



# भारतीय विमानपत्तन प्राधिकरण AIRPORTS AUTHORITY OF INDIA

No. AAI/CHQ/RAB/Mangalore /2021-22

13<sup>th</sup> September, 2021

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

Sub:- Finalization of RAB/True up as on COD in r/o Mangalore Airport.

Sir,

AERA had declared Mangalore Airport as Major Airport vide AERA letter dated 22.06.2016. AAI vide letter dated 08.08.2017 had submitted MYTP for the control period 01.04.2016 to 31.03.2021. AERA vide letter dated 19/07/2018 decided to shift the five year control period from 2016-2021 to 2018-2023. After several meetings AERA, agreed that the shortfall of FY 2016-17 and FY 2017-18 may be carried forward in control period 01.04.2018 to 31.03.2023. Accordingly, AAI submitted the revised MYTP in Dec 2018 vide letter dated 18.12.2018.

2. Further AERA vide letter 04.02.2019, intimated that it would be prudent if the new agency/operator for operation, development and management of Mangalore airport to be selected by AAI through RFP was given an opportunity to file its tariff proposal and Mangalore airport may continue with the existing tariff till determination of tariffs by AERA.

3. The Concession agreement with the concessionaire M/s Adani Mangaluru International Airport Ltd(AMIAL) was signed on 14.02.2020 and the Commercial Operation Date(COD) was achieved on 31.10.2020.

4. As per Concession Agreement the Concessionaire shall be liable to pay to AAI the amount equivalent to investments made by AAI in aeronautical assets as of COD and considered by the AERA as part of Regulatory Asset Base(RAB) subject to reconciliation, True up and final determination by AERA and the same is subject to adjustment as per para 28.11.4(a) & (b).

5. The amount of Estimated Initial RAB/Initial Non-Aeronautical Investments amounting to Rs 74.5 crore has been released by M/s AMIAL on 28.01.2021.

6. AAI has prepared the proposal of True up & Finalization of RAB as on COD in respect of Mangalore Airport as per the terms of the Concession agreement and as per AERA methodology. The proposal has been prepared with actual data for the period 01.04.2016 to 30.10.2020 considering the following

- Traffic data
- Allocation

- Employee Ratio
- Quarters Ratio
- Regulatory Asset Base
- Fair Rate of Return (FRoR )
- Return on land
- Depreciation
- Operating Cost
- Taxation
- Adjusted Non Aeronautical Revenue
- Regulated revenue

7. Based on the above, shortfall has been assessed for 1 st control period (01.04.2016 to 30.10.2020), which is summarized as under:

Particulars (Rs in Cr)	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to 31-Oct-20)	Total
Opening RAB	73.60	104.53	99.20	104.05	113.74	
Closing RAB	104.53	99.20	104.05	113.74	105.25	
Average Regulatory Asset Base (RAB)	89.06	101.86	101.62	108.89	109.49	
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
Return on Average RAB @14%	12.47	14.26	14.23	15.25	15.33	71.53
Depreciation	9.06	9.31	18.40	19.13	10.98	66.88
Operating Expenditure	41.08	54.48	56.81	68.06	33.76	254.18
Return on Land	0.48	0.48	0.48	0.48	0.48	2.38
Unamortised portion of Land - Balance of Land Value	0.00	0.00	0.00	0.00	3.94	3.94
Corporate Tax	0.00	0.00	0.00	0.00	58.24	58.24
Less: Deductions for Non-Aero. Revenues	-4.58	-4.99	-5.60	-5.31	-1.42	-21.89
Total Gross ARR	58.51	73.53	84.31	97.60	121.29	435.25
Revenue earned from Aeronautical Services	52.68	62.75	59.72	48.52	3.63	227.30
(Excess) / Shortfall	5.83	10.78	24.59	49.08	117.67	207.94
Present Value (PV)	1.69	1.48	1.30	1.14	1.00	
PV of (Excess) / Shortfall	9.85	15.96	31.96	55.95	117.67	231.39

8. The following assumptions have been considered.

- Considering the Airport has been transferred to Adani Mangalore International Airport Ltd w.e.f. 31 st Oct 2020, unamortised cost of the land shall be allowed to be claimed in the Financial Year 2020-21.
- Employee Cost includes provisional number towards Retirement Benefit of Rs. 2.13 Crs for FY 2020-21.
- Provision of Rs. 9.05 Crs has been considered towards CHQ/RHQ Expenditure for FY 2020-21

- d. Tax Expenditure of Rs. 58.24 Crs is claimed in FY 2021-22 considering shortfall for the 1st control period that would be paid off by AMIAL in the FY 2021-22 which will attract tax liability for Airport Authority of India.

9. Claim payable by AMAIL

- a. The amount to be paid by Concessionaire shall be the present value of Adjusted Deemed Initial RAB calculated using the fair rate of return as determined by the Regulator for the time from the COD to the date of actual payment of the Adjusted Deemed Initial RAB.
- b. AAI has transferred Non-Aeronautical assets amounting to Rs 0.46 cr as on COD which is subject to verification/determination by Independent Engineers as per Clause 28.12.3 of CA.
- c. AMIAL is also required to pay for ANS Assets (Gross Assets Less Depreciation) as on COD amounting to Rs 1.93 Crs in terms of Schedule 1 (S.No 21 to23) of CNS ATM Agreement (Schedule Q of CA) clause of CA.

10. Hence, total Amount payable by Adani Mangalore International Airport Limited as per the concession agreement as on COD subject to final determination by the Airports Economic Regulatory Authority (AERA) of the RAB/Shortfall and Non Aeronautical Investment is as follows:

Sr. No.	Particulars	Amount Rs. In Crore
A	Regulatory Asset Base as on COD – Transferred to to AMIAL Net of Assets retained by AAI	104.78
B	Non-Aeronautical Assets to AMIAL	0.46
C	ANS Assets Transferred to AMIAL	1.93
D	Short of True up for 1 st Control Period	231.39
Total		338.56

The detailed submissions along with workings are enclosed for your consideration and approval.

This issues with the approval of Competent Authority.

Yours sincerely,

(V Vidya)

Executive Director (JVC/Tariff)

Encl: - As above

Copy to : Sh. Manoj Chanduka, M/s AMIAL for information.

Yours sincerely,

(V Vidya)

Director (JVC/Tariff)



## **Airport Authority of India**

**Submission to Airports Economic Regulatory Authority  
of India (AERA) for Determination of Tariff for Airport  
Services for Mangalore International Airport for the  
Control Period - FY 2016-17 to FY 2020-21 (up to COD -  
31<sup>st</sup> Oct 2020)**

**Date of Submission: September 13, 2021**

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# **1. Background and Introduction to Mangalore International Airport**

## **1.1 Background of Airport Authority of India**

1.1.1. 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, with a view to accelerate the integrated development, expansion and modernization of the air traffic services, passenger terminals, operational areas, and cargo facilities at the airports in the country. 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. Structure of Airports Authority of India**

1.2.1. The **Airports Authority of India** or **AAI** is a statutory body (created through the Airports Authority of India Act, 1994) working under the Ministry of Civil Aviation, Government of India.

1.2.2. The major objectives of Airports Authority of India are creating, upgrading, maintaining, and managing civil aviation infrastructure in India.

1.2.3. Airports Authority of India provides Communication Navigation Surveillance / Air Traffic Management (CNS/ATM) services over Indian airspace and adjoining oceanic areas.

1.2.4. AAI covers all major air-routes over Indian landmass via Radar installations along with VOR/DVOR installations co-located with Distance Measuring Equipment (DME).

1.2.5. AAI having its Corporate Headquarters at Rajiv Gandhi Bhawan, New Delhi is operating from its Five Regional Headquarters namely-

- Eastern Regional Headquarter at Kolkata, West Bengal
- Western Regional Headquarter at Mumbai, Maharashtra
- Northern Regional Headquarter at Delhi, NCR
- Southern Regional Headquarter at Chennai, Tamil Nadu.
- North-Eastern Regional Headquarter at Guwahati, Assam.

