



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

AAI / JVC / Tariff / Coimbatore / 1122

Date: 22nd December 2023

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

Sub: Multi Year Tariff Proposal (MYTP) for the 2nd Control period (01.04.2023 to 31.03.2028) along with True up for the 1st Control Period (01.04.2018 to 31.03.2023) in respect of Coimbatore International Airport, Coimbatore

Sir,

AERA vide its Order No. 44/2018-19 dated 06.03.2019 has determined the Aeronautical Tariff in respect of Coimbatore International Airport, Coimbatore for the 1st Control Period 01/04/2018 to 31/03/2023.

AAI has prepared the MYTP for the Second Control Period (FY 01.04.2023 to 31.03.2028) along with the True-up for the 1st Control Period (01.04.2018 to 31.03.2023) as per AERA methodology. The proposal has been prepared by truing up the 1st control period 01/04/2018 to 31/03/2023 based on accounts duly approved by AAI Board and for the 2nd control period based on projections.

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

(V Vidya)

Executive Director (JVC-Tariff)



Submission to Airport Economic Regulatory Authority of India (AERA) for Determination of Tariff for Airport Services for Coimbatore International Airport, Coimbatore for the 2nd Control Period (01.04.2023 to 31.03.2028) along with True up of 1st Control Period (01.04.2018 to 31.03.2023).

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1. Background and Introduction to Coimbatore International Airport, Coimbatore

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. Overview and History of Coimbatore International Airport

- 1.2.1. Coimbatore is also known as **Kovai**, located on the banks of the Noyyal River and surrounded by the Western Ghats. The City is the second largest city in the state (after Chennai) and the 16th largest urban agglomeration in India and is the administrative capital of Coimbatore district.
- 1.2.2. Kovai has been ranked 8th among the first batch of 20 smart cities in implementing and completing projects under the “**Smart City Mission**” in the last 3 years.
- 1.2.3. The city is one of the **largest exporters** of Textiles, jewellery, wet grinders, Motor Pumps, poultry and auto components. The “Coimbatore Wet Grinder” and the ”Kovai Kora Cotton” are recognised as Geographical Indications by the GoI.
- 1.2.4. Coimbatore is called the **Manchester of South India** due to its extensive textile industry, fed by the surrounding cotton fields.
- 1.2.5. The Beautiful City boasts of many reputed Educational Institutions and Hospitals and is located close to the Popular **Tourist Destinations** viz, Ooty, Munnar, Kodaikanal and Isha Yoga Centre etc attracting Travellers across the Globe.
- 1.2.6. AERA vide letter dt. 19.07.2018 had shifted 1st CP from 01.04.2016 to 31.03.2021 to 01.04.2018 to 31.03.2023 and also allowed carry forward the shortfall for FY 2016-17 & 2017-18 to ARR for determining Tariff for the 1st Control Period.
- 1.2.7. AERA had issued Tariff order dated 6th March 2019 vide order no.44/2018-19 for the 1st Control Period (01.04.2018 to 31.03.2023).

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 1st Control Period and determination of building blocks for 2nd Control Period. The Authority proposes to undertake true-up of 1st Control Period and the determination of building blocks for 2nd Control Period under Hybrid Till.

2.1.3. The Aggregate Revenue Requirement (ARR) under regulatory framework of Authority is calculated as under

$$ARR = \sum_{t=1}^5 ARR_t$$

$$ARR_t = (FRoR \times RAB_t) + D_t + O_t + T_t - \alpha \times NAR_t$$

Where,

t is the Tariff Year in the Control Period;

ARR_t is the Aggregate Revenue Requirement for the year t;

FRoR is the fair rate of return for the Control Period;

RAB_t is the Aeronautical Regulatory Asset Base for the year t;

D_t is the Depreciation corresponding to the Aeronautical RAB for year t;

O_t 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_t 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;

α is 30% cross subsidy factor for revenue from services other than aeronautical services under Hybrid Till for 2nd Control Period. α was 100% cross subsidy factor under Single Till during First Control Period.

NAR_t 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 given below:

$$Yield\ per\ passenger(Y) = \frac{\sum_{t=1}^5 PV(ARR_t)}{\sum_{t=1}^5 (VE_t)}$$

Where,

Present Value (PV) of ARR_t 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_t is the Traffic Volume in a tariff year t as estimated by the Authority.

ARR_t is the Aggregate Revenue Requirement for tariff year t .

3. True Up for First Control Period (FCP)

3.1.1. As per the Decision No.2 of Order No. 10/2017-18,

2b. The Authority decides to apportion CHQ/RHQ overheads on revenue basis.

2c. The Authority decides to consider the revenues from cargo facility, Ground handling services and supply of fuel to aircraft including land lease rentals as aeronautical revenue.

2d. The Authority decides the following depreciation rates.

- i. For asset types not defined under Companies Act (runway, taxiway and aprons): 3.33% based on useful life of 30 years from FY 2011-12 onwards.
- ii. For asset types defined under Companies Act: rates prevalent under the Companies Act 1956 till FY 2013-14 and as per the Companies Act 2013 from FY 2014-15 onwards as the effective date of implementation of the Companies Act 2013 is 01.04.2014.

4. True Up of First Control Period (FCP)

4.1. Overview

4.1.1. The Airports Authority of India has tried up 1st Control Period (2018-19 to 2022-23) with respect to Coimbatore Airport.

4.2. Traffic

4.2.1. As per Decision No. 1(page15) of Order No. 44/2019-20, the Authority decided:

Decision No. 1(i) “The Authority decides to consider the ATM and passenger traffic as per Table 7 and Table 8”.

Decision No. 1(ii) “The Authority decides to true-up the traffic volume (ATM and passengers) based on actual traffic in 1st control period while determining tariffs for the 2nd control period”.

Table 1: Traffic allowed as per Table No-7(p13) for First Control Period Order No. 44/2018-18

YEAR	Passenger						ATM					
	Dom	%	Intl	%	Com	%	Dom	%	Intl	%	Com	%
2018-19	24,97,220	13.5%	2,34,302	15%	2731522	13.60%	21,670	8%	1,760	15%	23430	8.5%
2019-20	28,34,345	13.5%	2,69,447	15%	3103792	13.60%	23,404	8%	2,023	15%	25427	8.5%
2020-21	32,16,981	13.5%	3,09,865	15%	3526846	13.60%	25,276	8%	2,327	15%	27603	8.6%
2021-22	36,51,274	13.5%	3,56,344	15%	4007618	13.60%	27,298	8%	2,676	15%	29974	8.6%
2022-23	41,44,196	13.5%	4,09,796	15%	4553992	13.60%	29,482	8%	3,077	15%	32559	8.6%

Table 2: Actual Traffic

Year	PAX						ATM					
	Dom	%	Intl	%	Com	%	Dom	%	Intl	%	Com	%
2018-19	2763672	25.6%	237210	16.4%	3000882	24.8%	23390	16.6%	1863	21.8%	25253	16.9%
2019-20	2604603	-5.8%	238232	0.4%	2842835	-5.3%	20356	-13.0%	1947	4.5%	22303	-11.7%
2020-21	820154	-68.5%	26495	-88.9%	846649	-70.2%	7893	-61.2%	250	-87.2%	8143	-63.5%
2021-22	1220540	48.8%	65382	146.8%	1285922	51.9%	10418	32.0%	602	140.8%	11020	35.3%
2022-23	2362446	93.6%	194817	198.0%	2557263	98.9%	16364	57.1%	1278	112.3%	17642	60.1%

Table 3: Variance between actual and AERA approved traffic is tabulated below:

Year	PAX						ATM					
	Dom	%	INTL	%	Com	%	Dom	%	INTL	%	Com	%
2018-19	266452	12%	2908	1%	269360	11%	1720	9%	103	7%	1823	8%
2019-20	-229742	-19%	-31215	-15%	-260957	-19%	-3048	-21%	-76	-10%	-3124	-20%
2020-21	-2396827	-82%	-283370	-104%	-2680197	-84%	-17383	-69%	-2077	-102%	-19460	-72%
2021-22	-2430734	35%	-290962	132%	-2721696	38%	-16880	24%	-2074	126%	-18954	27%
2022-23	-1781750	80%	-214979	183%	-1996729	85%	-13118	49%	-1799	97%	-14917	51%

4.2.1.1. Significant reason for increase/ decreases in Traffic are as follows

4.2.1.1.1. AERA had considered higher growth of PAX 13.5% for Dom as against the 9% proposed by AAI for the 1st Control Period considering 5-year CAGR.

4.2.1.1.2. Fall in ATM and Passenger for FY 2019-20 and FY 2020-21 was due to Pandemic and still not achieved the pre-covid level.

5. Allocation of Assets between Aeronautical and Non-Aeronautical

5.1 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:

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

Table 4: Terminal Building Ratio as approved by AERA for 1st Control period (Table 10, P-17 of Order No. 44/2018-19)

Category	Area (Sq. meters) in FY 2016-17
Commercial Entities- Restaurant/ Snack Bars	511.65
Commercial Entities- T.R. Stall	182.62
Duty Free Shop	31.50
Hoarding & Display	-
Building Non-Residential	729.92
Admission Tickets	4.46
Offices of AAI, commercial land & rest room	20.35
Total Non-Aeronautical area including seating area [A]	1,480.50
Total Terminal area (Other than canopy) [B]	19,000
% of Non-Aeronautical area to Terminal Building [C]=[A]/[B]	7.79%

Table 5: Area of Terminal Building Ratio for 1st Control Period

Area of Terminal Building (in Sqm)	Mar-2018	Mar-2019
Area of Ground floor	12800	12800
Area of 1st floor	6200	6200
New Canopy area at city side		3060
Total Area	19000	22060

Table 6: True Up of Terminal Building Ratio for 1st Control Period

Particulars	Location	2018-19	2019-20	2020-21	2021-22	2022-23
Space Rented	T. Building	1608.33	1706.61	1649.62	1883.98	1653.50
Capacity	T. Building	22060.00	22060.00	22060.00	22060.00	22060.00
Non-Aero %	T. Building	7.29%	7.74%	7.48%	8.54%	7.50%
Aero %	T. Building	92.71%	92.26%	92.52%	91.46%	92.50%

5.2.1 **Quarters Ratio-** Ratio of staff providing ANS service staying in residential building to staff providing aeronautical service staying in residential building.

