



भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
सफ़दरजुंग एयरपोर्ट, नई दिल्ली-110003

प्राप्त
आवृत्ति नं. 18570
तारीख 30/05/2024

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

AAI/Tariff/MYTP/Varanasi/2024-25/1283

Date: 30th May 2024

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

Sub: Multi Year Tariff Proposal for the 2nd Control period (01.04.2024 to 31.03.2029) along with True up for the 1st Control Period (01.04.2019 to 31.03.2024) in respect of Lal Bahadur Shastri International Airport, Varanasi.

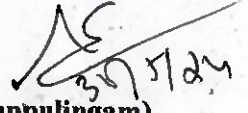
Sir,

1. AERA vide its Order No. 59/2020-21 dated 13.12.2020 had determined the Aeronautical Tariff in respect of Lal Bahadur Shastri International Airport, Varanasi for the 1st Control Period (01/04/2019 to 31/03/2024).

AAI has prepared the proposal of for the Second Control Period (FY 01.04.2024 to 31.03.2029) along with the True-up for the 1st Control Period (01.04.2019 to 31.03.2024) as per AERA methodology. The proposal has been prepared by truing up the 1st control period 01/04/2019 to 31/03/2023 based on accounts duly approved by AAI Board and last year of 1st Control Period (i.e. FY 2023-24) and 2nd control period based on projections.

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

This issues with the approval of the competent authority.


(L. Kuppulingam)
Executive Director (JVC-Tariff)



Submission to Airport Economic Regulatory Authority of India (AERA) for Determination of Tariff for Airport Services for the 2nd Control Period (01.04.2024 to 31.03.2029) along with True up of 1st Control Period (01.04.2019 to 31.03.2024).

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1. Background and Introduction to Lal Bahadur Shastri International Airport, Varanasi

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 Lal Bahadur Shastri International Airport, Varanasi

- 1.2.1. Lal Bahadur Shastri Airport (IATA: VNS, ICAO: VEBN) is a public airport located at Babatpur 26 km (16 mi) northwest of Varanasi, Uttar Pradesh, India. Formerly known as Varanasi Airport, it was officially renamed after Lal Bahadur Shastri, the 2nd Prime Minister of India, in October 2005. It is India's 21st-busiest airport in terms of passenger movement and second-busiest airport in Uttar Pradesh.
- 1.2.2. The airport receives flights from domestic destinations like Delhi, Agra, Khajuraho, Mumbai, Bangalore, Goa, Gaya, Kolkata, Hyderabad and others. Top international destinations served are Colombo, Sharjah, Bangkok, Sri Lanka and others.
- 1.2.3. AERA had issued Tariff order dated 13 December 2020 vide order no.59/2020-21 for the 1st Control Period (01.04.2019 to 31.03.2024).

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 true up 1st Control Period (2019-20 to 2023-24) with respect to Varanasi Airport.

4.2. Traffic

4.2.1. As per Decision No. 1 (page 22) of Order No. 13/2019-20 dt. 13.12.2020, the Authority decided:

Decision No. 1(i) "The Authority decides to consider the ATM and passenger traffic as per Table 6".

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-11 (p24) for First Control Period Order No. 59/2020-21

YEAR	PAX						ATM					
	Dom	%	INTL	%	Com	%	Dom	%	INTL	%	Com	%
2019-20	27,78,972	7.4%	2,31,730	16.6%	30,10,702	8.1%	21,987	10.0%	2,069	12.8%	24,056	10.3%
2020-21	18,00,000	-35.2%	90,000	-61.2%	18,90,000	-37.2%	15,000	-31.8%	900	-56.5%	15,900	-33.9%
2021-22	21,60,000	20.0%	1,62,000	80.0%	23,22,000	22.9%	17,700	18.0%	1,575	75.0%	19,275	21.2%
2022-23	27,79,000	28.7%	2,31,800	43.1%	30,10,800	29.7%	22,000	24.3%	2,100	33.3%	24,100	25.0%
2023-24	33,34,800	20.0%	2,78,160	20.0%	36,12,960	20.0%	26,400	20.0%	2,520	20.0%	28,920	20.0%

Table 2: Actual Traffic

YEAR	PAX						ATM					
	Dom	%	INTL	%	Com	%	Dom	%	INTL	%	Com	%
2019-20	2778972	7.4%	231730	16.6%	3010702	8.1%	21987	10.0%	2069	12.8%	24056	10.3%
2020-21	1448155	-47.9%	18563	-92.0%	1466718	-51.3%	14227	-35.3%	169	-91.8%	14396	-40.2%
2021-22	1653082	14.2%	55138	197.0%	1708220	16.5%	15650	10.0%	493	191.7%	16143	12.1%
2022-23	2412023	45.9%	109419	98.4%	2521442	47.6%	18218	16.4%	940	90.7%	19158	18.7%
*2023-24 Projected	2894428	20.0%	164129	50.0%	3058557	21.3%	20404	12.0%	1316	40.0%	21720	13.4%

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

YEAR	PAX						ATM					
	Dom	%	INTL	%	Com	%	Dom	%	INTL	%	Com	%
2019-20	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2020-21	-351845	-12.7%	-71437	-30.8%	-423282	-14.1%	-773	-3.5%	-731	-35.3%	-1504	-6.3%
2021-22	-506918	-5.8%	-106862	117.0%	-613780	-6.4%	-2050	-8.0%	-1082	116.7%	-3132	-9.1%
2022-23	-366977	17.3%	-122381	55.4%	-489358	17.9%	-3782	-7.9%	-1160	57.3%	-4942	-6.4%
2023-24	-440372	0.0%	-114031	30.0%	-554403	1.3%	-5996	-8.0%	-1204	20.0%	-7200	-6.6%

*Pax & ATM for FY 2023-24 has been considered on projection basis.

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

4.2.1.1.1. AAI had proposed traffic forecast as per study done by IATA for next five years and expected the passenger traffic to reach pre-COVID-19 levels by 2024.

4.2.1.1.2. AERA had considered that the traffic would reach the pre-COVID-19 level in FY 2022-23.

4.2.1.1.3. AERA had considered the same growth as proposed by AAI upto FY 2021-22 and for FY 2022-23 as per Pre-COVID level (FY2019-20). Thereafter an increase of 20% was considered for FY 2023-24. Hence higher growth was considered by AERA.

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 18, P-31 of Order No. 59/2020-21)

TB Ratio is approved by AERA =90% :10%

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

Terminal Building area

(Space allotted to Airlines considered as Aero instead of Non- Aero as per recent Tariff order issued by AERA)

Particulars	Location	2019-20	2020-21	2021-22	2022-23	2022-23
Total Space Rented (A)	Non-Aero-area (SQM)	1591.80	1561.21	1457.54	1353.39	1389.41
Space to Airlines (B) (Included in space rent)	Considered as AERO	411.03	389.62	389.62	389.62	438.94
Airlines space (%) on total Area		1.53%	1.45%	1.45%	1.45%	1.64%
Airlines space (%) on Non-Aero		25.82%	24.96%	26.73%	28.79%	31.59%
C= (B-A)	Net Non-Aero area (SQM)-Exc. airlines space	1180.77	1171.59	1067.92	963.77	950.47
Capacity (D)	T. B Area (SQM)	26822.79	26822.79	26822.79	26822.79	26822.79
Non-Aero %		4.40%	4.37%	3.98%	3.59%	3.54%
Aero %		95.60%	95.63%	96.02%	96.41%	96.46%

* Fall in Terminal Building Ratio was due to Pandemic and modification of existing terminal Building.

