

**Consultation Paper No.17/2010-11**



**Airports Economic Regulatory Authority of India**

**Airports Economic Regulatory Authority of India  
(Terms and Conditions for Determination of  
Passenger Service Fee at Major Private Airports)  
Guidelines, 2011**

**New Delhi: 24<sup>th</sup> March, 2011**

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

**Pursuant to enactment of the “The Airports Economic Regulatory Authority of India Act, 2008” (the Act) and establishment of the Airports Economic Regulatory Authority (hereinafter referred as the “Authority”), the Authority is to perform the following functions in respect of major airports:**

- (a) to determine the tariff for the aeronautical services;
- (b) to determine the amount of the development fees in respect of major airports;
- (c) to determine the amount of the passengers service fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934; and
- (d) to monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorised by it in this behalf.

1.2 In terms of Rule 88 of the Aircraft Rules, 1937, a licensee of an airport is entitled to collect Passenger Service Fee (PSF) from the embarking passengers at such rates as the Central Government may specify and is liable to pay for the security component to any security agency designated by the Central Government for providing security services. The rule also provides that in respect of a major airport ‘such rate’ shall be as determined under clause (c) of sub section (1) of Section 13 of the Act.

1.3 The airport operators have been till date charging PSF at the rates approved by the Central Government before the establishment of the Authority Further, PSF receipts have been divided in to two components, namely, Security Component (SC) and Facilitation Component (FC).

2.1 To ensure transparency in the process leading up to the framing of appropriate procedures/systems for economic regulation, as required under the Act, the Authority issued a White Paper on “Regulatory Objectives and Philosophy in Economic Regulation of Airports and Air Navigation Services” (“White Paper”) on 22.12.2009. The White Paper provided stakeholders an opportunity to consider the issues highlighted therein and submit evidence-based feedback, comments and suggestions. The Authority received 28 submissions in response to the White Paper which were uploaded on the Authority’s website for general information.

2.2 The Authority considered the views and opinions submitted in response to the White Paper and prepared a Consultation Paper (No.03/2009-10) listing out the major issues impacting formulation of its regulatory philosophy and approach and laying out its rationale for the positions/approach it was minded to take. The Consultation Paper was issued on 26.02.2010 with the intention of providing a further opportunity to stakeholders to make relevant submissions to the Authority before the regulatory philosophy and approach was finalized. On 16.03.2010, the Authority also convened a meeting to elicit the views of the stakeholders in person. The Authority received 21 written submissions containing suggestions and comments in respect of the Consultation Paper. The minutes of the stakeholder consultation meeting as also the comments received on the Consultation Paper were uploaded on the Authority’s website.

2.3 In the Consultation Paper No.03/2009-10, the Authority had indicated that it was minded to consider determination of PSF to entirely cover such security related costs (and such costs alone) in the future. Any costs being defrayed in the past by the

Facilitation Component will be considered for remuneration through other tariff components as may be proposed by airports and approved by the Authority. The PSF would, therefore, be adjusted in future to reflect only actual security costs as per the guidelines laid down by the Government of India or any other authority on its behalf, and the Authority will review the appropriateness of expenditure based on available evidence.

2.4 The Authority considered the views and responses submitted by the stakeholders on various aspects of Consultation Paper and pursuant to stakeholder consultation issued an Order (No.13/2010-11) on 12.01.2011 wherein it was, inter-alia, decided that that the assets related to mandated security expenditure as laid down by the Government/ Bureau of Civil Aviation Security (BCAS) shall be excluded from the scope of RAB of the airport and the entire cost of security related assets shall be met out of Passenger Service Fee (PSF) and that guidelines for determination of PSF shall be issued separately.

2.5 While laying down the overall approach which the Authority would adopt for regulation of aeronautical services the Authority has stated that it has separately initiated a process to analyse and assess the implications of the principles and mechanics, relating to tariff fixation, contained in the SSA(s) in consultation with the respective Airport Operators at Delhi and Mumbai. However, in so far as the determination of PSF is concerned, the Authority is of the opinion that there is nothing in the SSA(s) that would require a different approach to be adopted in this respect.

3.1 It is noted that the Ministry of Civil Aviation have vide Order F.No.AV13024/047/2003-SS dated 20.6.2007 decided as under:

- (i) PSF security component collected at an airport operated by a JVC or private airport operator will be utilized at the airport concerned only to meet the security related expenses of that airport.
- (ii) AAI will be considered as a single licensee in respect of its airports for this purpose with liberty to pool the passenger service fee security component collections from such airports and use the same for meeting the security related expenses at any of its airports.