1.2.6. Airports Authority of India has wholly owned subsidiaries, subsidiaries and joint ventures as follows.

Sl. No.	Name of Subsidiary/JV/Associate	Stake
1	AAI Cargo Logistics & Allied Services Company Ltd., (AAICLAS)	Subsidiary (100%)
2	Chandigarh International Airport Limited (CHIAL)	Subsidiary (51%)
3	Dholera International Airport Company Limited	Subsidiary (51%)
4	Delhi International Airport Limited (DIAL)	Joint Venture (26%)
5	Mumbai International Airport Limited (MIAL)	Joint Venture (26%)
6	GMR Hyderabad International Airport Limited (HIAL)	Joint Venture (13%)
7	Bangalore International Airport Limited (BIAL)	Joint Venture (13%)
8	National Flying Training Institute Private Limited, Gondia	Joint Venture (46%)
9	MIHAN India Limited, Nagpur	Joint Venture (49%)
10	Kannur International Airport Limited	Joint Venture (8.62%)
11	Digi Yatra Foundation	Joint Venture (26%)

### 1.3. Overview of Mangalore International Airport

- 1.3.1. Mangalore is a central city of Dakshina Kannada district which is a major place for trade and commerce which includes industries, seaport, and airport. Many multinational corporates are establishing in Mangalore, which shows promising economic development within a few years ahead. Astronomically immense infrastructure projects are taken up, and the Banking Industry found its stable location in Mangalore. Mangalore is known as the "cradle of Education" which various streams being introduced in and around the city. This trend attracts may National and Internal passengers which gave a beautiful blend of culture.
- 1.3.2. Mangaluru Airport is an integrated (Domestic/International) terminal spread over an area of 2,362,433.37 sq. meters. The terminal has 21 check-in counters, 24 immigration counters, 8 customs check and 3 security kiosks with a capacity of handling 500 inbound and 500 outbound passengers. The Airport offers Facilities such as Free trolleys, Baggage Wrapping, Flight Insurance Counters, ATM and Cash Machines, Currency Exchange, Post Office, Newspaper/Magazine vending machines, Medical Centers, Car Rental Services, Pre-paid Taxi Services, etc.,

### 1.4. History of Mangalore Airport

- 1.4.1. Mangalore International Airport was declared as Major Airport (Vide order No. AERA/20010/Misc./2020-11/Vol III/9296 dt. 22<sup>nd</sup> Jun 2016)
- 1.4.2. AAI has submitted MYTP on 8<sup>th</sup> Aug 20217 considering the 1<sup>st</sup> Control period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> Mar 2021.
- 1.4.3. AERA Vide letter dated 25<sup>th</sup> Jun 2018 had shifted the control period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> Mar 2021 to 1<sup>st</sup> April 2018 to 31<sup>st</sup> Mar 2023 stating that steep rise in Tariff may be required for balance of control to match the ARR & likelihood that tariff would have to be significantly

reduced in next control period resulting in volatility in tariff, which would not be prudent from Stakeholder's perspective.

- 1.4.4. AAI Submitted fresh MYTP for 1<sup>st</sup> Control period considering the period as 1st April 2018 to 31st Mar 2023 dated 18th Dec 2018 with Ref. no. AAI/CHQ/AERA/MYTP-Mangalore
- 1.4.5. AERA vide letter dated 04/02/2019 intimated AAI that it would be prudent if the new agency/operator to be selected by AAI through RFP is given an opportunity to file its tariff proposal and Mangalore airport may continue with the existing tariff till determination of tariff by AERA.

## **1.5. Right to Operate Mangalore Airport**

- 1.5.1. In February 2019, the Adani Enterprises-led Adani Airport Limited (AAL) won the rights of operations, management and development of the airport under the public-private partnership (PPP) model.
- 1.5.2. On 14<sup>th</sup> February 2020, Concession Agreement was signed between Airport Authority of India and Adani Mangalore International Airports Limited (AMIAL)
- 1.5.3. As per the agreement, the airports would be handed to the company for a period of 50 years. The company will pay the per-passenger fee to Airport Authority of India for every domestic and international passenger handled at the airport.
- 1.5.4. **Other Key Highlights of the Agreement with AMIAL are as follows:**
  - 1.5.4.1. **Maintenance Obligation prior to COD:** Prior to COD, the Authority must maintain the airport at its own cost and expense such that its condition is not materially inferior as compared to 7 days before the bid date. Authority must undertake only routine maintenance. Special repairs only to ensure the safe operation or in the event of excessive damage due to unforeseen events. For any material deterioration or damage other than normal wear and tear, undertake repair thereof, or pay to the Concessionaire the cost and expense, as determined by the Independent Engineer, for undertaking such repair after COD. (Para - 6.2 of the Concession Agreement)
  - 1.5.4.2. **Authority's Employees:** The Concessionaire shall pay monthly an amount equal to the emoluments payable (calculated on cost to company basis and includes costs towards voluntary retirement) by the Authority to the Select Employees. In case



of any delay on the part of the Concessionaire, they are liable to pay for the period of delay at a rate equal to 2% above the bank rate.

- 1.5.4.2.1.** Commencing from the expiry of the Deemed Deputation Period, the Concessionaire must pay monthly the Authority an amount equal to the emoluments payable by the Authority to the Deficit Employees. This payment will continue until the retirement or separation of the Deficit employees from the service of the Authority. The Deficit Employee costs shall be considered for pass-through in the determination of the Aeronautical Charges. **(Para - 6.5 of the Concession Agreement)**
- 1.5.4.3.** **Property Taxes/ Service Charge and Other Charges** -Any charges and taxes in respect of the site if paid by the Authority shall be reimbursed by the Concessionaire within 30 days of receiving a notice with particulars from the Authority. **(Para 10.10 of the Concession Agreement)**
- 1.5.4.4.** **Transfer of Finances** -All liabilities incurred by the Authority prior to COD shall continue to vest with the Authority at all times. Any claims arising from the Novated or Non-Novated contracts before COD provided any individual claim is not less than Rs. 2 Crore nor the aggregate liability for all claims be equal to or exceed Ts. 20 Crore shall be the liability of the Authority alone.
- 1.5.4.4.1.** Authority shall remain the Aerodrome Operator until the Concessionaire obtains the aerodrome license within 1 year from COD. All liabilities arising as a result thereof shall be deemed to be the liabilities of the Concessionaire. **(Para 16.1 of the Concession Agreement)**
- 1.5.4.5.** **Deemed Initial RAB** -The Concessionaire shall pay the Authority an amount equivalent to the investments made by the Authority in the Aeronautical Assets as of the COD and considered by the Regulator as part of the Regulatory Asset Base.
- 1.5.4.5.1.** The estimated depreciated value of investments made by the Authority in the Aeronautical Assets at the Airport as on March 31, 2018 is Rs. 71 Crore ("Estimated Deemed Initial RAB"). This Estimated Deemed Initial RAB shall be due and payable by the Concessionaire to the Authority within 90 days of COD.

- 1.5.4.5.2.** Upon the reconciliation, true-up and final determination by the Regulator of the quantum of the investment, any surplus or deficit in the Estimated Deemed Initial RAB with respect to the Deemed Initial RAB shall be adjusted as part of the Balancing Payment after the expiry of 15 days from such final determination by the Regulator with due adjustment for the following ("Adjusted Deemed Initial RAB"):
- 1.5.4.5.2.1.** reduced to the extent of over-recoveries, if any, of Aeronautical Revenues by the Authority until the COD, that the Regulator would provide for as a downward adjustment while determining Aeronautical Charges for the next Control Period; or
- 1.5.4.5.2.2.** increased to the extent of under-recoveries, if any, of Aeronautical Revenues by the Authority until the COD, that the Regulator would provide for as an upward adjustment while determining Aeronautical Charges for the next Control Period.
- 1.5.4.5.3.** The amount to be paid by the Authority or Concessionaire shall be the present value of Adjusted Deemed Initial RAB calculated using the fair rate of return as determined by the Regulator for the time from the COD to the date of actual payment of the Adjusted Deemed Initial RAB. (Para 28.11 of the Concession Agreement)
- 1.5.4.6.** **Initial Non-Aeronautical Investments** -The Concessionaire shall pay to the Authority an amount equal to the estimated depreciated value of investment made by the Authority in the Airport as of COD towards development of Non-Aeronautical Assets ("Initial Non-Aeronautical Investments") which as on March 31, 2018 is Rs. 3.5 Crores ("Estimated Initial Non-Aeronautical Investments").
- 1.5.4.6.1.** Upon the final determination by the Independent Engineer of the quantum of the Initial Non-Aeronautical investments, any surplus or deficit amount shall be adjusted as part of the Balancing Payment that becomes due and payable as per Clause 31.4 after the expiry of 15 days from such final determination. The amount to be paid by the Authority or Concessionaire shall be the present value of the same calculated using the fair rate of return as determined by the Regulator for

the time from the COD to the date of actual payment of such amount. (Para 28.12 of the Concession Agreement).