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

Quarters Ratio is approved by AERA =1:74

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total No. of Quarters	116	116	116	116	116
No. of Quarters allotted to ANS	46	45	38	40	32
ANS Usage Ratio	39.66%	38.79%	32.76%	34.48%	27.59%
Aero Usage Ratio	60.34%	61.21%	67.24%	65.52%	72.41%

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

Table 7: Employee Ratio as approved by AERA for 1st Control period as per Table: -21 (p33) of Order No-59/2020-21)

Particulars	Ratio
Employee Ratio	3:86

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total Airport Strength	98	99	88	98	96
Total ANS Strength	131	136	126	130	131
Non- Aero Emp. (Land+Commercial)	4	3	4	3	3
Common Emp.-(Finance & HR)	15	14	14	14	15
Total	248	252	232	245	245
Common Employee's apportionment					
Total Airport Strength	6	5	5	5	5
Total ANS Strength	8	8	8	8	9
Non- Aero Emp. (Land+Commercial)	1	1	1	1	1
Total	15	14	14	14	15
Head Count after apportionment of Common Employees					
Total Airport Strength	104	104	93	103	101
Total ANS Strength	139	144	134	138	140
Non- Aero Emp. (Land Commercial)	5	4	5	4	4
Total	248	252	232	245	245
Employee ratio for (ANS: AERO: Non-Aero)					
ANS	56.05%	57.14%	57.76%	56.33%	57.14%
Aero	41.94%	41.27%	40.09%	42.04%	41.22%
Non-Aero	2.02%	1.59%	2.16%	1.63%	1.63%
Employee ratio for (AERO: Non-Aero)					
Aero	95.41%	96.30%	94.90%	96.26%	96.19%
Non-Aero	4.59%	3.70%	5.10%	3.74%	3.81%

- Employee Ratio was taken based on FY 2018-19 for projecting 1st Control Period and the above ratio is based on the Actual for FY 2019-20 to FY 2023-24.
- CNS (ANS) staff is also providing Passenger facilitation (Maintaining Airport system) and is also looking after IT & security. Hence the same CNS staff has been considered as Aero based on the service provided by them.

6. Capital Expenditure for the 1st Control Period

6.1 AERA had approved the Proposed Capital Expenditure of Rs. **682.66** cr for the 1st Control Period. This has been shown in the Table Below

Table 9: Approved Capital expenditure by Authority as per Table No.47 (P60) of Order No. 59/2020-21 is as follows:

Asset Category	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total (Cr.)
Runways, Aprons and Taxiways	0.25	9.38	14.60	0.00	9.50	33.73
Road, Bridges & Culverts	0.82	1.74	0.00	0.00	0.00	2.56
Building- Terminal	0.85	2.92	0.00	22.50	329.78	356.06
Building – Residential	0.00	0.00	0.00	20.82	0.00	20.82
Boundary Wall – Operational	0.52	0.00	0.00	0.00	0.00	0.52
Other Buildings – Unclassified	0.81	4.58	10.39	0.00	9.62	25.40
Plant & Machinery	1.42	5.39	11.01	0.00	0.00	17.83
Tool & Equipment	1.49	0.00	0.00	0.00	0.00	1.49
Office Furniture	0.00	0.00	0.00	0.00	0.00	0.00
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00
Electrical Installations	0.64	4.43	1.45	11.21	177.58	195.31
Furniture & Fix. Other than Trolley	0.05	0.00	0.00	0.00	0.00	0.05
Furniture & Fixtures: Trolley	0.00	0.00	0.00	2.02	0.00	2.02
X Ray Baggage System	3.35	19.00	0.00	0.00	0.00	22.35
CFT/Fire Fighting Equipment	0.02	0.00	4.50	0.00	0.00	4.52
Total	10.24	47.44	41.95	56.55	526.48	682.66

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	2019-20	2020-21	2021-22	2022-23	2023-24	Total(Cr.)
3	Runways	18.05	0.00	0.81	6.81	10.05	35.71
7	Building- Terminal	1.21	3.27	0.00	3.73	0.00	8.20
9	Building - Residential	0.00	0.00	0.00	0.00	2.40	2.40
11	Boundary Wall -Operational	0.00	0.65	0.00	0.00	1.56	2.21
13	Other Buildings-Unclassified	0.06	3.13	1.31	3.46	7.63	15.59
14	Computer & End-User	0.02	0.20	0.00	0.23	0.14	0.58
16	Intangible Assets- Software	0.00	0.00	0.01	0.00	0.04	0.05
17	Plant & Machinery	17.30	6.12	0.31	11.08	0.20	35.00
18	Tools & Equipment	0.73	0.15	0.48	0.73	0.43	2.52
19	Office Furniture	3.09	0.79	0.12	0.00	0.88	4.89
21	Furniture & Fixtures: Trolley	0.00	0.00	0.00	0.00	2.12	2.12
22	Other Vehicles	0.67	5.33	0.41	0.00	0.00	6.40
25	Other Office Equipment's	0.75	0.00	0.01	0.03	0.00	0.80
26	X Ray Baggage System	0.92	0.00	0.00	0.00	0.00	0.92
27	CFT/Fire Fighting Equipment's	0.00	0.00	0.25	0.00	0.00	0.25
	Total	42.79	19.64	3.70	26.08	25.45	117.65

- The Major variance in Projected vs Actual is due to shifting of Proposed Construction of New Terminal Building from Nov' 2023 to Oct 2027.
- During 1st Control Period Rs. 67.68 Cr has been incurred on unplanned capex incurred on account of operational requirement.

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

FY2019-20

Assets No.	Asset Class	Asset Description	AMT (In Lacs)
30002068	R/w, T/w, Apron	Expansion of Apron at LBSI Airport 2019-2020	1003.87
90042851	Plant & Equip	SITC OF ILBS SYSTEM AT VARANASI	366.87
90042852	Plant & Equip	MOD. BHS AT VARANASI AIRPORT FROM CHQ	96.02
110016603	Office Furniture	PROVISION OF WAY FINDING SIGNAGE SYSTEM AT LBSI	179.15
Total			1645.91

FY2020-21

Details of Planned capex FY 2020-21			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
50011533	Terminal-Build	Const. of 02 No. of PBB - Civil Work	277.60
50011534	Other Building	Const of CISF Barrack Varanasi	298.65
90047151	Plant & Mach.	SITC OF PBB & AVDGS AT VARIOUS AIRPORT IN INDIA	163.31
90047149	Plant & Mach.	PROVISION OF AVDGS FOR PARKING BAYS	447.09
Total			1186.65

FY2021-22

Details of Planned capex FY 2021-22			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
30002134	R/W, T/W	CONST OF RESA CBR 15-20 LBSI VNS	80.66
Total			80.66

FY2022-23

Details of Planned capex FY 2022-23			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
30002221	R/w	RESA Extension at Varanasi Airport	284.89
50012155	Term. Build	TOILET RENOVATION - at VNS	350.55
50011900	Other Build	C/OF LOCALIZER AND G PATH BLDG HUT & ANTENA-VNS	335.94
50011911	Other Build	C/O LOCALIZER AND GLIDE PATH BUILDING-VARANASI	9.76
90050390	Plant & Mach	SHIFTING OF GLF CABLES, CCR'S ALONG	78.04
90050347	Tools & Equip	PROV OF UPS FOR GLF SYSTEM AT LBSI AIRPORT VNS	60.04
Total			1119.21

FY2023-24

Details of Planned capex FY 2023-24			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
50012222	Other Building	Const of Fire Section and Medical Centre	732.19
90052242	Plant & Mach	RESA EXTENSION (Prov for Cable for Approach light	19.53
90051854	Tools & Equip	Qty 1240-Passenger Baggage trolleys at Varanasi	211.96
Total			963.67