3.2 The Authority is informed that, accordingly the AAI has been keeping combined accounts of PSF levy. Since this Authority is required to determine the rate of PSF only in respect of 9 major airports of AAI, including 2 civil enclaves at Pune and Goa, the issue of separation of accounts of these 9 major airports would have to be appropriately considered by the AAI. Further, while Government has issued detailed guidelines in respect of accounting and audit of the PSF(SC) by the private airport operators, such guidelines/standing operating procedures have not been issued in respect of AAI. Furthermore, as mentioned above, the Government **has permitted AAI to adopt a “system approach” in respect of PSF.**

3.3 In view of the same, Authority is of the opinion that, presently, there is no need to issue guidelines for determination of PSF in respect of the major airports operated by the AAI and that the Authority may, for the time being, if required, address proposals of AAI, on case to case basis.

3.6 Keeping in view the above, the Authority proposes to issue guidelines for determination of rate of PSF in respect of private airports which are major airports

(major private airport). A **Draft of the “Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Passenger Service Fee at Major Private Airports) Guidelines, 2011” is enclosed.** These guidelines shall be applicable to the operators of Major Private Airports at Delhi, Mumbai, Hyderabad, Bangalore and Cochin.

4. Stakeholders are requested to give evidence based feedback/comments in respect of the Draft Guidelines enclosed herewith. It may please be observed that by way of appropriate Notes below Clauses 4.1 and 4.2 in the Draft Guidelines, the Authority has sought comments specifically on the relevant issues.

5. The Authority welcomes written evidence-based feedback, comments and **suggestions from stakeholders on the draft “Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Passenger Service Fee at Major Private Airports) Guidelines, 2011”** latest by **14th April’ 2011** at the following address:

**Shri Sandeep Prakash**

**Secretary**

**Airports Economic Regulatory Authority of India**

**AERA Building,**

**Administrative Complex,**

**Safdarjung Airport,**

**New Delhi- 110003**

**Email: [sandeep.prakash@era.gov.in](mailto:sandeep.prakash@era.gov.in), [sandeep.moca@nic.in](mailto:sandeep.moca@nic.in)**

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**Yashwant S. Bhave**

**Chairperson**

**Enclosure:** Draft of “Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Passenger Service Fee at Major Private Airports) Guidelines, 2011”

*Draft*

**Airports Economic Regulatory Authority of India**

**Airports Economic Regulatory Authority of India (Terms and Conditions  
for Determination of Passenger Service Fee at Major Private Airports)  
Guidelines, 2011**

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

**Date – XX March'2011**

## **Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Passenger Service Fee at Private Airports) Guidelines 2011**

Whereas in terms of Rule 88 of the Aircraft Rules, 1937 a licensee of an airport is entitled to collect Passenger Service Fee (PSF) from the embarking passengers at such rates as the Central Government may specify; and further that the licensee is liable to pay for the security component to any security agency designated by the Central Government for providing security services;

Whereas under section 13(1)(c) of the Airports Economic Regulatory Authority of India Act, 2008 (the Act), the Authority is required to determine the amount of the Passengers Service Fee at Major Airports;

Whereas in terms of section 13(4) of the Act, the Authority shall ensure transparency while exercising its power and discharging its functions;

Whereas under section 15 of the Act, the Authority may, for the purpose of discharge of its functions under the Act, issue, from time to time to the Airport Operator(s), such directions as it may consider necessary;

Whereas in consequence thereof, the Authority considers it necessary, for the purpose of discharge of its function of determination of the amount of Passenger Service Fee which Airport Operators of Major Airports can levy on embarking passengers, and to ensure transparency while discharging its aforesaid function, to issue guidelines setting out a framework incorporating terms, conditions, systems, procedures, and information requirement therefor;

Now, therefore, in terms of powers conferred on it under section 15 of the Act, the Authority hereby directs the Airport Operator(s) to act in accordance with the following guidelines:

### **1. PRELIMINARY**

#### **1.1. Short Title, Extent and Commencement:**

- 1.1.1. These guidelines shall be called the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Passenger Service Fee) Guidelines, 2011 (“Guidelines”).
- 1.2. These Guidelines shall apply to Airport Operator(s) of Private Airports which are Major Airports (hereinafter referred to as Major Private Airports);
- 1.3. These Guidelines shall come into force on the date of issue by the Authority.