Table 7: True Up of Quarters Ratio for 1st Control Period

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Total No. of Quarters	83	59	59	55	120
No. of Quarters ANS	7	6	4	4	33
ANS Usage Ratio	8.43%	10.17%	6.78%	7.27%	27.50%
Aero Usage Ratio	91.57%	89.83%	93.22%	92.73%	72.50%
Qtrs Demolished	-	24	-	4	55
Qtrs Constructed	-	-	-	-	120

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

Table 8: True Up of Employee Ratio for 1st Control Period

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Total Airport Strength (inc. CNS-Airport Sys & IT)*	97	106	99	102	91
Total ANS Strength	50	47	44	44	45
Non- Aero Emp. (Land + Commercial)	4	7	6	5	5
Common Emp.-(Finance & HR)	17	15	18	18	20
Total	168	175	167	169	161
(CNS staff- Airport system & IT) inc. in Airport*	5	5	4	4	3
Common Employee's apportionment					
Total Airport Strength	11	10	12	12	13
Total ANS Strength	6	4	5	5	6
Non-Aero Emp. (Land + Commercial)	0	1	1	1	1
Total	17	15	18	18	20
Head Count after apportionment of Common Employees					
Total Airport Strength	108	116	111	114	104
Total ANS Strength	56	51	49	49	51
Non- Aero Emp. (Land Commercial)	4	8	7	6	6
Total	168	175	167	169	161
Employee ratio for (ANS: AERO: Non-Aero)	100.00%	100.00%	100.00%	100.00%	100.00%
ANS	33.33%	29.14%	29.34%	28.99%	31.68%
Aero	64.29%	66.29%	66.47%	67.46%	64.60%
Non-Aero	2.38%	4.57%	4.19%	3.55%	3.73%
Employee ratio for (AERO: Non-Aero)	100.00%	100.00%	100.00%	100.00%	100.00%
Aero	96.43%	93.55%	94.07%	95.00%	94.55%
Non-Aero	3.57%	6.45%	5.93%	5.00%	5.45%

- Employee Ratio was taken based on FY 2017-18 for projecting 1st Control Period and the above ratio is based on the Actual for FY 2018-19 to FY 2022-23.

6.Capital Expenditure for the 1st Control Period

6.1 AERA had approved the Proposed Capital Expenditure of Rs. 21,523 lacs for the 1st Control Period. This has been shown in the Table Below

Table 9: Approved Capital expenditure by Authority as per Table No.21 (P27) of Order No. 44/2018-19 is as follows:

Asset Category (Rs. In Lacs)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Runways	30	-	-	-	-	30
Aprons	-	-	2,364	-	-	2,364
Building – Terminal	1,303	-	-	4,744	-	6,047
Electrical Installation	1,154	-	-	2,098	-	3,253
Plant and Machinery	611	-	-	4,526	-	5,136
Roads bridges & culverts	44	-	-	-	-	44
Residential Building	25	-	3,999	-	-	4,024
Boundary Wall-Operational	50	-	-	-	-	50
Other buildings-unclassified	266	-	-	-	-	266
Tools and Equipment	266	-	-	-	-	266
Vehicle Cars and Jeeps	44	-	-	-	-	44
Total	3,792	70.00	6,363	11,367	-	21,523

The Actual Capital Expenditure incurred during the 1st control period has been shown in the table below.

Table 10: Actual Capital Expenditure for the 1st Control Period is as follows:

S.No.	Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
1	Land						0.00
2	Leasehold Land						0.00
3	Runways	38.23	0.00	0.00	0.00	0.00	38.23
4	Taxiway						0.00
5	Aprons	73.99	0.00	0.00	2887.51	0.00	2961.50
6	Road, Bridges & Culverts	346.85	0.00	0.00	0.00	38.34	385.19
7	Building- Terminal	997.52	0.00	0.00	54.16	149.15	1200.82
8	Building - Temporary						0.00
9	Building - Residential	0.00	0.00	0.00	0.00	2810.17	2810.17
10	Security Fencing -	0.00	0.00	46.13	0.00	0.00	46.13
11	Boundary Wall -Operational	0.00	0.84	0.00	0.00	0.00	0.84
12	Boundary Wall - Residential	0.00	0.00	0.00	0.00	23.52	23.52
13	Other Buildings-	0.00	4.08	0.00	0.00	0.00	4.08
14	Computer & Peripherals:	6.07	17.29	80.22	7.48	5.22	116.28
15	Computer & Peripherals:	0.00	0.00	0.00	0.00	0.00	0.00
16	Computer Software:						0.00
17	Plant & Machinery	1187.60	1092.28	323.66	179.10	844.98	3627.63
18	Tools & Equipments	45.58	400.97	355.16	65.24	35.21	902.15
19	Office Furniture	51.97	58.77	157.90		0.00	268.64
20	Other Vehicles	31.29	51.99	0.00	26.49	6.84	116.60
21	Vehicle- Cars & Jeeps						0.00
22	Electrical Installations						0.00
23	Other Office Equipments	5.92	1.81	0.00	1.92	0.00	9.64
24	Furitures & Fix.-Other than						0.00
25	Furitures & Fixtures- Trolley	23.06					23.06
26	X Ray Baggage System	0.00	186.42	0.00	0.00	0.00	186.42
27	CFT/Fire Fighting	15.66	526.93	0.00	0.00	0.00	542.59
28	Total	2823.74	2341.37	963.06	3221.89	3913.42	13263.48

The above assets included Financing Allowance of Rs. 653.98 lacs.

- The Major variance in Projected vs Actual is due to shifting of Proposed Terminal from 30.09.2021 to 01.10.2027. (Rs.11368 lacs approved by AERA against Rs.13238 lacs (Proposed) and Cost of Apron Rs. 2887.51 lacs (Actual) against Approved Rs.2364 Lacs (Proposed Rs3480 lacs.)
- Rs.73.99 lacs for Wall to Wall Grading against approved Rs.50 lacs.
- Financing allowance of Rs.653.98 lacs have been considered during true up of 1st Control Period.
- During 1st Control Period Rs. 2937.49 lacs have been incurred on unplanned capex.

Table No: 11 Inflation Adjusted Normative Cost for Apron Proposed by AAI in line with Tariff order No 40/22-23(Ahmedabad airport 3rd CP) issued by AERA is as under: -

Financia	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
WPI		1.73	2.96	4.26	1.68	1.20	12.97	11.10	5.10%	5.10%	5.10%
WPI		111.6	114.9	119.8	12	123.4	7.14%	9.60%	2.90%	2.90%	2.90%
Unit	4700	4781	4923	5133	52	5281	5966	6629	6967	7322	7695

Table No:12 Normative cost of Apron Proposed by AAI is as under: -

Normative Calculation for Cost per SQM -Apron			
Particulars	Formula	(ADC22.09.21) FY 2021-22 (1st CP)	As per
Area (sq.m)	A	41374	
Cost Incurred (Rs. In Cr.)	B	28.87	
Less:- Moorum Filling Cost		3.66	
Less:- Cost of Earth Work		0.49	
Cost Incurred (Excluding above cost)	C	24.72	
Cost excluding GST ((Rs. in Cr.)	D = C X100 /118	20.95	24.69
Cost per SQM (Rs.)	D / A	5063.36	5966.40
Cost proposed by AAI (INR cr)		28.87	

Proposed Cost per SQM of Apron is within Normative cost per SQM, hence AERA is requested to allow all the cost.

The Details of Planned capex as per Actual is as under: -

FY2018-2019

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	R/w	DEVELOPMENT OF RESA AT 23 SIDE	38.23
2	Apron	WALL TO WALL GRADING - OPERATIONAL AREA	73.99
3	ROAD	Covering of Nallah with wire mesh, rising side wall	346.85
4	Terminal Buil.	Providing Tensile fabric Canopy in front of TB	643.58
5	Terminal Buil.	Creation of additional rooms at 1st floor Arrival	117.82
6	Terminal Buil.	Development work under canopy - Granite Floor	236.13
7	Plant & Machinery	Feeder Pillar& Cables @Residential colony	10.59
8	Plant & Machinery	APRON DRIVE GLASS WALLED PASSENGER BOARD (PBB)	544.79
9	Plant & Machinery	APRON DRIVE GLASS WALLED PASSENGER BOARD (PBB)	427.94
10	Plant & Machinery	Creation of additional rooms at 1st floor Arrival_	54.27
11	Plant & Machinery	SUPPLY OF 32 NOS. ARB Airport Rotating Beacon	4.60
12	Vehicle	MAHINDRA TUV300 TN37/DB 4512	8.60
13	Vehicle	TRACTOR NEW HOLLAND 7500 TN37DD8737	8.41

14	Vehicle	BATTERY OPERATED GOLF CART AR-104-001,002	5.82
		Total	2521.60

FY2019-2020

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Plant & Machinery	RESA AT RUNWAY 23 Electrical Part	7.62
2	Plant & Machinery	Provision/Replacement of Cooling Tower	35.21
3	Plant & Machinery	SITC OF AC UNITS AND OTHER ALLIED WORKS 23 no.s	22.35
4	Plant & Machinery	SUPPLY OF PBB'S AND AVDGS Tianda make	633.54
5	Plant & Machinery	Construction of 150 KLD Sewage Treatment Plant	250.39
6	Tools & Equip	Grass Cutting cum Collecting Machine incl custom	77.30
7	Vehicle	Mobile Command Post TN 37 DH 0749	37.35
8	Vehicle	BDDS Vehicles 1 no. TN 37 DH 1563	14.64
		Total	1078.40

FY2020-2021

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Computer & Printer	SITC of Bio-Metric Access Control System	75.02
2	Computer & Printer	Dell Desk Top & UPS- 2 nos for Biometric Access	1.93
3	Plant & Machinery	Provision of Perimeter lighting phase III	113.79
4	Plant & Machinery	Provision of Perimeter lighting phase IV	16.57
		Total	207.31