The Details of Unplanned Capex are given as under: -

FY2019-2020

Details of Unplanned capex FY 2019-20			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
30001949	R/w,T/w,Apdon	Provision of Road in Front of Apron, Paver Block	84.01
30001971	R/w,T/w,Apdon	widening of turning pad 27 and widening of fillet	717.00
50011447	Terminal-Buil	PROVISION OF FIXED GLASS PARTITION AT VARANASI	47.62
50011244	Terminal-Buil	EXTENSION OF TENSILE MEMBRANE AT LBSI AIRPORT VARA	73.13
50011243	Other-Build	CONSTRUCTION OF COOLING PIT AT LBSI	6.08
150015143	Computers	PROJECTOR SCREEN	0.14
150015144	Computers	PROCUREMENT OF DIGITAL SIGNATURE PAD	0.19
150015498	Computers	PROCUREMENT OF CAR PARKING THERMAL PRINTER	0.25
150015499	Computers	PROCUREMENT OF DESKTOP PCS FOR CAR PARKING	1.08
90040700	Plant & Mach.	PROCUREMENT OF THRULINE WATT-METER -01 no	2.43
90040837	Plant & Mach.	C/O OF SUB STATION FOR 1.2 MWP SOLAR POWER PLANT	42.87
90045752	Plant & Mach.	SITC OF ROUTER, SWITCHES & ACESSORIES AT Varanasi	23.73
90035804	Plant & Mach.	DFMD VARANASI	9.20
90037863	Plant & Mach.	PROCUREMENT OF ROUTER	0.10
90037904	Plant & Mach.	PROVISION OF CONFRENCE HALL OFFICES ACCOMODATION A	31.21
90037988	Plant & Mach.	SUPPLY OF ADP-LAB WORKSTATION	9.32
90038488	Plant & Mach.	CCTV FOR ISOLATION BAY	11.83
90040944	Plant & Mach.	CUTE & CUSS, SCANNER, KEYBOARD	85.58
90042800	Plant & Equip	SUPPLY OF E-GATES -CHQ	48.70
90042801	Plant & Equip	SITC INLINE XBIS TSA/STANDARD 3 (EU)	888.20
90047356	Plant & Equip	SITC of Augmentation of Tower ATS Automation Syste	54.10
90043552	Plant & Equip	01NO.MULTI CABLE WINCHAT VARANASI AIRPORT	2.07
90044956	Plant & Equip	Qty. no. 01- Victim Location Camera for VARANASI	5.36
90045118	Plant & Equip	QTY.01-NOS. HUMAN LIFE DETECTORS AT VARANASI	35.51
90044463	Plant & Equip	SUPPLY OF RTVS - BY CHQ	16.44
90040812	Tools & Equip	SUPPLY OF 5 KVA UPS	10.24
90045564	Tools & Equip	Qty.14 - SELF CONTAINED BA SETS FS- VARANASI	6.49
90035802	Tools & Equip	BROEWEL EXPS AT VARANASI AIRPORT	1.39
90036297	Tools & Equip	SITC OF TWO 5 KVA UPS	2.74
90044616	Tools & Equip	CHEMICAL NEUTRALIZATION EXTINGUISHER - CHQ	2.10
90043447	Tools & Equip	PROCUREMENT OF MULTIMEDIA PROJECTOR THRU GEM	0.40
90042812	Tools & Equip	PROCUREMENT OF VHF WALKIE TALKIE 40 no.	7.61
90043446	Tools & Equip	PROCUREMENT OF BAS DEVICE	4.50
90043454	Tools & Equip	SUPLY OF BRUSH CUTTER MACHINE	0.98
90043810	Tools & Equip	PROCURMENT OF SPD	0.96
90043469	Tools & Equip	SUPPLY OF 2 NO. PORTABLE SHELTER	8.48
90043470	Tools & Equip	COLLAPSIBLE STRETCHERSAT -VICTIM LOCA SEARCH	0.44
90044455	Tools & Equip	PROCUREMENT OF NETWORK SWITCHES	15.42
90044457	Tools & Equip	PROCUREMENT OF ONLINE UPS 30 KVA	11.11
110015143	Office Furnie	PURCHASE OF GENERAL FURNITURE AT LBSI AIRPORT	8.35
110016580	Office Furnie	PURCHASE OF GENERAL FURNITURE	4.90
110016602	Office Furnie	SUPPLY OF THREE SEATOR CHAIR - CHQ	28.41
110016851	Office Furnie	PRCOCURMENT OF SS BENCH	0.97
110016519	Office Furnie	Provision of Immigration and check in counters	86.37

110017232	Office Furnie	PROCUREMENT OF LADDER	0.35
130003620	Vehicle	SUPPLY OF PASSENGER BAGGAGE TROLLEY BY CHQ	18.60
130003619	vehicles	SUPPLY OF MAHINDRA E-VERITO D2 UP65DL2324	11.17
130003833	vehicles	MOTORISE COMMAND POST UP65JT757 BY CHQ	37.00
130003617	vehicles	Supply of Grass Cutting and Collecting Machine-chq	75.40
100000148	X-BIS	RB NUCTECH	31.44
100000284	X-BIS	HB NUCTECH	20.26
100000285	X-BIS	HB NUCTECH	20.26
100000286	X-BIS	HB NUCTECH	20.26
Total			2632.78

FY2020-21

Details of Unplanned capex FY 2020-21			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
50011535	Terminal-Buil	PROV.OF SHADE IN FRONT OF GATE NO.1 AND MISC	48.93
70001646	B/W Operation	RAISING & SPECIAL REPAIRS TO SECURITY B/WALL	28.33
50011538	B/W Operation	RAISING HEIGHT OF B WALL AROUND MSSR BLDG LBSI	36.27
50011537	Other Building	MISC CIVIL WORKS FOR VIP AREA NEAR OLD T.B	14.57
150016989	Computers	PROCUREMENT OF DESKTOP UPS AND MS OFFICE chq	1.93
150016929	Computers	SITC OF 36 CCTV CAMERAS IN NTB	18.00
90047370	Plant & Mach.	Supply of Bullet Resistant Helmets 1926 no. chq	2.06
90047422	Tools & Equip	ROUTER TECHROUTE ROUTER WITH 2SERIAL WAN CARD	1.44
90047423	Tools & Equip	SWITCH FOR ROUTER	2.21
90047424	Tools & Equip	MEDIA CONVERTER FOR ROUTER	0.24
90047416	Tools & Equip	6KVA ONLINE UPS	5.08
90047418	Tools & Equip	3 CORE CABLES	0.82
90047441	Tools & Equip	EPSON M3170 - ECO TANK MONOCHROME	0.36
90047442	Tools & Equip	UPS 1 KVA - 01 NOS	0.05
90047425	Tools & Equip	ACCESSARIES FOR EARTH PIT	4.20
90047443	Tools & Equip	DELL OPTIPLEX 5080 SFF/ Ci5 - 01 NOS	0.49
110018098	Furni & Fixture	SUPPLY OF 250 AIRPORT TERMINAL CHAIRS	79.36
130003804	vehicles	RUBBER REMOVAL MACHINE (MAN)	532.86
150016934	Off. Appliance	PROCUREMENT OF HOTCASE	0.05
Total			777.25

FY2021-22

Details of Unplanned capex FY 2021-22			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
50011731	Other Build	Const. of Security Watch Tower at Varanasi	34.91
50011733	Other Build	CONSTRUCTION OF DOG KENNEL AT LBSI AIRPORT VARANAS	96.25
180001121	Software	PROCUREMENT OF MS OFFICE FO	0.57
90049114	Plant & Machin	SUPPLY OF GCM AT LBSI AIRPO	1.17
90049259	Plant & Machin	PROVIDING COMPREHENSIVE VCS-	1.83
90050439	Plant & Machin	SITC OF OFC/TELEPHONE CABLES IN NATS CUM ATC TOWER	22.16
90051862	Plant & Machin	SUPPLY OF 16 NOS. OF DVR SYSTEM	5.86
90049139	Tools & Equip	SITC OF 07 NOS CAMERA AT MT GATE	2.10
90049141	Tools & Equip	PROVIDING MT GATE CCTV FEED CISF CONTROL ROOM 2 QT	0.90
90049143	Tools & Equip	SUPPLY OF SHREDDER MACHINE	2.24

90049145	Tools & Equip	PROVIDING CARGO CCTV FEED, 1	4.83
90049208	Tools & Equip	SITC OF 124 ETD (5 QTY VARANASI)	3.53
90049361	Tools & Equip	SITC INLINE XBIS TSA/STANDA	2.39
90050468	Tools & Equip	PROVISION OF INTEGRATED BEMS FOR AIRPORTS	5.47
90051851	Tools & Equip	124 ETD (4QTY VARANASI)	26.10
110019122	Office Furniture	PROCUREMENT OF STEEL ALMIRAH 2 QTY	0.19
110019123	Office Furniture	PROCUREMENT OF 13 NOS SOFA, 5 NOS TABLE, 7 NOS SIDE	4.68
110019124	Office Furniture	PROCUREMENT OF 21 nos CLOTHS LOCKER	4.18
110019125	Office Furniture	PROCUREMENT OF 18 NOS FURNITURE FOR CIP LOUNGE	2.88
130003906	Vehicles	SUPPLY OF 02 NOS AMBULANCE	30.05
130003907	Vehicles	SUPPLY OF 02 NOS TRACTOR IN	10.71
150017429	Off. Appliances	SMART PHONE FOR TERMINAL MA	0.08
150017421	Off. Appliances	ELECTRONIC ITEMS FOR VIP RO	0.52
150017428	Off. Appliances	12 MOBILE HAND SET FOR CIS	0.14
150017447	Off. Appliances	BILL PAYMENT OF UVSM - SECURITY 3 QTY	0.14
130003914	CFT & Fire F.	wbs trf-Rosenbauer 1 persen	25.00
		Total	288.89