### **2. Definitions**

In these Guidelines, unless the context otherwise requires:

- 2.1. **Act** means the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008);
- 2.2. **Aggregate PSF Revenue Requirement** means the cumulative of PSF Revenue Requirement for all Tariff Year(s) in a Control Period;
- 2.3. **Airport Operator** means the licensee of a Major Private Airport or the authority which manages such airport;

- 2.4. **Allowed PSF** means the PSF per embarking passenger allowed to be recovered in a Control Period, calculated according to Clause 4.3;
- 2.5. **Annual PSF Compliance Statement** means an annual statement submitted, in accordance with Clause 5.5, by the Airport Operator(s);
- 2.6. **Authority** means the Airports Economic Regulatory Authority;
- 2.7. **Clause(s)** shall mean the Clause(s) of these Guidelines;
- 2.8. **Confidential Information** shall mean information, including a formula, pattern, compilation, programme device, method, technique, or process, that:
- a) is secret in that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
  - b) has commercial value because it is secret; and
  - c) has been subject to reasonable steps under the circumstances by the person lawfully in control of the information, to keep it secret.
- 2.9. **Control Period** means a period of five Tariff Years, during which the Multi Year PSF Order and Allowed PSF as determined by the Authority pursuant to such Order shall subsist, provided that the first Control Period shall commence from 1st April 2011;
- 2.10. **Form(s)** shall mean the prescribed form(s) listed in the Schedule to these Guidelines;
- 2.11. **Multi Year PSF Order** means such order as may be made by the Authority specifying the Allowed PSF to be levied during a Control Period;
- 2.12. **Multi Year PSF Proposal** means a proposal by the Airport Operator(s) to the Authority before the start of a Control Period for, determination of Allowed PSF per embarking passenger for a given Control Period, in accordance with Section A1.2;
- 2.13. **Passenger Service Fee** shall mean the fee related to the security component or PSF (SC), which the Airport Operators at Major Airports are entitled to collect from embarking passengers under provisions of Rule 88 of the Aircraft Rules, 1937 in such amount as provided under provisions of these Guidelines. As specified in the AERA Order No. 13/2010-11, the PSF shall cover only the expenses pertaining to mandated security expenditure. Any costs being defrayed in the past by the Facilitation Component will be considered for remuneration through other tariff components as part of the overall yield per passenger. Accordingly, PSF under these Guidelines will correspond to the PSF(SC) under Ministry of Civil Aviation, Government of India guidelines/ circulars as issued from time to time;
- 2.14. **Private Airport** shall have the same meaning as assigned to it under section 2 (nn) the Airports Authority of India Act, 1994.
- 2.15. **PSF Escrow Account** means a separate Escrow Account opened and operated by the Airport Operator for depositing the PSF (SC) as mandated by Ministry of Civil Aviation, Government of India under Standard Operating Procedure for Account/ Audit of PSF (SC);

- 2.16. **PSF Regulatory Building Blocks** means components required for determining the PSF Revenue Requirement for Tariff Year(s) of the relevant Control Period as enumerated in Clause 5;
- 2.17. **PSF Revenue Requirement** means the revenue requirement in a Tariff Year for security related services provided at the Major Airport as determined by the Authority, taking into consideration, the interest on debt raised for financing any part of security related assets, forecast depreciation on such security related assets as may be financed by raising debt, forecast operation and maintenance expenditure, and forecast taxation on PSF receipts calculated according to Clause4;
- 2.18. **Section(s)** mean the section(s) of the Appendices attached to these guidelines;
- 2.19. **Tariff Year** means each year commencing on 1st April of a calendar year and end on 31st March of the subsequent calendar year;
- 2.20. Words and expressions used but not defined in these Guidelines shall have the same meaning respectively assigned to them under the Act and orders/ instructions/ guidelines issued by Ministry of Civil Aviation, Government of India on PSF(SC).
- 2.21. **Interpretation**
- In case of any dispute regarding interpretation as to the meaning of any term, expression or provision in these Guidelines, the decision of the Authority shall be final and binding.