## 2. Methodology for Tariff Determination

### 2.1. Methodology / Approach to preparation of MYTP Submission

- 2.1.1. The Authority, vide Order No. 13/2010-11 dated 12.01.2011 (referred to as "Airport Order" hereinafter) and Direction No. 5/2010-11 dated 28.02.2011 (referred to as "Airport Guidelines" hereinafter), has issued guidelines to determine tariffs at major airports based on Single Till mechanism. Subsequently, the Authority has amended guidelines vide Order no. 14/2016-17 dated 12.01.2017 to determine future tariffs using Hybrid Till.
- 2.1.2. The tariff determination process consists of true up of 2<sup>nd</sup> Control period and determination of building blocks for 3<sup>rd</sup> Control period. The Authority proposes to undertake true-up of 2<sup>nd</sup> Control period and the determination of building blocks for 3<sup>rd</sup> Control period under Hybrid Till.
- 2.1.3. The Aggregate Revenue Requirement (ARR) under regulatory framework of Authority is calculated as under

$$ARR = \sum_{t=1}^5 (ARR_t) \text{ and}$$

$$ARR_t = (FROR \times RAB_t) + Dt + Ot + Tt - \alpha \times NAR_t$$

Where,

t is the Tariff Year in the control period;

ARR<sub>t</sub> is the Aggregate Revenue Requirement for the year t;

FROR is the fair Rate of Return for the control period;

RAB<sub>t</sub> is the Aeronautical Regulatory Asset Base for year t;

D<sub>t</sub> is the Depreciation corresponding to the Aeronautical RAB for year t;

O<sub>t</sub> is the Aeronautical Operation and Maintenance Expenditure for year t, which include all expenditures incurred by the Airport Operator(s) towards aeronautical activities including expenditure incurred on statutory operating costs and other mandatory operating costs;

T<sub>t</sub> is the Tax for the year t, which includes payments by Airport Operator in respect of corporate tax on income from assets/amenities/ facilities/services taken into consideration for determination of ARR for year t;

$\alpha$  is 30% cross subsidy factor for revenue from services other than aeronautical services under Hybrid Till for 2<sup>nd</sup> Control Period.  $\alpha$  was 100% cross subsidy factor under Single Till during First Control Period.

NAR<sub>t</sub> is the revenue from services other than aeronautical services (Non-Aeronautical Revenues or NAR) for year t.

2.1.4. Based on ARR, Yield per Passenger is calculated as formula as given below:

$$\text{Yield per Passenger (Y)} = \frac{\sum_{t=1}^5 \text{PV(ARR}_t\text{)}}{\sum_{t=1}^5 (\text{VE}_t)}$$

Where,

Present Value (PV) of ARR<sub>t</sub> for a tariff year t is calculated at the beginning of the control period and the discounting rate for calculating PV is equal to the Fair Rate of Return determined by the Authority.

VE<sub>t</sub> is the Traffic volume in a tariff year t as estimated by the Authority.

ARR<sub>t</sub> is the Aggregate Revenue Requirement for tariff year t.

### 3. True Up for First Control Period (FCP)

#### 3.1. Overview

- 3.1.1. The Airports Authority of India submissions MYTP for 1<sup>st</sup> Control period (2016-17 to 2020-21 - Up to COD) with respect to Mangalore International Airport.

#### 3.2. Traffic:

- 3.2.1. Airport Authority of India submits traffic volume (ATM and Passengers) based on actual traffic for 1<sup>st</sup> control period as follows

Particulars	UoM	2016-17	2017-18	2018-19	2019-20	2020-21 <sup>^</sup>
Domestic Pax	Mn	1.03	1.50	1.52	1.31	0.16
International Pax	Mn	0.71	0.77	0.72	0.57	0.05
<b>Total Pax</b>	<b>Mn</b>	<b>1.73</b>	<b>2.27</b>	<b>2.24</b>	<b>1.88</b>	<b>0.21</b>
Domestic ATMs	Nos	10,294.00	14,383.00	14,597.00	11,903.00	2868
International ATMs	Nos	5,111.00	5,253.00	4,768.00	3,782.00	590.00
<b>Total ATMs</b>	<b>Nos</b>	<b>15,405.00</b>	<b>19,636.00</b>	<b>19,636.00</b>	<b>19,365.00</b>	<b>15,685.00</b>

Note<sup>^</sup>: up to 31<sup>st</sup> Dec 2020

#### 3.3. Allocation of Assets

- 3.3.1. For the allocation of assets, expenditure between aeronautical and non-aeronautical services, Airports Authority of India had divided assets into aeronautical, non-aeronautical and common components. Common components have further been segregated into aeronautical and non-aeronautical assets by applying one of the following three ratios:

- 3.3.2. **Terminal Area Ratio** - Ratio of Aeronautical area to non-aeronautical area (For terminal related assets).

Particulars	31-Mar-17	31-Mar-18	31-Mar-19	30-Mar-20	31-Oct-20
Total Non-Aeronautical area	1992.11	1639.35	1677.11	1779.13	1531.63
Total Terminal Building Area	19127.88	19127.88	19127.88	19127.88	19127.88
<b>% of Non-Aeronautical area to Terminal Building</b>	<b>10.41%</b>	<b>8.57%</b>	<b>8.77%</b>	<b>9.30%</b>	<b>8.01%</b>

- 3.3.3. **Employee Ratio** - Ratio of staff providing commercial assets to staff providing aeronautical services.

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to COD)
<b>No. of Resources</b>					
(i) Air Navigation System	80	90	95	104	91
(ii) Aeronautical	90	93	100	89	86
(iii) Non- Aeronautical	1	1	1	2	3
(iv) Common Resources	19	20	21	21	22
<b>Total</b>	<b>190</b>	<b>204</b>	<b>217</b>	<b>216</b>	<b>202</b>
<b>Reallocation of Common Resources</b>					
(i) Air Navigation System	8.89	9.78	10.18	11.20	11.12
(ii) Aeronautical	10.00	10.11	10.71	9.58	10.51
(iii) Non- Aeronautical	0.11	0.11	0.11	0.22	0.37
<b>Total</b>	<b>19.00</b>	<b>20.00</b>	<b>21.00</b>	<b>21.00</b>	<b>22.00</b>
<b>Employees Count after Reallocation of Common Resources</b>					
(i) Air Navigation System	100.00	103.11	110.71	98.58	96.51
(ii) Aeronautical	1.11	1.11	1.11	2.22	3.37
(iii) Non- Aeronautical	88.89	99.78	105.18	115.20	102.12
<b>Total</b>	<b>190.00</b>	<b>204.00</b>	<b>217.00</b>	<b>216.00</b>	<b>202.00</b>
<b>Employee Ratio for AAI Mangalore</b>					
(i) Air Navigation System	52.63%	50.54%	51.02%	45.64%	47.78%
(ii) Aeronautical	0.58%	0.54%	0.51%	1.03%	1.67%
(iii) Non- Aeronautical	46.78%	48.91%	48.47%	53.33%	50.56%
<b>Employee Ratio for (AERO: Non-Aero)</b>					
(i) Aeronautical	98.90%	98.94%	99.01%	97.80%	96.63%
(ii) Non- Aeronautical	1.10%	1.06%	0.99%	2.20%	3.37%

3.3.4. **Quarters Ratio** - Ratio of staff providing commercial service staying in residential building to staff providing aeronautical service staying in residential building.

Particulars	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20	30-Oct-20
No. of Quarters (Excl. Vacancy)	63	60	52	45	45
No. of Quarters Aero	50	51	39	33	33
<b>Aero Usage Ratio in %</b>	<b>79%</b>	<b>85%</b>	<b>75%</b>	<b>73%</b>	<b>73%</b>

3.3.5. Common Assets have been identified and has been segregated between AERO: Non-Aero: ANS based on the usage of the Asset.

### 3.4. Regulatory Asset Base (RAB)

3.4.1. Airport Authority of India submits Gross Block of Asset, Accumulated Depreciation, Additions, Deletions and closing RAB as follows:

Rs. In Crores

Sr. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to COD)
<b>A</b>	<b>Gross Asset value as on 1st April</b>	<b>276.59</b>	<b>316.58</b>	<b>320.56</b>	<b>343.81</b>	<b>372.63</b>
A1	Land Freehold	0.00	0.00	0.00	0.00	0.00
A2	Runways, Taxiways, Aprons	62.48	95.14	95.05	95.05	100.24
A3	Building Freehold	125.06	125.11	124.97	127.52	131.43
A4	Boundary- Freehold	10.20	10.50	11.35	11.35	12.41
A5	Plant & Equipment-Fr	56.26	62.94	65.36	85.25	96.09
A6	Furniture & Fixtures	2.27	2.32	2.49	2.93	3.55
A7	Vehicles-Freehold	18.53	18.70	19.14	19.44	24.96
A8	Office Appliances-Fr	1.33	1.42	1.75	1.82	1.84
A9	Computer Software-Fr	0.45	0.45	0.45	0.45	0.45
A10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	1.66
<b>B</b>	<b>Accumulated Depreciation as on 1st April</b>	<b>-202.99</b>	<b>-212.05</b>	<b>-221.36</b>	<b>-239.76</b>	<b>-258.89</b>
B1	Land Freehold	0.00	0.00	0.00	0.00	0.00
B2	Runways, Taxiways, Aprons	-62.19	-62.49	-63.58	-64.68	-65.87
B3	Building Freehold	-73.39	-77.37	-81.33	-93.21	-105.07
B4	Boundary- Freehold	-7.02	-7.35	-7.70	-8.71	-9.30
B5	Plant & Equipment-Fr	-44.27	-46.97	-49.95	-53.27	-56.89
B6	Furniture & Fixtures	-2.13	-2.16	-2.20	-2.26	-2.46
B7	Vehicles-Freehold	-12.52	-14.14	-14.88	-15.65	-17.05
B8	Office Appliances-Fr	-1.13	-1.21	-1.31	-1.52	-1.69
B9	Computer Software-Fr	-0.34	-0.37	-0.41	-0.45	-0.45
B10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	-0.11
<b>C</b>	<b>Net Asset value as on 1st April</b>	<b>73.60</b>	<b>104.53</b>	<b>99.20</b>	<b>104.05</b>	<b>113.74</b>
C1	Land Freehold	0.00	0.00	0.00	0.00	0.00
C2	Runways, Taxiways, Aprons	0.29	32.66	31.47	30.38	34.37
C3	Building Freehold	51.68	47.74	43.63	34.31	26.36
C4	Boundary- Freehold	3.18	3.15	3.65	2.63	3.11
C5	Plant & Equipment-Fr	11.99	15.97	15.41	31.98	39.20
C6	Furniture & Fixtures	0.13	0.16	0.30	0.67	1.09



Sr. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to COD)
C7	Vehicles-Freehold	6.01	4.56	4.26	3.79	7.91
C8	Office Appliances-Fr	0.20	0.21	0.44	0.30	0.15
C9	Computer Software-Fr	0.11	0.08	0.04	0.00	0.00
C10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	1.55
<b>D</b>	<b>Additions</b>	<b>40.00</b>	<b>4.79</b>	<b>23.82</b>	<b>29.02</b>	<b>2.62</b>
D1	Land Freehold	0.00	0.00	0.00	0.00	0.00
D2	Runways, Taxiways, Aprons	32.66	0.19	0.00	5.19	0.01
D3	Building Freehold	0.05	0.11	2.55	4.09	0.16
D4	Boundary- Freehold	0.30	0.85	0.00	1.06	0.00
D5	Plant & Equipment-Fr	6.68	2.69	20.46	10.86	2.41
D6	Furniture & Fixtures	0.06	0.18	0.44	0.62	0.00
D7	Vehicles-Freehold	0.17	0.44	0.30	5.52	0.02
D8	Office Appliances-Fr	0.09	0.34	0.07	0.02	0.02
D9	Computer Software-Fr	0.00	0.00	0.00	0.00	0.00
D10	Plant & Equipment-Le	0.00	0.00	0.00	1.66	0.00
<b>E</b>	<b>Sale / Transfer Amount (Including Assets transferred to AAICLAS)</b>	<b>-0.01</b>	<b>-0.81</b>	<b>-0.57</b>	<b>-0.20</b>	<b>-0.14</b>
E1	Land Freehold	0.00	0.00	0.00	0.00	0.00
E2	Runways, Taxiways, Aprons	0.00	-0.27	0.00	0.00	0.00
E3	Building Freehold	0.00	-0.25	0.00	-0.18	-0.11
E4	Boundary- Freehold	0.00	0.00	0.00	0.00	0.00
E5	Plant & Equipment-Fr	0.00	-0.27	-0.57	-0.02	-0.03
E6	Furniture & Fixtures	-0.01	-0.01	0.00	0.00	0.00
E7	Vehicles-Freehold	0.00	0.00	0.00	0.00	0.00
E8	Office Appliances-Fr	0.00	-0.01	0.00	0.00	0.00
E9	Computer Software-Fr	0.00	0.00	0.00	0.00	0.00
E10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	0.00
<b>F</b>	<b>Depreciation for FY</b>	<b>-9.06</b>	<b>-9.31</b>	<b>-18.40</b>	<b>-19.13</b>	<b>-10.98</b>
E1	Land Freehold	0.00	0.00	0.00	0.00	0.00
E2	Runways, Taxiways, Aprons	-0.29	-1.10	-1.10	-1.19	-0.74
E3	Building Freehold	-3.98	-3.97	-11.88	-11.86	-6.93
E4	Boundary- Freehold	-0.33	-0.35	-1.01	-0.58	-0.29
E5	Plant & Equipment-Fr	-2.70	-2.98	-3.32	-3.62	-1.88
E6	Furniture & Fixtures	-0.03	-0.03	-0.07	-0.20	-0.11
E7	Vehicles-Freehold	-1.62	-0.74	-0.77	-1.39	-0.86
E8	Office Appliances-Fr	-0.07	-0.10	-0.21	-0.17	-0.09

Sr. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to COD)
E9	Computer Software-Fr	-0.04	-0.04	-0.04	0.00	0.00
E10	Plant & Equipment-Le	0.00	0.00	0.00	-0.11	-0.06
F	<b>Net Asset value as on 31st Mar</b>	<b>104.53</b>	<b>99.20</b>	<b>104.05</b>	<b>113.74</b>	<b>105.24</b>
F1	Land Freehold	0.00	0.00	0.00	0.00	0.00
F2	Runways, Taxiways, Aprons	32.66	31.47	30.38	34.37	33.64
F3	Building Freehold	47.74	43.63	34.31	26.36	19.48
F4	Boundary- Freehold	3.15	3.65	2.63	3.11	2.82
F5	Plant & Equipment-Fr	15.97	15.41	31.98	39.20	39.70
F6	Furniture & Fixtures	0.16	0.30	0.67	1.09	0.98
F7	Vehicles-Freehold	4.56	4.26	3.79	7.91	7.06
F8	Office Appliances-Fr	0.21	0.44	0.30	0.15	0.08
F9	Computer Software-Fr	0.08	0.04	0.00	0.00	0.00
F10	Plant & Equipment-Le	0.00	0.00	0.00	1.55	1.49

### 3.4.2. Average Regulatory Asset Base (RAB):

3.4.3. Airport Authority of India Submits Average RAB as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)
Opening RAB	73.60	104.53	99.20	104.05	113.74
Closing RAB	104.53	99.20	104.05	113.74	105.25
<b>Average Regulatory Asset Base (RAB)</b>	<b>89.06</b>	<b>101.86</b>	<b>101.62</b>	<b>108.89</b>	<b>109.49</b>

### 3.5. Fair Rate of Return (FRoR)

3.5.1. The Airports Authority of India has considered the FRoR at 14% in line with the decision by AERA taken for Chennai, Kolkata, Guwahati & Lucknow airports for the First Control Period.

Summary of FRoR on Regulatory Asset Base is as follows

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
Average Regulatory Asset Base (RAB)	89.06	101.86	101.62	108.89	109.49	
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
<b>Return on Average RAB @14%</b>	<b>12.47</b>	<b>14.26</b>	<b>14.22</b>	<b>15.22</b>	<b>15.32</b>	<b>71.49</b>

### 3.6. Return on Land & EMI's workings:

- 3.6.1. As per order No. 42/2018-19 issued by Authority on Fair Rate' of Return (FRoR) to be provided on Cost of Land incurred, Authority had suggested to amortise cost of Land over a period of 30 Years based on Equated Annual instalment as follows

$$[\text{Cost} \times \text{Rate} (1+\text{Rate})^{-1} \times 30] / [(1+\text{Rate})^{-1} \times 30 - 1]$$

where,

**Cost:** Actual cost of Land

**Rate:** Actual cost of debt or SBI base rate plus 2% whichever is lower

- 3.6.2. Airport Authority of India has calculated Equated Annual Installments as follows:

Sr. No.	Particulars	Values
1	Cost of Land	4,05,75,385
2	Aero %	100%
3	Interest Rate (SBI Base Rate + 200 Points)	11.23%
4	Equated Annual instalment	47,51,615

- 3.6.3. Airport Authority of India submits Equated Annual Installments for 1<sup>st</sup> Control period and balance of unamortized cost of land as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
Return on Land	0.48	0.48	0.48	0.48	0.48	2.38
Unamortised portion of Land - Balance Value of Land	0.00	0.00	0.00	0.00	3.94 <sup>^</sup>	3.94

Note <sup>^</sup>: Considering the Airport has been transferred to Adani Mangalore International Airport Ltd w.e.f. 31<sup>st</sup> Oct 2020, unamortised cost of the land shall be allowed to be claimed in the Financial Year 2020-21.