FY2022--23

Details of Unplanned capex FY 2022-23			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
30002206	R/w	WIDENING OF PERIMETER ROAD FM MT POOL TO PANEL-	222.16
30002207	R/w	CONST OF VEHICULAR LANE IN OPS AREA AT LBSI	174.34
50011883	Term. Build	PROV OF AUTOMETIC SLIDING GATE FOR GATE 01-VNS	22.56
150018323	computers	PROCUREMENT OF MONITOR FOR NTB CONF ROOM	0.19
150018324	computers	HP 300GB SAS HDD	0.64
150018326	computers	3 LAPTOP, 15 DESKTOP, 15 MS OFFICE 22 UPS, 3 PRINTER	22.22
90050253	Plant & Mach	PROV OF PHOTOMETRIC FIELD TEST MACHINE-VARANASI	54.84
90050344	Plant & Mach	SELF DRIVEN TROLLEY MOUNTED ALUMINIUM-VARANASI	4.09
90050346	Plant & Mach	RUNWAY EDGE LIGHT FITTINGS INCLUDING LAYIN-VNS	122.12
90050438	Plant & Mach	PROCUREMENT OF DIGISOL BLUE CAT6 U/UTP CABLE	0.28
90050440	Plant & Mach	SITC OF NETWORKING INFRASTRUCTURE IN CARGO BLDG	14.91
90050441	Plant & Mach	REPLACEMENT OF AIRCOMPRESSOR AT LBSI AIRPORT	2.47
90050447	Plant & Mach	Info soft Digital Design & Services	9.50
90050463	Plant & Mach	PROCUREMENT OF BREATH ALCOHOL ANALYZER MACHI	0.48
90050466	Plant & Mach	IMPLIMANTION OF D G YATRA AT FOUR AIRPORTS	720.06
90050675	Plant & Mach	REPLACEMENT OF POWER CABLE & PANELS ETC	61.36
90050678	Plant & Mach	ENERGY METER CABLE ETC FOR MONITORING -VARANASI	9.28
90051846	Plant & Mach	SHIFTING OF POWER CABLES FROM EXISTING OLD POWER	30.24
90050360	Tools & Equi	Supply of Grass Cutting Machine	2.35
90050361	Tools & Equi	SITC OF WALKIE TALKIE AND BASE STATION	7.99
90050432	Tools & Equi	SUPPLY OF BIRD SCARE MACHINE AT LBSI AIRPORT, VNS	3.02
110019371	Off. Furniture	SUPPLY OF STAINLESS-STEEL DUSTBIN AT LBSI AIRPORT	0.43
150018322	Off. Furniture	PURCHASE OF TELEVISION	0.54
150018333	Off. Furniture	SUPPLY OF EDIS KIT, SEARCH LIGHT, THERMAL CUTTER,	2.83
		Total	1488.91

FY2023-24

Details of Unplanned capex FY 2023-24			
Assets No.	Asset Class	Asset Description	AMT (In Lacs)
30002287	R/way	CONST OF TURN PAD FILITES AT VARANASI	1004.50
50012162	Resi Build.	VITRIFIED TILES FOR RESIDENTIAL QTRS VARNASI	66.97
50012163	Resi Build.	COLONY ROAD both side shoul&Recarp VARANASI	173.08
70001738	B/Wall Ops.	VIEW CUTTER ON B/WALL PARALLEL TO NH-56 VARANSI	66.26
70001739	B/Wall Ops.	Const of RCC Boundry Wall -Varanasi	90.18
50012161	Other Build.	CONST OF BUS PARKING AT LBSI AIRPROT VARNASI CWIP	30.42
150018854	Computers	Qty.18- Desk PC107- at Varanasi Airport(IT Item)	10.01
150018855	Computers	QTY 16 - EPSON M3170 Printer - at Varanasi Airport	2.25
150018856	Computers	QTY 1 - Epson L 6490 - at Varanasi Airport(IT Item)	0.31
150018857	Computers	QTY 18 - UPS - Easton Arora - 1000VA at Varanasi	1.05
180001181	Software	QTY 18 - Ms Offices Licenses at Varanasi	4.31
90051859	Tools & Equip	CWIP DC FAST CHARGER FOR EVS IN VARIOU-varanasi	40.17
90052062	Tools & Equip	BRUSH CUTTER-Qty 05 Nos- LAWN MOWERS-03 Nos	2.88
110019634	Office Furn.	Computer table-01,big steel Almirah-01,Exe Table-01	5.60
110019694	Office Furn.	Qty 02 Computer Chair - AIRPORT FURNITURE-Varanasi	0.11
110019695	Office Furn.	Qty 09 Executive Chair- AIRPORT FURNITURE-Varanasi	0.55
110019696	Office Furn.	Qty 07 Steel Almirah SQUADRO ALMIRAH LARGE GREY-	1.46
110019697	Office Furn.	Qty 03 Small steel almirah at Varanasi Airport	0.32
110019698	Office Furn.	Qty 05 Computer Chair at Varanasi Airport	0.28
110019699	Office Furn.	Qty 01 Steel Book case FURNITURE-Varanasi	0.12
110019700	Office Furn.	Qty 09 Office Table FURNITURE-Varanasi	2.40
110019701	Office Furn.	Qty 02 Steel Rack FURNITURE-Varanasi	0.22
110019702	Office Furn.	Qty 03 Executive Chair FURNITURE-Varanasi	0.18
110019703	Office Furn.	Qty 01 Side Table FURNITURE-Varanasi AIRPROT	0.07
110019704	Office Furn.	Qty 02 Computer Table FURNITURE-Varanasi	0.16
110019714	Office Furn.	THREE-SEATER CHAIRS Qty 560 at Varanasi Airport	77.03
		Total	1580.88

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:11 Depreciation rates adopted by AAI as per Table No.51 (P-64) of Order No.59/2020-21

Asset Category	For FY 2017-18 & FY 2018-19		Beyond FY 2019-20	
	For opening block of assets	For proposed additions	For opening block of assets	For proposed additions
Leasehold Land	0.00%	0.00%	0.00%	0.00%
Runways, T/way, Apron	13.00%	13.00%	3.33%	3.33%
Road, Bridges & Culverts	13.00%	13.00%	10.00%	10.00%
Building - Terminal	8.00%	8.00%	3.33%	3.33%
Building – Temporary	100.00%	100.00%	33.33%	33.33%
Building – Residential	5.00%	5.00%	3.33%	3.33%
Security Fencing-Temp	100.00%	100.00%	33.33%	33.33%
Boundary Wall – Operational	8.00%	8.00%	10.00%	10.00%
Boundary Wall – Residential	5.00%	5.00%	10.00%	10.00%
Other Buildings	8.00%	8.00%	3.33%	3.33%
Computer – End user	20.00%	20.00%	33.33%	33.33%
Computer – Servers and networks	20.00%	20.00%	16.67%	16.67%
Intangible Assets - Software	20.00%	20.00%	20.00%	20.00%
Plant & Machinery	11.00%	11.00%	6.67%	6.67%
Tools & Equipment	20.00%	20.00%	6.67%	6.67%
Furniture & Fixtures: Other Than Trolley	20.00%	20.00%	14.29%	14.29%
Furniture & Fixtures: Trolley	20.00%	20.00%	33.33%	33.33%
Vehicles	14.00%	14.00%	12.50%	12.50%
Electrical Installations	11.00%	11.00%	10.00%	10.00%
Other Office Equipment	20.00%	20.00%	20.00%	20.00%
X Ray Baggage System	11.00%	11.00%	6.67%	6.67%
CFT/Fire Fighting Equipment	13.00%	13.00%	6.67%	6.67%

Table 12: Depreciation as per Table No.54 (P-67) of Order No. 59/2020-21 is as follows:

Particulars (₹ Crores)	Control period					
	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Depreciation	8.69	9.55	11.68	13.66	29.63	73.20

Table 13: True Up of Depreciation during FY 19-20 to FY 23-24 is as follows:

Particulars (₹ Crores)	Control period					
	2019-20	2020-21	2021-22	2022-23	2023-24 (Projection)	Total
Depreciation	9.64	10.82	11.49	12.05	13.59	57.59

Significant reason for variations in Depreciation are as follow:

The Major variance in Projected vs Actual is due to shifting of Proposed Construction of New Terminal Building from Nov' 2023 to Oct 2027.

- During 1st Control Period Rs. 67.68 Cr has been incurred on unplanned capex incurred on account of operational requirement.