## **Chapter I**

### **3. Procedure for submission and review of PSF Proposals**

- 3.1. All Airport Operator(s) shall, within four months of the date of issue of these Guidelines, submit to the Authority for its consideration, a Multi Year PSF Proposal for the first Control Period in the form and manner specified in Section A1.2 of Appendix 1 hereto:

*Provided* that the due date for submission of the Multi Year PSF Proposal for subsequent Control Period(s) shall be as specified by the Authority.

*Provided* further that in the event that any airport becomes a Major Private Airport, after issue of these Guidelines, the Airport Operator of such Major Private Airport shall, within four months of the date of the airport becoming a Major Private Airport, submit to the Authority for its consideration, a Multi Year PSF Proposal in accordance with these Guidelines.

- 3.2. The Authority shall analyse the said Multi Year PSF Proposal submitted by the Airport Operator and put into public domain the information received from the Airport Operator(s) as part of their Multi Year PSF Proposal along with the tentative views of the Authority thereon, for the purpose of stakeholder consultation,

*Provided* that the Authority shall consider specific submission(s) from Airport Operator(s) for not putting into public domain certain information contained in the Multi Year PSF Proposal, on the ground that such information constitutes Confidential Information. The Authority shall review such submission (s) and take a decision as may be deemed appropriate in the facts and circumstances of the case.

- 3.3. The Authority shall, upon due consideration of the Multi Year PSF Proposal; stakeholder consultations thereon; and obtaining such additional information, as may be required, issue a Multi Year PSF Order for a Control Period:

*Provided* that the Authority may, for administrative exigencies, notify a separate schedule for making Multi Year PSF Orders in respect of the Multi Year PSF Proposals received from the Airport Operators.

*Provided* further that after receiving the Multi Year PSF Proposals, if the Authority is of the opinion that it may not be possible to issue the Multi Year PSF Order, as per timelines contemplated in these Guidelines, the Authority may issue appropriate order(s) for regulating the Allowed PSF during such interim period.

*Provided* further that since for the first Control Period, it would not be possible to determine the PSF in respect of any of the Major Private Airports before 1<sup>st</sup> April 2011, the PSF would continue to be charged at the existing rates in the interim period, till the PSF as may be determined under these Guidelines becomes applicable.

- 3.4. All Airport Operator(s) shall submit an Annual PSF Compliance Statement, within one month from the date on which the audited information, as mandated by Ministry of Civil Aviation, for a Tariff Year becomes available.
- 3.5. Upon receiving a written request for extension of time for the submission of Multi Year PSF Proposal, an Annual PSF Compliance Statement or such other document or information that the Authority had required the Airport Operator(s) to submit, the

Authority may grant such extension of time, as it deems appropriate, based on the facts and circumstances of the case.

- 3.6. In the event that the Airport Operator(s) fails to submit the said Multi Year PSF Proposal, Annual PSF Compliance Statement or such other document or information that the Authority may have required the Airport Operator(s) to submit within the prescribed period, or extension thereto, if any, the Authority may make such order as it deems appropriate.

## Chapter II

### 4. Procedure for determination of PSF

4.1. The Authority shall calculate the Aggregate PSF Revenue Requirement for a given Control Period based on determination of the PSF Regulatory Building Blocks as under:

- 4.1.1. Interest on debt raised for financing any part of security related assets;
- 4.1.2. Security related Operation and Maintenance Expenditure;
- 4.1.3. Depreciation on such security related assets as may be financed by raising debt;
- 4.1.4. Taxation on PSF receipts.

Note: Authority invites comments on any other relevant factors as may be applicable for determination of Aggregate PSF Revenue Requirement.

4.2. The PSF Revenue Requirement for a Tariff Year  $t$  of the Control Period ( $PRR_t$ ) shall be expressed as under:

$$PRR_t = (1 + 5\%) \times (I_t + O_t + D_t + T_t)$$

Where

$t$  is the Tariff Year in the Control Period;

$I_t$  is the Interest on debt raised for financing any part of security related assets for Tariff Year  $t$ ;

$O_t$  is the Security related Operation and Maintenance Expenditure forecast for Tariff Year  $t$ ;

$D_t$  is the Depreciation forecast on such security related assets as may be financed by raising debt for Tariff Year  $t$ ;

$T_t$  is the Tax forecast on PSF receipts for the Tariff Year  $t$ ; and

$PRR_t$  is the PSF Revenue Requirement for Tariff Year  $t$ .

