

**STUDY
ON
ALLOCATION OF ASSETS BETWEEN
AERONAUTICAL AND NON-
AERONAUTICAL ASSETS**

for

**COCHIN INTERNATIONAL AIRPORT LIMITED (CIAL)
(Second Control Period: 2017-2021)**

April 2021

TABLE OF CONTENTS

1. Objective of this study	5
2. Terms of reference and our work performed	7
2.1. Terms of Reference	7
2.2. Work Performed	7
3. Executive summary	8
3.1. Segregation of assets	8
3.2. Gross block additions based on revised asset allocation	8
3.3. Summary of reclassifications	10
3.4. Impact of revised terminal allocation ratio.....	13
3.5. Summary	13
4. Physical verification of assets	15
4.1. Existence of assets in the Gross Block.....	15
4.2. Projects commissioned in the second control period.....	15
5. Asset allocation methodology for CIAL for 2nd control period	16
5.1. Segregation of assets	16
5.2. Principle for segregation of assets.....	16
5.3. Methodology used for segregation of assets	18
6. Assessment of actual capital additions during the 2nd Control Period	19
6.1. Opening RAB	19
6.2. Asset allocation assessment and reclassification for assets commissioned from FY17 to FY20	19
6.3. Asset allocation assessment and reclassification for forecasted additions (FY 21):	32
6.4. Total impact of asset reclassification:	33
6.5. Summary	33
7. Allocation of terminal area into Aeronautical and Non-Aeronautical	35
7.1. Terminal allocation submitted by CIAL	35
7.2. Observations on CIAL's submission	35
7.3. Authority's assessment of terminal area allocated for Aeronautical and Non-Aeronautical activities	35
7.4. Conclusion.....	41
8. Impact on the Aeronautical Gross Block due to revised terminal allocation ratio	43
8.1. Additions to the RAB (post adjustments based on reclassification of assets)	43
8.2. Adjustments due to revised terminal allocation ratio	43
8.3. Conclusion.....	43
9. Overall summary of the study	44
10. Glossary	47
Exhibit – 1: Assets commissioned by CIAL in 2nd control period as per Fixed Asset Register (FY17-FY20)	49

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Exhibit – 2: Assets to be commissioned by CIAL in 2nd control period (FY21)55
Exhibit – 3: CA Certificate submitted by CIAL for the assets commissioned in 2nd control period56
Exhibit – 4: Terminal area allocation certificate submitted by CIAL58

List of Tables

Table 1: Types of reclassification and their impact	8
Table 2: Details of Gross Block additions	9
Table 3: Details of Gross Block	9
Table 4: Proposed Adjustments to Aeronautical Asset Base Additions in 2nd CP	13
Table 5: Reconciliation of Fixed Asset Register Against Financial Statements	15
Table 6: General Principles for Asset Classification	17
Table 7: Allocation of assets in opening RAB of 2nd CP approved by the Authority	19
Table 8: Re-allocated Terminal Building and Related Works	19
Table 9: Re-allocated IT Assets - Hardware and Software	21
Table 10: Re-allocated Common Terminal Assets	22
Table 11: Re-allocated Assets Related to Commercial Activities	24
Table 12: Re-allocated Assets at MD's Office and Other Administrative Offices	25
Table 13: Re-allocated Assets of Duty Free and Golf Course	27
Table 14: Re-allocated Assets for Passenger Handling and Flight Information Systems	28
Table 15: Re-allocated Assets for Airport Security	29
Table 16: Re-allocated Assets for Butterfly Canteen	30
Table 17: Re-allocated Vehicles	31
Table 18: Summary of reclassification from FY 17 to FY 20	32
Table 19: Re-allocated Assets Forecasted for FY 2021	32
Table 20: Proposed Adjustments to Aeronautical Asset Base Additions in 2nd CP	33
Table 21: Terminal area allocation given by CIAL	35
Table 22: Terminal area allocation - Domestic	36
Table 23: Category-wise area utilized for Domestic Terminal	38
Table 24: Revised Domestic terminal area allocation as per study	38
Table 25: Terminal area allocation - International	38
Table 26: Category-wise area utilized for International Terminal	41
Table 27: Revised International terminal area allocation as per study	41
Table 28: Revised terminal area allocation as per study	41
Table 29: Impact of Revision of Terminal Allocation Ratio	43
Table 30: Summary of Adjustments to Aeronautical Additions	45
Table 31: Allocation of Gross Block	45
Table 32: Allocation of Gross Block – category break-up	45

1. OBJECTIVE OF THIS STUDY

CIAL was the first airport in India to be built under Public Private Partnership (PPP), with equity participation from the Government of Kerala, financial institutions, and more than 16,000 individual investors who are mostly non-resident Keralites (NRKs). CIAL as it exists today, was an alternative to the then civil enclave in the Naval Airport at Cochin. CIAL was incorporated on 30th March 1994 as a public limited company, with an authorized share capital of INR 90 crores. The construction work commenced in August 1994. The airport was inaugurated by the President of India on 25th May 1999 with Air India operating the first flight to the gulf.

Cochin International Airport Limited is one of the major airports notified by Airports Economic Regulatory Authority of India under the provisions of the AERA Act 2008. Pursuant to AERA Act 2008, AERA issued guidelines for the purpose of determination of aeronautical tariffs for major airports, CIAL had submitted its Multi Year Tariff Proposal (MYTP) for the second control period from FY 2017 to FY 2021. AERA issued the tariff order for second control period on 13th July 2017.

AERA has adopted shared till approach for determination of tariffs of CIAL. As per the shared till approach, 30% of the non-aeronautical revenues are to be used to cross-subsidize the aeronautical revenues, i.e., the Aggregate Revenue Requirements. Tariffs for aeronautical services under shared till are based on the various building blocks, i.e., aeronautical Regulatory Asset Base (RAB), aeronautical depreciation, aeronautical operational expenses, and aeronautical tax.

RAB is one of the fundamental elements in the process of tariff determination. The return to be provided on the RAB forms a considerable portion of the Aggregate Revenue Requirement (ARR) for an airport operator. Airports require capital intensive investments. To encourage the participation of the private sector in airport development/ operations, investors must be fairly compensated for the huge capital outlays involved. At the same time, to safeguard the interests of the airport users, it must be ensured that the capital additions are efficient, their needs justified, and the return is provided solely on the assets related to the core operations (i.e., aeronautical services/ activities) of the airport. Any consideration of assets, which are not directly related to the provision of aeronautical services, may have a significant impact on the ARR and would result in increased charges for the users. Given this, the allocation of assets into aeronautical and non-aeronautical components becomes an important part of the tariff determination process.

RAB evolves on a continuous basis, primarily due to the addition of capital assets required to meet the growing demand/ ensure optimum level of service, replacement of obsolete assets at end of life, sales or transfers of assets to other entities in some cases, and assets' depreciation. The allocation of an asset towards RAB depends upon the type of asset (building & civil works, plant & machinery, equipment, etc.), the usage (provision of various services – aeronautical, non-aeronautical, common) of the asset, ownership (airport operator, concessionaire or subsidiary), and useful life of the asset. Based on these factors, the rationale for allocation of each asset into the appropriate category needs to be determined diligently.

To this end, AERA has decided to conduct a study on asset allocation/ segregation between aeronautical and non-aeronautical assets for true-up of the second control period. Since audited financial statements were available from FY17 to FY20 for the 2nd control period, the analysis of the bifurcation of assets is performed till FY20 based on the FAR and for FY21, based on the projections submitted by the CIAL.

As part of this study, the following have been examined/ referred:

- i. AERA Act, 2008 with its amendment in 2019
- ii. Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011 dated 28 February 2011
- iii. AERA Order No. 14 / 2016-2017 dated 23 January 2017 [In the matter of aligning certain aspects of AERA's Regulatory Approach (Adoption of Regulatory Till) with the provisions of the National Civil Aviation Policy – 2016 (NCAP – 2016) approved by the Government of India
- iv. AERA Order No. 07 / 2017-2018 dated 13 July 2017 [In the matter of Determination of tariffs for Aeronautical Services in respect of Cochin International Airport, Cochin, for the Second Control Period (01.04.2016 to 31.03.2021)]

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- v. Previous Tariff Orders for other airports
- vi. Audited fixed asset register of CIAL from FY17 to FY20
- vii. Audited Annual Reports, clarifications, certificates (from financial auditors and technical consultants) and other details received from CIAL

2. TERMS OF REFERENCE AND OUR WORK PERFORMED

2.1. Terms of Reference

2.1.1. AERA has outlined the scope of work for the study on allocation of assets in clause 3.1 (v) of Schedule 1 of its RFP No. 01 / 2020-2021 for engagement of consultants to assist AERA in determination of tariffs for aeronautical services at CIAL, which states, "3.1 (v) – Asset/OPEX segregation between Aero and Non Aero."

2.2. Work Performed

2.2.1. The methodology of this study is based on the approach adopted by AERA for allocation of assets between aeronautical and non-aeronautical for DIAL vide Tariff Order no. 57 / 2020-2021 dated 30 December 2020, while being cognizant of the differences due to the fact that, unlike other private airports, CIAL is not governed by any Operation, Management and Development Agreement (OMDA), State Support Agreement (SSA) or Concession Agreement and references to treatment of assets in previous tariff orders.

2.2.2. Key steps followed for the study include:

- Review of AERA Order no. 07 / 2017-18 for CIAL and previous AERA Orders and Consultation Papers for other select airports to identify precedents and the stance taken by the Authority in the matter of allocation of assets.
- Review of MYTP of CIAL for the third control period and supporting documents (including Fixed Asset Register, Financial Model, Capex Forecasts, KITCO study on terminal area allocation, Auditor's certificate etc.) to check for consistency with the treatment in second control period.
- Review of asset-wise segregation done by CIAL into Aeronautical, Non-Aeronautical and Common assets as per the description in the Fixed Asset Register. Discussions were carried out with the management for clarifications and to collect additional information wherever necessary.
- Review of Fixed Asset Register against the financial statements of CIAL.
- Formulation of general principles for asset allocation to ensure consistent treatment.
- Asset-wise analysis based on the general principles and reclassification of assets wherever required.
- Analysis of terminal area allocation.
- Revision of Aeronautical Gross Block from FY 2017 to FY 2021.

3. EXECUTIVE SUMMARY

3.1. Segregation of assets

3.1.1. RAB is one of the fundamental elements in the process of tariff determination. The return to be provided on the RAB forms a considerable portion of the Aggregate Revenue Requirement (ARR) for an airport operator. To safeguard the interests of the airport users, it must be ensured that the return is provided solely on the assets related to the core operations (i.e., aeronautical services/ activities) of the airport. Given this, the allocation of assets into aeronautical and non-aeronautical components becomes an important part of the tariff determination process.

3.1.2. This study has been undertaken to allocate the total assets of the airport into the following:

- **Aeronautical Assets:** All assets that are exclusively used for the provision of aeronautical services/ activities have been classified as 'Aeronautical Assets'. Such assets would include runway(s), taxiways, drainage and culverts, aprons, etc.
- **Non-Aeronautical Assets:** All assets that are exclusively used for the provision of non-aeronautical services / activities have been classified as 'Non-Aeronautical Assets'. Such assets would include golf course development, commercial projects, etc.
- **Common Assets:** All assets that cannot be directly allocated to either Aeronautical Assets or Non-Aeronautical Assets have been classified as 'Common Assets'. Such assets, as the name suggests, get utilized for both aeronautical and non-aeronautical activities. They would include terminal building, select terminal equipment, etc.

3.1.3. As part of this study, various asset categories have been reviewed and a basis has been developed for the classification of assets into aeronautical and non-aeronautical activities, as detailed out in Section 5 of this report.

3.2. Gross block additions based on revised asset allocation

3.2.1. As per the CIAL's submission, the total Aeronautical Addition for the second control period (FY17-FY21) is INR 1847 Cr.

3.2.2. It was observed that few assets worth INR 3.17 Cr that were capitalised in FY 2016 were wrongly considered as Aeronautical Additions in FY 2017 by the airport operator. These items have been excluded from the calculations.

3.2.3. Based on the revision of asset allocation methodology adopted for assets of CIAL, a revision in the aeronautical gross block has been proposed. Summary of the reclassification of assets with its impact on the aeronautical gross block has been presented in the table below

Table 1: Types of reclassification and their impact

S.N.	Reclassification	Impact on aeronautical assets (Increase/ Decrease)	Impact on aero gross block (INR Cr.)
1.	Aeronautical to Common (including Terminal Ratio and Employee)	Decrease	(1.68)
2.	Aeronautical to Non-Aeronautical	Decrease	(2.42)
3.	Common to Non-Aeronautical	Decrease	(6.98)
4.	Common to Aeronautical	Increase	0.73
5.	Common to Common (Employee)	Increase	0.01
	Total		(10.3)

3.2.4. For the second control period, the impact of revision in terminal allocation ratio for Common assets results in a reduction of INR 15.9 Cr. in the Aeronautical additions. Hence, post reclassification of assets and other adjustments made (such as due to change in terminal allocation ratio which is applied on common

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

assets), the revised Aeronautical additions to the Gross Block are INR 1817.7 Cr (92.6%) and revised Non-Aeronautical additions are INR 145.9 Cr (7.4%).

3.2.5. The above reclassification of assets is applied across other preceding years of the 2nd control period. The corresponding year-wise revision in the asset allocation ratio of the Gross Block from FY17 to FY21 has been summarized in the table below:

Table 2: Details of Gross Block additions

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	Total
CIAL's Submission						
Aeronautical Gross Additions (INR Cr.)	1110.03	157.8	276.8	65.3	237.2	1847.1
Non-Aeronautical Gross Additions (INR Cr.)	60.97	27.6	17.9	2.2	7.8	116.4
Total Gross Additions (INR Cr)	1171.0	185.4	294.7	67.6	245.0	1963.6
Revised as per the study						
Revised Aeronautical Gross Additions (INR Cr)	1094.2	150.2	272.9	64.1	236.3	1817.7
Revised Non-Aeronautical Gross Additions (INR Cr)	76.8	35.2	21.8	3.5	8.7	145.9
Revised Total Gross Additions (INR Cr)	1171.0	185.4	294.7	67.6	245.0	1963.6

3.2.6. Based on the above and the value of opening Aeronautical Gross Block of INR 548.7 Cr and Total Gross Block of INR 794.8 Cr (as on 31 March 2016), the following table summarizes the asset allocation ratio of the Gross Block:

Table 3: Details of Gross Block

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
CIAL Submission					
Aeronautical Gross Block (INR Cr.)	1658.5	1810.9	2052.8	2117.3	2354.5
Non-Aeronautical Gross Block (INR Cr.)	304.6	331.8	348.1	350.2	358.1
Total Gross Block (INR Cr.)	1963.1	2142.6	2400.9	2467.5	2712.6
Non-Aeronautical Ratio as per CIAL	15.5%	15.5%	14.5%	14.2%	13.2%
Revised as per the study					
Revised Aeronautical Gross Block (INR Cr.)	1641.0	1785.8	2023.9	2087.1	2323.4
Revised Non-Aeronautical Gross Block (INR Cr.)	322.1	356.8	377.0	380.4	389.2
Revised Total Gross Block (INR Cr.)	1963.1	2142.6	2400.9	2467.5	2712.6
Revised Non-Aeronautical Ratio	16.4%	16.7%	15.7%	15.4%	14.3%
Impact on Non-Aero Ratio (increase)	0.9%	1.2%	1.2%	1.2%	1.1%

Note: The Total Gross Block numbers are as per the financial audited statements. The Non-Aeronautical Gross Block numbers have been computed as Total Gross Block numbers – (opening Aeronautical Gross Block + aeronautical additions – aeronautical retirements) in any given year.