FY2021-2022

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Apron	Apron for Bay no.13,14,16-20 (7 Bays)	2632.66
2	Vehicle	ISUZU AMBULANCE (2no.s) TN 37DL 2515 & TN37DL 2661	26.49
		Total	2659.15

FY2022--2023

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Road	Internal Roads @Quarters	38.34
2	Resi.Build.	E-Type Quarters Building	419.19
3	Resi.Build.	D-Type Quarters Building	0.00
4	Resi.Build.	C-Type Quarters Building	349.88
5	Resi.Build.	B-Type Quarters Building	1340.30
6	Resi.Build.	Quarters- Hostel Building	151.59
7	Resi.Build.	Amenities Block @Quarters- Ancillary buildings	13.34
8	Resi.Build.	DG Shed @Quarters- Ancillary buildings	4.45
9	Resi.Build.	Substation buildg @Quarters-Ancillary buildings	71.90
10	Resi.Build.	Water supply system @ Quarters	14.45
11	Resi.Build.	Rain water Harvesting system @ Quarters	14.45
12	Resi.Build.	STP Civil works @ Quarters	14.45
13	Resi.Build.	Underground Tanks @ Quarters	15.94
14	B/W Resid.	Boundary wall @ Quarters	23.52
15	Plant & Machinery	Transformers @Substation of Quarters	47.81
16	Plant & Machinery	HT Panel @Substation of Quarters	7.78
17	Plant & Machinery	HT Meter Panel @Substation of Quarters	2.59
18	Plant & Machinery	Main LT Panel @Substation of Quarters	29.65
19	Plant & Machinery	addition to Main LT Panel @Substation of Quarters	0.74
20	Plant & Machinery	DG LT Panel @Substation of Quarters	24.09
21	Plant & Machinery	additions to DG LT Panel @Substation of Quarters	5.19
22	Plant & Machinery	HT Cables @Substation of Quarters	6.67

23	Plant & Machinery	Internal Electrical installations @ Quarters	209.04
24	Plant & Machinery	13 PAX Lift @B1 block LP-1920	12.97
25	Plant & Machinery	8 PAX Lift @B1 block LP-1921	11.49
26	Plant & Machinery	13 PAX Lift @B2 block LP-1922	12.97
27	Plant & Machinery	8 PAX Lift @B2 block LP-1923	11.49
28	Plant & Machinery	13 PAX Lift @B3 block LP-1924	12.97
29	Plant & Machinery	8 PAX Lift @B3 block LP-1925	11.49
30	Plant & Machinery	13 PAX Lift @C block LP-1926	12.97
31	Plant & Machinery	8 PAX Lift @C block LP-6484	11.86
32	Plant & Machinery	13 PAX Lift @D block LP-1928	12.97
33	Plant & Machinery	8 PAX Lift @D block LP-6485	11.86
34	Plant & Machinery	13 PAX Lift @E block LP-6486	12.23
35	Plant & Machinery	8 PAX Lift @E block LP-6487	11.49
36	Plant & Machinery	13 PAX Lift @Hostel LP-1927	11.49
37	Plant & Machinery	Storm water drainage pump incl standby @Quarters	8.15
38	Plant & Machinery	Sweet water pump @Quarters	13.34
39	Plant & Machinery	Salt water pump @Quarters	17.42
40	Plant & Machinery	Firefighting Pumps @7 Quarters building 2 each	3.34
41	Plant & Machinery	SITC of Fire Hydrant system @Quarters	51.89
42	Plant & Machinery	Fire Alarm Panels @Quarters 7 no.s	1.48
43	Plant & Machinery	DG sets @ Quarters 2 no.s	39.29
44	Plant & Machinery	STP pumps @ Quarters 8 no.s	5.19
45	Plant & Machinery	Panels for STP of Quarters	4.45
46	Plant & Machinery	Lamella separators for STP of Quarters	13.34
47	Plant & Machinery	STP Misc works of Quarters	16.31
48	Plant & Machinery	Lighting @Parks, plaground, Lawns of Quarters	7.04
49	Plant & Machinery	Lighting @street and perimeter roads	7.04
50	Plant & Machinery	LT Cables of entire Quarters lines	7.04
51	Plant & Machinery	Solar power plant panels @ E type Quarters 90 no.s	7.04
52	Tools & Equip	Fire Cables, Hooters, MCP,PA System@ Quarters	23.72
53	Tools & Equip	PTZ CC Cameras @ Quarters 5 no.s	6.30
54	Tools & Equip	Bullet cc Cameras @ Quarters 5 no.s	0.74
55	Tools & Equip	55" samsung TV @ CCTV Room of Quarters	0.37
56	Tools & Equip	CCTV Misc works of Quarters	2.59
57	Tools & Equip	Electrical Boom Barrier @Quarters	1.48
		Total	3201.21

The Details of Unplanned Capex are given as under:-

FY2018—2019

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Computer & Printer	PROJECTOR STAND AND SCREEN FOR FS	0.07
2	Computer & Printer	PUR.OF MS OFFICE 2019 (20 Nos.)	1.55
3	Computer & Printer	PUR. OF HP LASER JET PRINTER (6 nos.)	0.06
4	Computer & Printer	SAMSUNG PRINTER 7 No.s	0.20
5	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for Civil	0.52
6	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for Elect	0.52
7	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for Finance	0.52
8	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for Kalyanamayi	0.52
9	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for CISF	0.52
10	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for SC/ST Assn	0.52
11	Computer & Printer	LENOVO DESKTOP V530 CI7 8 No.s for conference Hal	0.52
12	Computer & Printer	HP COLOR LASERJET PRINTER for ATM	0.33
13	Plant & Machinery	Godrej Fridge Eon 240C 2.4Silver	0.23

14	Plant & Machinery	LED Display on top of XBIS 55" 4no.s from Antrax &	2.78
15	Plant & Machinery	SITC OF LIFT	16.08
16	Plant & Machinery	REPLACEMENT OF CCRS	12.05
17	Plant & Machinery	SITC OF TROLLEY MOUNTED DG SETS	8.86
18	Plant & Machinery	REPLACEMENT OF LANDING T	3.30
19	Plant & Machinery	500 KVA DG SET WITH 750 KVA DG SET	67.26
20	Plant & Machinery	REROUTING OF OLD CABLES	21.38
21	Plant & Machinery	SITC OF ETD AT VARIOUS AIRPORTS 31 No.s SHA	13.48
22	Tools & Equip	INFLATABLE TOWER LIGHTS	5.75
23	Tools & Equip	PURCHASE OF TRACTOR MOUNTED AIR SLEEVE BOOM	2.20
24	Tools & Equip	02 NOS WEIGHING SCALE FOR TERMINAL	0.15
25	Tools & Equip	PROCUREMENT OF TOTAL STATION	6.43
26	Tools & Equip	RATE CONTRACT FOR SITC OF DFMD-144 NOS.	12.44
27	Tools & Equip	PROCUREMENT OF T&P Alumin alloy Ladder, Tester etc	2.85
28	Tools & Equip	SELF CONTAINED BREATHING APPARATUS - FIRE	15.76
29	Office Furniture	Procurement of Godrej Furniture for Terminal Bldg	7.29
30	Office Furniture	23" Bronze THIRUVALLUVAR STATUE @Terminal Building	1.54
31	Office Furniture	Regency midback 7002, Table T9 and	0.42
32	Office Furniture	Regency high back 7001 for Finance	0.12
33	Office Furniture	3 SEATER CHAIR Parin Furniture 100N	42.61
34	Office furn-trolleys	Supply of Passenger Trolley	0.35
35	Office furn-trolleys	Supply of Passenger Trolley 250N	22.71
36	Vehicle	MAHINDRA TUV -CISF USE TN37/DD 2634	8.45
37	office Appliance	LAN & OFC connectivity for Intl Immigration countr	0.31
38	office Appliance	DOG KENNEL(REFREIGER) LG 190 Ltr	0.13
39	office Appliance	ELECT WEIGHING SCALE 100 KG FOR DOG KENNEL	0.13
40	office Appliance	PURCHASE Binocular for CISF	0.95
41	office Appliance	Tyre Killer for CISF	0.40
42	office Appliance	Spike Barriers for CISF	0.40
43	office Appliance	PURCHASE OF BIRD SCARING DEVICES-ZON GUN (06) NOS	3.60
44	CFT &FF	Spares Incurred in r/o RB-2-10-033, RB-3-10-034	15.66
		Total	301.95

FY2019--2020

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Other Build.	Construction of CISF Watch Tower	4.08
2	B/W ope.	Crash Gate at 05 side	0.84
3	Computer & Printer	LAPTOP for ATM 1 no.s	0.61
4	Computer & Printer	LAPTOP for Civil1 no.s	0.61
5	Computer & Printer	LAPTOP for Elec 1 no.s	0.61
6	Computer & Printer	LAPTOP for Ops 1 no.s	0.61
7	Computer & Printer	LAPTOP for HR, APD	1.21
8	Computer & Printer	Scanner Avision for CSO Office	0.23
9	Computer & Printer	SITC OF e-POS Solution by Forbes Technology	13.42
10	Plant & Machinery	WAY FINDING SIGNAGES	65.43
11	Plant & Machinery	CIDS n Display @check in Counters	14.32
12	Plant & Machinery	PUR.OF 47"VIDEOWALL DISPLAY	6.38
13	Plant & Machinery	BI-FURCATION OF TARIFF INTO HT CONNECTION	21.08
14	Plant & Machinery	REPLACEMENT OF TURNING PAD LIGHTS	3.70
15	Plant & Machinery	OFC CABLE & LAYING CHARGES	22.58
16	Plant & Machinery	REPLACEMENT OF OLD LED TAXIWAY	9.69
17	Tools & Equip	SITC OF SCCTV 54 no.s	78.25
18	Tools & Equip	PA SYSTEM AT 2 New Aero bridges	5.39
19	Tools & Equip	E-Gate at Immigration Arrival, Departure	56.12
20	Tools & Equip	Dynamic Signage Display for Immigration Counters	48.75