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

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

Table 14: RAB for 1st Control Period as per Table No. 58 (P-69) of Order no. 59/2020-21 is as follows:

S. No.	Particulars (₹ Crore)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1.	Opening RAB	74.80	76.35	114.25	144.49	187.38
2.	Capitalizations	10.24	47.44	41.95	56.55	526.48
3.	Disposals	0.00	0.00	0.04	0.00	0.00
4.	Depreciation	8.69	9.55	11.68	13.66	29.63
5.	Closing RAB	76.35	114.25	144.48	187.38	684.22
6.	Average RAB	75.58	95.30	129.36	165.93	435.80

Table No15: True Up of RAB for the 1st Control Period is as follows:

	Particulars (₹ Crore)	2019-20	2020-21	2021-22	2022-23	2023-24	Total 1 st CP
A	Opening Aeronautical RAB*	74.80	107.95	116.76	108.97	123.00	531.48
B	Aeronautical assets capitalized during years	42.79	19.64	3.70	26.08	25.45	117.65
C	Disposals/ Transfers	0.00	0.00	0.00	0.00	0.00	0.00
D	Depreciation	9.64	10.82	11.49	12.05	13.59	57.59
E	Closing Aeronautical RAB (A+B-C-D)	107.95	116.76	108.97	123.00	134.86	591.54
	Average RAB (A+E)/2	91.37	112.36	112.87	115.99	128.93	561.51

*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 Construction of New Terminal Building from Nov' 2023 to Oct 2027.
- During 1st Control Period Rs.67.68 Cr has been incurred on unplanned capex incurred on account of operational requirement.

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 First Four years of Control Period and Weighted Average of FRoR-13.18% (14%-Upto Oct 23) and (12.03%-for Nov23 to Mar 24) for the fifth year of the Control Period.

Table 16: Summary of Projected FRoR on Regulatory Asset Base is as follows

Particulars (₹ Crore)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Average Regulatory Asset Base (RAB)	75.58	95.30	129.36	165.93	435.80	901.97
Fair Rate of Return (FRoR)	14%	14%	14%	14%	13.18%*	
Return on Average RAB @ 14%	10.58	13.34	18.11	23.23	57.42	122.68

- The Authority considered FRoR 13.18% for the final year of the first Control Period, in which the terminal building is expected to be operationalized.

Table 17: Summary of FRoR on Regulatory Asset Base (True Up) for the 1st Control Period is as follows

Particulars (₹ Crore)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Average Regulatory Asset Base (RAB)	91.37	112.36	112.87	115.99	128.93	561.51
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
Return on Average RAB @ 14%	12.79	15.73	15.80	16.24	18.05	78.61

Significant reasons for variations in Average RAB are as follow

- The Major variance in Projected vs Actual is due to shifting of Proposed Construction of New Terminal Building from Nov' 2023 to Oct 2027.
- During 1st Control Period Rs.67.68 Cr has been incurred on unplanned capex incurred on account of operational requirement.
- Change in FRoR 14% against the Approved 13.18% for the final year of the first Control Period.
- AERA had considered FRoR 13.18% in FY 2023-24 due to operation of New Terminal Building, since PDC of Terminal Building has been shifted to FY 2027-28 from FY 2023-24, accordingly FRoR 14% in FY 2023-24 is proposed for true up.

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 18 Operating & Maintenance (O&M) expenses as considered by the Authority for the 1st Control Period as per Table No.83 (p-91) of Order No.59/2020-21 is as follows: -

Particulars	Control period					Total
	2019-20	2020-21	2021-22	2022-23	2023-24	
Payroll expenses –non CHQ/RHQ	13.44	14.12	14.82	15.56	17.90	75.84
Payroll expenses –CHQ/RHQ	1.83	1.92	2.02	2.12	2.43	10.31
Adm. and General exp. –Non CHQ/RHQ	3.44	3.78	4.16	4.58	5.04	21.00
Adm. and General exp. – CHQ/RHQ	16.23	17.05	17.90	18.79	19.73	89.70
Repairs and maintenance	15.39	16.35	17.39	13.15	15.27	77.54
Utilities and outsourcing expenses	4.88	5.97	6.74	6.80	10.97	35.35
Other outflows – Collection Ch. on UDF	0.76	0.48	0.59	0.76	0.91	3.50
Total	55.98	59.66	63.62	61.76	72.25	313.26

Table 19: True Up of Operating & Maintenance (O&M) expenses during FY 2019-20 to FY 23-24 is as follows:

Particulars	Control period					Total
	2019-20	2020-21	2021-22	2022-23	2023-24	
Payroll expenses –non CHQ/RHQ	16.93	18.38	19.82	20.18	21.40	96.70
Payroll expenses –CHQ/RHQ	4.87	1.77	1.48	0.02	0.02	8.17
	21.80	20.15	21.30	20.20	21.42	104.87
Adm. and General exp. –Non CHQ/RHQ	5.50	4.78	10.84	6.92	7.62	35.67
Adm. and General exp. – CHQ/RHQ	29.46	27.30	35.73	37.52	39.39	169.40
	34.96	32.08	46.57	44.44	47.01	205.07
Repairs and maintenance	12.45	14.93	14.29	11.15	12.27	65.08
Utilities and outsourcing expenses	5.08	4.36	5.00	6.40	6.66	27.51
Other outflows – Collection Ch. on UDF	0.63	-0.04	0.07	0.07	0.08	0.81
Total	74.93	71.48	87.23	82.26	87.43	403.34

Payroll expenses –Non CHQ/RHQ

- AERA had considered 5% annual increase in Payroll exp against 7% proposed by AAI.
- AERA had considered 10% additional increase in FY 2023-24 due to operationalization of New Terminal Building however it has been shifted to Oct 2027.
- Overtime rate per hrs revised from April 2019 also increased the staff cost.

Payroll expenses –CHQ/RHQ

- AERA had considered 5% annual increase in Payroll exp-CHQ/RHQ against 7% proposed by AAI.

Administration and General expenses –Non CHQ/RHQ

- AERA had considered 10% annual increase in Admn & General expenses.
- Increase in Travelling Expenses due to revision of T. Allowance rates w.e.f. April 2019.
- Hiring of man power is also increase due to award of new contract by CHQ.
- There is Rs.737.51 lacs for CSR expense & Interest on capex (charge off) of Rs.69.83 lacs which were not in Tariff order for the 1st CP.

- Upkeep exp also include cost of new contract namely May I Help You which were not in Tariff order for the 1st CP.

Administration and General expenses – CHQ/RHQ

- AERA had allowed Rs.89.70 cr against Rs.217.44 cr proposed by AAI in tariff order of 1st CP.
- AAI has considered the CHQ/RHQ cost allocated to Varanasi airport for FY 2021-22 based on the study done by the ICMAI-MARF and thereafter an increase of 5% p.a. for the 1st CP.

Repairs and maintenance

AERA had allowed Rs. 77.54 cr against Rs.104.25 cr proposed by AAI.

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.

10. Taxation

- 10.1 AERA had considered Varanasi 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.92 (p-101) for the 1st Control Period as per Order No.45/2018-19 is as follows: -

Table 20: Applicable tax rates as per Income Tax Act, 1961

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Tax rates adopted for 1 st CP Control Period	25.17%	25.17%	25.17%	25.17%	25.17%

Table 21: Tax expense considered by the Authority as per table no.92(p-101) -INR crores (final)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Aero revenue with proposed rates	66.88	39.32	76.03	100.92	122.85	406
O&M expenses	55.98	59.66	63.62	61.76	72.25	313.27
Depreciation	11.90	14.02	17.69	20.23	46.40	110.24
Profit before tax	-0.99	-34.36	-2.27	18.93	4.21	-14.48
Set-off of loss	0.00	0.00	0.00	-18.93	-4.21	-23.14
Profit before tax after set-off of loss	-0.99	-34.36	-5.27	0.00	0.00	-40.62
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	
Taxes	0.00	0.00	0.00	0.00	0.00	0

Table 22: 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	2019-20	2020-21	2021-22	2022-23	2023-24
Tax rates adopted for 1 st C. P	25.17%	25.17%	25.17%	25.17%	25.17%

Table No:23 True Up of Corporate Tax as per Income Tax Act, 1961 for the 1st Control Period is as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
AERO REV	66.24	30.39	52.82	81.22	99.17	329.84
OPEX	74.93	71.48	87.23	82.26	87.43	403.34
DEP. As WDV AS PER I.TAX	13.71	15.90	15.37	15.25	16.18	76.40
TOTAL EXP.	88.64	87.38	102.60	97.51	103.61	479.74
PBT	-22.40	-56.99	-49.79	-16.29	-4.44	-149.90
Set off losses	0.00	0.00	0.00	0.00	0.00	
PBT after set-off of loss	-22.40	-56.99	-49.79	-16.29	-4.44	-149.90
Tax Rate	25.17%	25.17%	25.17%	25.17%	25.17%	0.00
TAX	0.00	0.00	0.00	0.00	0.00	