3.3. Summary of reclassifications

3.3.1. Terminal buildings and related works:

- **Details of asset:** Civil, mechanical, plumbing and electrical works of new international terminal T3 building and modifications to the old terminals.
- **Allocation proposed by CIAL:** Common, however, some of the assets in this category were considered Aeronautical
- **Issue:** The allocation of new terminal building, modification of the existing terminals and other related civil, engineering, consultancy, electrical, plumbing and mechanical works is based on the terminal area usage ratio (between the area towards aeronautical and non-aeronautical activities). However, some line items in this segment were found to be classified as Aeronautical by the airport operator. Accordingly, such items have been reclassified as Common.
- **Allocation proposed by the Authority:** Common
- **Impact:** Reclassifying these assets from Aeronautical to Common reduces the RAB to the extent of **INR 0.41 Cr.**
- **Reference:** Section 6.2.1

3.3.2. IT Assets – Hardware and Software:

- **Details of Asset:** End User Devices, Printers, Copiers, LAN, Software Licenses etc.
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** End user devices such as laptops and software like ERP licenses, operating systems, DTP etc., and their supporting hardware are to be classified based on the nature of activity performed by the department where the asset is deployed. Due to unavailability of further usage related information of some of these assets, such items have been reclassified as Common. Wherever it was identified that such items are being utilised for purely aeronautical purposes, those assets have been classified accordingly.
- **Allocation proposed by the Authority:** Common
- **Impact:** Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of **INR 0.11 Cr.**
- **Reference:** Section 6.2.5

3.3.3. Common Terminal Assets:

- **Details of Asset:** Consumer electronics, other devices, furniture and fixtures in the terminal buildings
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** Certain assets like Televisions, Fans, Ovens, Dining Tables etc, which are generally used for common purposes, their location and exact usage could not be determined from the available information, have been reclassified as Common. Wherever it was clear that such items are being utilised for purely aeronautical or non-aeronautical purposes, the assets have been classified accordingly.
- **Allocation proposed by the Authority:** Common
- **Impact:** Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of **INR 0.39 Cr.**
- **Reference:** Section 6.2.6

3.3.4. Assets for Commercial Activities:

- **Details of Asset:** Assets at Commercial Areas like Food Court, or Retail Spaces
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** It was observed that there are certain assets including furniture and appliances that are either used by the Commercial Department or at areas like Food Court and other retail spaces which were classified as either Aeronautical or Common. Such assets have been reclassified as Non-Aeronautical.
- **Allocation proposed by the Authority:** Non-Aeronautical
- **Impact:** Reclassifying these assets from Aeronautical or Common to Non-Aeronautical reduces RAB to the extent of **INR 2.81 Cr.**
- **Reference:** Section 6.2.7

3.3.5. Assets at MD's Office and Other Administrative Offices:

- **Details of Asset:** Assets including interior works, furniture and other devices at MD's Office and other administrative offices
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** Certain assets in the MD's office were found to be classified as Aeronautical. CIAL had bifurcated the operational expenses related to the MD's office into Aeronautical and Non-Aeronautical since the office is responsible for all activities at the airport. Hence the assets at this office must also be considered as Common. Such assets were bifurcated in the Employee Ratio (Aeronautical to Non-Aeronautical).
- **Allocation proposed by the Authority:** Common (Employee)
- **Impact:** Reclassifying these asserts from Aeronautical to Common reduces RAB to the extent of **INR 0.09 Cr.**
- **Reference:** Section 6.2.8

3.3.6. Duty-Free and Golf Course Assets:

- **Details of Asset:** Assets of Duty-Free, Duty-Free Warehouse and Golf Course
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** Some assets procured for the Duty Free, the Duty-Free Warehouse and the Golf Course & Country Club were incorrectly classified as either Aeronautical or Common. Such line items have been identified and reclassified as Non-Aeronautical since Duty Free and Golf Course are Non-Aeronautical ventures.
- **Allocation proposed by the Authority:** Non-Aeronautical
- **Impact:** Reclassifying these assets from either Aeronautical or Common to Non-Aeronautical reduces RAB to the extent of **INR 1.37 Cr.**
- **Reference:** Section 6.2.9

3.3.7. Passenger Handling and Flight Information Systems:

- **Details of Asset:** Equipment and software for passenger handling
- **Allocation proposed by CIAL:** Aeronautical / Common

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- **Issue:** Certain Flight Information Systems, Q Managers, and Immigration Counters were classified as Common. However, this is believed to be a mistake as these are related to passenger handling and must therefore be considered Aeronautical. Hence these assets have been reclassified as Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Reclassifying these assets from Common to Aeronautical increases the RAB to the extent of **INR 0.59 Cr.**
- **Reference:** Section 6.2.10

3.3.8. Airport Security:

- **Details of Asset:** Assets for CISF
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** It was observed that certain assets procured for CISF and for airport security related activities were classified as Common. Since airport security is an Aeronautical matter, these assets must be treated similarly and hence, have been reclassified to Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Reclassifying these assets from Common to Aeronautical increases RAB to the extent of **INR 0.13 Cr.**
- **Reference:** Section 6.2.11

3.3.9. Butterfly Canteen:

- **Details of Asset:** Assets at the Butterfly Canteen in front of T3
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** The Butterfly canteen outside the Terminal 3 building is a commercial space, hence the assets related to the same must be treated as Non-Aeronautical. Some of these assets were classified by CIAL as Aeronautical and some others were considered Common. The classification for such assets has been revised to Non-Aeronautical.
- **Allocation proposed by the Authority:** Non-Aeronautical
- **Impact:** Reclassifying these assets from either Aeronautical or Common to Non-Aeronautical reduces the RAB to the extent of **INR 5.1 Cr.**
- **Reference:** Section 6.2.13

3.3.10. Vehicles:

- **Details of Asset:** Vehicles
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** CIAL has considered all vehicles as Aeronautical. The classification of these assets should be dependent upon the specific usage. However, in the absence of the details regarding the exact usage (for aeronautical or general purposes) of some of these assets, they have been reclassified as Common and bifurcated in the employee ratio.
- **Allocation proposed by the Authority:** Common (Employee)
- **Impact:** Reclassifying these assets from either Aeronautical to Non-Aeronautical reduces the RAB to the extent of **INR 0.05 Cr.**

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- **Reference:** Section 6.2.14

3.3.11. Asset allocation assessment and reclassification for forecasted additions (FY 21):

- **Details of Asset:** Assets forecasted to be capitalised in FY 2021
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** Certain assets, including UV-C systems and IT Assets, that are projected to be capitalised in FY 2021, have been re-allocated based on the same principles specified above and the analysis of the information available
- **Allocation proposed by the Authority:** Common / Non-aeronautical
- **Impact:** Reclassifying these assets reduces the RAB to the extent of **INR 0.72 Cr.**
- **Reference:** Section 6.3

3.4. Impact of revised terminal allocation ratio

3.4.1. The Aeronautical and Non-Aeronautical additions consider a certain percentage of Common Assets, which is a function of terminal area ratio (ratio of terminal area allocated for the provision of aeronautical and non-aeronautical activities). The additions towards Common Assets (based on this study) are worth INR 907.4 Cr (which doesn't include internal roads and Car Park), which have been allocated to Aeronautical and Non-Aeronautical additions based on the terminal ratio of 7.19% (Non-Aeronautical areas as a percentage of total terminal area) by the airport operator.

3.4.2. The airport operator had proposed 6.28% and 9.00% of terminal area for the provision of Non-Aeronautical services/ activities in International and Domestic terminals respectively, which is 7.19% of total terminal area. However, based on the assessment of actual area allocated towards the Non-Aeronautical activities, it is found that with the reclassification of areas, especially the ones which are recognized as 'Common' by AERA and were considered as Aeronautical by the airport operator, the actual area allocation percentage has changed.

3.4.3. Accordingly, the actual allocation of area (in %) towards Non-Aeronautical activities, viz. 8.47% and 9.88% for the International and Domestic terminals respectively, has been proposed by this study for the purposes of the tariff determination for the second control period.

3.4.4. This changes the percentage of area allocated for Non-Aeronautical activities to 8.94% from 7.19% for the entire terminal area.

3.4.5. For the second control period, the impact of revision in terminal allocation ratio for Common assets results in a reduction of INR 15.9 Cr. in the Aeronautical additions.

3.5. Summary

3.5.1. The following table summarizes the total proposed adjustments for the aeronautical additions submitted by the airport operator.

Table 4: Proposed Adjustments to Aeronautical Asset Base Additions in 2nd CP

Fixed Asset Adjustment	Reference to Section in Report	INR Cr.
Aeronautical Additions in 2nd CP as per CIAL (Excluding FA)		1,847.1
Adjustments to RAB		
Exclusion of Assets Capitalised in 2016		(3.17)
		1,843.9
Airport Security	6.2.11	0.13

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Assets for Commercial Activities	6.2.7	(2.81)
Butterfly canteen	6.2.13	(5.10)
Common Assets at MD's Office	6.2.8	(0.09)
Common Terminal Assets	6.2.6	(0.39)
Duty Free & Golf Course	6.2.9	(1.37)
IT Assets	6.2.5	(0.11)
Passenger Handling	6.2.10	0.59
Terminal Building Works	6.2.1	(0.41)
Vehicles	6.2.14	(0.05)
Reallocation of Forecasted Assets in 2021	6.3	(0.72)
Total adjustments to RAB (for the 2nd CP) <i>(on the basis of asset reclassification and exclusion of some expenses from RAB, without considering the impact of revised terminal ratio)</i>		(13.47)
Impact on capital additions in 2 nd CP due to revised terminal allocation		(15.9)
Revised additions to Aeronautical Gross Block in 2nd CP		1,817.7

4. PHYSICAL VERIFICATION OF ASSETS

4.1. Existence of assets in the Gross Block

4.1.1. The study has relied on the audited financial statements of CIAL to establish the existence of assets in the Gross Block as on 31 March 2020.

4.1.2. The Fixed Asset Register submitted by CIAL was reconciled against the financial statements and the outcome is provided in the table below.

Table 5: Reconciliation of Fixed Asset Register Against Financial Statements

FY	2017	2018	2019	2020
Book Value as on 31 March (INR Cr.) (Excluding Capital Work in Progress)	1620.20	1687.42	1855.35	1797.53

4.2. Projects commissioned in the second control period

4.2.1. While item-wise assessment was made, but it has not been possible to verify the project-wise expenses incurred, as such data and mapping (items to project) are not available to the required level with the airport operator. In this regard, the airport operator provided a CA certificate to validate the expenses of the completed projects; the same has been used to verify the submissions in the MYTP.

4.2.2. The certificate so obtained from the airport operator in this regard has been provided in the Exhibit 3 of this study.

5. ASSET ALLOCATION METHODOLOGY FOR CIAL FOR 2ND CONTROL PERIOD

5.1. Segregation of assets

5.1.1. This study intends to allocate the total assets of the airport into the following:

- **Aeronautical Assets:** All assets that are exclusively used for the provision of aeronautical services/ activities have been classified as 'Aeronautical Assets'. Such assets would include runway(s), taxiways, drainage and culverts, aprons, etc.
- **Non-Aeronautical Assets:** All assets that are exclusively used for the provision of non-aeronautical services / activities have been classified as 'Non-Aeronautical Assets'. Such assets would include golf course development, commercial projects, etc.
- **Common Assets:** All assets that cannot be directly allocated to either Aeronautical Assets or Non-Aeronautical Assets have been classified as 'Common Assets'. Such assets, as the name suggests, get utilized for both aeronautical and non-aeronautical activities. They would include terminal building, select terminal equipment, etc.

5.2. Principle for segregation of assets

5.2.1. As part of this study, various asset categories have been reviewed and a basis has been developed for the classification of assets into aeronautical and non-aeronautical.

5.2.2. Assets which are directly used for rendering of services identified as Aeronautical under the AERA Act of 2008 are classified as Aeronautical Assets. As per the Act, such services include:

- navigation, surveillance and supportive communication thereto for air traffic management,
- the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at an airport,
- ground safety services at an airport,
- ground handling services relating to aircraft, passengers and cargo at an airport,
- the cargo facility at an airport,
- supplying fuel to the aircraft at an airport,
- services for a stakeholder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority

5.2.3. Accordingly, the assets responsible for/ used exclusively for the provision of such services have been classified as Aeronautical for the purposes of this study. Additionally, the decisions of AERA on allocation of certain assets in the previous control periods have also been taken into consideration for this exercise.

5.2.4. Non-Aeronautical: Assets which are solely used for the provision of services other than aeronautical services are classified as Non-aeronautical.

5.2.5. Common: If any asset is not exclusively used for the provision of either Aeronautical service or Non-Aeronautical service, it has been classified as 'Common'.

5.2.6. Aeronautical assets (e.g., aerobridges, among others) are directly added to RAB and assets identified to be non-aeronautical (e.g., commercial complex) are simply excluded from it. The assets that have been classified as Common Assets need to be further bifurcated into aeronautical and non-aeronautical based on a suitable ratio. This ratio needs to be determined such that it is fair with respect to the actual utilisation

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

of the asset and encourages the airport operator to optimally utilize its resources for realizing the potential of non-aeronautical revenues at its airport, hence benefitting the user through cross-subsidisation.