21	Tools & Equip	FIDS in the New Aerobridge-2 no.s	6.76
22	Tools & Equip	PURCHASE OF BRUSH CUTTER 4 NOS	0.92
23	Tools & Equip	BDDS Equipment- Under Vehicle Search Mirror, Non	4.50
24	Tools & Equip	SUPPLY OF EVD	15.65
25	Tools & Equip	SITC OF FM WALKIE TALKIE SET	12.89
26	Tools & Equip	BOMB SUITS (BDDS-2ND PHASE)	27.49
27	Tools & Equip	SUPPLY OF RTVS-1 no.	16.81
28	Tools & Equip	Portable Shelter- Coimbatore	7.84
29	Tools & Equip	VICTIM LOCATION EQUIPMENT-1 no.	5.39
30	Tools & Equip	1 QTY HUMAN LIFE DETECTOR	35.50
31	Tools & Equip	1 QTY EMERGENCY LED LIGHTING SYSTEM	0.69
32	Tools & Equip	SUPPLY OF POWER-DRIVEN SAW CM/CHQ/18/074/02	0.70
33	Office Furniture	Immign counters-6, Boardg gate-10, checking counter-	56.62
34	Office Furniture	Furniture for Dog Kennel	1.19
35	Office Furniture	FIRE RESISTANT RECORD CABINET FOR HR	0.95
36	Vehicle	Grass Cutting cum Collecting Machine TN37 DE 5079	0.00
37	office Appliance	PURCHASE OF XEROX MACHINE APD Office	0.45
39	office Appliance	PURCHASE OF XEROX MACHINE Fire Section	0.45
40	office Appliance	PUR. OF MOBILE PHONE Terminal Mgr	0.09
41	office Appliance	Xerox Machine Toshiba E studio 2309A	0.36
42	X-Bis	RB_RAPISCAN	31.42
43	X-Bis	RB_RAPISCAN	31.42
44	X-Bis	RB_RAPISCAN	31.42
45	X-Bis	RB_RAPISCAN	31.42
46	X-Bis	HB_RAPSICAN	20.25
47	X-Bis	HB_RAPSICAN	20.25
48	X-Bis	HB_RAPSICAN	20.25
49	CFT & FF.	ACFT 90% Cost &Custom duty Apr19 NAFFCO-AR-10/2019	526.93
		Total	1262.51

FY2020--2021

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	B/W Temporary	REPLACING THE BARBED FENCING WITH CONCERTINA COIL	46.13
2	Computer & Printer	Samsung Galaxy Tab A SM-T515 -3 no.s	0.51
3	Computer & Printer	Wifi Router/ Access point for CUSS system upgradat	0.34
4	Computer & Printer	Cannon Scanner - DR C230	0.85
5	Computer & Printer	HP Laser Jet pro MFP- M226DW	1.05
6	Computer & Printer	HP Pro One- All in one PC 600 G 5	0.53
7	Plant & Machinery	Improvement of AC units(5 Nos) in Gate no 7	17.70
8	Plant & Machinery	Armored Jelly filled UG Cables & Telephone cables	7.67
9	Plant & Machinery	PROVISION OF HIGHMAST IN GSE AREA	6.57
10	Plant & Machinery	SITC OF DUAL VIEW 1 HB AND 2 RB XBIS -NUCTECH MAKE	87.41
11	Plant & Machinery	SITC OF HIGHMAST	58.55
12	Plant & Machinery	SUPPLY OF AFL CABLE for R/W 23 PAPI-Suply part	15.40
13	Tools & Equip	SITC of CCTV Cameras Apron 1,2,3 & 9	7.43
14	Tools & Equip	RC-2 CCTV 120 no.s	224.36
15	Tools & Equip	SUPPLY OF INOS. OF BLAST INHIBITOR	10.83
16	Tools & Equip	SITC OF WALKIE TALKIE REPEATER	1.30
17	Tools & Equip	BA TEST CAMERAS WITH NVR 2 no.s	0.71
18	Tools & Equip	Frangible Wind direction Indicator WDI	8.05
19	Tools & Equip	SUPPLY OF 7500 PBTS(WITH BRAKE) AGAINST PO FOR 145	98.54
20	Tools & Equip	SUPPLY OF 1 NO OF ELECTRONIC STETHOSCOPE	1.88
21	Tools & Equip	Bullet Resistant Helmets- 35 no.s	2.06

22	Office Furniture	Furniture for Fire Dept. purch @2020	5.14
23	Office Furniture	Furniture for Terminal purch @2020	8.13
24	Office Furniture	Furniture for AOCC & SOCC- CISF Control Room	7.56
25	Office Furniture	Furniture for modification of Security section	3.25
26	Office Furniture	SUPPLY OF 200 AIRPORT TERMINAL CHAIRS	133.83
		Total	755.75

FY2021--2022

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Terminal Build.	Prov. of Office Space for Finance, HR & Stores	51.55
2	Computer & Printer	BEMS Project_SITC of dedicated LAN Infrastructure	1.93
3	Computer & Printer	SITC of LAN Infra & Intercom Connectivity@ Fin,HR	5.56
4	Plant & Machinery	Laying of Armored Jelly filled UG & Teleph Cables	1.23
5	Plant & Machinery	AFL CABLE for R/W 23 PAPI Installation	15.25
6	Plant & Machinery	Re-routing of Series Cables in E Taxiway	39.58
7	Plant & Machinery	SITC OF ILLUMATED SIGNAGES & ALLIED WORKS IN 5 BAYS	21.81
8	Plant & Machinery	BEMS Project Electrical	2.65
9	Plant & Machinery	Conversion of CONVETIONAL FIXTURE to LED	22.83
10	Plant & Machinery	SITC of 4 no.s 85"/86" Displays for Official Commu	14.55
11	Plant & Machinery	Outdoor Feeder Panels@ Fire, MT, Cargo incl Cable	50.29
12	Plant & Machinery	Water Coolers @HR, CISF, Cargo, stock -4 Qty	0.95
13	Plant & Machinery	Water Coolers @Cargo 1/4 Coolers	0.00
14	Plant & Machinery	4 FT AIR CURTAINS	0.43
15	Plant & Machinery	6 FT AIR CURTAINS	1.28
16	Plant & Machinery	Fibre Optic Surveillance Device SET -1 no.	0.89
17	Plant & Machinery	SITC of Automatic Swing Gate & Boom Barrier	7.36
18	Tools & Equip	SITC of CCTV Cameras Apron 13,14,16-20	10.77
19	Tools & Equip	Zon Guns - 4 no.s	0.66
20	Tools & Equip	4 no.s Cameras for Dispensing with Boarding Pass	0.88
21	Tools & Equip	1 no. PTZ Camera (with mount, IP66 whether proof)	0.74
22	Tools & Equip	FOSD - Fibre Optic Surveillance Device	9.86
23	Tools & Equip	SITC OF 124 ETD	32.78
24	Tools & Equip	SITC of 12 no.s 49" LG FIDS Monitors + Accessories	9.55
25	office Appliance	Mobile Phone for APD- Samsung Galaxy M02	0.08
26	office Appliance	Comprehensive Video Conferencing Soltn @APD Office	1.83
		Total	305.29

FY2022--2023

S.No.	Particulars	Assets Description	Rs. (in Lacs)
1	Terminal Building	Constr. of Arrival Toilets, Renovation of Departur	149.15
2	Computer & Printer	Proc. of Dextkop Devices for Coimbatore Airport.	3.29
3	Computer & Printer	PROC 6NOS. EPSON MFD FOR COIMBATORE APT	1.93
4	Plant & Machinery	Prov. of StandBy Feeder Cables@ CAT-1ALS of R/w 23	24.62
5	Plant & Machinery	Prov. of Turnpads & Fillets lights link taxi tr	52.66
6	Plant & Machinery	Add'n of Baggage Handling systm @BMA Departure	3.42
7	Plant & Machinery	Replacement of old CCR (7.5kw MPCCR)	2.30
8	Plant & Machinery	2 no.s 60KVA UPS @TB (Switch room no.2 &5)	20.13
9	Plant & Machinery	2 no.s 20KVA UPS for AFL highmast@old CCR,MT sectn	7.82
10	Plant & Machinery	Signages & re-routing of power cables@ CAT1-ALS	27.30
11	Plant & Machinery	SITC of inline exhaust fans & LED lights @Toilets, TB	12.53

12	Vehicle	Bolero camper 4WD TN37DQ 2720	6.84
		Total	311.99

7. Depreciation

7.1 AERA had approved the Depreciation for the 1st Control Period as the Order No.35/2017-18 titled “In the matter of Determination of Useful life of Airport Assets. This has been shown in the Table Below

Table No:13 Depreciation rates adopted by AAI as per Table No.24 (P-49) of Order No.13/2019-20

Asset Class Name	Classification	Depreciation Rate from 1.4.2014 onwards	Dep as per Order 35 (1.4.2018 onwards)
Runways, T/way, Apron	R/W, T/W, Apron	3.33%	3.33%
Building Freehold	Residential Building	3.33%	3.33%
Building Freehold	Terminal Building/Other Building	3.33%	3.33%
Building Freehold	Road	3.33%	10.00%
Building Freehold	Temporary Building	33.33%	33.33%
Boundary- Freehold	B/w Residential	3.33%	10.00%
Boundary- Freehold	B/w Operation	3.33%	10.00%
Boundary- Freehold	Temporary B/W(Fencing)	100.00%	10.00%
Plant & Equipment-Fr	Plant & Equipment	6.67%	6.67%
Plant & Equipment-Fr	Tools & Equipment	6.67%	6.67%
Plant & Equipment-Le	Xray Baggage	6.67%	6.67%
Furniture & Fixtures	Office Furniture	10.00%	14.29%
Furniture & Fixtures	Office Furniture-Trolley	10.00%	33.33%
Vehicles-Fire	CFT & Fire Fighting Equip.	6.67%	6.67%
Vehicles-Freehold	Car/Jeep etc	12.50%	12.50%
Office Appliances-Fr	Office Appliances	20.00%	20.00%
Office Appliances-Fr	Computer	16.67%	33.33%
Computer Software-Fr	Software	20.00%	20.00%
Plant & Equipment-Fr	Elect Installation	10.00%	10.00%

Table 14: Depreciation as per Table No.23 (P-33) of Order No. 44/2018-19 is as follows:

Particulars (₹ lacs)	Control period					Total
	2018-19	2019-20	2020-21	2021-22	2022-23	
Depreciation	812	750	719	1077	1397	4755

Table 15: True Up of Depreciation during FY 18-19 to FY 22-23 is as follows:

Particulars (₹ lacs)	Control period					Total
	2018-19	2019-20	2020-21	2021-22	2022-23	
Depreciation	763.23	757.72	744.87	746.21	921.73	3933.76

Significant reason for variations in Depreciation are as follow:

- The Major variance in Projected vs Actual is due to shifting of Proposed Terminal from 30.09.2021 to 01.10.2027. (Rs.11368 lacs approved by AERA against Rs.13238 lacs (Proposed) and Cost of Apron Rs. 2887.51 lacs (Actual) against Approved Rs.2364 Lacs (Proposed Rs3480 lacs.)
- Financing allowance of Rs.653.98 lacs has been considered during true up of 1st Control Period.
- During 1st Control Period Rs. 2937.49 lacs have been incurred on unplanned capex.