Variance in Tax amount due to 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 24: Non-Aeronautical revenue as per Authority for 1st Control Period as per Table No.71 (P-80) of Order No. 59/2020-21

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Trading concessions						
Restaurant / snack bars	3.89	1.95	2.73	3.89	4.67	17.14
T.R. stall	5.68	2.84	3.98	5.68	6.81	24.99
Hoarding & display	3.77	1.89	2.64	3.77	4.53	16.60
Rent and services						
Land leases	0.04	0.04	0.04	0.04	0.04	0.21
Building (residential)	0.02	0.02	0.02	0.02	0.02	0.10
Building (non-residential)	1.75	0.88	1.23	1.75	2.10	7.71
Miscellaneous						
Car rentals	0.77	0.38	0.54	0.77	0.92	3.38
Car parking	2.34	0.90	1.26	1.80	2.16	8.46
Admission tickets	0.31	0.16	0.22	0.31	0.37	1.37
Other income / sale of scrap	2.96	3.10	3.26	3.42	3.59	16.34
Total	21.54	12.16	15.91	21.46	25.23	96.29

Table 25: True Up of Non-Aeronautical revenue for 1st Control Period is as under

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Trading concessions						
Restaurant / snack bars	4.25	1.64	1.09	3.08	3.38	13.44
T.R. stall	6.76	2.74	4.58	7.05	7.75	28.88
Hoarding & display	3.77	1.54	1.54	4.11	4.53	15.49
Rent and services						
Land leases	0.00	0.00	0.04	0.23	0.23	0.49
Building (residential)	0.02	0.02	0.02	0.02	0.02	0.11
Building (non-residential)	1.44	1.69	1.52	1.39	1.49	7.54
Miscellaneous						

Car rentals	1.13	0.44	0.47	0.47	0.52	3.03
Car parking	2.23	1.04	2.58	2.81	3.09	11.76
Admission tickets	0.24	0.02	0.03	0.04	0.04	0.37
Other income / sale of scrap	2.85	0.81	1.06	2.34	2.45	9.51
Total	22.70	9.95	12.94	21.53	23.51	90.63

Variance

- Concession Support Scheme had been provided to all the concessionaire due to Covid-19 resulting lower Non-Aero revenue.
- Space rent for Space allotted to Airlines has been shifted to Aero Revenue as per recent tariff orders issued by AERA.

12. Aeronautical revenue

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

Table 26: Aeronautical revenue considered by Authority for the 1st Control Period as per Table No.87 (P-96) of Order No. 59/2020-21

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Landing charges	16.29	10.51	18.86	26.05	33.13	104.83
Parking	0.08	0.04	0.09	0.13	0.16	0.50
UDF/PSF	44.85	25.90	53.73	70.65	84.78	279.90
Fuel Throughput charges	1.57	0.00	0.00	0.00	0.00	1.57
Land lease	0.61	0.61	0.61	0.61	0.61	3.05
Ground handling charges	1.21	0.80	0.97	1.21	1.46	5.66
CUTE charges	2.16	1.36	1.67	2.16	2.59	9.94
Revenue share from AAICLS	0.12	0.10	0.11	0.12	0.12	0.56
Total Revenue	66.88	39.32	76.03	100.92	122.85	406.01

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Landing (Dom)	13.87	9.29	13.75	18.07	20.24	75.23
Landing (intl)	2.55	0.31	1.24	1.82	2.54	8.47
Landing (Total)	16.42	9.61	14.99	19.89	22.79	83.69
Parking & Housing (Dom)	0.02	0.09	0.05	0.03	0.03	0.23
Parking & Housing (intl)	0.01	0.00	0.01	0.00	0.00	0.02
PSF(Facilitation)-Domestic	10.93	5.61	0.15	0.00	0.00	16.69
PSF(Facilitation)-International	0.67	0.03	0.00	0.00	0.00	0.70
Total PSF (Facilitation)	11.61	5.63	0.15	0.00	0.00	17.39
UDF Domestic	20.19	10.89	30.15	44.82	53.78	159.83
UDF International	11.86	0.40	4.15	10.48	15.72	42.60
Total UDF - Dom.+Intl.	32.05	11.29	34.30	55.30	69.50	202.43
Extension of Watch Hours	0.00	0.00	0.00	0.00	0.00	0.00
THROUGHPUT CHARGES	1.50	0.05	0.00	0.00	0.00	1.55
Ground Handling Charges	0.84	0.47	0.59	1.43	1.63	4.97
Royalty from Cute Charges	2.12	1.68	1.42	2.67	3.24	11.13
Oil Companies	0.56	0.56	0.56	0.62	0.62	2.93
Ground handling	0.00	0.00	0.02	0.01	0.01	0.05

Total - Land Lease	0.56	0.56	0.59	0.64	0.64	2.98
Revenue share-AAICLAS (30%)	0.28	0.31	0.44	0.62	0.65	2.29
Space rent from Airlines*	0.82	0.71	0.29	0.64	0.69	3.16
Total	66.24	30.39	52.82	81.22	99.17	329.84

Variance

- AERA had projected higher revenue considered higher growth in FY 2022-23 & FY 2023-24.
- From the above tables it can be concluded that there has been a shortfall of in Aeronautical Revenue amounting to INR 76.17 Crores in 1st C.P owing to Covid-19 pandemic.
- *The Space Rent from airlines was included in Non- Aero Revenue in tariff order of 1st CP.

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

Table 28: Projected ARR Considered by Authority for the 1st Control Period as per Table No.96 (P105) of Order No. 59/2020-21 is as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Average RAB	75.58	95.30	129.36	165.93	435.80	901.97
Fair Rate of Return	14.00%	14.00%	14.00%	14.00%	13.18%	
Return on average RAB	10.58	13.34	18.11	23.23	57.42	122.68
O&M expenses	55.98	59.66	63.62	61.76	72.25	313.27
Depreciation	8.69	9.55	11.68	13.66	29.63	73.21
Tax expense	0.00	0.00	0.00	0.00	0.00	0
Less: 30% NAR	6.46	3.65	4.77	6.44	7.57	28.89
ARR per year	68.78	78.90	88.63	92.21	151.73	480.25
Add: True up	0.00					
PV of ARR based @14%	68.78	69.21	68.20	62.24	92.48	360.91
Sum present value of ARR	360.92					
Total traffic (million passengers)	6.92					
Yield per passenger (YPP) (INR)	521.31					

Table 29: True Up for ARR and Yield for 2nd Control Period is as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Average RAB	91.37	112.36	112.87	115.99	128.93	561.51
Fair Rate of Return	14%	14%	14%	14%	14%	0.70
Return on average RAB	12.79	15.73	15.80	16.24	18.05	78.61
O&M expenses	74.93	71.48	87.23	82.26	87.43	403.34
Depreciation	9.64	10.82	11.49	12.05	13.59	57.59
Tax expense	0.00	0.00	0.00	0.00	0.00	0.00
Intt. on Working capital	1.12	1.51	2.30	1.07	0.00	6.00
Add: True up	0.00	0.00	0.00	0.00	0.00	0.00
Less: 30% NAR	6.81	2.98	3.88	6.46	7.05	27.19
ARR per year	91.67	96.56	112.93	105.16	112.02	518.35
PV Factor (Compound)	1.93	1.69	1.48	1.30	1.14	7.54
PV of ARR	176.50	163.09	167.32	136.67	127.70	771.28
Actual Revenue	66.24	30.39	52.82	81.22	99.17	329.84
PV of Actual Revenue	127.54	51.33	78.25	105.56	113.05	475.73
PV Shortfall	-48.97	-111.76	-89.07	-31.11	-14.65	-295.55

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

- There are variances in Aeronautical revenue for 1st Control Period due to higher growth was considered while fixing of aeronautical tariff.
- ARR for the 1st Control Period includes the interest on working capital amounting to INR 5.32 Crores.