### 3.7. Depreciation

- 3.7.1. Depreciation Rates followed by Airport Authority of India is as follows

Asset Class Name	Depreciation Rate from 1.4.2016 onwards	Dep as per Order 35 (1.4.2018 onwards)
Runways, Taxiways, Apron	3%	3%
Building Freehold	3%	10%
Boundary- Freehold	3%	10%
Plant & Equipment-Fr	7%	7%

Asset Class Name	Depreciation Rate from 1.4.2016 onwards	Dep as per Order 35 (1.4.2018 onwards)
Furniture & Fixtures	10%	14%
Vehicles-Freehold	13%	13%
Office Appliances-Fr	17%	33%
Computer Software-Fr	20%	20%
Plant & Equipment-Le	7%	7%

3.7.2. Based on the above rates of Depreciation, The Airports Authority of India submits Depreciation for the 1st Control Period during each financial year is as follows

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to COD)
Land Freehold	0.00	0.00	0.00	0.00	0.00
Runways, Taxiways, Aprons	-0.29	-1.10	-1.10	-1.19	-0.74
Building Freehold	-3.98	-3.97	-11.88	-11.86	-6.93
Boundary- Freehold	-0.33	-0.35	-1.01	-0.58	-0.29
Plant & Equipment-Fr	-2.70	-2.98	-3.32	-3.62	-1.88
Furniture & Fixtures	-0.03	-0.03	-0.07	-0.20	-0.11
Vehicles-Freehold	-1.62	-0.74	-0.77	-1.39	-0.86
Office Appliances-Fr	-0.07	-0.10	-0.21	-0.17	-0.09
Computer Software-Fr	-0.04	-0.04	-0.04	0.00	0.00
Plant & Equipment-Le	0.00	0.00	0.00	-0.11	-0.06
<b>Depreciation for FY</b>	<b>-9.06</b>	<b>-9.31</b>	<b>-18.40</b>	<b>-19.13</b>	<b>-10.98</b>

### 3.8. Operating Expenses

3.8.1. Airport Authority of India Submits Operating Expenditure for the 1st Control Period as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
Employee Benefit	11.89	17.09	20.92	21.95	11.50	83.34
Resources Deployed from DIAL / MIAL	-0.03	-0.03	-0.04	-0.04	0.00	-0.14
Administrative & Other Expenses	1.10	2.34	2.16	1.53	0.80	7.93
Operating Expenses	8.43	11.81	12.27	13.01	6.15	51.66
Repairs & Maintenance	6.08	8.55	7.80	17.00	6.27	45.70
Security Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Prior Period Adjustment (NET)	0.00	0.00	0.00	0.00	0.00	0.00
Finance Cost	0.00	0.00	0.00	0.11	0.00	0.11
CHQ/RHQ	13.61	14.73	13.70	14.50	9.05	65.59

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
<b>Total</b>	<b>41.08</b>	<b>54.48</b>	<b>56.81</b>	<b>68.06</b>	<b>33.76</b>	<b>254.18</b>

**Note**

1. Employee Cost includes provisional number towards Retirement Benefit of Rs. 2.13 Crs.
2. Provisional of Rs. 9.05 Crs has been considered towards CHQ/RHQ Expenditure.
3. Specific Non-Aeronautical cost has been eliminated to the best possible, further Ratio's have been applied based on the nature of expenditure.

### 3.9. Taxation

3.9.1. The Airports Authority of India submits tax amount for the 1st Control Period as part of MYTP submission after considering asset depreciation as applicable under Income Tax laws and tax rate considered are as follows

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Rates adopted for 1 <sup>st</sup> Control Period	34.61%	34.61%	34.94%	25.17%	25.17%	25.17%

3.9.2. Based on the above considerations, the Airport Authority of India submits tax expenditure for 1st Control period as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to 31-Oct-20)	2021-22
<b>Revenue</b>						
Aeronautical Revenue	52.68	62.75	59.72	48.52	3.63	
Return on Land	0.46	0.45	0.45	0.45	0.45	
<b>Shortfall in Revenue<sup>3</sup></b>						231.39
<b>Cost</b>						
Employee Benefit	-11.89	-17.09	-20.92	-21.95	-11.50	
Administrative & Other Expenses	-1.10	-2.34	-2.16	-1.53	-0.80	
Operating Expenses	-8.43	-11.81	-12.27	-13.01	-6.15	
Repairs & Maintenance	-6.08	-8.55	-7.80	-17.00	-6.27	
Security Expenses	0.00	0.00	0.00	0.00	0.00	
Prior Period Adjustment (NET)	0.00	0.00	0.00	0.00	0.00	
Finance Cost	0.00	0.00	0.00	-0.11	0.00	
CHQ/RHQ	-13.61	-14.73	-13.70	-14.50	-9.05	
Depreciation	-34.01	-36.38	-36.68	-42.84	-23.89	
<b>Profit/Loss</b>	<b>-22.00</b>	<b>-27.68</b>	<b>-33.35</b>	<b>-61.97</b>	<b>-53.58</b>	<b>231.39</b>
Tax Rates	34.61%	34.61%	34.94%	25.17%	25.17%	25.17%

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to 31-Oct-20)	2021-22
Tax liability <sup>3</sup>	0.00	0.00	0.00	0.00	0.00	58.24

**Note 3:** Tax Expenditure of Rs. 58.24 Crs is claimed in FY 2021-22 considering shortfall for the 1st control period that would be paid off by AMIAL in the FY 2021-22 which will attract tax liability for Airport Authority of India.

### 3.10. Non-Aeronautical Revenue (NAR)

3.10.1. Airport Authority of India submits non-Aeronautical revenue as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
<b>Trading Concessions</b>						
Restaurant / Snack Bar	2.25	2.23	2.03	1.86	0.11	8.48
T.R. Stall	3.39	3.94	6.14	6.41	0.18	20.07
Hooding & Display	0.00	0.00	0.00	0.00	0.00	0.00
Other Trading Concessions	0.05	0.04	0.04	0.04	0.00	0.17
Rent & Space	1.52	1.65	2.06	2.47	1.56	9.26
Land rent & Lease	0.20	0.06	0.02	0.03	0.02	0.33
Building Residential	1.04	0.84	1.04	0.65	0.41	3.98
Building Non-Residential	0.00	0.12	0.00	0.00	0.00	0.12
Duty Free Shops	3.17	3.36	2.93	2.93	0.07	12.46
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00
Car Rentals	2.15	2.91	2.40	1.27	0.04	8.77
Car Parking	0.00	0.00	0.00	0.00	0.00	0.00
Admission Tickets	0.25	0.12	0.15	0.12	0.05	0.67
Profit on Sale of Fixed Assets	0.03	0.00	0.22	0.14	-0.02	0.36
Other Misc. Income	1.22	1.38	1.62	1.77	2.31	8.29
<b>Total</b>	<b>15.26</b>	<b>16.64</b>	<b>18.65</b>	<b>17.69</b>	<b>4.73</b>	<b>72.97</b>

### 3.11. Aeronautical Revenue

3.11.1. Airport Authority of India submits Aeronautical revenue as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
<b>Landing, Parking and Housing</b>						
Landing Domestic	3.50	5.65	5.01	4.77	0.60	19.53

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (up to 31-Oct-20)	Total
Landing International	6.43	6.67	6.08	4.80	0.34	24.33
Parking Domestic	0.02	0.01	0.02	0.02	0.01	0.08
Parking International	0.07	0.10	0.09	0.09	0.17	0.53
PSF Domestic	5.87	7.20	9.35	7.76	0.43	30.61
PSF International	1.40	2.16	0.01	0.00	0.00	3.57
UDF Domestic	6.31	9.43	9.49	8.24	0.51	33.98
UDF International	25.55	26.14	24.74	19.59	0.94	96.96
Exten of Watch Hours	0.00	0.00	0.00	0.00	0.29	0.29
Cute & SITA charges	1.49	2.15	2.17	1.88	0.10	7.80
Throughput Revenue	0.67	0.86	0.77	0.48	0.00	2.77
Ground Handling Revenue	0.87	2.24	1.80	0.76	0.15	5.82
Cargo Revenue	0.32	0.00	0.00	0.00	0.00	0.32
Concession Fees from AAICLAS	0.00	0.00	0.00	0.00	0.00	0.00
Land lease to Ground Handling Agency	0.10	0.06	0.09	0.06	0.04	0.35
Land lease to Oil companies	0.08	0.07	0.10	0.08	0.04	0.37
<b>Total</b>	<b>52.68</b>	<b>62.75</b>	<b>59.72</b>	<b>48.52</b>	<b>3.63</b>	<b>227.30</b>