8. Regulatory Asset Base for the 1st Control Period.

8.1 AERA had approved the Average RAB for the 1st Control.

Table 16: RAB for 1st Control Period as per Table No, 25 (P-37) of Order no. 44/2018-19 is as follows:

S N	Particulars (₹ lacs)	Pre-control		Control period				
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
A	Opening Aeronautical	4,451	4,024	4,626	7,607	6,856	12,500	22,790
B	Aeronautical assets capitalized-year	4.4	1,302	3,792	-	6,363	11,367	-
C	Disposals/ Transfers	-	-	-	-	-	-	-
D	Depreciation	716	700	812	750	719	1,077	1,397
E	Closing Aeronautical	4,024	4,626	7,607	6,856	12,500	22,790	21,393
F	Average RAB (A+E)/2	4,237	4,325	6,116	7,231	9,678	17,645	22,092

Table No17: True Up of RAB for the 1st Control Period is as follows:

	Particulars (₹ lacs)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total 1 st CP
A	Opening Aeronautical RAB*	4450.66	4023.78	4625.71	6686.22	8256.52	8474.43	10949.07	38991.96
B	Aeronautical assets capitalized-year	289.52	1301.58	2823.74	2340.91	963.06	3221.89	3909.73	13259.34
C	Disposals/ Transfers	0.00	0.00	0.00	12.89	0.29	1.05	21.36	35.58
D	Depreciation	716.39	699.65	763.23	757.72	744.87	746.21	921.67	3933.70
E	Closing Aeronautical RAB (A+B-C-D)	4023.78	4625.71	6686.22	8256.52	8474.43	10949.07	13915.77	48282.02
	Average RAB (A+E)/2	4237.22	4324.75	5655.97	7471.37	8365.48	9711.75	12432.42	43636.99

*Opening Aeronautical RAB does not include value of land

Significant reasons for variations in RAB and Depreciation are as follow

- The Major variance in Projected vs Actual is due to shifting of Proposed Terminal from 30.09.2021 to 01.10.2027. (Rs.11368 lacs approved by AERA against Rs.13238 lacs (Proposed) and Cost of Apron Rs. 2887.51 lacs (Actual) against Approved Rs.2364 Lacs (Proposed Rs3480 lacs.)
- Financing allowance of Rs. 653.98 lacs has been considered during true up of 1st Control Period.
- During 1st Control Period Rs. 2937.49 lacs have been incurred on unplanned capex.

9 Fair Rate of Return (FRoR)

9.1 AERA had considered the FRoR at 14% in line with the decision by AERA taken for Chennai, Kolkata, Guwahati & Lucknow airports for the 1st Control Period.

Table 18: Summary of Projected FRoR on Regulatory Asset Base as per Table 42 (page58) of order No.44/2018-19 is as follows

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Average Regulatory Asset Base (RAB)	6,116	7,231	9,678	17,645	22,092	62,762
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
Return on Average RAB	856.2	1012	1354.92	2470.3	3092.88	8786.68

- The AERA considered FRoR 14% p.a for Coimbatore airport as per the decision taken for other AAI airports such as in Chennai, Kolkata, Guwahati and Lucknow for the 1st Control Period.

Table 19: Summary of FRoR on Regulatory Asset Base (True Up) for the 1st Control Period is as follows

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Average Regulatory Asset Base (RAB)	5655.97	7471.37	8365.48	9711.75	12432.42	43636.99
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
Return on Average RAB @ 14%	791.84	1045.99	1171.17	1359.64	1740.54	6109.18

Significant reasons for variations in Average RAB are as follow

- The Major variance in Projected vs Actual is due to shifting of Proposed Terminal from 30.09.2021 to 01.10.2027. (Rs.11368 lacs approved by AERA against Rs.13238 lacs (Proposed) and Cost of Apron Rs. 2887.51 lacs (Actual) against Approved Rs.2364 Lacs (Proposed Rs3480 lacs.)
- Financing allowance of Rs.653.98 lacs has been considered during true up of 1st Control Period.
- During 1st Control Period Rs. 2937.49 lacs have been incurred on unplanned capex.

9. Operating Expenses

9.1 AAI submitted that the allocation of CHQ/RHQ expenses among individual airports has been done on the basis of revenue.

9.2 Table No 20 Operating & Maintenance (O&M) expenses as considered by the Authority for the 1st Control Period as per Table No.28 (p-42) of Order No.44/2018-19 is as follows: -

Particulars (₹ lacs)	Control period					Total
	2018-19	2019-20	2020-21	2021-22	2022-23	
Payroll expenses –non CHQ/RHQ	1,964	2,100	2,247	2,405	2,573	11,291
Payroll expenses –CHQ/RHQ	284	284	284	284	284	1,418
Total Payroll Expenditure	2,248	2,384	2,531	2,689	2,857	12,709
Administration and General expenses –non CHQ/RHQ	422	483	549	620	696	2,768
Administration and General expenses – CHQ/RHQ	487	487	487	487	487	2,437
Total Admin & General Expenditure	909	970	1,036	1,107	1,183	5,205
Repairs and maintenance	769	846	931	1,072	1,231	4,849
Utilities and outsourcing expenses	425	425	425	441	458	2,174
Other outflows – Collection Charges on UDF	35	40	46	52	59	232
Total	4,386	4,665	4,969	5,361	5,788	25,169

Table 21: True Up of Operating & Maintenance (O&M) expenses during FY 18-19 to FY 22-23 is as follows:

Particulars (₹ lacs)	Control period					Total
	2018-19	2019-20	2020-21	2021-22	2022-23	
Payroll expenses –non CHQ/RHQ	1749.59	2102.48	1851.80	2028.60	1920.00	9652.46
Payroll expenses –CHQ/RHQ	602.83	345.04	80.78	203.58	62.74	1294.98
Total Payroll Expenditure	2352.43	2447.52	1932.58	2232.18	1982.74	10947.44
Administration and General expenses –non CHQ/RHQ	547.27	542.89	449.15	599.00	802.14	2940.45
Administration and General expenses – CHQ/RHQ	694.45	1687.48	1251.42	1313.99	1379.69	6327.01
Total Admin & General Expenditure	1241.72	2230.37	1700.56	1912.99	2181.82	9267.46
Repairs and maintenance	688.51	774.82	680.66	755.06	909.85	3808.91
Utilities and outsourcing expenses	455.79	489.11	394.01	395.02	460.27	2194.21
Other outflows – Collection Charges on UDF	22.58	49.29	14.37	28.08	57.37	171.68
Total	4761.03	5991.10	4722.18	5323.34	5592.06	26389.71

Payroll expenses –Non CHQ/RHQ

- Increase in pay roll due to pay revision of Non- Executive on actual basis however AERA had considered increase of 37.16% in FY 2018-19.
- Overtime rate per hrs revised from April 2019 also increased the staff cost.

Pavroll expenses –CHO/RHQ

- AAI had proposed CHQ/RHQ ((Retirement benefit) taken actuals of FY2015-16 and projected for FY2016-17 to FY 2022-23 with 5% Annual Escalation, however AERA had disallowed the escalation and considered constant expenses of FY 2015-16 throughout the control period.
- Actuarial Expenses (Retirement Benefits) for FY 2018-19 include Provision for 3rd Pension and CAD Pension for FY 2018-19 (Up to March 2019) thereafter no provision of 3rd pension has been provided.
- In FY 2022-23 as there is negative balance of Rs.40.65 lacs due to reverse of excess provision.

Administration and General expenses –Non CHO/RHQ

- AERA had considered 10% growth for FY 2019-20 to FY 2021-22 & 12% in FY 2022-23.
- Increase in Travelling Expenses due to revision of Travelling Allowance rates w.e.f. April 2019.
- Hiring of man power is also increase due to award of new contract by CHQ and also new contract was awarded for “May I Help you “
- An amount of Rs.216 lacs for CSR expense & Interest on working capital of Rs.233 lacs which were not considered in Tariff order for the 1st CP.

Administration and General expenses – CHO/RHQ

- AAI had proposed CHQ/RHQ ((Retirement benefit) taken actuals of FY2015-16 and projected for FY2016-17 to FY 2022-23 with 5% Annual Escalation, however AERA had disallowed the escalation and considered constant expenses of FY 2015-16 throughout the control period.
- There have been increased due to revised pay as per 7th pay Commission, revised OTA/OPA, Travelling Allowance, medical allowance etc.
- Provision for 3rd pension (1st time) and CAD Pension were made in FY 2018-19 which were not provided during 1st control period.

Repairs and maintenance

AERA had considered 10% YOY growth for the 1st control period.

Following reasons for variance in the actual cost are given below

R&M Civil

- In FY 2018-19: - Rs. 19.22 lac modification of Toilets-Charged off

R&M Electrical

- AMC of Apron Drive Glass Walled PBB and PBB were not considered in proposal for 1st CP..
- AMC of AC units were not considered due to unplanned capex.