MYTP for the 2nd Control Period (01.04.2024 to 31.03.2029)

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

The historical & Projected Passenger traffic and ATM at the airport has been shown in the table 31 below:

Year	PAX						ATM					
	Dom	%	INTL	%	Com	%	Dom	%	INTL	%	Com	%
2023-24	2894428	20%	164129	50%	3058557	21%	20404	12%	1316	40%	21720	13%
	Projection 2 nd CP						Projection 2 nd CP					
2024-25	3415425	18%	237986	45%	3653411	19%	22853	12%	1842	40%	24695	14%
2025-26	3927738	15%	297483	25%	4225221	15.7%	25595	12%	2248	22%	27843	12.7%
2026-27	4516899	15%	371854	25%	4888753	15.7%	28666	12%	2742	22%	31408	12.8%
2027-28	4968589	10%	427632	15%	5396221	10.4%	31390	10%	3126	14%	34516	9.9%
2028-29	5465448	10%	491776	15%	5957224	10.4%	34372	9%	3564	14%	37936	9.9%

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 32: Terminal Building Ratio for 2nd Control Period

Particulars	AERO	NON-AERO
Terminal Building Ratio	93%	7%

Since the AERA had shifted Space allotted to Airlines from Non-Aero to Aero. AAI has taken revised Aero- 93% & Non-Aero 7% (Space allotted to Airlines is 30% of total Non- Aero, hence Non -aero % revised to 7% against 10% earlier proposed by AERA).

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 33: Quarters Ratio for 2nd Control Period

Particulars	
Total No. of Quarters	116
No. of Quarters ANS	32
ANS Usage Ratio	27.59%
Aero Usage Ratio	72.41%

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

Table 34: Employee Ratio for 2nd Control Period

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Total Airport Strength	96	96	96	117	117
Total ANS Strength	131	131	131	131	131
Non Aero Emp. (Land+Commercial)	3	3	3	3	3
Common Emp.-(Finance & HR)	15	15	15	18	18
Total	245	245	245	269	269
Common Employee's apportionment					
Total Airport Strength	5	5	5	7	7
Total ANS Strength	9	9	9	9	9
Non Aero Emp. (Land+Commercial)	1	1	1	1	1
Total	15	15	15	18	18
Head Count after apportionment of Common Employees					
Total Airport Strength	101	101	101	124	124
Total ANS Strength	140	140	140	140	140
Non Aero Emp. (Land+Commercial)	4	4	4	4	4
Total	245	245	245	269	269
Employee ratio for (ANS: AERO: Non-Aero)	100.00%	100%	100%	100%	100%
ANS	57.14%	57.14%	57.14%	52.24%	52.24%
Aero	41.22%	41.22%	41.22%	46.27%	46.27%
Non-Aero	1.63%	1.63%	1.63%	1.49%	1.49%
Employee ratio for (AERO: Non-Aero)	100.00%	100%	100%	100%	100%
Aero	96.19%	96.19%	96.19%	96.88%	96.88%
Non-Aero	3.81%	3.81%	3.81%	3.13%	3.13%

Capital Expenditure for the 2nd Control Period (01.04.2024 to 31.03.2029)

List of Proposed Major Capital Expenditure for the 2nd Control Period is as per table 35 below: -

Name of work	Cost	Aero Cost	PDC	Remarks
Re-carpeting of perimeter road to panel no1436.	2.422	2.422	June '2024	Aero
Providing Baggage check table stamping and frisking stand	1.387	1.387	June '2024	Aero
X-BIS	1.5	1.5	June '2024	Aero
BODY SCANNER	7.50	7.5	June '2025	Aero
Construction of TB	1478.66	1375.15	Oct' 2027	Aero
Elevated Road	41.48	41.48	Oct' 2027	Aero
MLCP	55.79	0.00	Oct' 2027	Non -Aero
Sub Station	32.76	32.76	Oct' 2027	Aero
Extn. Of Runway	521.50	521.50	Oct' 2027	Aero
C/o Boundry Wall	27.12	27.12	Oct' 2027	Aero
Box Culvert, LLZ, GP,DVoR, Security Watch Tower	11.58	11.58	Oct' 2027	Aero
Electrical works -CAT-iii Lighting, apron flood lighting etc.	168.64	168.64	Oct' 2027	Aero
Provision of airside CNS Installations	13.73	0.00	Oct' 2027	ANS
National Highway under pass	518.39	518.39	Oct' 2027	Aero
Financing Allowance	296.22	296.22		Aero
Total	3178.68	3005.65		

Table No:36 Projected capital Expenditure proposed for the 2nd Control Period is as under: -

S.No.	Particulars (Rs. In Cr.)	2024-25	2025-26	2026-27	2027-28	2028-29	Total
1	Runways	0.00	0.00	0.00	578.79	0.00	578.79
2	Aprons	0.00	0.00	0.00	187.16	0.00	187.16
3	Road, Bridges & Culverts	2.42	0.00	0.00	621.37	0.00	623.80
4	Building- Terminal	0.00	0.00	0.00	1526.21	0.00	1526.21
5	Boundary Wall -Operational	0.00	0.00	0.00	30.10	0.00	30.10
6	Other Buildings-Unclassified	0.00	0.00	0.00	49.21	0.00	49.21
7	Plant & Machinery	0.00	7.50	0.00	0.00	0.00	7.50
8	Office Furniture	1.39	0.00	0.00	0.00	0.00	1.39
9	X Ray Baggage System	1.50	0.00	0.00	0.00	0.00	1.50
	Total	5.31	7.50	0.00	2992.84	0.00	3005.65

- ❖ Capex (Aero) Rs.3005.65 cr. (Inc. Finance allowance of Rs.296.22cr.) have been proposed for the 2nd control period. (Aero Cost Rs.2704.43 cr. excluding Fin. Allow).

The normative cost of the Proposed Terminal Building is as under:-

Normative Cost per unit rate of Terminal Building as considered as per Ahmedabad Tariff order (3rd CP)

Financial Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
inflation rate				6.0%	6.0%	6.0%	6.0%
WPI Inflation as per Order 04/2023-24	123.40%	139.40%	139.40%	147.76%	156.63%	166.03%	175.99%
Unit Rate as per order 40/22-23 of Ahmedabad apt- (Table 95)	100000	112966	112966	119744	126929	134544	142617

Normative Calculation for Cost per SQM -Terminal Building			
Particulars	Formula	(PDC Oct 2027)	As per Normative
		FY 2027-28 (2nd CP)	
Area (sq.m) (Revised)75000+2660 SQM	A	77660	
Cost Incurred (Rs. In Cr.)	B	1375.15	
Less:- Additional Works(Exclusion in normative cost)			
i. Solar Energy		15.00	
ii.Dual View X-Bis-HB CTX wotj ATR		91.00	
iii. Self Baggage Drop system		7.00	
ii.Deposit with Electricity Board		15.00	
Cost Incurred	C	1247.15	
Cost excluding GST ((Rs. in Cr.)	D = C X100 /118	1056.91	
Cost of PMC @ 2.54%	E	26.18	
Cost excluding PMC (Rs. in Cr.)	F	1030.73	
Cost per SQM (In Rs.)	F / A	132723	142617
Cost proposed by AAI (INR cr)		1375.15	

Depreciation

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

Table 37: Proposed Depreciation during FY 24-25 to FY 28-29 is as follows:

Particulars (₹ Crores)	Control period					
	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Depreciation	14.44	14.58	13.70	83.50	152.65	278.87

- 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:38 Summary of Projected RAB and FRoR on RAB for 2nd Control Period is as follows:

	Particulars (₹ Crore)	2024-25	2025-26	2026-27	2027-28	2028-29	Total
A	Opening Aeronautical RAB*	134.86	125.73	118.65	104.95	3014.30	3498.48
B	Aeronautical assets capitalized during year	5.31	7.50	0.00	2992.84	0.00	3005.65
C	Disposals/ Transfers	0.00	0.00	0.00	0.00	0.00	0.00
D	Depreciation	14.44	14.58	13.70	83.50	152.65	278.87
E	Closing Aeronautical RAB (A+B-C-D)	125.73	118.65	104.95	3014.30	2861.64	6225.26
F	Average RAB (A+E)/2	130.29	122.19	111.80	1559.62	2937.97	4861.87
G	Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	
H	Return on Average RAB @ 14%	18.24	17.11	15.65	218.35	411.32	680.66

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

Particulars	Control period					Total
	2024-25	2025-26	2026-27	2027-28	2028-29	
Payroll expenses –Non CHQ/RHQ	22.89	24.50	26.21	34.95	37.40	145.95
Payroll expenses –CHQ/RHQ	0.03	0.03	0.03	0.04	0.04	0.16
Total Payroll Expenditure	22.92	24.52	26.24	34.99	37.44	146.11
Administration and General expenses – Non CHQ/RHQ	8.38	9.22	10.21	12.06	13.27	53.14
Administration and General expenses – CHQ/RHQ	41.36	43.43	45.60	47.88	50.28	228.55
Total Admin & General Expenditure	49.74	52.65	55.81	59.95	63.55	281.69
Repairs and maintenance	13.49	14.84	16.33	20.48	22.52	87.66
Utilities and outsourcing expenses	6.94	7.23	7.54	9.10	9.47	40.28
Other outflows – Collection Charges on UDF	0.09	0.11	0.12	0.13	0.15	0.60
Total	93.18	99.35	106.04	124.64	133.13	556.34

Payroll expenses –Non CHQ/RHQ

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

An additional increase of 5% (half of 10%ap.a.) has been proposed for FY 2027-28 in proportion of increase in no. of staff due to operationalization of New Terminal building from Oct 2027.