### 3.12. True up for 1<sup>st</sup> Control Period

3.12.1. On considering all the above sections under Section 6, the following ARR (Aggregate Revenue Requirement) is submitted for the purpose of True-up for 1<sup>st</sup> Control Period:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to 31-Oct-20)	Total
Opening RAB	73.60	104.53	99.20	104.05	113.74	
Closing RAB	104.53	99.20	104.05	113.74	105.25	
<b>Average Regulatory Asset Base (RAB)</b>	<b>89.06</b>	<b>101.86</b>	<b>101.62</b>	<b>108.89</b>	<b>109.49</b>	
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
<b>Return on Average RAB @14%</b>	<b>12.47</b>	<b>14.26</b>	<b>14.23</b>	<b>15.25</b>	<b>15.33</b>	<b>71.53</b>
Depreciation	9.06	9.31	18.40	19.13	10.98	<b>66.88</b>
Operating Expenditure	41.08	54.48	56.81	68.06	33.76	<b>254.18</b>
Return on Land	0.48	0.48	0.48	0.48	0.48	<b>2.38</b>
Unamortised portion of Land - Balance of Land Value	0.00	0.00	0.00	0.00	3.94	<b>3.94</b>
Corporate Tax	0.00	0.00	0.00	0.00	58.24^	<b>58.24</b>
Less: Deductions for Non-Aero. Revenues	-4.58	-4.99	-5.60	-5.31	-1.42	<b>-21.89</b>

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to 31-Oct-20)	Total
Total Gross ARR	58.51	73.53	84.31	97.60	121.29	435.25
Revenue earned from Aeronautical Services	52.68	62.75	59.72	48.52	3.63	227.30
(Excess)/ Shortfall	5.83	10.78	24.59	49.08	117.67	207.94
Present Value (PV)	1.69	1.48	1.30	1.14	1.00	
PV of (Excess)/ Shortfall	9.85	15.96	31.96	55.95	117.67	231.39

Note^: Includes Tax Expenditure for FY 2021-22 considering shortfall for the 1st control period that would be paid off by AMIAL in the FY 2021-22 which will attract tax liability for Airport Authority of India.

3.12.2. Airport Authority of India submits to the Authority that as per the Concession Agreement between Airport Authority of India and Adani Mangalore International Airport Limited (Concessionaire), Authority's assessment of True up and Regulatory Asset Base (RAB) shall be final settlement between both the parties. **Details are summarized below:**

3.12.2.1. The Concessionaire shall pay the Authority an amount equivalent to the investments made by the Authority in the Aeronautical Assets as of the COD and considered by the Regulator as part of the Regulatory Asset Base.

3.12.2.2. Upon the reconciliation, true-up and final determination by the Regulator of the quantum of the investment, any surplus or deficit in the Estimated Deemed Initial RAB with respect to the Deemed Initial RAB shall be adjusted as part of the Balancing Payment after the expiry of 15 days from such final determination by the Regulator with due adjustment for the following ("Adjusted Deemed Initial RAB")

3.12.2.3. The amount to be paid by the Authority or Concessionaire shall be the present value of Adjusted Deemed Initial RAB calculated using the fair rate of return as determined by the Regulator for the time from the COD to the date of actual payment of the Adjusted Deemed Initial RAB.

3.12.2.4. RAB as on COD Amounting to Rs. 105.25 crs, out of which certain assets have been retained by AAI having Net book value of Rs. 0.47 Crs as on COD and Assets transferred to Adani Mangalore International Airports Limited (AMIAL) having net book value of Rs. 104.78 Crs as on COD.

3.12.2.5. In addition to above, AAI has transferred Non-Aeronautical and ANS Assets (Gross Assets Less Deprecation) as on COD to Adani Mangalore International Airports Limited (AMIAL), value of Assts transferred amounts to Rs. 0.46 Crs and 1.93 Crs respectively.



3.12.2.6. Amount payable by Adani Mangalore International Airport Limited as per the concession agreement as on COD subject approval of Airport Economical Regulatory Authority (Authority) is as follows:

Sr. No.	Particulars	Amount Rs. In Crores
A	Regulatory Asset Base as on COD - Transferred to AMIAL Net of Assets retained by AAI	104.78
B	Non-Aeronautical Assets to AMIAL	0.46
C	ANS Assets Transferred to AMIAL	1.93
D	Short of True up for 1 <sup>st</sup> Control Period	231.39
<b>Total</b>		<b>338.56</b>

**A True up for 2nd CP**

Particulars	UOM	Ref. No.	2016-17	2017-18	2018-19	2019-20	2020-21 ( up to 31-Oct-20)	Total
Opening RAB	Rs. Crore	A1	73.58	104.51	99.18	114.15	133.50	
Closing RAB	Rs. Crore	A1	104.51	99.18	114.15	133.50	129.86	
<b>Average Regulatory Asset Base (RAB)</b>	<b>Rs. Crore</b>	<b>A1</b>	<b>89.05</b>	<b>101.85</b>	<b>106.67</b>	<b>123.83</b>	<b>131.68</b>	
Fair Rate of Return (FRoR)	%		14%	14%	14%	14%	14%	
<b>Return on Average RAB @14%</b>	<b>Rs. Crore</b>		<b>12.47</b>	<b>14.26</b>	<b>14.93</b>	<b>17.34</b>	<b>18.43</b>	<b>77.43</b>
Depreciation	Rs. Crore	A2	9.06	9.30	8.23	9.35	6.09	<b>42.02</b>
Operating Expenditure	Rs. Crore	A3	39.29	52.38	52.65	64.48	28.54	<b>237.33</b>
Return on Land	Rs. Crore	A4	0.48	0.48	0.48	0.48	0.48	<b>2.38</b>
Unamortised portion of Land - Balance of Land Value	Rs. Crore	A4	0.00	0.00	0.00	0.00	3.94	<b>3.94</b>
Corporate Tax	Rs. Crore	A5	0.00	0.00	0.00	0.00	43.14	<b>43.14</b>
Less: Deductions for Non Aero. Revenues	Rs. Crore	A6	-4.58	-4.99	-5.60	-5.21	-1.38	<b>-21.75</b>
<b>Total Gross ARR</b>	<b>Rs. Crore</b>		<b>56.71</b>	<b>71.42</b>	<b>70.69</b>	<b>86.42</b>	<b>99.24</b>	<b>384.49</b>
<b>Revenue earned from Aeronautical Services</b>	<b>Rs. Crore</b>	<b>A7</b>	<b>52.68</b>	<b>62.98</b>	<b>60.08</b>	<b>48.85</b>	<b>3.76</b>	<b>228.34</b>
<b>(Excess) / Shortfall</b>	<b>Rs. Crore</b>		<b>4.03</b>	<b>8.44</b>	<b>10.61</b>	<b>37.57</b>	<b>95.49</b>	<b>156.14</b>
<b>PV</b>	<b>Rs. Crore</b>		<b>1.69</b>	<b>1.48</b>	<b>1.30</b>	<b>1.14</b>	<b>1.00</b>	
<b>PV of (Excess) / Shortfall</b>	<b>Rs. Crore</b>		<b>6.81</b>	<b>12.51</b>	<b>13.79</b>	<b>42.83</b>	<b>95.49</b>	<b>171.43</b>