Note: The Authority considers provision of 5% surplus over heads pertaining to Interest, Operation and Maintenance Expenditure, Depreciation and Tax above as appropriate so as to ensure that any unforeseen expenditure on the security related functions at airports could be incurred in a timely manner. (As per extant instructions of Ministry of Civil Aviation, Government of India, the PSF receipts are to be held by the Airport Operators in fiduciary capacity for the Government in earmarked Escrow Accounts with a Scheduled Nationalised Bank, with attendant accounts required to be maintained separately and audited by the Comptroller & Auditor General of India (CAG)).

4.3. The Authority shall determine the amount of PSF per embarking passenger (**PSF**) for the Control Period using the following formula:

$$\text{Allowed PSF per embarking passenger (PSF)} = \frac{\sum_{t=1}^5 PV(PRR_t) - ISD}{\sum_{t=1}^5 (VE_t)}$$

Where:

Present Value (PV) of  $PRR_t$  for all Tariff Years (t from 1 to 5) in a Control Period is being determined at the beginning of the Control Period; and

The Authority shall consider the rate of discount for the purpose of calculating such Present Value as the applicable State Bank of India Prime Lending Rate (BPLR), and in the absence of such rate, any other arrangement that substitutes such BPLR as may be considered appropriate by the Authority.

$VE_t$  is the total number of embarking passengers (international and domestic) in a Tariff Year t as estimated by the Authority in the Multi Year PSF Order;

$PRR_t$  is the PSF Revenue Requirement for Tariff Year t.

ISD is the surplus or deficit (considered as a negative amount in the above equation) in the PSF(SC) account at the time of submission of the Multi Year PSF Proposal.

Provided that for the first Control period, commencing on 1<sup>st</sup> April 2011, the ISD shall be reckoned as on the 31<sup>st</sup> March 2011.

## **5. PSF Regulatory Building Blocks**

### 5.1. Interest Cost of Debt

5.1.1. As per extant instructions, the security related capital assets are permitted to be mortgaged for financing purposes with prior approval of Ministry of Civil Aviation, Government of India, on case to case basis.

5.1.2. In case any such debt is raised, or proposed to be raised, with the approval of Ministry of Civil Aviation, the Authority shall consider a normative cost of any quantum of debt actually raised, or proposed to be raised, by mortgaging of any security related capital assets, at the applicable State Bank of India Prime Lending Rate (BPLR), and in the absence of such rate, any other arrangement that substitutes such BPLR as may be considered appropriate by the Authority.

5.1.3. Financing costs associated with raising of such debt shall be considered as part of asset cost and not as an adjustment to the normative cost of debt.

### 5.2. Security related Operation and Maintenance Expenditure

5.2.1. Security related operation and maintenance expenditure including capital expenditure, if any, which is required to be expensed during the Tariff Year, shall be considered by the Authority based on the authorisation/ requirement/ permission from the Bureau of Civil Aviation Security or any other agency as may be authorised by the Central Government in this behalf.

5.2.2. The Authority requires any collections from the airlines to be appropriated first towards the PSF payments.

### 5.3. Depreciation (D)

5.3.1. Depreciation shall be allowed for in calculating PSF Revenue Requirement on a forecast basis for each Tariff Year in a Control Period, for such security related assets as may be financed / or considered for financing by raising debt, and shall be calculated for such security related asset(s) using the actual repayment period of corresponding debt raised / proposed to be raised.

5.4. Taxation on PSF receipts

5.4.1. The Authority shall review forecast for income tax calculation on PSF receipts by the Airport Operator with a view to ascertain inter alia the appropriateness of the allocation and the calculations thereof with respect to the guidelines / instructions issued by the Ministry of Civil Aviation, Government of India from time to time.

5.5. Annual PSF Compliance Statement

5.5.1. The Airport Operator(s) shall submit the Annual Compliance Statement, in the form and manner provided in Section A1.5 of Appendix 1 to the Authority. In addition, the Airport Operator(s) shall submit the copies of audited Passenger Service Fee (Security Component) Annual Financial Accounts and any other information, which the Authority may from time to time specify.