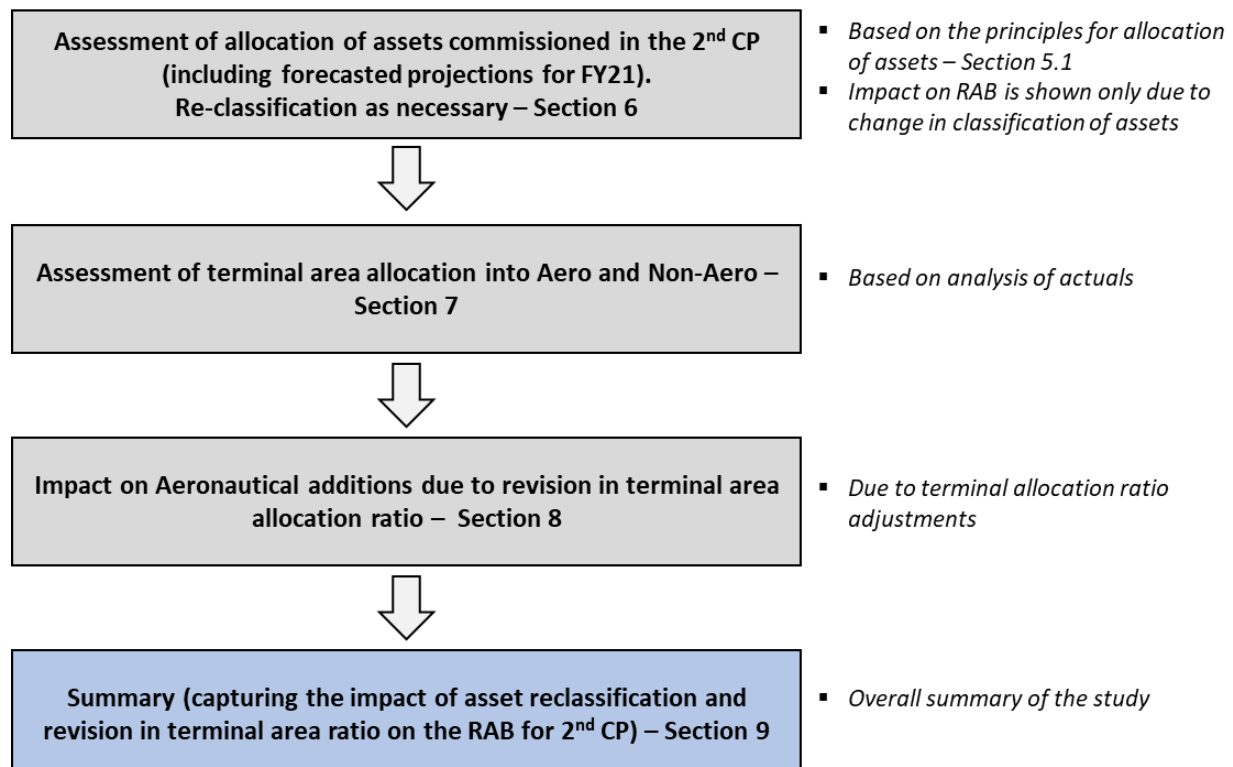
Table 6: General Principles for Asset Classification

Asset Category	Asset Sub-Category / Description	Asset Classification
Runways, Roads and Culverts	Construction, Resurfacing, Re-carpeting and Widening of Internal Roads and Flyovers	Aeronautical
	Construction and strengthening of Runways, Taxiways, Parking Bays and Aprons	
	Lighting, Civil and Electrical Works on the Airside	
Cargo	Assets Related to Bonded Cargo Activities within the Airport Operational Area	Aeronautical
Ground Handling	Assets related to ground handling	Aeronautical
Airport Security	Assets Related to CISF	Aeronautical
	Baggage X-Ray Machines	
	Boundary Walls	
	Perimeter Intruder Detection Systems	
	CCTV and Surveillance Systems	
Air Crash Safety Measures	ACFTs	Aeronautical
	Fire Stations and related assets	
Aircraft Handling	Aerobridges and VDGS	Aeronautical
	Ground Power Units and Pre-Conditioned Air Units	
Passenger Handling	Flight Information Systems and Public Audio Systems	Aeronautical
	Baggage Handling Systems	
	Smart Lane Systems, Digi-Yatra Systems and Q-Managers	
	CUPPS, BRS, CUSS etc.	
ATC Tower	Assets related to ATC tower and AAI	Aeronautical
Flood Control Measures	Bridges and Culverts within the Airport Area	Aeronautical
	Widening of Storm Water Drains and Diversion Canals in the Airport Operational Area	
Substation	110 KV Substation for the Airport	Aeronautical
Waste Management	Sewage Treatment Plant and Incinerators	Aeronautical
Terminal Buildings/ Equipment	Civil, Mechanical, Plumbing and Electrical works for Terminal Buildings	Common (Terminal Ratio)
	Furnitures and devices at Common Areas at the terminal	
	Escalators, Elevators and Travellators	
	IT Assets at the terminal	
	HVAC, Water Coolers, UV-C Systems, Split ACs etc.	
Administrative Offices	Assets and works related to MD's Office and other administrative offices	Common (Employee)
Vehicles*	Vehicles other than the ones deployed exclusively at Airside or for Aeronautical activities	Common (Employee)
Car Parking	Car Parking related assets	Non-Aeronautical
Duty Free	Assets related to Duty Free and Duty-Free Warehouse	Non-Aeronautical
Golf Course	Assets related to CIAL Golf Course and Country Club	Non-Aeronautical
Commercial	Assets related to Commercial activities such as food courts, canteens, etc.	Non-Aeronautical

* the ambulances and vehicles for CISF have been retained as Aeronautical

5.3. Methodology used for segregation of assets

- 5.3.1. Verification of Assets: Assessment of the assets commissioned by the airport operator during the second control period based on the information/ reports provided by the airport operator including audited reports, Fixed Asset Register (FAR), AUCC Approvals, DPRs etc., the observations made during the site-visit and discussions held with the airport operator for clarifications.
- 5.3.2. The study has relied on the CA certificate submitted by the airport operator, audited financial statements of CIAL from FY 2017 to FY 2020 and the information available in the Fixed Asset Register to verify the capital expenditure incurred during the second control period and to understand the nature of the assets. We have not audited the capital expenditure, or any other underlying data submitted by CIAL and relied on the CA's certificate for the same.
- 5.3.3. Asset Classification: Mapping of assets to their respective asset category is based on the classification followed by the airport operator (as per the audited statements), information provided by the airport operator regarding the location and usage of the assets, the allocation considered by the Authority in the previous Tariff Order for CIAL and the treatment of similar assets followed by the Authority in the case of other airports. The classification of assets has been reviewed based on the description of the assets given in the Fixed Asset Register subject to a materiality level of INR 10 lakhs. Accordingly, the examination covered the classification of items adding up to ~99% of the value of additions to Gross Block in the second control period (FY17-20). All the assets that are proposed to be commissioned by CIAL in FY 2021 have been reviewed covering 100% of value of the proposed additions to Gross Block.
- 5.3.4. Basis for segregation of common assets: Finalisation of ratios for segregation of common assets into aeronautical and non-aeronautical is based on evaluation of the terminal area usage as per original master plan, KITCO study report (technical study reports provided by the airport operator), airport site visit, among others.
- 5.3.5. Revision of RAB: Re-computation of RAB for each financial year based on outcomes of the above.
- 5.3.6. The methodology so followed has been illustrated below:



6. ASSESSMENT OF ACTUAL CAPITAL ADDITIONS DURING THE 2ND CONTROL PERIOD

Based on CIAL's projections, the Authority had approved, capital additions worth INR 2539.34 Cr in the Tariff Order for the second control period. Of which, assets amounting to INR 2092.59 Cr were considered as aeronautical additions.

6.1. Opening RAB

6.1.1. For the time of Tariff Determination for the second control period, the Authority had approved the opening RAB (FY17) of INR 272.5 Cr (land is not included in RAB) based on its analysis of the submissions made by CIAL. For true-up CIAL has considered the opening RAB as approved by the authority in the previous Tariff Order. The allocation considered by the Authority for computing the opening RAB is as follows:

Table 7: Allocation of assets in opening RAB of 2nd CP approved by the Authority

Particulars	Aeronautical allocation
Buildings and Civil works	71%
Runway, Roads and Culverts	100%
Plant and Equipment, Office Equipment, Computers and Accessories, Furniture and Fixtures, Vehicles and Intangibles Assets	90%

6.1.2. Based on allocation principles highlighted in the previous section and asset by asset analysis of the capital additions in the second control period, the adjustments to RAB have been made. The same has been undertaken as two components - one for the period FY 2017 to FY 2020 and the other for FY 2021 (forecasted assets). The details including issue, likely impact on RAB for the items observed to require reclassification are provided below:

6.2. Asset allocation assessment and reclassification for assets commissioned from FY17 to FY20

6.2.1. Terminal buildings and related works:

- **Details of asset:** Civil, mechanical, plumbing and electrical works of new international terminal T3 building and modifications to the old terminals.
- **Allocation proposed by CIAL:** Common, however, some of the assets in this category were considered Aeronautical
- **Issue:** The allocation of new terminal building, modification of the existing terminals and other related civil, engineering, consultancy, electrical, plumbing and mechanical works is based on the terminal area usage ratio (between the area towards aeronautical and non-aeronautical activities). However, some line items in this segment were found to be classified as Aeronautical by the airport operator. Accordingly, such items have been reclassified as Common.
- **Allocation proposed by the Authority:** Common
- **Impact:** Reclassifying these assets from Aeronautical to Common reduces the RAB to the extent of **INR 0.41 Cr.**

Table 8: Re-allocated Terminal Building and Related Works

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Flooring Work	1200002251	2.78	100%	2.78	92.81%	2.58	0.20

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

2	Electrical-Road-Naka, Domestic, golf, SS	1400000445	0.76	100%	0.76	92.81%	0.71	0.05
3	Flooring Works	1200002101	0.33	100%	0.33	92.81%	0.30	0.02
4	Roofing Works	1200002102	0.24	100%	0.24	92.81%	0.22	0.02
5	Finishing Works	1200002103	0.09	100%	0.09	92.81%	0.09	0.01
6	SITC of Emergency Exit Signages at T3	1500002090	0.03	100%	0.03	92.81%	0.03	0.00
7	Constructi an Exten in Terminal building 4 Lifts	1200002350	0.41	100%	0.41	92.81%	0.38	0.03
8	Cables& Wirings	1500001930	0.00	100%	0.00	92.81%	0.00	0.00
9	Signages for T1 addl	1500002380	0.04	100%	0.04	92.81%	0.04	0.00
10	SITC of Emergency evacuation Signages for Terminal	1500002390	0.02	100%	0.02	92.81%	0.02	0.00
11	insulating mats for electrical room	1500002400	0.02	100%	0.02	92.81%	0.02	0.00
12	Additional Signages in T1	1500002410	0.18	100%	0.18	92.81%	0.17	0.01
13	Signages in T1	1500002480	0.01	100%	0.01	92.81%	0.01	0.00
14	HoldingTank, Pump House, Plumbing workks in T3	1840000040	0.51	100%	0.51	92.81%	0.47	0.04
	Total		5.44		5.44		5.03	0.41

Note: Differences are due to rounding off the capex numbers

6.2.2. Apron works and Runway Re-carpeting:

- **Details of asset:** Apron works for Terminal 3 commissioned in 2017
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** Construction work for parking bays and runway are carried out on airside. The information regarding the change in Pavement Classification Number as a result of the re-carpeting provided by the Operator indicates that there has been a significant increase in the PCN value. Hence, this expenditure can be considered as a capital expenditure and the nature of these assets is Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Nil.

6.2.3. Flood Control Measures:

- **Details of asset:** Construction of bridges, deepening and widening of diversion canals and storm water drains etc.
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** During the site visit it was observed that the flood mitigation measures are to primarily cater the operational area of the airport. These measures are necessary for continuing operations during the periods of heavy rains. However, it was also noticed that some of these measures were carried out beyond the operational area of the airport, i.e., outside the airport premises/ on public land. Therefore, the costs for flood mitigation measures have been bifurcated into projects inside and outside the airport area, and only the work performed inside the airport boundary has been considered Aeronautical. For the assets commissioned in the 2nd CP, all the assets have been undertaken within the airport premises.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Nil.

6.2.4. Transfer of PSF Assets:

- **Details of asset:** Passenger Service Fee (Security Component) assets transferred to the books of CIAL in FY 2018 (net of depreciation, i.e., book value).
- **Allocation proposed by CIAL:** Aeronautical

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- **Issue:** The assets under this category were procured for Airport Security and related activities, hence these assets should be classified as aeronautical. All the items under this classification as per the Fixed Asset Register provided by the airport operator have been treated as Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Nil.

6.2.5. IT Assets – Hardware and Software:

- **Details of Asset:** End User Devices, Printers, Copiers, LAN, Software Licenses etc.
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** End user devices such as laptops and software like ERP licenses, operating systems, DTP etc., and their supporting hardware are to be classified based on the nature of activity performed by the department where the asset is deployed. Due to unavailability of further usage related information of some of these assets, such items have been reclassified as Common. Wherever it was identified that such items are being utilised for purely aeronautical purposes, those assets have been classified accordingly.
- **Allocation proposed by the Authority:** Common
- **Impact:** Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of **INR 0.11 Cr.**

Table 9: Re-allocated IT Assets - Hardware and Software

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Server	1700001930	0.00	100%	0.00	92.81%	0.00	0.00
2	Personal Computer	1700002140	0.00	100%	0.00	92.81%	0.00	0.00
3	GST Patch for SAP(GST implementation)	4050000410	0.31	100%	0.31	92.81%	0.29	0.02
4	SAP ERP Licence	4050000360	0.28	100%	0.28	92.81%	0.26	0.02
5	DSITC of iOS native Mobile App	4050000530	0.24	100%	0.24	92.81%	0.22	0.02
6	VMWARE Software	4050000470	0.06	100%	0.06	92.81%	0.05	0.00
7	Database Objects for GST	4050000370	0.03	100%	0.03	92.81%	0.03	0.00
8	SITC of AutoCadV2018 (PO4520011296)	4050000420	0.03	100%	0.03	92.81%	0.02	0.00
9	Operating System Windows (4 Nos)	4050000340	0.02	100%	0.02	92.81%	0.02	0.00
10	Operating System Windows 2 NOS (PO#5520000030)	4050000490	0.01	100%	0.01	92.81%	0.01	0.00
11	Operating System Linux 2 NOS (PO#5520000030)	4050000480	0.01	100%	0.01	92.81%	0.01	0.00
12	Operating System Windows (40 Nos)	4050000330	0.01	100%	0.01	92.81%	0.01	0.00
13	FAX-HP Deskjet 4675	4020000760	0.00	100%	0.00	92.81%	0.00	0.00
14	Microsoft Visio Standard 2016	4050000380	0.00	100%	0.00	92.81%	0.00	0.00
15	Label Printer Casio KL820	4020000820	0.00	100%	0.00	92.81%	0.00	0.00
16	Computers-8nos	1640001020	0.06	100%	0.06	92.81%	0.06	0.00
17	Microsoft SQL license	1700002750	0.12	100%	0.12	92.81%	0.11	0.01
18	Personal Computer-4NOS	4000000650	0.02	100%	0.02	92.81%	0.02	0.00
19	HP EliteOne 800 G4 AiO Computer	4000000660	0.01	100%	0.01	92.81%	0.01	0.00
20	1 no of All-in-One Ink Tank Printer	4020000870	0.00	100%	0.00	92.81%	0.00	0.00
21	All in one Printer	4020000880	0.02	100%	0.02	92.81%	0.02	0.00
22	Photocopier Thoshiba Electrical Dept	4020000890	0.00	100%	0.00	92.81%	0.00	0.00
23	EPSON L3150 printer PO#4 510001597	4020000900	0.00	100%	0.00	92.81%	0.00	0.00
24	Printer 6 NOS (PO:4510001659)	4020000920	0.01	100%	0.01	92.81%	0.01	0.00
25	Scanner	4030000050	0.00	100%	0.00	92.81%	0.00	0.00

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

26	External Hard Disk 1TB SSD Sandisk	4040001210	0.00	100%	0.00	92.81%	0.00	0.00
27	MS Office 2019 Standard & Pro plus	4050000580	0.20	100%	0.20	92.81%	0.18	0.01
28	Modification in SAP	4050000590	0.10	100%	0.10	92.81%	0.09	0.01
	Total		1.54		1.54		1.43	0.11

Note: Differences are due to rounding off the capex numbers

6.2.6. Common Terminal Assets:

- **Details of Asset:** Consumer electronics, other devices, furniture and fixtures in the terminal buildings
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** Certain assets like Televisions, Fans, Ovens, Dining Tables etc, which are generally used for common purposes, their location and exact usage could not be determined from the available information, have been reclassified as Common. Wherever it was clear that such items are being utilised for purely aeronautical or non-aeronautical purposes, the assets have been classified accordingly.
- **Allocation proposed by the Authority:** Common
- **Impact:** Reclassifying these assets from Aeronautical to Common reduces RAB to the extent of **INR 0.39 Cr.**