Sr. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Up to COD)
<b>A</b>	<b>Gross Asset value as on 1st April</b>	<b>276.41</b>	<b>316.40</b>	<b>320.37</b>	<b>343.57</b>	<b>372.26</b>
A1	Land Freehold	0.00	0.00	0.00	0.00	0.00
A2	Runways,Taxiways,Apr	62.48	95.14	95.05	95.05	100.24
A3	Building Freehold	125.06	125.11	124.97	127.52	131.10
A4	Boundary- Freehold	10.20	10.50	11.35	11.35	12.41
A5	Plant & Equipment-Fr	56.15	62.84	65.25	85.14	95.91
A6	Furniture & Fixtures	2.22	2.27	2.45	2.88	3.53
A7	Vehicles-Freehold	18.53	18.70	19.14	19.44	24.96
A8	Office Appliances-Fr	1.31	1.40	1.73	1.76	1.78
A9	Computer Software-Fr	0.44	0.44	0.44	0.44	0.44
A10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	1.90
<b>B</b>	<b>Accumulated Depreciation as on 1st April</b>	<b>-202.83</b>	<b>-211.89</b>	<b>-221.19</b>	<b>-229.42</b>	<b>-238.76</b>
B1	Land Freehold	0.00	0.00	0.00	0.00	0.00
B2	Runways,Taxiways,Apr	-62.19	-62.49	-63.58	-64.68	-65.86
B3	Building Freehold	-73.39	-77.37	-81.33	-83.46	-85.64
B4	Boundary- Freehold	-7.02	-7.35	-7.70	-9.12	-9.55
B5	Plant & Equipment-Fr	-44.17	-46.87	-49.85	-52.35	-56.11
B6	Furniture & Fixtures	-2.09	-2.12	-2.15	-2.21	-2.41
B7	Vehicles-Freehold	-12.52	-14.14	-14.88	-15.61	-16.97
B8	Office Appliances-Fr	-1.12	-1.19	-1.29	-1.57	-1.66
B9	Computer Software-Fr	-0.33	-0.36	-0.40	-0.42	-0.44
B10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	-0.13
<b>C</b>	<b>Net Asset value as on 1st April</b>	<b>73.58</b>	<b>104.51</b>	<b>99.18</b>	<b>114.15</b>	<b>133.50</b>
C1	Land Freehold	0.00	0.00	0.00	0.00	0.00
C2	Runways,Taxiways,Apr	0.29	32.66	31.47	30.38	34.38
C3	Building Freehold	51.68	47.74	43.63	44.06	45.46
C4	Boundary- Freehold	3.18	3.15	3.65	2.23	2.86
C5	Plant & Equipment-Fr	11.98	15.97	15.40	32.79	39.80
C6	Furniture & Fixtures	0.13	0.15	0.29	0.67	1.12
C7	Vehicles-Freehold	6.01	4.56	4.26	3.83	7.99
C8	Office Appliances-Fr	0.19	0.21	0.43	0.19	0.12
C9	Computer Software-Fr	0.11	0.08	0.04	0.02	0.00
C10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	1.77
<b>D</b>	<b>Additions</b>	<b>40.00</b>	<b>4.78</b>	<b>23.78</b>	<b>29.03</b>	<b>2.69</b>
D1	Land Freehold	0.00	0.00	0.00	0.00	0.00
D2	Runways,Taxiways,Apr	32.66	0.19	0.00	5.19	0.01
D3	Building Freehold	0.05	0.11	2.55	3.85	0.16
D4	Boundary- Freehold	0.30	0.85	0.00	1.06	0.00
D5	Plant & Equipment-Fr	6.68	2.69	20.46	10.84	2.48
D6	Furniture & Fixtures	0.06	0.18	0.44	0.65	0.00
D7	Vehicles-Freehold	0.17	0.44	0.30	5.52	0.02
D8	Office Appliances-Fr	0.09	0.33	0.03	0.02	0.02
D9	Computer Software-Fr	0.00	0.00	0.00	0.00	0.00
D10	Plant & Equipment-Le	0.00	0.00	0.00	1.90	0.00
<b>E</b>	<b>Sale/ Transfer Amount (Including Assets transferred to AAICLAS)</b>	<b>-0.01</b>	<b>-0.81</b>	<b>-0.58</b>	<b>-0.34</b>	<b>-0.24</b>
E1	Land Freehold	0.00	0.00	0.00	0.00	0.00
E2	Runways,Taxiways,Apr	0.00	-0.27	0.00	0.00	0.00
E3	Building Freehold	0.00	-0.25	0.00	-0.27	-0.13
E4	Boundary- Freehold	0.00	0.00	0.00	0.00	0.00
E5	Plant & Equipment-Fr	0.00	-0.27	-0.57	-0.07	-0.10
E6	Furniture & Fixtures	-0.01	-0.01	0.00	0.00	0.00
E7	Vehicles-Freehold	0.00	0.00	0.00	0.00	0.00
E8	Office Appliances-Fr	0.00	-0.01	0.00	0.00	0.00
E9	Computer Software-Fr	0.00	0.00	0.00	0.00	0.00
E10	Plant & Equipment-Le	0.00	0.00	0.00	0.00	0.00
<b>F</b>	<b>Depreciation for FY</b>	<b>-9.06</b>	<b>-9.30</b>	<b>-8.23</b>	<b>-9.35</b>	<b>-6.09</b>
F1	Land Freehold	0.00	0.00	0.00	0.00	0.00
F2	Runways,Taxiways,Apr	-0.29	-1.10	-1.10	-1.19	-0.74
F3	Building Freehold	-3.98	-3.97	-2.13	-2.18	-1.45
F4	Boundary- Freehold	-0.33	-0.35	-1.42	-0.43	-0.24
F5	Plant & Equipment-Fr	-2.70	-2.98	-2.50	-3.76	-2.56
F6	Furniture & Fixtures	-0.03	-0.03	-0.06	-0.20	-0.12
F7	Vehicles-Freehold	-1.62	-0.74	-0.73	-1.36	-0.84
F8	Office Appliances-Fr	-0.07	-0.10	-0.27	-0.09	-0.06
F9	Computer Software-Fr	-0.04	-0.04	-0.02	-0.02	0.00
F10	Plant & Equipment-Le	0.00	0.00	0.00	-0.13	-0.07
<b>F</b>	<b>Net Asset value as on 31st Mar</b>	<b>104.51</b>	<b>99.18</b>	<b>114.15</b>	<b>133.50</b>	<b>129.86</b>
F1	Land Freehold	0.00	0.00	0.00	0.00	0.00
F2	Runways,Taxiways,Apr	32.66	31.47	30.38	34.38	33.64
F3	Building Freehold	47.74	43.63	44.06	45.46	44.03
F4	Boundary- Freehold	3.15	3.65	2.23	2.86	2.62
F5	Plant & Equipment-Fr	15.97	15.40	32.79	39.80	39.62
F6	Furniture & Fixtures	0.15	0.29	0.67	1.12	1.00
F7	Vehicles-Freehold	4.56	4.26	3.83	7.99	7.16
F8	Office Appliances-Fr	0.21	0.43	0.19	0.12	0.08
F9	Computer Software-Fr	0.08	0.04	0.02	0.00	0.00
F9	Plant & Equipment-Le	0.00	0.00	0.00	1.77	1.70

A3	Opex Cost		Actuals						
	Particulars	UOM	Ref. No.	2016-17	2017-18	2018-19	2019-20	2020-21 ( up to 31-Oct-20)	Total
	Payroll Expenditure	Rs. Crore	7000	11.33	14.30	15.54	18.40	9.37	68.93
	Expenditure for retirement benefit allocation at Chq	Rs. Crore	7050	0.53	2.76	5.34	3.51	2.13	14.27
	Less: Common Expenses Related to ANS	Rs. Crore		0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Payroll Expenditure</b>	<b>Rs. Crore</b>		<b>11.86</b>	<b>17.05</b>	<b>20.88</b>	<b>21.91</b>	<b>11.50</b>	<b>83.20</b>
	Administration and General Expenditure	Rs. Crore	7100	4.33	7.41	7.39	7.55	4.13	30.81
	Apportionment of Administration & General Expenditure of ChQ/RhQ	Rs. Crore	7200	11.82	12.63	9.54	10.92	3.84	48.74
	<b>Total Administration &amp; General Expenditure</b>	<b>Rs. Crore</b>		<b>16.15</b>	<b>20.03</b>	<b>16.93</b>	<b>18.46</b>	<b>7.97</b>	<b>79.55</b>
	<b>Repair and Maintenance</b>	<b>Rs. Crore</b>	<b>7300</b>	<b>6.08</b>	<b>8.55</b>	<b>7.80</b>	<b>17.00</b>	<b>6.27</b>	<b>45.70</b>
	Power Charges	Rs. Crore	7400	5.16	6.72	6.77	7.05	2.77	28.47
	Water Charges	Rs. Crore	7500	0.00	0.00	0.14	0.12	0.00	0.27
	Other Expenses	Rs. Crore	7600	0.03	0.02	0.12	-0.07	0.04	0.15
	<b>Utilities &amp; Outsourcing Expenditure</b>	<b>Rs. Crore</b>		<b>5.19</b>	<b>6.74</b>	<b>7.04</b>	<b>7.10</b>	<b>2.81</b>	<b>28.88</b>
	<b>Total</b>	<b>Rs. Crore</b>		<b>39.29</b>	<b>52.38</b>	<b>52.65</b>	<b>64.48</b>	<b>28.54</b>	<b>237.33</b>

A4	EMI on Land
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Sr.. No.	Particulars	Inputs
1	Cost of Land	40,575,385
2	Aero %	100%
3	Interest Rate (SBI Base Rate + 200 Points)	11.23%
4	EMI	4,751,612