An additional increase of 20% has been proposed for FY 2027-28 because of next wage due from 01.01.2027.

Payroll expenses –CHQ/RHQ

Actuarial Expenses (Retirement Benefits) for FY 2023-24 has been projected based on the FY 2021-22(Actual) with a growth of 7% p.a. for the 2nd control period and additional 25% (20% for wage revision and 5% for six months due to increase in additional staff require for maintaining the operation increase due to operation of New Terminal Building) has been proposed.

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.

An additional increase of 10% has been proposed for FY 2027-28 due to operation of new terminal building.

Administration and General expenses – CHQ/RHQ

AAI has considered the CHQ/RHQ cost allocated to Varanasi airport for FY 2021-22(Actual) based on the study done by the ICAI-MARF and thereafter an increase of 5% p.a. for the 2nd CP.

Repairs and maintenance

R&M Civil

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

R&M Civil: -75% of cost (25% Reduction) of FY 2027-28 has been proposed for R&M Civil due to New Terminal building. Only Regular AMC works have been considered e.g. Rubber removal cost, joint filling of Apron, Grass cutting, STP, Pest Control, Birds chaser including crackers, solid waste management, may I help you, art work, AMC of TB, CISF Barracks, Residential colony etc.

R&M Electrical

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

An additional increase of 50% has been proposed for FY 2027-28 as per the justification given below: -

- New Terminal Building will have all new equipment which will have CAMC along with manpower cost from the 1st day of the commencement of the assets.
- New Terminal Building have 2 floor including basement and proposed to installed PBB, Escalators, CCTV camera. Inline X-Bis. lifts, Conveyor, BHS system. It will increase the cost of R&M as well as Electricity expenses.
- Specialized man power will have to be engage for Screening and hiring charges will have to pay to AAICLAS.
- Other than above, regular AMC expenses for DG set for secondary power supply, Ground light, Air conditioner and Equipment will also increase.

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.

50% additional increase in FY 2027-28 has been proposed due to no of facilities increase e.g. SITC of X-bis (HB & RB), ETD, DFMD & HHMD & IT.

Utilities and outsourcing expenses

Additional 20% increase is proposed in FY2027-28 due to commencement of New Terminal Building Oct 2027.

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 44: Tax expense Proposed for the 2nd Control Period -INR crores

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29	Total
AERO REV	197.16	322.84	376.14	419.31	467.89	1783.34
OPERATING EXP.	93.18	99.35	106.04	124.64	133.13	556.34
DEP. As WDV AS PER INCOME TAX	15.69	14.61	13.37	161.37	294.61	499.65
TOTAL EXP.	108.87	113.96	119.41	286.01	427.74	1055.99
PBT	88.30	208.88	256.72	133.30	40.15	727.35
Set off losses	-88.30	-61.60	0.00	0.00	0.00	-149.90
PBT after set-off of loss	0.00	147.28	256.72	133.30	40.15	577.45
Tax Rate	25.17%	25.17%	25.17%	25.17%	25.17%	
TAX	0.00	37.07	64.62	33.55	10.11	145.34

12.5 Non-Aeronautical revenue (NAR)

Table 45: Projected Non-Aeronautical revenue for 2nd Control Period is as under

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Trading concessions						
Restaurant / snack bars	3.72	4.09	4.50	5.40	5.95	23.67
T.R. stall	8.53	9.38	10.32	12.38	13.62	54.22
Hoarding & display	4.98	5.48	6.02	7.23	7.95	31.66
Rent and services						0.00
Land leases	0.23	0.26	0.26	0.26	0.26	1.27
Building (residential)	0.02	0.02	0.02	0.02	0.02	0.10
Building (non-residential)	1.61	1.73	1.86	2.18	2.34	9.71
Miscellaneous						
Car rentals	0.57	0.62	0.69	0.82	0.91	3.61
Car parking	3.40	3.74	4.12	4.94	5.44	21.64
Admission tickets	0.04	0.05	0.05	0.06	0.07	0.27
Other income / sale of scrap	2.58	2.70	2.84	2.98	3.13	14.24
Total	25.67	28.08	30.68	36.28	39.68	160.40

❖ Proposed Increase in revenue as given Table No:46 below: -

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Trading concessions					
RESTAURANT / SNACK BARS	10%	10%	10%	20%	10%
T.R. STALL	10%	10%	10%	20%	10%
HOARDING & DISPLAY	10%	10%	10%	20%	10%
2. RENT AND SERVICES					
LAND LEASES	0%	15%	0%	0%	0%
BUILDING (RESIDENTIAL)	0%	0%	0%	0%	0%
BUILDING (NON-RESIDENTIAL)	7.5%	7.5%	7.5%	17.5%	7.5%
3. MISCELLANEOUS					
CAR RENTALS	10%	10%	10%	20%	10%
CAR PARKING	10%	10%	10%	20%	10%
ADMISSION TICKETS	10%	10%	10%	10%	10%
OTHER INCOME/ SALE OF SCRAP	5%	5%	5%	5%	5%

Note: - An additional increase of 10% (Half of 20% pa) has been proposed in FY 2027-28 on operationalization of New Terminal Building.

Table 47: Projected ARR for the 2nd Control Period is as follows:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Average RAB	130.29	122.19	111.80	1559.62	2937.97	4861.87
Fair Rate of Return	14%	14%	14%	14%	14%	
Return on average RAB	18.24	17.11	15.65	218.35	411.32	680.66
O&M expenses	93.18	99.35	106.04	124.64	133.13	556.34
Depreciation	14.44	14.58	13.70	83.50	152.65	278.87
Tax expense	0.00	37.07	64.62	33.55	10.11	145.34
Intt. on Working capital	0.00	0.00	0.00	0.00	0.00	0.00
Add: True up	295.55	0.00	0.00	0.00	0.00	295.55
Less: 30% NAR	7.70	8.42	9.20	10.89	11.90	48.12

ARR per year	413.71	159.68	190.80	449.16	695.30	1908.64
PV Factor (Compound) @14%	1.00	0.88	0.77	0.67	0.59	
PV of ARR	413.71	140.07	146.82	303.17	411.67	1415.43

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

- ARR for the 2nd Control Period includes Financing allowance to INR 296.22Crores.
- ARR for 2nd Control Period amounting to INR 1850.53 cr. Include Rs.295.55 Crores Shortfall for 1st Control Period.

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

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

- Landing Charges:** - Landing charge is proposed to increase by 60% for both Domestic and International landing from the existing charges w.e.f. 01.10.2024 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
- Parking Charges:** - Parking Charge are proposed to increase by 110% from the existing charges w.e.f. 01.10.2024 till 31.03.2025. An increase of 6% thereafter on year on year basis from FY 2025-26 onwards is proposed.
 - 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)				
		2024-25 (1 st Oct 24)	2025-26	2026-27	2027-28	2028-29
Domestic	400	1223.00	1223.00	1223.00	1223.00	1224.00
International	1300	1620.00	1620.00	1620.00	1620.00	1620.00

Revised UDF charges will be applicable on tickets issued on or after 01/10/2024 for FY 2024-25 and thereafter applicable on date of travel from 1st April 2025 to 31st March 2029.

With the proposed Tariff Proposal as per following details.

Particulars (₹ lacs)	Amount
Present Value of Target Revenue as on 01.04.2024 (including PV of S/Fall 1CP of Rs. 29554.93 lacs.)	141543.48
Total PV of projected Revenue at Proposed Rates as on 01/04/2024	132983.17
Short fall carry forward for the next Control Period.	8560.31