Table 10: Re-allocated Common Terminal Assets

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Design & SITC of UPS Systems	1660000420	1.82	100%	1.82	92.81%	1.69	0.13
2	30KVA UPS	1660000392	0.54	100%	0.54	92.81%	0.50	0.04
3	60KVA UPS	1660000390	0.41	100%	0.41	92.81%	0.38	0.03
4	Transformers and Connectors	1500001981	0.25	100%	0.25	92.81%	0.23	0.02
5	Vintex-CO2 Fire Extinguisher - 4.5 Kg-525Nos	1880000050	0.20	100%	0.20	92.81%	0.18	0.01
6	SITC of VRF A/c for the 3rd and 4th floors of cent	1530001090	0.14	100%	0.14	92.81%	0.13	0.01
7	Vintex-Stand for Fire extinguisher-100Nos	1880000060	0.07	100%	0.07	92.81%	0.06	0.01
8	5 Nos. 9Ltr portable water mist and CAF fire ext	1880000130	0.07	100%	0.07	92.81%	0.06	0.00
9	Portable low pressure CAF extinguisher 5 NOS	1880000110	0.06	100%	0.06	92.81%	0.06	0.00
10	Vintex-Water type extinguisher-9 Ltr-300Nos	1880000030	0.06	100%	0.06	92.81%	0.06	0.00
11	Industrial Dish Washing Machine for Canteen	1700002300	0.06	100%	0.06	92.81%	0.06	0.00
12	SITC of Fire Detection and Alarm system for	1620000480	0.06	100%	0.06	92.81%	0.05	0.00
13	Split AC -1.5TR 14 NOS	1530000990	0.05	100%	0.05	92.81%	0.05	0.00
14	Vaccum Cleaners (6 Nos)	1860000040	0.03	100%	0.03	92.81%	0.03	0.00
15	Sub Asset IDC 60KVA UPS	1660000393	0.03	100%	0.03	92.81%	0.03	0.00
16	Vintex-Wall Cabinet for extinguishers-50Nos	1880000070	0.03	100%	0.03	92.81%	0.03	0.00
17	Split AC -1.5TR 9 NOS	1530001010	0.03	100%	0.03	92.81%	0.02	0.00
18	Dining chair 114 Nos	5000005260	0.03	100%	0.03	92.81%	0.02	0.00
19	S/s Dining Table 19 Nos	5010002130	0.03	100%	0.03	92.81%	0.02	0.00
20	Vintex-DCP fire extinguisher - 4 Kg (100 nos)	1880000100	0.02	100%	0.02	92.81%	0.02	0.00
21	2TR free standing split AC	1530000960	0.02	100%	0.02	92.81%	0.02	0.00
22	Vintex-DCP fire extinguisher-9 Kg-60Nos	1880000040	0.02	100%	0.02	92.81%	0.02	0.00
23	Mobile charger unit	1520001320	0.01	100%	0.01	92.81%	0.01	0.00
24	5KVA UPS	1660000391	0.01	100%	0.01	92.81%	0.01	0.00
25	4.5TR verticool AC	1530000980	0.01	100%	0.01	92.81%	0.01	0.00

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

26	COMPUTER CHAIR (33 Nos)	5000005300	0.01	100%	0.01	92.81%	0.01	0.00
27	Water cooler 20Ltr - single tap	1650000510	0.01	100%	0.01	92.81%	0.01	0.00
28	Picket Fence in Creche	1220000180	0.01	100%	0.01	92.81%	0.01	0.00
29	OFFICE TABLE (29 Nos)	5010002170	0.01	100%	0.01	92.81%	0.01	0.00
30	2NOS Supply -Split AC -1.5TR for creche	1530001030	0.01	100%	0.01	92.81%	0.01	0.00
31	Air circulator - 600mm: 6 nos	1510000190	0.01	100%	0.01	92.81%	0.01	0.00
32	REFRIGERATOR LG GCD432HLAMPZ	1520001290	0.01	100%	0.01	92.81%	0.01	0.00
33	BLUE STAR MAKE 500 ltr Cooler	1520001280	0.00	100%	0.00	92.81%	0.00	0.00
34	EXECUTIVE TABLE FOR AC/DC	5010002200	0.00	100%	0.00	92.81%	0.00	0.00
35	Spare compressed air cylinder- CAF	1880000111	0.00	100%	0.00	92.81%	0.00	0.00
36	VISITORS CHAIR ARMED-BOSQ	5000005270	0.00	100%	0.00	92.81%	0.00	0.00
37	water purifiere Eureka Fobes - Aquafllo(5 Nos)	1650000620	0.00	100%	0.00	92.81%	0.00	0.00
38	Steel Table for CISF	5010002160	0.00	100%	0.00	92.81%	0.00	0.00
39	18W surface mounted LED light fitting	1580000080	0.00	100%	0.00	92.81%	0.00	0.00
40	usha make 20L water cooler	1650000580	0.00	100%	0.00	92.81%	0.00	0.00
41	Washing Machine for T3	3030002810	0.00	100%	0.00	92.81%	0.00	0.00
42	OFFICE TABLE (4 Nos)	5010002140	0.00	100%	0.00	92.81%	0.00	0.00
43	LEDTV 32"	1580000150	0.00	100%	0.00	92.81%	0.00	0.00
44	Refrigerator (creche)	1670000090	0.00	100%	0.00	92.81%	0.00	0.00
45	HIGH BACK EXECUTIVE CHAIR-CASO-Featherli 1 Nos	5000005310	0.00	100%	0.00	92.81%	0.00	0.00
46	COMPUTER TABLE (7 Nos)	5010002180	0.00	100%	0.00	92.81%	0.00	0.00
47	HIGH BACK EXECUTIVE CHAIR-AC/DC	5000005320	0.00	100%	0.00	92.81%	0.00	0.00
48	water purifiere Eureka Fobes - Aquafllo	1650000590	0.00	100%	0.00	92.81%	0.00	0.00
49	Water Purifier,Aqua flow type	1650000610	0.00	100%	0.00	92.81%	0.00	0.00
50	Ups 600VA	1660000400	0.00	100%	0.00	92.81%	0.00	0.00
51	COMPUTER TABLE(4 Nos)	5010002150	0.00	100%	0.00	92.81%	0.00	0.00
52	UPS for Computers (3 nos)	1660000410	0.00	100%	0.00	92.81%	0.00	0.00
53	Microwave oven	1520001220	0.00	100%	0.00	92.81%	0.00	0.00
54	Oven (Creche)	1520001200	0.00	100%	0.00	92.81%	0.00	0.00
55	2 nos exhaust fans for creche	1510000250	0.00	100%	0.00	92.81%	0.00	0.00
56	Induction cooker (creche)	1520001210	0.00	100%	0.00	92.81%	0.00	0.00
57	Bay Coordinate Boards	1500001900	0.00	100%	0.00	92.81%	0.00	0.00
58	Air circulator - 600mm (24")	1500002030	0.00	100%	0.00	92.81%	0.00	0.00
59	ABB Hybrid 145KV PASS switch gear	1500002460	1.35	100%	1.35	92.81%	1.25	0.10
60	Supply of 15 Nos. hand dryers for T1 &T3	1520001390	0.01	100%	0.01	92.81%	0.01	0.00
61	SITC of 2 nos 1.5 T split A/Cs at CIAL	1530001230	0.01	100%	0.01	92.81%	0.01	0.00
62	Television	1590000030	0.00	100%	0.00	92.81%	0.00	0.00
63	Split AC-CPC	1640001030	0.05	100%	0.05	92.81%	0.04	0.00
64	S of water cooler 125Ltr.-NC 5 nos	1650000660	0.02	100%	0.02	92.81%	0.02	0.00
65	SITC of UPS Systems	1660000490	0.07	100%	0.07	92.81%	0.07	0.01
66	SITC of 20 KVA UPS System	1660000500	0.05	100%	0.05	92.81%	0.05	0.00
67	10 Nos. Hand dryers for T3	1700002610	0.00	100%	0.00	92.81%	0.00	0.00
68	2 automatic sliding door for T	1770000830	0.36	100%	0.36	92.81%	0.34	0.03
69	Fire extinguishers	1880000140	0.18	100%	0.18	92.81%	0.17	0.01
70	4 Chairs for AOCC room	5000006000	0.00	100%	0.00	92.81%	0.00	0.00
71	Chairs for various depatrments	5000006020	0.00	100%	0.00	92.81%	0.00	0.00
72	Chairs for various depatrments	5000006040	0.00	100%	0.00	92.81%	0.00	0.00
73	Chairs for MDS meeting room	5000006050	0.01	100%	0.01	92.81%	0.01	0.00
74	Chairs for IT dept and Police Aid Post	5000006060	0.00	100%	0.00	92.81%	0.00	0.00
75	Dining chairs for Immigration	5000006070	0.00	100%	0.00	92.81%	0.00	0.00
76	Chairs Executive-Customs Cargo	5000006090	0.00	100%	0.00	92.81%	0.00	0.00
77	CHAIRs	5000006110	0.01	100%	0.01	92.81%	0.01	0.00
78	CHAIRs	5000006120	0.00	100%	0.00	92.81%	0.00	0.00
79	CHAIRs	5000006130	0.01	100%	0.01	92.81%	0.01	0.00
80	CHAIRs	5000006140	0.01	100%	0.01	92.81%	0.01	0.00
81	CHAIRs	5000006150	0.00	100%	0.00	92.81%	0.00	0.00
82	CHAIRs	5000006160	0.00	100%	0.00	92.81%	0.00	0.00
83	CHAIRs	5000006170	0.00	100%	0.00	92.81%	0.00	0.00
84	Chairs for SOCC and MI room	5000006200	0.00	100%	0.00	92.81%	0.00	0.00
85	Spider Tool	5000006280	0.00	100%	0.00	92.81%	0.00	0.00

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

86	CHAIRs & Tables for APHO	5000006300	0.00	100%	0.00	92.81%	0.00	0.00
	Total		6.24		6.24		5.85	0.39

Note: Differences are due to rounding off the capex numbers

6.2.7. Assets for Commercial Activities:

- **Details of Asset:** Assets at Commercial Areas like Food Court, or Retail Spaces
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** It was observed that there are certain assets including furniture and appliances that are either used by the Commercial Department or at areas like Food Court and other retail spaces were classified as either Aeronautical or Common. Such assets have been reclassified as Non-Aeronautical.
- **Allocation proposed by the Authority:** Non-Aeronautical
- **Impact:** Reclassifying these assets from Aeronautical or Common to Non-Aeronautical reduces RAB to the extent of **INR 2.81 Cr.**

Table 11: Re-allocated Assets Related to Commercial Activities

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	T3 Food Court Interior Works	1200002110	1.47	92.81%	1.37	0.00%	0.00	1.37
2	SITC of LED lights 2.7 MWp-solar carport	1580000160	0.29	100%	0.29	0.00%	0.00	0.29
3	T1: Table & Chairs for the Food court	5070004350	0.23	92.81%	0.22	0.00%	0.00	0.22
4	open cell ceiling for Trade Fair and exhibition Ce	1200002280	0.23	100%	0.23	0.00%	0.00	0.23
5	Food Court Furniture: One Side Fixed Seating 28NOS	5070003440	0.05	92.81%	0.04	0.00%	0.00	0.04
6	T1: Furniture for KFC	5070004340	0.05	92.81%	0.04	0.00%	0.00	0.04
7	Supply of 6 KVA UPS IN Trade Fair Centre, CIAL	1660000450	0.02	100%	0.02	0.00%	0.00	0.02
8	T1: Food court table top	5010002470	0.02	92.81%	0.02	0.00%	0.00	0.02
9	T1: light fittings for KFC	1580000215	0.02	92.81%	0.02	0.00%	0.00	0.02
10	Food Court Furniture: Booth Seating 1- Dim: 1200*52	5070003470	0.02	92.81%	0.02	0.00%	0.00	0.02
11	Food Court Furniture: Chair- 2synthetic(26Nos)	5070003480	0.01	92.81%	0.01	0.00%	0.00	0.01
12	Food Court Furniture: Table 2-Dim: 1200x750x750(10)	5070003460	0.01	92.81%	0.01	0.00%	0.00	0.01
13	SITC of illuminated signboard at solar carport	1500002100	0.01	92.81%	0.01	0.00%	0.00	0.01
14	5 nos Chairs for prepaid taxi Counter	5000005470	0.00	92.81%	0.00	0.00%	0.00	0.00
15	Dressing Table for Trade Fair centre	5070002760	0.00	92.81%	0.00	0.00%	0.00	0.00
16	WIP IT West Block Vishal 2nd floor Guest rooms & H	1200000720	0.00	100%	0.00	0.00%	0.00	0.00
17	Interior Works in Guest Rooms of IT central block	1200001240	0.00	100%	0.00	0.00%	0.00	0.00
18	Interlocking Paver Tiles in CIAL Academy Premises	1400000410	0.48	100%	0.48	0.00%	0.00	0.48
19	9 NOS Supply - Split AC - 1.5TR for guest room	1530001020	0.03	100%	0.03	0.00%	0.00	0.03
20	Air Conditioner for Guest house at TVM	1530000900	0.00	100%	0.00	0.00%	0.00	0.00
21	phone handset & connection for Guest Room	1750000400	0.00	100%	0.00	0.00%	0.00	0.00
22	2TR free standing split type A/C units at CIASL	1530001260	0.02	100%	0.02	0.00%	0.00	0.02
23	Furniture for Civil department at CIAL Academy	5070004820	0.00	100%	0.00	0.00%	0.00	0.00
	Total		2.95		2.81		0.0	2.81

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Note: Differences are due to rounding off the capex numbers

6.2.8. Assets at MD's Office and Other Administrative Offices:

- **Details of Asset:** Assets including interior works, furniture and other devices at MD's Office and other administrative offices
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** Certain assets in the MD's office were found to be classified as Aeronautical. CIAL had bifurcated the operational expenses related to the MD's office into Aeronautical and Non-Aeronautical since the office is responsible for all activities at the airport. Hence the assets at this office must also be considered as Common. Such assets were bifurcated in the Employee Ratio (Aeronautical to Non-Aeronautical).
- **Allocation proposed by the Authority:** Common (Employee)
- **Impact:** Reclassifying these asserts from Aeronautical to Common reduces RAB to the extent of **INR 0.09 Cr.**