R&M Electronics: -

- AMC of the following were not considered in the proposal due to unplanned capex: -
- AMC of ETD, CCTV, PA System, E-gates, FIDS, BDDS, Mobile command post and X-Bis.

Utilities and outsourcing expenses

- AERA had considered no growth in electricity except 10% in FY 2021-22 due to operationalization of new Terminal Building.

Other outflows – Collection Charges on UDF

Collection charges on UDF is directly linked with Passenger growth and AERA had taken higher growth for the 1st Control Period accordingly projected higher revenue for the 1st CP.

10. Taxation

10.1 AERA had considered Coimbatore airport on standalone basis as it has done for other AAI airports as well.

The tax rate for 1st control period has been taken 34.9%. The Final tax expense considered by the Authority per Table No.34 (p-51) for the 1st Control Period as per Order No.44/2018-19 is as follows: -

Table 22: Applicable tax rates as per Income Tax Act, 1961 considered by AERA for 1st CP.

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Tax rates adopted for 2 nd Control Period	34.61%	34.61%	34.94%	34.94%	34.94%	34.94%	34.94%

Table 23: Tax expense considered by the Authority -INR lacs (final)

Particulars	Pre-control regulatory period		Control period					Total 1 CP
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
Aero revenue with proposed rates	2,306	2,524	2,809	7,977	9,054	10,282	11,682	41,804
Less-O&M expenses	3,809	4,341	4,386	4,666	4,969	5,361	5,789	33,321
Less-Depreciation	509	517	743	872	992	1,789	2,277	7,699
Profit before tax	-2,012	-2,334	-2,320	2,439	3,093	3,132	3,616	5,614
Set-off of loss				-2,439	-3,093	-1,134		
Profit before tax after set-off of loss				0	0	1998	3616	
Tax rate (%)	34.60%	34.60%	34.90%	34.90%	34.90%	34.90%	34.90%	
Tax						697.3	1262.0	1,959

Table 24: True Up of Corporate tax as per Income Tax Act, 1961 for the 1st Control Period is as under:

-

Applicable tax rates as per Income Tax Act, 1961

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Tax rates adopted for 1 st C.P	34.94%	25.17%	25.17%	25.17%	25.17%

Table No:25 True Up of Corporate Tax as per Income Tax Act, 1961 for the 1st Control Period is as follows:

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
AERO REV (A)	3440.81	7835.43	2558.54	4081.54	7655.41	25571.72
OPEX	4761.03	5991.10	4722.18	5323.34	5592.06	26389.71
DEP. As WDV AS PER I.TAX	701.91	971.33	1103.57	1203.35	1361.98	5342.14
TOTAL EXP. (B)	5462.94	6962.43	5825.75	6526.69	6954.03	31731.85
PBT (A-B) (Carry forward of losses)	-2022.13	873.00	-3267.21	-2445.15	701.38	-6160.12
Set off losses		-873.00			-701.38	1574.37
PBT	-2022.13	0.00	-3267.21	-2445.15	0.00	-7734.49
Tax Rate	34.944%	25.17%	25.17%	25.17%	25.17%	25.17%
TAX	0.00	0.00	0.00	0.00	0.00	0.00

Variance in Tax amount due to change in Tax Rate from FY2019-20 onwards and Fall in PAX & ATM resulting fall in Aero Revenue.

11 Non-Aeronautical revenue (NAR)

11.1 AERA had approved the Non-Aeronautical revenue. This shown in the table given below

Table 26: Non-Aeronautical revenue as per Authority for 1st Control Period as per Table No.32 (P-47) of Order No. 44/2018-19

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
1. Trading concessions						
Restaurant / snack bars	210	231	254	292	336	1323
T.R. stall	268	295	324	373	429	1689
Hoarding & display	570	627	690	793	912	3592
2. Rent and services						0
Land leases	33	33	33	33	33	165
Building (residential)	3	4	4	4	5	20
Building (non-residential)	193	212	234	269	309	1217
Hanger Rent	134	147	162	178	196	817
3. Miscellaneous						
Duty Free Shops	192	211	232	267	307	1209
Car rentals	86	95	105	120	138	544
Car parking	303	334	367	422	486	1912
Admission tickets	74	82	90	103	119	468
Other income / sale of scrap	139	146	153	161	169	768
	2205	2417	2648	3015	3439	13724

Table 27: True Up of Non-Aeronautical revenue for 1st Control Period is as under

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
1. Trading concessions						
Restaurant / snack bars	226.40	271.62	54.05	93.36	278.70	924.13
T.R. stall	295.16	384.06	96.66	190.28	413.08	1379.23
Hoarding & display	647.57	741.96	154.38	254.83	792.97	2591.72
2. Rent and services						
Land leases	29.54	17.60	26.89	22.50	30.42	126.94
Building (residential)	2.04	2.05	1.78	1.46	3.02	10.35
Building (non-residential)	108.13	105.39	105.71	128.76	149.31	597.30
Hanger Rent	130.10	161.08	161.52	132.72	61.97	647.40
3. Miscellaneous						
Duty Free Shops	174.08	175.98	15.94	55.56	200.77	622.31
Car rentals	58.33	72.81	21.06	43.74	120.06	316.00
Car parking	303.19	192.80	24.19	66.10	117.36	703.64
Admission tickets	79.78	77.48	6.05	5.86	9.53	178.70
Other income / sale of scrap	156.22	224.37	160.82	145.95	302.48	989.85
TOTAL	2210.54	2427.20	829.04	1141.12	2479.67	9087.57

Variance

- AERA had taken additional 10% growth in FY2021-22 due to operationalization of New Terminal Building however the PDC of Terminal Building has been shifted to Oct 2027.
- AERA had linked Revenue from Admission Ticket to the Pax Growth however due to Covid-19 no visitors were issued admission ticket resulting lower revenue from Non-aero.
- Concession Support Scheme had been provided to all the concessionaire during FY 2020-21 & FY 2021-22 due to Covid-19 resulting lower Non-Aero revenue.

12. Aeronautical revenue

12.1 AERA had approved the Non-Aeronautical revenue. This shown in the table given below

Table 28: Aeronautical revenue considered by Authority for the 1st Control Period as per Table No.53 (P-65) of Order No. 44/2018-19

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Landing charges:	1,153	1,638	1,863	2,119	2,412	9,185
Parking charges:	1	1	2	2	2	8
Fuel Throughput ch.	51	196	212	230	250	939
Ground handling ch.	236	258	279	303	329	1,405
Land lease–Oil Co.	50	50	50	50	50	250
CUTE charges	109	123	140	159	181	712
Cargo Revenue	116	145	181	227	284	953
PSF	1093	0	0	0	0	1,093
UDF	0	5,566	6,327	7,192	8,174	27,259
	2,809	7,977	9,054	10,282	11,682	41,804

Table 29: True Up of Aeronautical revenue for 1st Control Period is as under

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Landing charges:	1,446	1,949	858	1,332	2,261	7,846
Parking and housing charges:	5.48	16.57	16.49	117.09	96.17	252
Fuel Throughput charges	72.87	198.28	0.00	0.00	0.00	271
Ground handling charges	319.52	188.06	44.33	49.92	221.40	823
Land lease – Oil companies	47.01	54.12	48.03	44.72	50.73	245
CUTE charges	227.98	259.57	73.23	99.46	283.19	943
Royalty from AAICLAS	116.20	108.11	63.82	86.56	93.74	468
PSF	1205.68	49.81	0.00	0.00	0.00	1,255
UDF	0.00	5004.79	1447.45	2348.67	4643.96	13,445
Extn. Of Watch hrs	0.00	0.00	6.50	1.48	0.00	8
Revenue from MRO	0.00	6.63	0.80	1.96	4.91	14
Total	3440.81	7835.43	2558.54	4081.54	7655.41	25571.72

- From the above tables it can be concluded that there has been a shortfall of in Aeronautical Revenue amounting to INR 16232 Lacs in 1st C.P owing to Covid-19 pandemic.

Aggregate Revenue required for the 1st control Period (True Up)

Table 30: Projected ARR Considered by Authority for the 1st Control Period as per Table No.42 (P58) of Order No. 44/2018-19 is as follows:

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Average RAB	6,116	7,231	9,678	17,645	22,092	62,762
Fair Rate of Return	14%	14%	14%	14%	14%	
Return on average RAB	856	1,012	1,355	2,470	3,093	8,786
O&M expenses	4,386	4,666	4,969	5,361	5,789	25,171
Depreciation	812	750	719	1,077	1,397	4,755
Tax expense	0	0	0	698	1264	1,962
Add: True up	6063	0	0	0	0	6,063
Less: 30% NAR	662	725	794	905	1032	4,118
ARR per year	11,455	5,703	6,249	8,701	10,511	42,619
PV Factor (Discount)	1	0.88	0.77	0.67	0.59	

PV of ARR	11455	5018.64	4811.73	5829.67	6201.49	33,317
Approved Rev as per Order	2809	7977	9054	10282	11682	41,804
PV of approved Rev	2809	7019.76	6971.58	6888.94	6892.38	30,582
PV Shortfall carry forward	-8646	2001.12	2159.85	1059.27	690.89	-2,735

Table 31: True Up for ARR 1st Control Period is as follows:

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Average RAB	5655.97	7471.37	8365.48	9711.75	12432.42	43636.99
Fair Rate of Return	14%	14%	14%	14%	14%	
Return on average RAB	791.84	1045.99	1171.17	1359.64	1740.54	6109.18
O&M expenses	4761.03	5991.10	4722.18	5323.34	5592.06	26389.71
Depreciation	763.23	757.72	744.87	746.21	921.67	3933.70
Tax expense	0.00	0.00	0.00	0.00	0.00	0.00
Intt. on Working capital	94.83	0.00	29.10	109.10	0.00	233.02
Add: True up (S/FALL)	6063.00	0.00	0.00	0.00	0.00	6063.00
Less: 30% NAR	663.16	728.16	248.71	342.34	743.90	2726.27
ARR per year	11810.76	7066.66	6418.60	7195.95	7510.36	40002.33
PV Factor (Compound)	1.93	1.69	1.48	1.30	1.14	
PV of ARR	22740.60	11935.31	9509.44	9351.86	8561.81	62099.02
Actual Revenue	3440.81	7835.43	2558.54	4081.54	7655.41	25571.72
PV of Actual Revenue	6624.98	13233.72	3790.60	5304.36	8727.17	37680.83
PV Shortfall	16115.62	-1298.42	5718.85	4047.50	-165.36	24418.19

Significant reasons for variations in ARR and yield are as follows:

There are variances in Aeronautical revenue for 1st Control Period on account of COVID-19 pandemic. There were no air traffic movement due to imposition of lockdown across country leading to fall in revenue in FY 2020-21. Adverse impacts of COVID-19 pandemic can be seen in revenue of FY-2021-22 also.