Count of Years	FY	CP	EMI's	Reducing value of Land	Interest Cost of the Land	Adjustment towards principal	Net Land Reduced
1	2016-17	1	4,751,612	40,575,385	4,556,535	195,077	40,380,308
2	2017-18	1	4,751,612	40,380,308	4,534,628	216,984	40,163,324
3	2018-19	1	4,751,612	40,163,324	4,510,261	241,351	39,921,973
4	2019-20	1	4,751,612	39,921,973	4,483,158	268,454	39,653,519
5	2020-21	1	4,751,612	39,653,519	4,453,011	298,601	39,354,919
6	2021-22	2	4,751,612	39,354,919	4,419,479	332,133	39,022,786
7	2022-23	2	4,751,612	39,022,786	4,382,181	369,431	38,653,355
8	2023-24	2	4,751,612	38,653,355	4,340,694	410,917	38,242,438
9	2024-25	2	4,751,612	38,242,438	4,294,549	457,062	37,785,375
10	2025-26	2	4,751,612	37,785,375	4,243,222	508,390	37,276,986
11	2026-27	3	4,751,612	37,276,986	4,186,131	565,481	36,711,505
12	2027-28	3	4,751,612	36,711,505	4,122,629	628,983	36,082,522
13	2028-29	3	4,751,612	36,082,522	4,051,995	699,617	35,382,905
14	2029-30	3	4,751,612	35,382,905	3,973,429	778,182	34,604,723
15	2030-31	3	4,751,612	34,604,723	3,886,041	865,570	33,739,153
16	2031-32	4	4,751,612	33,739,153	3,788,839	962,772	32,776,380
17	2032-33	4	4,751,612	32,776,380	3,680,722	1,070,890	31,705,490
18	2033-34	4	4,751,612	31,705,490	3,560,463	1,191,148	30,514,342
19	2034-35	4	4,751,612	30,514,342	3,426,700	1,324,912	29,189,430
20	2035-36	4	4,751,612	29,189,430	3,277,915	1,473,697	27,715,733
21	2036-37	5	4,751,612	27,715,733	3,112,421	1,639,190	26,076,542
22	2037-38	5	4,751,612	26,076,542	2,928,344	1,823,268	24,253,274
23	2038-39	5	4,751,612	24,253,274	2,723,594	2,028,017	22,225,257
24	2039-40	5	4,751,612	22,225,257	2,495,852	2,255,760	19,969,497
25	2040-41	5	4,751,612	19,969,497	2,242,535	2,509,077	17,460,420
26	2041-42	6	4,751,612	17,460,420	1,960,770	2,790,841	14,669,579
27	2042-43	6	4,751,612	14,669,579	1,647,364	3,104,247	11,565,331
28	2043-44	6	4,751,612	11,565,331	1,298,764	3,452,848	8,112,483
29	2044-45	6	4,751,612	8,112,483	911,016	3,840,596	4,271,887
30	2045-46	6	4,751,612	4,271,887	479,724	4,271,887	0
<b>Total</b>			<b>142,548,350</b>	<b>908,056,822</b>	<b>101,972,965</b>	<b>40,575,385</b>	<b>867,481,437</b>



A5.1 IT Depreciation												
Asset Class Name	Rate of Depreciation	Gross Asset value as on 1st April 2020	Accumulated Depreciation as on 1st April 2020	Net Asset value as on 1st April 2020	Additions for 2020-21 (>180 days)	Additions for 2020-21 (<180 days) (up to COD)	Sale / Transfer Amount for FY 2020-21 (up to COD)	Dep for FY 2020-21 (up to COD)	Gross Asset value as on COD	Accumulated Depreciation as on COD	Net Asset value as on COD	
Land Freehold	0%	4.06	0.00	4.06	0.00	0.00	0.00	0.00	4.06	0.00	4.06	
Runways,Taxiways,Apr	10%	100.52	-99.21	1.31	0.01	0.00	0.00	-1.32	100.53	-100.53	0.00	
Building Freehold	10%	131.90	-124.10	7.81	0.14	0.03	0.02	-7.99	132.09	-132.09	0.00	
Boundary- Freehold	10%	12.41	-11.52	0.89	0.00	0.00	0.00	-0.89	12.41	-12.41	0.00	
Plant & Equipment-Fr	15%	97.57	-88.93	8.64	0.16	2.33	0.01	-11.13	100.06	-100.06	0.00	
Plant & Equipment-Le	15%	1.90	-0.28	1.61	0.00	0.00	0.00	-0.28	1.90	-0.57	1.33	
Furniture & Fixtures	10%	3.57	-3.10	0.47	0.00	0.00	0.00	-0.36	3.57	-3.46	0.11	
Vehicles-Freehold	15%	25.05	-23.26	1.79	0.00	0.02	0.01	-1.82	25.08	-25.08	0.00	
Office Appliances-Fr	20%	1.80	-1.80	0.00	0.00	0.02	0.00	-0.02	1.82	-1.82	0.00	
Computer Software-Fr	40%	0.44	-0.44	0.00	0.00	0.00	0.00	0.00	0.44	-0.44	0.00	
<b>Total</b>		<b>379.22</b>	<b>-352.64</b>	<b>26.58</b>	<b>0.30</b>	<b>2.39</b>	<b>0.04</b>	<b>-23.81</b>	<b>381.95</b>	<b>-376.45</b>	<b>5.50</b>	

A6	Non Aeronautical Services								
	Particulars	UOM	Ref. No.	2016-17	2017-18	2018-19	2019-20	2020-21 ( up to 31-Oct-20)	Total
	<b>Trading Concessions</b>	<b>Rs. Crore</b>							
	Restaurant / Snack Bar	Rs. Crore	9500	2.25	2.23	2.03	1.86	0.11	8.48
	T.R. Stall	Rs. Crore	9510	3.39	3.94	6.14	6.41	0.18	20.07
	Hoading & Display	Rs. Crore	9520	0.00	0.00	0.00	0.00	0.00	0.00
	Other Trading Concessions	Rs. Crore	9530	0.05	0.04	0.04	0.04	0.00	0.17
	Rent & Space	Rs. Crore	9540	1.52	1.65	2.06	2.47	1.56	9.26
	Land rent & Lease	Rs. Crore	9550	0.20	0.06	0.02	0.03	0.02	0.33
	Building Residential	Rs. Crore	9560	1.04	0.84	1.04	0.65	0.41	3.98
	Building Non-Residential	Rs. Crore	9570	0.00	0.12	0.00	0.00	0.00	0.12
	Duty Free Shops	Rs. Crore	9580	3.17	3.36	2.93	2.93	0.07	12.46
	Miscellaneous	Rs. Crore	9590	0.00	0.00	0.00	0.00	0.00	0.00
	Car Rentals	Rs. Crore	9600	2.15	2.91	2.40	1.27	0.04	8.77
	Car Parking	Rs. Crore	9610	0.00	0.00	0.00	0.00	0.00	0.00
	Admission Tickets	Rs. Crore	9620	0.25	0.12	0.15	0.12	0.05	0.67
	Profit on Sale of Fixed Assets	Rs. Crore	9630	0.03	0.00	0.22	0.14	-0.02	0.36
	Other Misc. Income	Rs. Crore	9640	1.22	1.38	1.62	1.44	2.18	7.84
	<b>Total</b>			<b>15.26</b>	<b>16.64</b>	<b>18.65</b>	<b>17.36</b>	<b>4.60</b>	<b>72.51</b>

A7	Aeronautical Services								
	Particulars	UOM	Ref. No.	2016-17	2017-18	2018-19	2019-20	2020-21 ( up to 31-Oct-20)	Total
	<b>LPH</b>	<b>Rs. Crore</b>							
	Landing Domestic	Rs. Crore	9010	3.50	5.65	5.01	4.77	0.60	19.53
	Landing International	Rs. Crore	9020	6.43	6.67	6.08	4.80	0.34	24.33
	Parking Domestic	Rs. Crore	9030	0.02	0.01	0.02	0.02	0.01	0.08
	Parking International	Rs. Crore	9040	0.07	0.10	0.09	0.09	0.17	0.53
	PSF Domestic	Rs. Crore	9050	5.87	7.20	9.35	7.76	0.43	30.61
	PSF International	Rs. Crore	9060	1.40	2.16	0.01	0.00	0.00	3.57
	UDF Domestic	Rs. Crore	9070	6.31	9.43	9.49	8.24	0.51	33.98
	UDF International	Rs. Crore	9080	25.55	26.14	24.74	19.59	0.94	96.96
	Exten of Watch Hours	Rs. Crore	9090	0.00	0.00	0.00	0.00	0.29	0.29
	Cute & SITA charges	Rs. Crore	9100	1.49	2.15	2.17	1.88	0.10	7.80
	Throughput Revenue	Rs. Crore	9110	0.67	0.86	0.77	0.48	0.00	2.77
	Ground Handling Revenue	Rs. Crore	9120	0.87	2.24	1.80	0.76	0.15	5.82
	Cargo Revenue	Rs. Crore	9130	0.32	0.00	0.00	0.00	0.00	0.32
	Concession Fees from AAICLAS	Rs. Crore	9140	0.00	0.23	0.35	0.33	0.13	1.04
	Land lease to Ground Handling Agency	Rs. Crore	9150	0.10	0.06	0.09	0.06	0.04	0.35
	Land lease to Oil companies	Rs. Crore	9160	0.08	0.07	0.10	0.08	0.04	0.37
	<b>Total</b>			<b>52.68</b>	<b>62.98</b>	<b>60.08</b>	<b>48.85</b>	<b>3.76</b>	<b>228.34</b>