Table 12: Re-allocated Assets at MD's Office and Other Administrative Offices

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	LCD Projector	3000000070	0.08	100.00%	0.08	95.60%	0.08	0.00
2	T3 Biometric Attendance Monitoring System	1700001160	0.08	100.00%	0.08	95.60%	0.08	0.00
3	SITC of projector at main conference hall and for	3000000050	0.07	100.00%	0.07	95.60%	0.07	0.00
4	Sound system for conference room	1700001490	0.04	100.00%	0.04	95.60%	0.04	0.00
5	Banquet Chairs 150 NOS (Main Conference Hall)	5000004960	0.03	92.81%	0.02	95.60%	0.03	0.00
6	Electrification of Head Office	1500002040	0.03	100.00%	0.03	95.60%	0.02	0.00
7	55" display panels for the main conferenc (3 Nos)	1580000090	0.02	100.00%	0.02	95.60%	0.02	0.00
8	Mobile phone for ED	1750000700	0.02	100.00%	0.02	95.60%	0.02	0.00
9	Photocopier:M315N SHARP MFD for MDs office	3010000150	0.02	100.00%	0.02	95.60%	0.02	0.00
10	PHOTOCOPIER-RICOH MP 2011SP (HR dept)	3010000100	0.02	92.81%	0.01	95.60%	0.02	0.00
11	Mobile phone for MDO	1750000650	0.01	100.00%	0.01	95.60%	0.01	0.00
12	TQW 201 office chair (32 Nos)	5000005000	0.01	92.81%	0.01	95.60%	0.01	0.00
13	Armed chair-MD's office 4 Nos	5000005670	0.01	92.81%	0.01	95.60%	0.01	0.00
14	Apple MacBook Air Laptops (Abdul Zalam)	4010000600	0.01	92.81%	0.01	95.60%	0.01	0.00
15	Apple MacBook Air Laptops (Satheesh Pai)	4010000610	0.01	92.81%	0.01	95.60%	0.01	0.00
16	Apple Laptop for DGM Santhosh S	4010000560	0.01	92.81%	0.01	95.60%	0.01	0.00
17	Apple Laptop for DGM Jessy paul	4010000570	0.01	92.81%	0.01	95.60%	0.01	0.00
18	Apple Laptop for DGM Rajendran	4010000580	0.01	92.81%	0.01	95.60%	0.01	0.00
19	Apple Laptop for DGM Jacob t Abraham	4010000590	0.01	92.81%	0.01	95.60%	0.01	0.00
20	SITC of 1 no 4.5 T verticoool A/Cs for MDs cabin	1530001080	0.01	100.00%	0.01	95.60%	0.01	0.00
21	I Phone for MD	1750000590	0.01	100.00%	0.01	95.60%	0.01	0.00
22	Samsung Galaxy Note 8	1750000600	0.01	100.00%	0.01	95.60%	0.01	0.00
23	Furniture for MD's office and PRO	5070004310	0.01	92.81%	0.01	95.60%	0.01	0.00
24	20 HIGH BACK CHAIR For T3 Confrence room	5000005360	0.01	92.81%	0.01	95.60%	0.01	0.00
25	I Phone 7	1750000360	0.01	100.00%	0.01	95.60%	0.01	0.00
26	10 Nos Highback Chair MDs office	5000005390	0.01	92.81%	0.01	95.60%	0.01	0.00
27	20 Nos SIP Mobile Phones	1750000660	0.01	100.00%	0.01	95.60%	0.01	0.00
28	Mobile C XT1755	1750000420	0.01	100.00%	0.01	95.60%	0.01	0.00
29	Photocopier:AR 6020 N SHARP MFD for Finance Dep	3010000140	0.00	100.00%	0.00	95.60%	0.00	0.00

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

30	Photocopier:AR 6020 N SHARP MFD for Commercial Dep	3010000120	0.00	100.00%	0.00	95.60%	0.00	0.00
31	Photocopier:AR 6020 N SHARP MFD for Security Dep	3010000130	0.00	100.00%	0.00	95.60%	0.00	0.00
32	GODREJ VISITORS CHAIR PCH 7003: Elect dept (6)	5000004490	0.00	92.81%	0.00	95.60%	0.00	0.00
33	Samsung Galaxy Tab S2 for CFO	1750000270	0.00	100.00%	0.00	95.60%	0.00	0.00
34	TQW 301 office chair (14 Nos)	5000004970	0.00	92.81%	0.00	95.60%	0.00	0.00
35	6 NosVisitors chair-Featherlite MD office	5000005380	0.00	92.81%	0.00	95.60%	0.00	0.00
36	Conference Table@ T3	5070004080	0.00	92.81%	0.00	95.60%	0.00	0.00
37	Mobile Moto E4 XT1760	1750000410	0.00	100.00%	0.00	95.60%	0.00	0.00
38	T1:Office table	5070004480	0.00	92.81%	0.00	95.60%	0.00	0.00
39	GODREJ EX CHAIR PCH 7001: Electrical dept (2)	5000004480	0.00	92.81%	0.00	95.60%	0.00	0.00
40	Conference Table for HR Meeting Room	5070004070	0.00	92.81%	0.00	95.60%	0.00	0.00
41	Sub Asset IDC T3 Biometric Attendance Monitoring	1700001161	0.00	100.00%	0.00	95.60%	0.00	0.00
42	TQW 101 OFFICE CHAIR (6Nos0	5000004990	0.00	92.81%	0.00	95.60%	0.00	0.00
43	HIGH BACK EXECUTIVE CHAIR for HR Meeting Room 8NOS	5000005330	0.00	92.81%	0.00	95.60%	0.00	0.00
44	2 NOS GODREJ SLIMLINE ALMIRAH (Md's office)	5060002020	0.00	92.81%	0.00	95.60%	0.00	0.00
45	Apple-tablet-IPAD WIFI 32GB GOLD	1750000390	0.00	100.00%	0.00	95.60%	0.00	0.00
46	Chairs for ED's Room at T3 (6 Nos)	5000004940	0.00	92.81%	0.00	95.60%	0.00	0.00
47	Samsung Galaxy Mobile A5 6 model handset	1750000570	0.00	100.00%	0.00	95.60%	0.00	0.00
48	PAPER SHREDDER-Paper Monster Operations dept	3030002440	0.00	100.00%	0.00	95.60%	0.00	0.00
49	GODREJ LEOMA CHAIR WITH HEADREST for ED(Engg).	5000005480	0.00	92.81%	0.00	95.60%	0.00	0.00
50	Executive Chair for DGM Civil GODREJ LEOMA CHAIR	5000005510	0.00	92.81%	0.00	95.60%	0.00	0.00
51	GODREJ LEOMA CHAIR WITH HEADREST Sathesh Pai	5000005540	0.00	92.81%	0.00	95.60%	0.00	0.00
52	GODREJ LEOMA CHAIR WITH HEADREST forDGM(Ele).)	5000005490	0.00	92.81%	0.00	95.60%	0.00	0.00
53	Hi Back chair AGM (IT) BOSQ 1 Nos	5000005440	0.00	92.81%	0.00	95.60%	0.00	0.00
54	PAPER SHREDDER-For Head office	3030002880	0.00	100.00%	0.00	95.60%	0.00	0.00
55	Chairs for ED's Room at T3 (2 Nos)	5000004930	0.00	92.81%	0.00	95.60%	0.00	0.00
56	Mobile Phone Nokia 3310 3 Nos	1750000670	0.00	100.00%	0.00	95.60%	0.00	0.00
57	HIGH BACK EXECUTIVE CHAIR- Featherlite: Finance	5000004420	0.00	92.81%	0.00	95.60%	0.00	0.00
58	HIGH BACK EXECUTIVE CHAIR- Featherlite: Finance	5000004430	0.00	92.81%	0.00	95.60%	0.00	0.00
59	HIGH BACK EXECUTIVE CHAIR- Featherlite	5000004440	0.00	92.81%	0.00	95.60%	0.00	0.00
60	HIGH BACK EXECUTIVE CHAIR- Featherlite	5000004450	0.00	92.81%	0.00	95.60%	0.00	0.00
61	TQW 301 office chair (3Nos)	5000004980	0.00	92.81%	0.00	95.60%	0.00	0.00
62	EXECUTIVE CHAIR-Featherlite for MD's off	5000005500	0.00	92.81%	0.00	95.60%	0.00	0.00
63	EXECUTIVE CHAIR-Featherlite for MD's off	5000005590	0.00	92.81%	0.00	95.60%	0.00	0.00
64	EXECUTIVE CHAIR-Featherlite for MD's off	5000005680	0.00	92.81%	0.00	95.60%	0.00	0.00
65	Mobile Phone	1750000310	0.00	100.00%	0.00	95.60%	0.00	0.00
66	FAX-HP Deskjet 4675 (MD's office) 4510000696	4020000620	0.00	92.81%	0.00	95.60%	0.00	0.00
67	FAX-HP Deskjet 4675 (Head office) 4510000696	4020000630	0.00	92.81%	0.00	95.60%	0.00	0.00
68	VISITORS CHAIR ARMED- Featherlite:Finance dept	5000004380	0.00	92.81%	0.00	95.60%	0.00	0.00
69	VISITORS CHAIR ARMED- Featherlite:Finance dept	5000004390	0.00	92.81%	0.00	95.60%	0.00	0.00
70	VISITORS CHAIR ARMED- Featherlite:Finance dept	5000004400	0.00	92.81%	0.00	95.60%	0.00	0.00
71	VISITORS CHAIR ARMED- Featherlite:Finance dept	5000004410	0.00	92.81%	0.00	95.60%	0.00	0.00
72	VISITORS CHAIR ARMED-Featherlite	5000004460	0.00	92.81%	0.00	95.60%	0.00	0.00
73	VISITORS CHAIR ARMED-Featherlite	5000004470	0.00	92.81%	0.00	95.60%	0.00	0.00
74	HIGH BACK EXECUTIVE CHAIR- BOSQ TQT 201 for Dy Comm	5000005620	0.00	92.81%	0.00	95.60%	0.00	0.00
75	Mobile Phone NOKIA 105 Dual (2 nos)	1750000300	0.00	100.00%	0.00	95.60%	0.00	0.00
76	Mobile Phone Samsung Metro 350	1750000340	0.00	100.00%	0.00	95.60%	0.00	0.00

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

77	Mobile Phone Nokia 105 MD Driver	1750000630	0.00	100.00%	0.00	95.60%	0.00	0.00
78	Mobile Phone Samsung GT B351	1750000640	0.00	100.00%	0.00	95.60%	0.00	0.00
79	Mobile Phone	1750000320	0.00	100.00%	0.00	95.60%	0.00	0.00
80	Mobile Phone	1750000330	0.00	100.00%	0.00	95.60%	0.00	0.00
81	Interior works MD's office,meeting room&other area	1200002340	1.27	100.00%	1.27	95.60%	1.21	0.06
82	camera for MD's conference room	1520001430	0.01	100.00%	0.01	95.60%	0.01	0.00
83	AC and Fire Alarm for the CIAL Office Area Modifi	1530001220	0.01	100.00%	0.01	95.60%	0.01	0.00
84	LED fittings for MD's office and associated area	1580000260	0.01	100.00%	0.01	95.60%	0.01	0.00
85	Supply of speakers for MD's Meeting room	1700002640	0.00	100.00%	0.00	95.60%	0.00	0.00
86	Video conferencing M.D office	1700002710	0.03	100.00%	0.03	95.60%	0.03	0.00
87	Mobile Phone	1750000290	0.01	100.00%	0.01	95.60%	0.01	0.00
88	Mobile phones	1750000750	0.00	100.00%	0.00	95.60%	0.00	0.00
89	Mobile phones	1750000760	0.00	100.00%	0.00	95.60%	0.00	0.00
90	Supply of Cordless Telephone	1760000050	0.00	100.00%	0.00	95.60%	0.00	0.00
91	PHOTOCOPIER-RICOH MP 2011SP	3010000110	0.00	92.81%	0.00	95.60%	0.00	0.00
92	PAPER SHREDDER-Paper Monster L-220CC for MDO	3030002960	0.00	100.00%	0.00	95.60%	0.00	0.00
93	Lamination equipment	3030003010	0.00	100.00%	0.00	95.60%	0.00	0.00
94	Apple MacBook Air Laptop and accessories for PRO	4010000620	0.01	100.00%	0.01	95.60%	0.01	0.00
95	HP Laser Jet Pro 6970 for MDs office-(Fax)	4020000910	0.00	100.00%	0.00	95.60%	0.00	0.00
96	Heavy Duty Printer for Terminal 3 pass office	4020000930	0.01	100.00%	0.01	95.60%	0.01	0.00
97	Conference Table MDs Meeting Room	5010002530	0.01	100.00%	0.01	95.60%	0.01	0.00
98	Executive table for Civil department	5010002540	0.01	100.00%	0.01	95.60%	0.01	0.00
99	Visitors chair for MD's office	5070004720	0.00	100.00%	0.00	95.60%	0.00	0.00
	Total		1.98		1.96		1.87	0.09

Note: Differences are due to rounding off the capex numbers

6.2.9. Duty-Free and Golf Course Assets:

- **Details of Asset:** Assets of Duty-Free, Duty-Free Warehouse and Golf Course
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** Some assets procured for the Duty Free, the Duty-Free Warehouse and the Golf Course & Country Club were incorrectly classified as either Aeronautical or Common. Such line items have been identified and reclassified as Non-Aeronautical since Duty Free and Golf Course are Non-Aeronautical ventures.
- **Allocation proposed by the Authority:** Non-Aeronautical
- **Impact:** Reclassifying these assets from either Aeronautical or Common to Non-Aeronautical reduces RAB to the extent of **INR 1.37 Cr.**

Table 13: Re-allocated Assets of Duty Free and Golf Course

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Retail Management software for Duty free	4050000540	0.34	100.00%	0.34	0.00%	0.00	0.34
2	DFS POS Licences	4050000520	0.07	100.00%	0.07	0.00%	0.00	0.07
3	Gondolas for Duty Free	5070004560	0.07	92.81%	0.07	0.00%	0.00	0.07
4	2 Nos TORO Time Cutters for Golf	1700001530	0.07	100.00%	0.07	0.00%	0.00	0.07
5	Illumiated signage to advertise dutyfree promotion	1500002260	0.05	92.81%	0.05	0.00%	0.00	0.05
6	SITC of Hand Held Computer devices for Duty Free	4040001030	0.04	92.81%	0.04	0.00%	0.00	0.04
7	2 Nos Power pallet Truck for Duty Free Warehouse	1780000120	0.03	100.00%	0.03	0.00%	0.00	0.03
8	Weed cutter (Golf)	1700001500	0.01	100.00%	0.01	0.00%	0.00	0.01

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

9	Roto Slasher for CGCC	1640000980	0.01	100.00%	0.01	0.00%	0.00	0.01
10	MS Windows Server 2016-License for Duty free	4050000430	0.00	100.00%	0.00	0.00%	0.00	0.00
11	Price Gun	3030002940	0.00	100.00%	0.00	0.00%	0.00	0.00
12	PHOTOCOPIER-Sharp- AR 6020 N Duty Free 1 NOS	4020000770	0.00	92.81%	0.00	0.00%	0.00	0.00
13	PHOTOCOPIER-Sharp- AR 6020 N Duty Free 1 NOS	4020000780	0.00	92.81%	0.00	0.00%	0.00	0.00
14	RMS:Microsoft Office Business OEM 2016(Duty free)	4050000440	0.00	100.00%	0.00	0.00%	0.00	0.00
15	submersible pump for CGC	1850000330	0.00	100.00%	0.00	0.00%	0.00	0.00
16	15 Price Gun DFS	3030002950	0.00	100.00%	0.00	0.00%	0.00	0.00
17	Furnishing Guestroom CGCC Matress & Pillow	5070004320	0.00	92.81%	0.00	0.00%	0.00	0.00
18	COMPUTER TABLE-CDRSL 18 NOS	5010002370	0.00	92.81%	0.00	0.00%	0.00	0.00
19	Chairs for DFS staff dining room : 10 nos.(Dream C	5000005020	0.00	92.81%	0.00	0.00%	0.00	0.00
20	Golf Entry & exit Roads	1400000449	0.43	100.00%	0.43	0.00%	0.00	0.43
21	Commercial Treadmill for CGC 2NOS	1640000990	0.02	100.00%	0.02	0.00%	0.00	0.02
22	Hegde Trimmer for CGC	1640001000	0.00	100.00%	0.00	0.00%	0.00	0.00
23	Green aerator and dethatcher for CGC	1640001010	0.03	100.00%	0.03	0.00%	0.00	0.03
24	Plastic Pallets cargo-131 & DFS -50 nos	1780000130	0.02	100.00%	0.02	0.00%	0.00	0.02
25	Plastic Pallets	1780000140	0.01	100.00%	0.01	0.00%	0.00	0.01
26	submersible pump for CGC	1850000380	0.08	100.00%	0.08	0.00%	0.00	0.08
27	Banknote Processing System BPS C1 for DFS	3030002970	0.03	100.00%	0.03	0.00%	0.00	0.03
28	MS SQL Std 2016 RMS Duty Free	4050000570	0.01	100.00%	0.01	0.00%	0.00	0.01
29	Chairs for CIAL Golf Club	5000006030	0.00	100.00%	0.00	0.00%	0.00	0.00
30	Office Tables for CIAL Golf Club	5010002510	0.00	100.00%	0.00	0.00%	0.00	0.00
31	Furniture for CASO and JM-CDRSL	5070004630	0.01	100.00%	0.01	0.00%	0.00	0.01
32	FRP fishing canoe for CGC	6000000970	0.00	100.00%	0.00	0.00%	0.00	0.00
	Total		1.38		1.37		0.0	1.37