- Major downfall in Aeronautical revenue is under Landing and UDF charges in FY 2020-21 due to the adverse impact of COVID-19 pandemic.
- ARR for the FY 2021-22 includes the interest on working capital amounting to INR 233.02 lacs.
- ARR for the FY 2021-22 includes the Interest during construction period (IDC) & Financing allowance to INR 653.98 lacs.

Present Value of Shortfall of the 1st Control Period to be carry forward for the 2nd C.P.

Table 32: Computation of Shortfall and Present Value of Shortfall

Particulars (₹ lacs)	2018-19	2019-20	2020-21	2021-22	2022-23
No. of Years	5	4	3	2	1
PV Factor (Compound)	1.93	1.69	1.48	1.30	1.14
ARR	11810.76	7066.66	6418.60	7195.95	7510.36
Aeronautical Revenue	3440.81	7835.43	2558.54	4081.54	7655.41
Shortfall (ARR-Aero Rev.)	8369.95	-768.77	3860.06	3114.42	-144.73
Return on shortfall	16,115.62	(1,298.42)	5,718.85	4,047.50	(165.36)
Total PV of Shortfall of 1st CP to be carry forward					24,418.19

MYTP for the 2nd Control Period (01.04.2023 to 31.03.2028)

Traffic Growth: -Passenger Traffic and ATM of Coimbatore International Airport for the 2nd Control Period.

The historical & Projected Passenger traffic and ATM at the airport has been shown in the table 33 below:

Year	PAX						ATM					
	Dom	%	INTL	%	Com	%	Dom	%	INTL	%	Com	%
2017-18	2200194		203741		2403935		20065		1530		21595	
2018-19	2763672	25.6%	237210	16.4%	3000882	24.8%	23390	16.6%	1863	21.8%	25253	16.9%
2019-20	2604603	-5.8%	238232	0.4%	2842835	-5.3%	20356	-13.0%	1947	4.5%	22303	-11.7%
2020-21	820154	-68.5%	26495	-88.9%	846649	-70.2%	7893	-61.2%	250	-87.2%	8143	-63.5%
2021-22	1220540	48.8%	65382	146.8%	1285922	51.9%	10418	32.0%	602	140.8%	11020	35.3%
2022-23	2362446	93.6%	194817	198.0%	2557263	98.9%	16364	57.1%	1278	112.3%	17642	60.1%
	Projection						Projection					
2023-24	2834935	20%	220143	13%	3055078	19%	17346	6%	1342	5%	18688	6%
2024-25	3345224	18%	275179	25%	3620403	18.5%	20121	16%	1664	24%	21785	16.6%
2025-26	3880459	16%	324711	18%	4205171	16.2%	23139	15%	1947	17%	25086	15.2%
2026-27	4501333	16%	383159	18%	4884492	16.2%	26610	15%	2278	17%	28888	15.2%
2027-28	4951466	10%	440633	15%	5392099	10.4%	29005	9%	2597	14%	31602	9.4%

MYTP has been prepared considering the above growth of PAX & ATM for projecting the Aeronautical Revenue for the 2nd Control period.

12.2 Allocation of Assets

12.2.1 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:

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

Table 34: Terminal Building Ratio for 2nd Control Period

Particulars	AERO	NON-AERP
Terminal Building Ratio	90%	10%

12.2.3 Quarters Ratio- Ratio of staff providing ANS service staying in residential building to staff providing aeronautical service staying in residential building.

Table 35: Quarters Ratio for 2nd Control Period

Particulars	
Total No. of Quarters	120
No. of Quarters ANS & Non- Aero	33
ANS & Non- Aero Usage Ratio	27.50%
Aero Usage Ratio	72.50%

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

Table 36: Employee Ratio for 2nd Control Period

Particulars	2023-24	2024-25	2025-26	2026-27	2027-28
Total Airport Strength (inc. CNS-Airport Sys & IT)*	87	87	87	87	87
Total ANS Strength	50	50	50	50	50
Non- Aero Emp. (Land+Commercial)	4	4	4	4	4
Common Emp.-(Finance & HR)	19	19	19	19	19
Total	160	160	160	160	160
(CNS staff- Airport system & IT) inc. in Airport*	3	3	3	3	3
Common Employee's apportionment					
Total Airport Strength	11	11	11	11	11
Total ANS Strength	7	7	7	7	7
Non- Aero Emp. (Land+Commercial)	1	1	1	1	1
Total	19	19	19	19	19
Head Count after apportionment of Common Employees					
Total Airport Strength	98	98	98	98	98
Total ANS Strength	57	57	57	57	57
Non-Aero Emp. (Land+Commercial)	5	5	5	5	5
Total	160	160	160	160	160
Employee ratio for (ANS: AERO: Non-Aero)	100%	100%	100%	100%	100%
ANS	35.63%	35.63%	35.63%	35.63%	35.63%
Aero	61.25%	61.25%	61.25%	61.25%	61.25%
Non-Aero	3.13%	3.13%	3.13%	3.13%	3.13%
Employee ratio for (AERO: Non-Aero)	100%	100%	100%	100%	100%
Aero	95.15%	95.15%	95.15%	95.15%	95.15%
Non-Aero	4.85%	4.85%	4.85%	4.85%	4.85%

Capital Expenditure for the 2nd Control Period (01.04.2023 to 31.03.2028)

List of Proposed Major Capital Expenditure for the 2nd Control Period is as table 37 below: -

S.No.	Description	Civil (In Lacs)	Elect (In Lacs)	Total (In Lacs)	Aero Cost (In Lacs)	PDC	Remarks
1	Cons. Of Boundary Wall	4392.11	739.18	5131.29	5131.29	Oct' 27	100% AERO
2	Replacement of FIDS & CIDS	0.00	407.63	407.63	407.63	Sept' 24	100% AERO
3	CCTV Cameras for vehicle	0.00	39.90	39.90	39.90	Sept' 24	100% AERO
4	SITC of DFMD (4 Nos.)	0.00	8.09	8.09	8.09	Sept' 23	100% AERO
5	NLJD	0.00	5.00	5.00	5.00	Sept' 24	100% AERO
6	ETD	0.00	45.00	45.00	45.00	Oct' 24	100% AERO
7	Body Scanner	0.00	1250.00	1250.00	1250.00	Oct' 25	100% AERO
8	BDDS Priority-II	0.00	433.00	433.00	433.00	Sept' 24	100% AERO
9	HB X-Bis 3 no.	0.00	62.45	62.45	62.45	Sept' 23	100% AERO
10	RB X-Bis 2 no.	0.00	69.05	69.05	69.05	Sept' 23	100% AERO
11	X-BIS	0.00	150.00	150.00	150.00	Oct' 24	100% AERO
	Total	4392.11	3209.30	7601.41	7601.41		

Table No:39 Projected capital Expenditure proposed for the 2nd Control Period is as under: -

S.No.	Particulars (₹ lacs)	2023-24	2024-25	2025-26	2026-27	2027-28	Total
1	Boundary Wall -Operational	0.00	4601.64	0.00	0.00	0.00	4601.64
2	Plant & Machinery	23.09	915.53	1250.00	0.00	0.00	2188.62
3	Electrical Installations	0.00	774.44	0.00	0.00	0.00	774.44
4	X Ray Baggage System	131.50	150.00	0.00	0.00	0.00	281.50
5	Total	154.59	6441.61	1250.00	0.00	0.00	7846.20

- ❖ Capex Rs.7846.20 lacs. (Inc. Finance allowance of Rs.244.79 lacs.) have been proposed for the 2nd control period. (Aero Cost Rs.7601.41 lacs. excluding Fin. allow & IDC)

Depreciation

Depreciation have been proposed in line with the guidelines issued by AERA for the 2nd Control Period is as under: -

Table 38: Proposed Depreciation during FY 23-24 to FY 27-28 is as follows:

Particulars (₹ lacs)	Control period					Total
	2023-24	2024-25	2025-26	2026-27	2027-28	
Depreciation	1004.92	1252.35	1585.07	1601.27	1553.17	6996.79

- Depreciation has been proposed 50% on 1st year or year of capitalization of assets and thereafter full Depreciation has been calculated for the 2nd Control Period.

Fair Rate of Return (FRoR).

Table No:39 Summary of Projected RAB and Fair Rate of Return on RAB for 2nd Control Period is as follows:

	Particulars (₹ lacs)	2023-24	2024-25	2025-26	2026-27	2027-28	Total
A	Opening Aeronautical RAB*	13915.77	13061.98	18251.24	17916.17	16314.90	79460.06
B	Aeronautical assets capitalized during year	154.59	6441.61	1250.00	0.00	0.00	7846.20
C	Disposals/ Transfers	3.46	0.00	0.00	0.00	0.00	3.46
D	Depreciation	1004.92	1252.35	1585.07	1601.27	1553.17	6996.79
E	Closing Aeronautical RAB (A+B-C-D)	13061.98	18251.24	17916.17	16314.90	14761.72	80306.01
F	Average RAB (A+E)/2	13488.88	15656.61	18083.71	17115.53	15538.31	79883.04
G	Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
H	Return on Average RAB @ 14%	1888.44	2191.93	2531.72	2396.17	2175.36	11183.62

- Depreciation has been proposed 50% on 1st year or year of capitalization of assets and thereafter full Depreciation has been calculated for the 2nd Control Period.
- 14% Rate has been considered for calculating Return on RAB.