## Appendix 1

### **A1.1. Procedure for collecting data and information required**

- A1.1.1. To enable the Authority to determine PSF pursuant to these Guidelines, the Airport Operator(s) shall submit a Multi Year PSF Proposal in the prescribed Form A and in accordance with Section A1.2.
- A1.1.2. During the Tariff Year, the Airport Operator(s) shall maintain the required information for submission to the Authority as under:
  - A1.1.2.1. Annual PSF Compliance Statement in accordance with Section A1.5 .
- A1.1.3. The Airport Operator(s) shall submit one (1) original and two (2) duplicate hard copies and one (1) soft copy for the Multi Year PSF Proposal and Annual PSF Compliance Statement.
- A1.1.4. In case of discrepancies, if any, between the information contained in original hard copy and any other copies, the information contained in the original hard copy shall be relied upon by the Authority.
- A1.1.5. The information requirements are set out hereunder.

### **A1.2. Information relating to Multi Year PSF Proposal (read with Clause 4)**

- A1.2.1. Multi Year PSF Proposal shall clearly outline the PSF Revenue Requirement for each Tariff Year of the Control Period based on these Guidelines.
- A1.2.2. The Multi Year Tariff Proposal should be supported by:
  - A1.2.2.1. Information relating to the PSF Regulatory Building Blocks in accordance with Section A1.3;
  - A1.2.2.2. Historical and forecasted Volumes in accordance with Section A1.4;

### **A1.3. Information relating to PSF Regulatory Building Blocks (read with Clause 5)**

- A1.3.1. The Multi Year PSF Proposal should present justifications for each of the Regulatory Building Blocks enumerated herein below:-
- A1.3.2. Quantum of Debt
  - A1.3.2.1. The Airport Operator shall submit details of the quantum of debt actually raised, or proposed to be raised in accordance with Clause 5.1, in the specified Form F1. The Airport Operator(s) shall also submit details on repayment period of such loans.
  - A1.3.2.2. Details of interest and finance charges, arrangement fees incurred for raising finance during Tariff Years shall be submitted as in the specified Form F2.
- A1.3.3. Capital Expenditure
  - A1.3.3.1. The Airport Operator shall submit the details of the projected security related capital expenditure, financed through debt(s) raised/ proposed to be raised from mortgaging of such assets, based on the

authorisation/ requirement/ permission from the Bureau of Civil Aviation Security or any other agency as may be authorised by the Central Government in this behalf, in the specified Form F3.

A1.3.4. Security related Operation and Maintenance Expenditure

A1.3.4.1. Airport Operator(s) shall submit details on all security related operation and maintenance expenditure including capital expenditure, if any, which is required to be expensed during the Tariff Year, based on the authorisation/ requirement/ permission from the Bureau of Civil Aviation Security or any other agency as may be authorised by the Central Government in this behalf, as prescribed in Form F3 and F4.

A1.3.5. Depreciation

A1.3.5.1. For all security related assets, actually financed through existing debt or proposed to be financed through debt to be raised during a Control Period, the Airport Operator(s) shall provide forecast of depreciation on such assets over the corresponding debt repayment periods, in accordance with Clause 5.3.

A1.3.6. Taxation on PSF receipts

A1.3.6.1. The Airport Operator(s) shall provide projections of income tax on PSF receipts, in accordance with Clause 5.4.

**A1.4. Historical and forecasted Volume**

A1.4.1. The Airport Operator(s) shall submit a traffic forecast model for the Control Period; clearly listing therein the core assumptions and justifications including GDP growth rates, elasticity applied, traffic assumptions, any other critical assumptions for the purposes of reviewing the forecasts. The forecasts shall be broken down into various heads listed below:

A1.4.1.1. Annual forecasted volume of embarking and disembarking passengers (with further categorisation into Scheduled and Non-Scheduled, and domestic and international) for each airline;

Provided that such traffic forecast model shall be same as the forecast model submitted by the Airport Operator to the Authority for determination of tariffs in respect of aeronautical services provided by such operators and charges such as User Development Fee.

A1.4.2. The key sensitive variables impacting the forecasts, its expected range and impact on the forecasts shall be clearly explained.

A1.4.3. The Airport Operator(s) shall submit a comparison of forecast numbers to other relevant forecasts (for example, forecasts made by IATA or other industry forums).

A1.4.4. The forecast of passenger number shall be submitted by the Airport Operator(s) in the specified Form F5.