Note: Differences are due to rounding off the capex numbers

6.2.10. Passenger Handling and Flight Information Systems:

- **Details of Asset:** Equipment and software for passenger handling
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** Certain Flight Information Systems, Q Managers, and Immigration Counters were classified as Common. However, this is believed to be a mistake as these are related to passenger handling and must therefore be considered Aeronautical. Hence these assets have been reclassified as Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Reclassifying these assets from Common to Aeronautical increases the RAB to the extent of **INR 0.59 Cr.**

Table 14: Re-allocated Assets for Passenger Handling and Flight Information Systems

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	T1: DSITC OF CUPPS, CUSS &BRS	1700002460	3.82	92.81%	3.55	100.00%	3.82	-0.27
2	T1 : Flight Information Display Systems	1700002561	1.30	92.81%	1.21	100.00%	1.30	-0.09

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

3	Q Managers for New International terminal	5070003280	0.11	92.81%	0.10	100.00%	0.11	-0.01
4	T1: Q Managers for T1	5030001050	0.09	92.81%	0.08	100.00%	0.09	-0.01
5	Immigration Counters	12000019820	2.87	92.81%	2.66	100.00%	2.87	-0.21
6	Counter chairs for Immigration	5000006210	0.01	92.81%	0.01	100.00%	0.01	0.00
	Total		8.20		7.61		8.20	(0.59)

Note: Differences are due to rounding off the capex numbers

6.2.11. Airport Security:

- **Details of Asset:** Assets for CISF
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** It was observed that certain assets procured for CISF and for airport security related activities were classified as Common. Since airport security is an Aeronautical matter, these assets must be treated similarly and hence, have been reclassified to Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Reclassifying these assets from Common to Aeronautical increases RAB to the extent of **INR 0.13 Cr.**

Table 15: Re-allocated Assets for Airport Security

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	T1: Re-Check Station Unit 6 nos	1930000210	1.22	92.81%	1.13	100.00%	1.22	-0.09
2	18 nos of personal computer for cisf	4040001050	0.09	92.81%	0.08	100.00%	0.09	-0.01
3	50 Nos of Cuboards/Almirah for CISF	5060001810	0.05	92.81%	0.04	100.00%	0.05	0.00
4	Almirah for CISF	5060002010	0.04	92.81%	0.03	100.00%	0.04	0.00
5	T1: 50NOS Hand Held Metal Detectors	1920000050	0.03	92.81%	0.03	100.00%	0.03	0.00
6	CupBoard/Almirah for CISF (34 NOS)	5060001780	0.03	92.81%	0.03	100.00%	0.03	0.00
7	Kitchen Equipments for CISF from Hio Class Furnitu	5070004180	0.03	92.81%	0.03	100.00%	0.03	0.00
8	32NOS Almirah for CISF	5060002100	0.03	92.81%	0.03	100.00%	0.03	0.00
9	Iron Cots for CISF (50NOS)	5070004040	0.03	92.81%	0.02	100.00%	0.03	0.00
10	Iron Cots for CISF (50NOS)	5070004050	0.03	92.81%	0.02	100.00%	0.03	0.00
11	Iron Cots for CISF 50 NOS	5070003590	0.02	92.81%	0.02	100.00%	0.02	0.00
12	Iron Cots for CISF (50NOS)	5070004300	0.02	92.81%	0.02	100.00%	0.02	0.00
13	24NOS Almirah for CISF	5060002070	0.02	92.81%	0.02	100.00%	0.02	0.00
14	16NOS Almirah for CISF	5060002060	0.01	92.81%	0.01	100.00%	0.01	0.00
15	16NOS Almirah for CISF	5060002120	0.01	92.81%	0.01	100.00%	0.01	0.00
16	T:Chairs -CISF counter	5000005750	0.01	92.81%	0.01	100.00%	0.01	0.00
17	Iron Cots for CISF 25 nos	5070004090	0.01	92.81%	0.01	100.00%	0.01	0.00
18	25 Nos Iron Cots for CISF	5070004190	0.01	92.81%	0.01	100.00%	0.01	0.00
19	Almirah for CISF (8 NOS)	5060001800	0.01	92.81%	0.01	100.00%	0.01	0.00
20	8 noS Almirah for CISF	5060002090	0.01	92.81%	0.01	100.00%	0.01	0.00
21	Incumbency board for CISF	5060001990	0.01	92.81%	0.01	100.00%	0.01	0.00
22	SITC of 1 no of Desktop PC (AC CISF)	4000000640	0.01	92.81%	0.00	100.00%	0.01	0.00
23	48 NOS Almirah for CISF	5060002030	0.00	92.81%	0.00	100.00%	0.00	0.00
24	18 Nos Chair for CISF	5000005460	0.00	92.81%	0.00	100.00%	0.00	0.00
25	4 Nos of Cuboards/Almirah for CISF	5060002130	0.00	92.81%	0.00	100.00%	0.00	0.00
26	Folding Cot	5060002000	0.00	92.81%	0.00	100.00%	0.00	0.00
27	Almirah for CISF (5 NOS)	5060001790	0.00	92.81%	0.00	100.00%	0.00	0.00
28	10 Chairs for CISF-ATC office	5000005530	0.00	92.81%	0.00	100.00%	0.00	0.00
29	75 NOS Plastic chairs-Supreme Armless CISF	5000005370	0.00	92.81%	0.00	100.00%	0.00	0.00
30	Table for CISF at ATC office 5NOS	5010002290	0.00	92.81%	0.00	100.00%	0.00	0.00

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

31	9 Nos Chairs CISF for New operational Gate House	5000005350	0.00	92.81%	0.00	100.00%	0.00	0.00
32	7 Chairs for CISF	5000005410	0.00	92.81%	0.00	100.00%	0.00	0.00
33	02NOS Almirah for CISF	5060002080	0.00	92.81%	0.00	100.00%	0.00	0.00
34	02NOS Almirah for CISF	5060002110	0.00	92.81%	0.00	100.00%	0.00	0.00
35	10NOS Wall Fans in Security Huts operational area	1500002240	0.00	92.81%	0.00	100.00%	0.00	0.00
36	3tables at vehicle entry pass gate CISF	5010002400	0.00	92.81%	0.00	100.00%	0.00	0.00
37	Office TABLE for CISF(3 nos)	5010002010	0.00	92.81%	0.00	100.00%	0.00	0.00
38	chairs for BCAS officer 3 NOS	5000005720	0.00	92.81%	0.00	100.00%	0.00	0.00
39	COMPUTER TABLE for CISF(3 nos)	5010002030	0.00	92.81%	0.00	100.00%	0.00	0.00
40	CISF at vehicle entry gate ATC	5010002300	0.00	92.81%	0.00	100.00%	0.00	0.00
41	OFFICE TABLE for BCAS officer	5010002390	0.00	92.81%	0.00	100.00%	0.00	0.00
42	COMPUTER TABLE for CISF(2 nos)	5010002000	0.00	92.81%	0.00	100.00%	0.00	0.00
43	Office TABLE for CISF(1 nos)	5010002020	0.00	92.81%	0.00	100.00%	0.00	0.00
44	Almirahs for CISF 50 NOS	5060002230	0.03	92.81%	0.03	100.00%	0.03	0.00
	Total		1.81		1.68		1.81	(0.13)

Note: Differences are due to rounding off the capex numbers

6.2.12. Speed boats:

- **Details of Asset:** 6-seater speed boats
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** It is understood from the airport operator that this asset is being used by the Fire Department for flood emergency situations. Based on which, the asset has been classified as Aeronautical.
- **Allocation proposed by the Authority:** Aeronautical
- **Impact:** Nil.

6.2.13. Butterfly Canteen:

- **Details of Asset:** Assets at the Butterfly Canteen in front of T3
- **Allocation proposed by CIAL:** Aeronautical / Common
- **Issue:** The Butterfly canteen outside the Terminal 3 building is a commercial space, hence the assets related to the same must be treated as Non-Aeronautical. Some of these assets were classified by CIAL as Aeronautical and some others were considered Common. The classification for such assets has been revised to Non-Aeronautical.
- **Allocation proposed by the Authority:** Non-Aeronautical
- **Impact:** Reclassifying these assets from either Aeronautical or Common to Non-Aeronautical reduces the RAB to the extent of **INR 5.1 Cr.**

Table 16: Re-allocated Assets for Butterfly Canteen

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Butterfly canteen in front of T3	1200002070	5.13	92.81%	4.76	0.00%	0.00	4.76
2	PMC on Butterfly canteen in front of T3	1200002071	0.21	92.81%	0.20	0.00%	0.00	0.20
3	Butterfly canteen Ceiling	1200002072	0.07	92.81%	0.07	0.00%	0.00	0.07
4	ITC of exhaust fans for butterfly canteen and assets	1510000240	0.03	100%	0.03	0.00%	0.00	0.03

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

5	Chairs for Butterfly Canteen : 100 nos.(Luminal Bl	5000005030	0.01	92.81%	0.01	0.00%	0.00	0.01
6	Tables for Butterfly Canteen:15 nos.Zyca Table Top	5010002050	0.01	92.81%	0.01	0.00%	0.00	0.01
7	Kitchen Exhaust Fan- CFM 10350 Butterfly Canteen	1510000220	0.01	100%	0.01	0.00%	0.00	0.01
8	Kitchen Exhaust Fan- CFM 9250 Butterfly Canteen	1510000210	0.01	100%	0.01	0.00%	0.00	0.01
9	Slotted Angle racks for Butterfly Canteen	5070003290	0.01	92.81%	0.01	0.00%	0.00	0.01
10	Kitchen Exhaust Fan- CFM 2650 Butterfly Canteen	1510000230	0.00	100%	0.00	0.00%	0.00	0.00
11	Almirah for Butterfly Canteen	5060001770	0.00	92.81%	0.00	0.00%	0.00	0.00
12	Office Table for Butterfly Canteen	5010001980	0.00	92.81%	0.00	0.00%	0.00	0.00
13	Computer Table for Butterfly Canteen	5010001990	0.00	92.81%	0.00	0.00%	0.00	0.00
	Total		5.49		5.10		0.0	5.10

Note: Differences are due to rounding off the capex numbers

6.2.14. Vehicles:

- **Details of Asset:** Vehicles
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** CIAL has considered all vehicles as Aeronautical. The classification of these assets should be dependent upon the specific usage. However, in the absence of the details regarding the exact usage (for aeronautical or general purposes) of some of these assets, they have been reclassified as Common and bifurcated in the employee ratio.
- **Allocation proposed by the Authority:** Common (Employee)
- **Impact:** Reclassifying these assets from either Aeronautical to Non-Aeronautical reduces the RAB to the extent of **INR 0.05 Cr.**

Table 17: Re-allocated Vehicles

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (INR Cr.)	Allocation Ratio as per CIAL (%)	Aero Gross Addition as per CIAL (INR Cr.)	Allocation Ratio (%)	Revised Aero Gross Addition (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Toyoto Innova Crysta	6000000800	0.00	100%	0.00	95.60%	0.00	0.00
2	Mahindra Scorpio	6000000540	0.10	100%	0.10	95.60%	0.10	0.00
3	Zallys M9 electric Tow Tractor	6010000040	0.10	100%	0.10	95.60%	0.09	0.00
4	Maruti Brezza VDI (O) White color	6000000600	0.09	100%	0.09	95.60%	0.09	0.00
5	Maruti Brezza VDI (O) White color	6000000610	0.09	100%	0.09	95.60%	0.09	0.00
6	Tow vehicle	6000000850	0.09	100%	0.09	95.60%	0.08	0.00
7	Ecosport 1.5 D Ambident Diamond White	6000000570	0.08	100%	0.08	95.60%	0.08	0.00
8	Mahindra Electric car E20 Plus P4	6000000700	0.08	100%	0.08	95.60%	0.08	0.00
9	TATA XENON CC UTILITY HV/AC ENGINE-4SPTC	6000000880	0.08	100%	0.08	95.60%	0.07	0.00
10	Tractor for Civil	6000000550	0.06	100%	0.06	95.60%	0.06	0.00
11	Maruti Gypsy ST (Euro-IV)	6000000580	0.06	100%	0.06	95.60%	0.06	0.00
12	Maruti Gypsy ST (Euro-IV)	6000000590	0.06	100%	0.06	95.60%	0.06	0.00
13	Maruti EECO Vehicle(White color)Non A/	6000000560	0.04	100%	0.04	95.60%	0.04	0.00
14	Innova Crysta 24L Z7-White Pearl Crystal	6000000930	0.27	100%	0.27	95.60%	0.26	0.01
	Total		1.21		1.21		1.16	0.05

Note: Differences are due to rounding off the capex numbers

6.2.15. Summary of Reclassifications from FY 17 to FY 20:

The summary of reclassifications made between FY 17 and FY 20 is as given in the table below:

Table 18: Summary of reclassification from FY 17 to FY 20

Reclassified Assets from FY 17 to FY 20	Reference to Section in Report	INR Cr.
Airport Security	6.2.11	0.13
Assets for Commercial Activities	6.2.7	(2.81)
Butterfly canteen	6.2.13	(5.10)
Common Assets at MD's Office	6.2.8	(0.09)
Common Terminal Assets	6.2.6	(0.39)
Duty Free & Golf Course	6.2.9	(1.37)
IT Assets	6.2.5	(0.11)
Passenger Handling	6.2.10	0.59
Terminal Building Works	6.2.1	(0.41)
Vehicles	6.2.14	(0.05)
Total adjustments to RAB (from FY 17 to FY 20) <i>(on the basis of asset reclassification, without considering the impact of revised terminal ratio)</i>		(9.61)

6.3. Asset allocation assessment and reclassification for forecasted additions (FY 21):

- **Details of Asset:** Assets forecasted to be capitalised in FY 2021
- **Allocation proposed by CIAL:** Aeronautical
- **Issue:** Certain assets, including UV-C systems and IT Assets, that are projected to be capitalised in FY 2021, have been re-allocated based on the same principles specified above and the analysis of the information available
- **Allocation proposed by the Authority:** Common / Non-aeronautical
- **Impact:** Reclassifying these assets reduces the RAB to the extent of **INR 0.72 Cr.**

