If cold storage is used)	220.00	1.50
3. Courier Handling	120.00	1.00

Note:

1. The free period for inbound domestic cargo shall be one working day for examination/processing/delivery by the consignee/authorized representative etc.
2. **10% discount in the domestic cargo handling charges will be granted to the consignee/authorized representative who opt for engaging their own loaders for loading cargo into their vehicles for delivery at designated areas from the airlines concerned.**
3. Consignment of human remains, coffin including unaccompanied baggage of deceased and human eyes will be exempted from the preview of domestic cargo handling & demurrage charges.
4. The domestic cargo handling charges are inclusive of fork lift charges wherever fork lift usage is involved. No separate fork lift charges will be levied.
5. Charges will be levied on the 'gross weight' or the chargeable weight' of the consignment, whichever is higher. Wherever the 'gross weight' and (or) 'volume weight' is wrongly indicated on the Airway Bill and is found more, charges will be levied on the 'actual gross weight' or 'actual volumetric weight', whichever is higher.
6. #As per IATA definition, Special cargo consists of cargo stored in cold storage, live animals, valuable & hazardous goods.
7. *Valuable cargo consists of gold, bullion, currency notes, securities, shares, share coupons, travellers cheques, diamonds (including diamonds for industrial use), diamond jewellery, jewellery & watches made of silver, gold platinum & items valued at US\$ 1000 and above.
8. All the Bills shall be rounded off to the nearest of Rs.5/- . As per IATA Tact Rule Book Clause 5.7.2, the rounding off procedure, when the rounding off Unit is 5.

When the results of calculations are
between / and

102.5 - 107.4

107.5 - 112.4

Rounded off amount will be

105

110

SCHEDULE OF CHARGES/DISCOUNTS/INCENTIVES LEVIABLE/PAYABLE ON /TO AIRLINES FOR VARIOUS CARGO HANDLING SERVICES RENDERED BY AAI AT THE CARGO TERMINAL,

<u>S.N.</u>	<u>Particulars</u>	<u>Rates (Rs.)</u>	
01. (i)	Storage charges for General export uplifted beyond free period	1.81 per kg	
01. (ii)	Storages charges for valuable Export Cargo Perishable / Live Animals and Hazardous Cargo uplifted beyond free period shall be two times of normal Rates	3.62 per kg	
02. (i)	Storage charges for Import Cargo not handed over and remain unchecked after a free period of 24 hours from time per day of arrival of an aircraft		
	<u>General Bulk Cargo</u> <u>(in Rs)(Kg /day)</u>	<u>Loaded ULD</u> <u>(in Rs)(ULD/day)</u>	
	1.81	723	
02(ii)	Storage charges for 'Val'/Haz/ Perishable/Live Animal Import Cargo		
	<u>Valuable</u> <u>(per Kg/day) (in Rs)</u>	<u>Haz. / Peri/LA</u> <u>(per Kg/day)(in Rs)</u>	<u>Per Consign /AWB</u> <u>(in Rs)</u>
	4.57	3.00	252

NOTES:

- Demurrage charges on Import Transshipment cargo will be as applicable to Import cargo except that no handling charges shall be levied on the airlines handled by AAI where the TP cargo handed over to the airlines on airside designated area on the airport.
- Demurrage charges on transshipment cargo from Domestic to International and from International to International shall be treated as same as applicable for export cargo, after allowing the normal free period.
- The free period for export cargo for the carrier from the date of entry in bonded area till upliftment shall be as per Government Directives.
- All Bills preferred by the Handling Company shall be rounded off to the nearest Rupee.
- No free period may be allowed on second time handling/upliftment of export cargo from cargo terminal. Applicable charges (Demurrage/Storage) shall be levied.
- In case of Transit ULDs brought by the Airlines handed over to AAI for Storage in the Bonded Area/ETV stacker for any reasons, the Storage Charges as per para 2(i) & 2(ii) shall be levied.