**A1.5. Procedure for preparing the Annual PSF Compliance Statement (read with Clause 5.5)**

A1.5.1. Airport Operator(s) shall submit to the Authority an Annual PSF Compliance Statement, in accordance with the requirement outlined above in Clause 5.5 and in the manner as prescribed in Form F6, F7 and F8. The Airport Operator shall also submit as part of Annual PSF Compliance Statement, the Annual Financial Accounts as prescribed by Ministry of Civil Aviation from time to time for account/audit of Passenger Service Fee (Security Component) along with Form B.



## **Schedule**

This Schedule contains the various prescribed forms that relate to specific Clause(s) of the Guidelines or Section(s) of the Appendix, as the case may be.

**Form A:** (ref: Section A1.1)

### **BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA**

#### **AT NEW DELHI**

#### **SUBMISSION OF MULTI YEAR PSF PROPOSAL FOR AND ON BEHALF OF:**

M/S

I, -----, aged----- resident of ----- acting in my official capacity as ----- in M/s----- having its registered office at ----- do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s ----- in the matter of making this submission before the Airports Economic Regulation Authority of **India, New Delhi ('AERA');**
2. I am competent to make this submission before AERA;
3. I am making this submission in my official capacity and the facts stated herein are based on official records ;
4. The contents of the Multi Year PSF Proposal submission which include (i) Information relating to the PSF Regulatory Building Blocks; (ii) Estimated total embarking passengers and (iii) Justifications, are correct and true to my knowledge and belief and nothing material has been concealed there from.

Sd/

Place

Date:

**Form B:** (ref: Section A1.5)

**BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA**

**AT NEW DELHI**

**SUBMISSION OF ANNUAL PSF COMPLIANCE STATEMENT FOR AND ON BEHALF OF:**

M/S

I, -----, aged----- resident of ----- acting in my official capacity as ----- in M/s----- having its registered office at ----- do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s ----- in the matter of making this submission before the Airports Economic Regulatory Authority of **India, New Delhi ('AERA');**
2. I am competent to make this submission before AERA;
3. I am making this submission in my official capacity and the facts stated herein are based on official records ;
4. The contents of the Annual PSF Compliance Statement submission are correct and true to my knowledge and belief and nothing material has been concealed there from.

Sd/

Place

Date:

Form F1: Loan Master (ref: Section A1.3.2.1)

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

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
<b>Secured Loan</b>							
Repayments during the year							
Interest payments during the year							
Outstanding at the end of the year							
<b>Unsecured Loan</b>							
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	Particulars
2	Source
3	Loan for the Project/ Apportionment to a project
4	Total Loan Amount Sanctioned
5	Loan Tenure
6	Interest Type (Fixed/ Floating)
7	If Fixed interest, rate of Interest %
8	Base Rate, if Floating Interest
9	Margin, if Floating Interest
10	Are there any Caps/Floor?
11	If above is yes, specify caps.floor
12	Moratorium Period
13	Moratorium effective from
14	Repayment Period
15	Repayment Start Date
16	Repayment Frequency
17	Arrangement Fees
18	Outstanding Loan
19	Other terms

> Data from this sheet should be linked to all the sheets wherever details about Debt, Interest Charges, Arrangement fees, Cost of Debt etc. is getting used

\* Projected values to be provided

# Information for last financial year for which audited accounts are available

Form F2: Summary Statement of Interest and Finance Charges (ref: Section A1.3.2.2)

Sl.No.	Particulars	Last available audited year <sup>^</sup>	Financial Year before Tariff Year 1 <sup>*</sup>	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
A	1 Interest charges on Government Loans, Bonds And Advances							
	Government Loans							
	Bonds							
	Foreign Currency Loans / Credits							
	Debentures							
	.....							
	Total							
	2 Interest on 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							

\* Projected values to be provided

# Fields in italics are indicative only

<sup>^</sup> Information for last financial year for which audited accounts are available

**Form F3: PSF Capital Expenditure (ref: Section A1.3.3.1 and Section A1.3.4.1)**

Note:- Information to be provided for 5 year period for all projects either spilling into the period or starting during the period

Project Details				Security related capital expenditure financed through debt(s) raised/ proposed to be raised from mortgaging of such assets																							
S.N.	Project Name	Project Type	Comn. Date	Financial Year before Tariff Year 1*				Tariff Year 1				Tariff Year 2				Tariff Year 3				Tariff Year 4				Tariff Year 5			
				TCAPEX	TCOMM	WIP	Capex	Com.	CDate	WIP	Capex	Com.	CDate	WIP	Capex	Com.	CDate	WIP	Capex	Com.	CDate	WIP	Capex	Com.	CDate	WIP	
1	<i>Project 1</i>	<i>Buildings</i>																									
2	<i>Project 2</i>	<i>Vehicles</i>																									
3	<i>Project 3</i>	<i>P&amp;M</i>																									
4	<i>Project 3</i>	<i>F&amp;F</i>																									