Table 19: Re-allocated Assets Forecasted for FY 2021

Sl. No.	Asset	Unique Asset Number	Gross Addition as per CIAL (FY 21) (INR Cr.)	Allocation Ratio for FY 21 as per CIAL (%)	Aero Gross Addition as per CIAL (FY 21) (INR Cr.)	Allocation Ratio for FY 21 (%)	Revised Aero Gross Addition (FY 21) (INR Cr.)	Impact (INR Cr)
			A	B	C = A*B	D	E = A*D	F = C - E
1	Access control & Attendance management System	-	2.24	100.00%	2.24	96.10%	2.15	0.09
2	UV-C Systems - T1 & T3	-	2.50	100.00%	2.50	92.81%	2.32	0.18
3	Biometric Access Control System for AEP	-	0.39	100.00%	0.39	96.10%	0.37	0.02
4	CIAL quarters at Thuravumkara	-	0.31	100.00%	0.31	96.10%	0.30	0.01
5	Information Displays	-	1.00	100.00%	1.00	92.81%	0.93	0.07
6	UPS Systems	-	0.20	100.00%	0.20	96.10%	0.19	0.01

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

7	Redundant cabling System	-	0.58	100.00%	0.58	92.81%	0.54	0.04
8	Local Area Networking	-	0.30	100.00%	0.30	92.81%	0.28	0.02
9	Video Conferencing systems	-	1.00	100.00%	1.00	96.10%	0.96	0.04
10	Presentation Systems	-	0.10	100.00%	0.10	0.00%	0.00	0.10
11	Commercial RO water plant	-	0.75	100.00%	0.75	92.81%	0.70	0.05
12	Additional Access platforms	-	0.70	100.00%	0.70	92.81%	0.65	0.05
13	Fire Alarm system in terminals and ancillary buildings	-	0.50	100.00%	0.50	92.81%	0.46	0.04
	Total		10.57		10.57		9.85	0.72

6.4. Total impact of asset reclassification:

6.4.1. The total impact of asset reclassification, including the assets capitalised between FY 17 to FY 20 and assets proposed to be capitalised in FY 21, on Aeronautical capital additions is INR 10.33 Cr, as given in the table below:

Impact of reclassification	Reference	INR Cr.
Reclassification of assets capitalised from FY 17 to FY 20	Section 6.2.15	9.61
Reclassification of assets proposed to be capitalised in FY 21	Section 6.3	0.72
Total Impact of reclassification		10.33

6.5. Summary

6.5.1. Accordingly, the adjustments to Aeronautical Capital Additions to those proposed by the airport operator are as follows:

Table 20: Proposed Adjustments to Aeronautical Asset Base Additions in 2nd CP

Fixed Asset Adjustment	Reference to Section in Report	INR Cr.
Aeronautical Additions in 2nd CP as per CIAL (Excluding FA)		1,847.1
Adjustments to RAB		
Exclusion of Assets Capitalised in 2016		(3.17)
		1,843.9
Airport Security	6.2.11	0.13
Assets for Commercial Activities	6.2.7	(2.81)
Butterfly canteen	6.2.13	(5.10)
Common Assets at MD's Office	6.2.8	(0.09)
Common Terminal Assets	6.2.6	(0.39)
Duty Free & Golf Course	6.2.9	(1.37)
IT Assets	6.2.5	(0.11)
Passenger Handling	6.2.10	0.59
Terminal Building Works	6.2.1	(0.41)
Vehicles	6.2.14	(0.05)
Reallocation of Forecasted Assets in 2021	6.3	(0.72)

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Total adjustments to RAB (for the 2nd CP) <i>(on the basis of asset reclassification and exclusion of some expenses from RAB, without considering the impact of revised terminal ratio)</i>		(13.47)
Revised additions to Aeronautical Gross Block in 2nd CP		1,833.60

6.5.2. The next section discusses the assessment of terminal allocation ratio (i.e., the ratio based on areas allocated for Aeronautical and Non-Aeronautical activities in the terminal). Based on which, the impact of change in terminal allocation ratio has been applied on common areas in the aeronautical gross block in the second control period.

7. ALLOCATION OF TERMINAL AREA INTO AERONAUTICAL AND NON-AERONAUTICAL

7.1. Terminal allocation submitted by CIAL

7.1.1. As per CIAL's submission, based on the technical report by KITCO, following are the areas for the Aeronautical and Non-Aeronautical spaces in respective terminals

Table 21: Terminal area allocation given by CIAL

International Passenger Terminal		
Total Terminal Area	146528	sqm
Total Non-Aero Area	9201	sqm
Total Aero Area	137328	sqm
Non-Aero % in International Passenger Terminal	6.28	%
Domestic Passenger Terminal		
Total Terminal Area	74123	sqm
Total Non-Aero Area	6671	sqm
Total Aero Area	67452	sqm
Non-Aero % in Domestic Passenger Terminal	9.00	%
Combined Passenger Terminal Area of Domestic & International		
Combined Non-Aero Area	15872	sqm
Combined Aero Area	204780	sqm
Combined Non-Aero % of Terminals in CIAL	7.19	%

7.2. Observations on CIAL's submission

7.2.1. The airport operator had provided the maps where areas pertaining to Non-Aeronautical spaces are highlighted and certificate by the technical consultant on the area utilized for Non-Aeronautical services/ activities. However, it's not possible to re-compute the areas for each of the spaces against offices/ utilities/ circulation/ retail/ etc. using the maps provided.

7.2.2. One key observation in the terminal area allocation based on the maps available was that the common area has not been allocated into Aero and Non-Aero (as against the AERA's direction – 9.2.4 of the Tariff Order for the 2nd Control Period) and has been considered as Aeronautical only. This has been observed for both the terminals.

7.2.3. Therefore, it was concluded that the actual utilization of airport terminal towards Non-Aeronautical spaces is higher than the numbers provided based on technical study report.

7.2.4. Hence, the airport operator was requested for break-up of areas and principles followed for the allocation of various areas into Aeronautical and Non-Aeronautical to assess the allocation of terminal areas towards Aero, Non-Aero and Common based on the allocation principles considered by the Authority

7.3. Authority's assessment of terminal area allocated for Aeronautical and Non-Aeronautical activities

7.3.1. General principles for reclassification

- Item-wise areas have been looked at and reclassified based on the actual usage of respective areas as per the details provided by the airport operator into Aeronautical, Non-Aeronautical and Common.
- Common areas have been allocated into two sub-categories – Common and Common (Employee). Common areas which are to be allocated in the employee ratio have been classified as Common (Employee) and the Common areas which are to be allocated in the terminal ratio have been classified as Common.

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- Subsequently, the Common areas have been allocated in the ratio of Aeronautical and Non-Aeronautical (determined based on the ratio of assets which are exclusively Aeronautical and exclusively Non-Aeronautical including the area allocated for Common-Employee).

7.3.2. Based on the above, for the Domestic Terminal, the following table details out the area proposed by CIAL and reclassification considered by the Authority into Aeronautical, Non-Aeronautical and Common areas:

Table 22: Terminal area allocation - Domestic

S.N.	Domestic Terminal Spaces	Area* (SQ. M.)	Allocation as per CIAL	Revised Allocation	% Aeronautical
I	AMENITIES	2815.75			
	Medical room -Ground floor	60.30	Aero	Aero	100%
	Facilitation counters - Ground floor	47.24	Aero	Aero	100%
	Mishandled baggage -Ground floor	40.50	Aero	Aero	100%
	Toilets and other areas -Ground floor	930.31	Aero	Aero	100%
	CIP room area - Ground floor	68.74	Aero	Aero	100%
	VIP room - Ground floor	155.72	Aero	Aero	100%
	VIP arrival lounge - Ground floor	111.16	Aero	Aero	100%
	Meditation room -First floor	13.87	Aero	Aero	100%
	Medical room - First floor	15.78	Aero	Aero	100%
	VIP Lounge - First floor	67.84	Aero	Aero	100%
	VIP room - First floor	53.70	Aero	Aero	100%
	Toilet and other areas - First floor	814.27	Aero	Aero	100%
	Smokers room and other Amenities - Second floor	436.33	Aero	Aero	100%
II	BHS	6154.88			
	Baggage Handling area - Ground floor	6154.88	Aero	Aero	100%
III	CIRCULATION	18127.64			
	Circulation Area - Ground floor	6048.47	Aero	Aero	100%
	Circulation Area - First floor	9841.22	Aero	Aero	100%
	Circulation Area - second floor	1788.51	Aero	Aero	100%
	Aero Bridges circulation First floor	449.44	Aero	Aero	100%
	Total				
IV	OFFICE	918.23			
	Terminal manager - Ground floor	95.01	Aero	Aero	100%
	BHS Office spaces -Ground floor	117.02	Aero	Aero	100%
	L2, L4 Rooms and security rooms -Ground floor	190.72	Aero	Aero	100%
	Deputy commissioner - First floor	28.30	Aero	Aero	100%
	Ground handling area - First floor	487.17	Aero	Aero	100%
	Total	918.23			
V	PROCESS	11542.43			
	Area of Departure entry check points - Ground floor	318.10	Aero	Aero	100%
	Space for farewellers - Ground floor	51.02	Aero	Common	
	Check in hall - Ground floor	1804.06	Aero	Aero	100%
	Remote gates - Ground floor	365.80	Aero	Aero	100%
	Area of baggage claim units - Ground floor	1699.05	Aero	Aero	100%
	Visitor Forecourt - Ground floor	2168.34	Aero	Common	
	Staff screening/X-rays - Ground floor	578.19	Aero	Aero	100%
	Area of the gate holds-First floor	2044.82	Aero	Aero	100%
	Area of Equipment change	28.46	Aero	Aero	100%
	Area for security screening process - First floor	1088.35	Aero	Aero	100%
	Canopy area - Ground floor	1396.25	Aero	Common	
VI	RETAIL	6671.37			
	Food and beverages (Ground floor)	438.80	Non-Aero	Non-Aero	0%
	Snack bars -ground floor	57.30	Non-Aero	Non-Aero	0%
	Retail Area - Arrival Hall	98.80	Non-Aero	Non-Aero	0%
	Prepaid taxi and counters	58.50	Non-Aero	Non-Aero	0%
	Bank and counter - Ground floor	36.39	Non-Aero	Non-Aero	0%

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

S.N.	Domestic Terminal Spaces	Area* (SQ. M.)	Allocation as per CIAL	Revised Allocation	% Aeronautical
	Income tax office - Ground floor	16.15	Non-Aero	Non-Aero	0%
	Retail area (shops- Ground floor)	171.06	Non-Aero	Non-Aero	0%
	Retail area (shops) near canopy Ground floor	179.54	Non-Aero	Non-Aero	0%
	Food and beverages (First floor)	288.00	Non-Aero	Non-Aero	0%
	Retail area (shops -First floor)	1362.61	Non-Aero	Non-Aero	0%
	Food and beverages (Second floor)	1544.97	Non-Aero	Non-Aero	0%
	Airline front office spaces - Ground floor	123.35	Non-Aero	Aero	100%
	Airline back office spaces - Ground floor	970.60	Non-Aero	Aero	100%
	Airline office spaces - First floor	1081.28	Non-Aero	Aero	100%
	Guest rooms - retail area T1	244.01	Non-Aero	Non-Aero	0%
VII	SERVICES	4985.50			
	services -Ground floor	723.27	Aero	Common	
	services -First floor	809.82	Aero	Common	
	services - Second floor	2552.41	Aero	Common	
	Substation	400.00	Aero	Common	
	AC plant	500.00	Aero	Common	
VIII	COVERED AREA	4699.60			
	Canopy area City Side - Ground floor	2806.89	Aero	Common	
	Porch area City Side - Ground floor	198.74	Aero	Common	
	Covered area Air Side - Ground floor	1249.49	Aero	Aero	100%
	Remote Bay corridor Air Side - Ground floor	444.48	Aero	Aero	100%
IX	CIAL ADMIN AREA	5664.91			
	CIAL Admin Area - First Floor	3742.37	Aero	Common (Employee)	96.10%
	CIAL Admin Area - Second floor	1178.98	Aero	Common (Employee)	96.10%
	Admin Office area +12.60mvl- T1	495.71	Aero	Common (Employee)	96.10%
	Guest rooms - For Admin use	247.85	Aero	Common (Employee)	96.10%
X	Existing Aero Area	1636.23			
	Terminal Area Expansion (Behind Central Block)	286.38	Aero	Common	
	Terminal Area (Old viewers gallery)	1349.85	Aero	Non-Aero	0%
Sum (I:X)	Total area of T1	63216.54			
	Existing Aero area T2 (Ground Floor)	7759.55	Aero	Aero	100%
	Circulation Area T2 (First Floor)	1174.31	Aero	Aero	100%
	Covered area-City side Ground Floor T2	837.68	Aero	Common	
	Covered area-Air side Ground Floor T2	1134.86	Aero	Aero	100%
		10906.40			
	TOTAL TERMINAL AREA	74122.9			
	Aeronautical Area (Exclusive)	49881.2			
	Non-Aeronautical Area (Exclusive)	5846.0			
	Common (Employee)	5664.9			
	Common	12730.8			
(A)	Aeronautical Area including Common (Employee)	55325.2		90.12%	
(B)	Non-Aeronautical Area including Common (Employee)	6066.9		9.88%	
(C)	Aeronautical Area including Common, Common (Employee)	66797.9		90.12%	

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

S.N.	Domestic Terminal Spaces	Area* (SQ. M.)	Allocation as per CIAL	Revised Allocation	% Aeronautical
(D)	Non-Aeronautical Area including Common, Common (Employee)	7325.0		9.88%	

Note: The ratio of areas for Aeronautical and Non-Aeronautical (post allocating the Common (Employee) area in the ratio of employees between Aeronautical and Non-Aeronautical) has been considered as the ratio for Common, i.e., (A) and (B) – 90.12% towards Aeronautical and 9.88% towards Non-Aeronautical.

*Numbers are based on item-wise area provided by CIAL proportionated for area figures as per the drawings by technical consultants.

7.3.3. Based on the above reclassification, following areas have been observed for each of the Aeronautical, Non-Aeronautical and Common categories

Table 23: Category-wise area utilized for Domestic Terminal

Classification	Items/ Areas included	Area (Sq.m.)	% Aero	Formula	Aero Area (Sq.m.)	Non-Aero Area (Sq.m.)
Non-Aero Area (Exclusive)	Retail Areas including Food Courts, Bank Counters and Guest Rooms	5,846	0%	A		5,846
Aero Area (Exclusive)	Air side, BHS, Security, Boarding, Check-In, Customs, GH, Medical, Transfers, VIP Lounges etc.	49,881	100%	B	49,881	
Common Area (Employee)	CIAL Admin Area, Admin Office Area etc.	5,665	96.1%	C	5,444	221
Non-Aero Area	D	6,067	0%	A + C		6,067
Aero Area	E	55,325	100%	B + C	55,325	
Aero + Non-Aero Area	F	61,392	90.12%	D + E	55,325	6,067
Common Area	Visitors and Farewellers, Service, CIAL Admin, Smokers, Common City Side & Terminal Areas	12,731	90.12%	G	11,473	1,258
Total Area		74,123		F + G	66,798	7,325

Table 24: Revised Domestic terminal area allocation as per study

Domestic Passenger Terminal		
Total Terminal Area	74123	sqm
Total Non-Aero Area	7325	sqm
Total Aero Area	66798	sqm
Non-Aero % in Domestic Passenger Terminal	9.88	%

7.3.4. Similarly, for the International Terminal, the following table details out the area proposed by CIAL and reclassification considered by the Authority into Aeronautical, Non-Aeronautical and Common areas.