12.3 Operating Expenses

Table 40: Proposed Operating & Maintenance (O&M) expenses for the 2nd Control Period is as follows:

Particulars (₹ lacs)	Control period					Total
	2023-24	2024-25	2025-26	2026-27	2027-28	
Payroll expenses –non CHQ/RHQ	2041.23	17.66	16.74	16.24	20.29	2112.16
Payroll expenses –CHQ/RHQ	67.13	71.83	76.86	82.24	108.55	406.61
Total Payroll Expenditure	2108.36	2255.94	2413.86	2582.83	3409.34	12770.33
Administration and General expenses –non CHQ/RHQ	918.64	1143.89	1255.85	1379.02	1521.99	6219.39
Administration and General expenses – CHQ/RHQ	1448.67	1521.10	1597.16	1677.02	1760.87	8004.82
Total Admin & General Expenditure	2367.31	2664.99	2853.01	3056.03	3282.86	14224.21
Repairs and maintenance	1997.46	2105.10	2215.81	2337.53	2471.37	11127.27
Utilities and outsourcing expenses	479.72	504.84	527.12	550.79	575.95	2638.42
Other outflows – Collection Charges on UDF	68.54	81.22	94.34	109.58	120.97	474.65
Total	7021.39	7612.10	8104.15	8636.77	9860.49	41234.88

Payroll expenses –Non CHQ/RHQ

An increase of 7% YoY has been proposed for the 2nd control Period.

An additional increase of 25% has been proposed for FY 2027-28 because of next wage revision is due from 01.01.2027.

Payroll expenses –CHQ/RHQ

The same increase as proposed for Payroll Expenses-Non CHQ/RHQ has been proposed for CHQ/RHQ expenses for the 2nd Control Period.

Administration and General expenses –Non CHQ/RHQ

An increase of 10% YoY has been proposed for the 2nd control Period.

ESS Contract is proposed to merge with MESS expense considering the wage increase and increase in area as well as manpower for Cleaning. Resulting increase in cost.

Administration and General expenses – CHQ/RHQ

CHQ/RHQ Expenses has been proposed with 5% increase YOY basis from FY 2020-21(Actual) onwards.

Repairs and maintenance

R&M Civil

Runway re-carpeting of Rs. 49.83 cr. has been proposed to recover in 5 instalments as per AERA guideline. An increase of 10% YoY basis has been proposed for the 2nd Control Period.

R&M Electrical

An increase of 10% YoY basis has been proposed for the 2nd Control Period.

R&M Equipment & Furniture

An increase of 10% YoY basis has been proposed for the 2nd Control Period.

R&M Electronics

An increase of 10% YoY basis has been proposed for the 2nd Control Period.
Additional CMC cost of Rs.33.93cr has been proposed for new X-BIS and DFMD.

Utilities and outsourcing expenses

An increase of 3% YoY basis has been proposed for the 2nd Control Period
An increase of 10% YoY basis has been proposed for other outsourcing expenses for the 2nd Control Period.

Other outflows – Collection Charges on UDF

Collection charges on UDF is directly linked with Passenger growth and accordingly proposed for the 2nd control Period.

12.4 Taxation

Table 41: Tax expense Proposed for the 2nd Control Period -INR

Particulars (₹ lacs)	2023-24	2024-25	2025-26	2026-27	2027-28	Total
AERO REV	8756.25	18092.74	21246.65	24948.63	27885.84	100930.12
OPEX	7021.39	7612.10	8104.15	8636.77	9860.49	41234.88
DEP. As WDV AS PER INCOME TAX	1352.65	1552.17	1815.21	1699.46	1502.05	7921.55
TOTAL EXP.	8374.04	9164.27	9919.36	10336.23	11362.54	49156.44
PBT	382.21	8928.47	11327.30	14612.40	16523.30	51773.69
Set off losses	-382.21	-5777.91				6160.12
PBT after set-off of loss	0.00	3150.56	11327.30	14612.40	16523.30	45613.56
Tax Rate	25.17%	25.17%	25.17%	25.17%	25.17%	
TAX	0.00	793.00	2851.08	3677.94	4158.92	11480.93

12.5 Non-Aeronautical revenue (NAR)

Table 42: Projected Non-Aeronautical revenue for 2nd Control Period is as under

Particulars (₹ lacs)	2023-24	2024-25	2025-26	2026-27	2027-28	Total
1. TRADING CONCESSIONS						
RESTAURANT / SNACK BARS	306.57	337.23	370.95	408.04	448.85	1871.63
T.R. STALL	454.39	499.83	549.81	604.79	665.27	2774.08
HOARDING & DISPLAY	872.27	959.49	1055.44	1160.99	1277.09	5325.27
2. RENT AND SERVICES						
LAND LEASES	30.42	30.42	34.98	34.98	34.98	165.79
BUILDING (RESIDENTIAL)	3.17	3.33	3.49	3.67	3.85	17.50
BUILDING (NON-RESIDENTIAL)	164.24	180.67	198.73	218.61	240.47	1002.71
HANGER RENT	61.97	61.97	71.27	71.27	71.27	337.74
3. MISCELLANEOUS						
DUTY FREE SHOPS	220.84	242.93	267.22	293.94	323.34	1348.27
CAR RENTALS	132.07	145.28	159.81	175.79	193.37	806.31
CAR PARKING	129.10	142.01	156.21	171.83	189.01	788.14
ADMISSION TICKETS	10.49	11.53	12.69	13.96	15.35	64.01
OTHER INCOME/ SALE OF	151.24	158.80	166.74	175.08	183.84	835.71
TOTAL	2536.76	2773.47	3047.33	3332.93	3646.66	15337.16

❖ **Proposed Increase in revenue as given Table No:43 below: -**

Particulars (₹ lacs)	2023-24	2024-25	2025-26	2026-27	2027-28
1. TRADING CONCESSIONS					

RESTAURANT / SNACK BARS	10%	10%	10%	10%	10%
T.R. STALL	10%	10%	10%	10%	10%
HOARDING & DISPLAY	10%	10%	10%	10%	10%
2. RENT AND SERVICES					
LAND LEASES	0%	0%	15%	0%	0%
BUILDING (RESIDENTIAL)	5%	5%	5%	5%	5%
BUILDING (NON-RESIDENTIAL)	10%	10%	10%	10%	10%
HANGER LAND RENT	0%	0%	15%	0%	0%
3. MISCELLANEOUS					
DUTY FREE SHOPS	10%	10%	10%	10%	10%
CAR RENTALS	10%	10%	10%	10%	10%
CAR PARKING	10%	10%	10%	10%	10%
ADMISSION TICKETS	10%	10%	10%	10%	10%
OTHER INCOME/ SALE OF SCRAP ETC	-50%	5%	5%	5%	5%

Table 43: Projected ARR for the 2nd Control Period is as follows:

Particulars (₹ lacs)	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Average RAB	13488.88	15656.61	18083.71	17115.53	15538.31	79883.04
Fair Rate of Return	14%	14%	14%	14%	14%	
Return on average RAB	1888.44	2191.93	2531.72	2396.17	2175.36	11183.62
O&M expenses	7021.39	7612.10	8104.15	8636.77	9860.49	41234.88
Depreciation	1004.92	1252.35	1585.07	1601.27	1553.17	6996.79
Tax expense	0.00	793.00	2851.08	3677.94	4158.92	11480.93
Intt. on Working capital	0.00	0.00	0.00	0.00	0.00	0.00
Add: True up 1st CP carry forward	24418.19	0.00	0.00	0.00	0.00	24418.19
Less: 30% NAR	761.03	832.04	914.20	999.88	1094.00	4601.15
ARR per year	33571.92	11017.32	14157.82	15312.28	16653.94	90713.28
PV Factor (Discounted) @14%	1.00	0.88	0.77	0.67	0.59	
PV of ARR	33571.92	9664.32	10893.98	10335.35	9860.47	74326.04

Significant reasons for variations in ARR and yield are as follows:

- ARR for the 2nd Control Period includes Financing allowance to INR 244.79lacs.
- ARR for 2nd Control Period amounting to INR 907.13 cr. Include Rs. 244.18 Crores Shortfall for 1st Control Period.

Revenue Stream to recover ARR with proposed applicable date: -1st April 2024

The following revenue streams are available to recover the ARR: -

- Landing Charges:** - Landing charge is proposed to increase by 40% for both Domestic and International landing from the existing charges w.e.f. 01.04.2024 for FY 2024-25. An increase of 6% thereafter on year on year basis from FY 2025-26 onwards is proposed.

New Points add in Tariff Card

- Non-Schedule Flights: “A minimum fee of Rs.4000/- per flight or applicable landing charges shall be charged as per landing for all types of aircraft flights, helicopter flights including but not limited to domestic landing, international and general aviation landing for the control period.”
- Domestic leg of International routes of foreign carriers shall be treated as International flights

ii. **Parking Charges:** - Parking Charge are proposed to increase by 110% from the existing charges w.e.f. 01.04.2024 till 31.03.2025. An increase of 6% thereafter on year on year basis from FY 2025-26 onwards is proposed.

iii **User Development Fee (UDF) :** -The balance ARR after recovery through landing & parking charges is proposed to be recovered through UDF revision as under:

The existing and revised rates of UDF per Pax are as under:

Particulars	Existing (Rs)	Proposed (Rs)			
	FY 2023-24	FY24-25	FY25-26	FY26-27	FY27-28
Domestic	350	720.00	720.00	720.00	720.00
International	450	800.00	800.00	800.00	800.00

Revised UDF charges will be applicable on tickets issued on or after 01/04/2024 for FY 2024-25 and thereafter applicable on date of travel from 1st April 2025 to 31st March 2028.

With the proposed Tariff Proposal as per following details.

Particulars (₹ lacs)	Amount
Present Value of Target Revenue as on 01.04.2023 (including PV of S/Fall ICP of Rs. 24418.19 lacs.)	74326.04
Total PV of projected Revenue at Proposed Rates as on 01/04/2023	74326.04
Short fall carry forward for the next Control Period.	0.00