Project Details				Security related capital expenditure expensed during the same Tariff Year																												
S.N.	Project Name	Project Type	Comn. Date	Financial Year before Tariff Year 1*				Tariff Year 1				Tariff Year 2				Tariff Year 3				Tariff Year 4				Tariff Year 5								
				TCAPEX	TCOMM	EXP	WIP	Capex	Com.	EXP	CDate	WIP	Capex	Com.	EXP	CDate	WIP	Capex	Com.	EXP	CDate	WIP	Capex	Com.	EXP	CDate	WIP	Capex	Com.	EXP	CDate	WIP
1	<i>Project 1</i>	<i>Buildings</i>																														
2	<i>Project 2</i>	<i>Vehicles</i>																														
3	<i>Project 3</i>	<i>P&amp;M</i>																														
4	<i>Project 3</i>	<i>F&amp;F</i>																														

Legend	
Project name	Project Name should be a unique name or a primary key assigned to a capex project
Project Type	Type of the project and the asset class to which the capex project belongs
Comn. Date	Date on which the capital project was commenced
Capex	Year-wise capital expenditure estimated to be incurred on the project
EXP	Capex expensed during the Tariff Year
WIP	Work-in-Progress Capex at the end of every Tariff Year
Com.	Estimated commissioning in a particular Tariff Year
CDate	Estimated date of commissioning in a particular Tariff Year
TCAPEX	Total Capex incurred on the project till the end of previous Control Period
TCOMM	Total commissioning on the project till the end of previous Control Period

\* Projected values to be provided  
# Fields in italics are indicative only

Form F4 - PSF Operation and Maintenance Expenditure (ref: Section A1.3.4.1)

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
1	<i>Expenditure on CISF</i>							
2	<i>Other security related expenditure</i>							
3	<i>Collection charges to airlines</i>							
4	<i>Service Tax</i>							
5	<i>Income Tax</i>							
6	<i>Other Taxes</i>							
7	<i>Other expenses</i>							
8	<i>Capital Expenditure Expensed during the Tariff Year</i>							
	Grand Total							

\* Projected values to be provided

# Information for last financial year for which audited accounts are available

^ values indicated in italics are indicative only and the Airport Operator shall use the actual classification used for measuring the expenditure

Form F5 - Forecasted Passenger Traffic (ref: Section A1.4.4)

Year	Domestic Passengers								
	Embarking			Disembarking			Total		
	Optimistic	Most Likely	Conservative	Optimistic	Most Likely	Conservative	Optimistic	Most Likely	Conservative
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
2018-2019									
2019-2020									

Year	International Passengers								
	Embarking			Disembarking			Total		
	Optimistic	Most Likely	Conservative	Optimistic	Most Likely	Conservative	Optimistic	Most Likely	Conservative
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
2018-2019									
2019-2020									

Form F6: Annual PSF Compliance Statement (ref: Section A1.5)

S.N.	Particulars	Actuals for the Tariff Year under consideration
1	Actual Embarking Passengers	
	International	
	Domestic	
3	Actual PSF Revenues Collected	
	International	
	Domestic	



Form F7: Performance Report for the Tariff Year (ref: Section A1.5)

	Actual for the Tariff Year under consideration	Forecast as per the Multi Year Tariff Order
Total Revenue from Allowed PSF Charge		
Total Operation & maintenance expenditure		
Depreciation		
Capital expenditure		
Opening Security related capital asset base		
Disposals/ Transfers		

Form F8: Operation and Maintenance Expenditure incurred during the Tariff Year (ref: Section A1.5)

	Actual for the Tariff Year under consideration	Forecast as per the Multi Year Tariff Order
<i>Expenditure on CISF</i>		
<i>Other security related expenditure</i>		
<i>Collection charges to airlines</i>		
<i>Service Tax</i>		
<i>Income Tax</i>		
<i>Other Taxes</i>		
<i>Other expenses</i>		
<i>Capital Expenditure Expensed during the Tariff Year</i>		
Total Operation & maintenance expenditure		

# Fields in italics are indicative only