Table 25: Terminal area allocation - International

S.N.	International Terminal Spaces	Area* (SQ. M.)	Allocation as per CIAL	Revised Allocation	% Aeronautical
I	Process Area	30482.33			
	Area for Departure Entry Check Points	474.71	Aero	Aero	100%
	Visitor area	456.05	Aero	Common	
	Check- in - Hall	1909.34	Aero	Aero	100%
	Area for Departure Emigration Central	1444.32	Aero	Aero	100%
	Area Requirement for Security Screening process	2539.58	Aero	Aero	100%
	Area for security hold gate	1553.97	Aero	Aero	100%
	Remote gates	1154.85	Aero	Aero	100%
	Transfers	371.25	Aero	Aero	100%
	Area for Arrival Immigration control	1906.25	Aero	Aero	100%
	Total area for Baggage claim units	5747.99	Aero	Aero	100%
	Customs checking area	812.71	Aero	Aero	100%
	Farewellers area	2247.49	Aero	Common	

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

S.N.	International Terminal Spaces	Area* (SQ. M.)	Allocation as per CIAL	Revised Allocation	% Aeronautical
	Arrival Kerb	5852.47	Aero	Common	
	Remote Arrival	206.45	Aero	Aero	100%
	Kerb area +10.60	3804.88	Aero	Common	
II	BHS	16740.70			
	Mishandled Baggage	67.24	Aero	Aero	100%
	Confiscated Baggage	66.21	Aero	Aero	100%
	Security Baggage Facilitation Officer	82.44	Aero	Aero	100%
	BMA Area	7420.07	Aero	Aero	100%
	BHS @ +5.55 BHS @ +5.55 (Conveyors Baggage handles)	4256.39	Aero	Aero	100%
	Check-in Counters (BHS) at +10.65m Lvl	1616.24	Aero	Aero	100%
	BBA area	3232.10	Aero	Aero	100%
III	Offices	5442.81			
	At 0.15m lvl				
	Office area near connecting corridor 0.15m lvl (House Keeping/ AEP)	141.16	Aero	Common	
	AIU/Customs/AC Room/Toilet- area (near BBA area)	349.38	Aero	Aero	100%
	AOCC / Conference Room	422.43	Aero	Aero	100%
	Provision for office of stakeholders Near (Electrical area)	146.76	Aero	Excluded	-
	At 5.55m lvl				100%
	Admin/AIU/Record/Meeting/Toilet area (customs)	260.85	Aero	Aero	100%
	Baggage control Room	35.51	Aero	Aero	100%
	SHIFT in charge/Baggage Security in Charge/Level 2A office Level/ 2 B Office B	245.49		Aero	100%
	Provision for office of stakeholders	1763.49	Aero	Excluded	-
	BHS control Room/BHS Store	67.01	Aero	Aero	100%
	Customs / Offices	61.37	Aero	Aero	100%
	APHO/Duty Doctor/ Health Check area	64.62	Aero	Aero	100%
	APIS/Computer Lab	61.24	Aero	Aero	100%
	AD/Duty Technical Details Room	64.30	Aero	Aero	100%
	Refusal/Duty Officer/ AFRRO	58.44	Aero	Aero	100%
	At 10.65m lvl				100%
	Health Quarantine/Nurses Rm + 10.60 m Lvl	78.35	Aero	Aero	100%
	PRO RM/Admin Office/AFFRO	207.33	Aero	Aero	100%
	CIAL Office	95.83	Aero	Common (Employee)	96.1%
	CIAL Business Room	52.83	Aero	Common (Employee)	96.1%
	At 15.15m lvl				
	Cityside rooms / Offices for stakeholders	284.25	Aero	Aero	100%
	GH agency Office	30.48	Aero	Aero	100%
	GH agency Office	31.11	Aero	Aero	100%
	GH agency offices	190.56	Aero	Aero	100%
	Airside office area for Stakeholders	730.02	Aero	Aero	100%
	Total area	5442.81			
IV	Retail Area	9200.53			
	Mobile Cabins	18.17	Non-Aero	Non-Aero	0%
	Bank near customs counter	49.10	Non-Aero	Non-Aero	0%
	Forex at +0.15	30.97	Non-Aero	Non-Aero	0%
	Duty Free area @ +0.15m lvl	2343.84	Non-Aero	Non-Aero	0%
	Duty Free Shop @+10.60	687.98	Non-Aero	Non-Aero	0%
	Total Shops area @ +10.60	516.61	Non-Aero	Non-Aero	0%
	F & B 1,2,3, & 4 & 5	99.30	Non-Aero	Non-Aero	0%
	Spa	53.02	Non-Aero	Non-Aero	0%
	Commercial Space @=10.60	51.98	Non-Aero	Non-Aero	0%
	Bank near Emigration	45.18	Non-Aero	Non-Aero	0%
	Restaurants @ =15.15m Lvl	3049.41	Non-Aero	Non-Aero	0%

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

S.N.	International Terminal Spaces	Area* (SQ. M.)	Allocation as per CIAL	Revised Allocation	% Aeronautical
	Duty Free Store at +10.60	29.66	Non-Aero	Non-Aero	0%
	Airline Offices @ +10.6m Lvl	817.54	Non-Aero	Aero	100%
	Airline Offices @ Dining +15.15m ²	385.66	Non-Aero	Aero	100%
	Airline Offices + 15.15m ²	1022.10	Non-Aero	Aero	100%
	Total area	9200.53			
V	Covered Area	20780.07			
	Canopy area at +0.15 - City Side	7280.35	Aero	Common	
	Canopy area at +0.15 - Air Side	6663.22	Aero	Aero	100%
	Canopy area at +10.65 - Air Side	6836.50	Aero	Aero	100%
	Total area	20780.07			
VI	Service area	16165.63			
	Service Building	3020.75	Aero	Common	
	Other service areas in T3	16165.63	Aero	Common	
VII	Amenity area	4697.95			
	VIP, CIP lounges	210.73	Aero	Aero	100%
	Other Amenity Areas in T3	4487.22	Aero	Aero	100%
VIII	Circulation area	39997.69			
	Steel Stair	70.45	Aero	Aero	100%
	Entry Staf/ Exit	114.73	Aero	Aero	100%
	Escalator Area	648.64	Aero	Aero	100%
	F & B / Lift Area	267.06	Aero	Non-Aero	0%
	Steel Stair	26.63	Aero	Aero	100%
	Stair @ 0.15	82.80	Aero	Aero	100%
	Escalator & Stair Area	125.49	Aero	Aero	100%
	Passage	96.98	Aero	Aero	100%
	Stair	108.50	Aero	Aero	100%
	Stair & Passage @ +5.550	192.09	Aero	Aero	100%
	Stair	301.64	Aero	Aero	100%
	Stair	70.11	Aero	Aero	100%
	Circulation @ Pier area of +10.60m LVI	9070.70	Aero	Common	
	Ramps	2797.72	Aero	Aero	100%
	FLB	1879.01	Aero	Aero	100%
	Stair /OOG lift	141.01	Aero	Aero	100%
	Pier 10.6m	7253.25	Aero	Aero	100%
	Terminal area	2975.22	Aero	Common	
	Terminal	8015.06	Aero	Common	
	Provision for Extra Island at check-in Area at +10.65M lvl	5643.54	Aero	Aero	100%
	Passage Remote Departure	117.03	Aero	Aero	100%
Sum (I:VII I)	Total T3 Area	146528.46			
	Aeronautical Area	78197.5			
	Non-Aeronautical Area	7242.3			
	Common (Employee)	148.7			
	Common	59029.8			
	Excluded**	1910.2			
(A)	Aeronautical Area including Common (Employee)	78340.4		91.53%	
(B)	Non-Aeronautical Area including Common (Employee)	7248.1		8.47%	
(C)	Aeronautical Area including Common (Employee), Common	132,371.1		91.53%	
(D)	Non-Aeronautical Area including Common (Employee), Common	12,247.1		8.47%	

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Note: The ratio of areas for Aeronautical and Non-Aeronautical (post allocating the Common (Employee) area in the ratio of employees between Aeronautical and Non-Aeronautical) has been considered as the ratio for Common, i.e., (A) and (B) – 91.53% for the Aeronautical and 8.47% for the Non-Aeronautical.

*Numbers are based on item-wise area provided by CIAL proportionated for area figures as per the drawing by technical consultants.

** Based on the information provided by the airport operator, it is understood that these are spaces created to address the terminal operational space requirements in the future, basically in the nature of buffer area, which will help the airport to bring flexibility in the terminal in the subsequent years of terminal plan horizon. Hence, these areas have been excluded for the computation of terminal area ratios.

7.3.5. Allocation of various areas for the International Terminal are as follows:

Table 26: Category-wise area utilized for International Terminal

Classification	Items/ Areas included	Area (Sq.m.)	% Aero	Formula	Aero Area (Sq.m.)	Non-Aero Area (Sq.m.)
Non-Aero Area - Exclusive	F&B Lift Area and Retail Areas including Duty Free Shop, Restaurants, Spa and Forex Counters	7,242	0%	A		7,242
Aero Area – Exclusive	BHS, Emigration, Security, Boarding, Check-In, Customs, GH, Medical, Transfers, VIP Lounges etc.	78,198	100%	B	78,198	
Common Area (Employee)	CIAL Office, CIAL Business Room etc.	149	96.1%	C	143	6
Non-Aero Area	D	7,248	0%	A + C		7,248
Aero Area	E	78,340	100%	B + C	78,340	
Aero + Non-Aero Area	F	85,588	91.53%	D + E	78,340	7,248
Common Area	Common Circulation Spaces, Visitor and City Side Areas, Common Offices, Service Areas etc.	59,030	91.53%	G	54,030	5,000
Total Area Considered		144,618		F+G	132,371	12,247
Excluded Area	Provision of area for future use	1,910	-	H	-	-

Table 27: Revised International terminal area allocation as per study

International Passenger Terminal		
Total Terminal Area	146528	sqm
Total Non-Aero Area	12247	sqm
Total Aero Area	132371	sqm
Excluded Area	1910	sqm
Non-Aero % in International Passenger Terminal	8.47	%

7.4. Conclusion

7.4.1. Based on the assessment of the actual utilization of terminal areas for CIAL, it has been found that an average of 8.94% of total terminal area is utilized for non-aeronautical activities/ services.

Table 28: Revised terminal area allocation as per study

International Passenger Terminal		
Total Terminal Area	146528	sqm
Excluded Area	1910	sqm
Total Non-Aero Area	12247	sqm
Total Aero Area	132371	sqm
Non-Aero % in International Passenger Terminal	8.47	%

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Domestic Passenger Terminal		
Total Terminal Area	74123	sqm
Total Non-Aero Area	7325	sqm
Total Aero Area	66798	sqm
Non-Aero % in Domestic Passenger Terminal	9.88	%
Combined Passenger Terminal Area of Domestic & International	220651	sqm
Excluded Area	1910	sqm
Combined Non-Aero Area	19572	sqm
Combined Aero Area	199169	sqm
Combined Non-Aero % of Terminals in CIAL	8.94	%

8. IMPACT ON THE AERONAUTICAL GROSS BLOCK DUE TO REVISED TERMINAL ALLOCATION RATIO

8.1. Additions to the RAB (post adjustments based on reclassification of assets)

8.1.1. As discussed in Section 6, the revised Addition to Gross Block, after reclassification of assets, during the second control period is INR 1833.6 Cr.

8.2. Adjustments due to revised terminal allocation ratio

8.2.1. As discussed in Section 7, the terminal allocation ratio was assessed and found to be 8.94% as against 7.19% used by the airport operator. Based on the revised ratio, the aeronautical addition for the second control period was recomputed as given below.

Table 29: Impact of Revision of Terminal Allocation Ratio

Fixed Asset Adjustment	INR Cr.
Revised Aeronautical Additions in 2nd CP (based on the reclassifications in Section 6.5) (Excluding FA)	1,833.6 (Refer Table 20)
Total Assets Additions in 2 nd CP Classified as Common by CIAL	967.0
Total Assets Additions in 2 nd CP Classified as Common as per Study (Common includes assets – to be segregated based on Employee ratio, Terminal ratio and Car Park and Internal Roads divided based on actual cost)	973.9
Terminal Allocation Ratio as per CIAL	7.19%
Revised Terminal Allocation Ratio as per Study	8.94%
Change in Terminal Allocation Ratio	1.75%
Impact of Revision of Terminal Allocation Ratio on Common Assets	(15.9)
Revised Addition to Aeronautical Gross Block in 2nd CP	1,817.7

8.3. Conclusion

8.3.1. Post reclassification of assets and revision of terminal allocation ratio used to bifurcate the Common Assets, the total addition to aeronautical gross block in the second control period is INR 1817.7 Cr against INR 1847.1 Cr proposed by the airport operator.

9. OVERALL SUMMARY OF THE STUDY

- For the second control period (including the FY 2021 projections), CIAL has undertaken a total investment in Gross Block of INR 1963.6 Cr. The investments include the development of aeronautical and non-aeronautical assets at the airport.
- Major investments during the second control period include Construction of New International Terminal T3 (INR 922.36 Cr.), other works including Modification of Terminal 1 (INR 312.11 Cr.), Apron Works (INR 172 Cr.), Runway Re-carpeting (Yet to be capitalised), Additional Parking Bays and other works (INR 165.81 Cr.) etc.
- Based on the principles laid out in Section 5 and given the reference to the broad classification approved by the Authority in the previous Tariff Order for CIAL and select tariff order for other airports, the allocation of the assets has been examined. The same has been done using the Fixed Asset Register for FY17 to FY20 and projections for FY21 along with the information collected from the airport operator during the site visit and follow-up discussions. Accordingly, reclassifications have been made wherever required.
- Of the total investment of INR 1963.6 Cr, CIAL has classified INR 1847.10 Cr (94.1%) as Aeronautical and the remaining, i.e., INR 116.5 Cr (5.9%) as Non-Aeronautical.
- It was observed that few assets worth INR 3.17 Cr that were capitalised in FY 2016 were wrongly considered as Aeronautical Additions in FY 2017 by the airport operator. These items have been excluded from the calculations.
- Further, there is proposed adjustment on account of reclassification of some assets. For instance, the major reduction is pertaining to Butterfly Canteen and related assets that were classified as either Aeronautical or Common by CIAL and have been reclassified as Non-Aeronautical (impact of INR 5.1 Cr), based on this study. As a result of all the reclassifications, this study has led to a reduction of INR 10.3 Cr in the Aeronautical additions to Gross Block.
- After reclassification and exclusion of the wrongly included items, the Aeronautical additions for the second control period are found to be INR 1833.6 Cr (93.4%) and Non-Aeronautical additions are found to be INR 130.0 Cr (6.6%).
- The Aeronautical and Non-Aeronautical additions consider a certain percentage of Common Assets, which is a function of terminal area ratio (ratio of terminal area allocated for the provision of aeronautical and non-aeronautical activities). The additions towards Common Assets (based on this study) are worth INR 907.0 Cr (total Common are INR 973.9 Cr, however of which INR 7.3 Cr Common assets are segregated based on employee ratio and INR 59.6¹ Cr is towards Car Park and internal roads which is divided based on the actual cost incurred for the two), which have been allocated to Aeronautical and Non-Aeronautical additions based on the terminal ratio of 7.19% (Non-Aeronautical areas as a percentage of total terminal area) by the airport operator.
- The airport operator had proposed 6.28% and 9.00% of terminal area for the provision of Non-Aeronautical services/ activities in International and Domestic terminals respectively, which is 7.19% of total terminal area. However, based on the assessment of actual area allocated towards the Non-Aeronautical activities, it is found that with the reclassification of areas, especially the ones which are recognized as 'Common' by AERA and were considered as Aeronautical by the airport operator, the actual area allocation percentage has changed and lies in the optimum range studied based on the recommendations of IATA and IMG norms for airport terminals. Accordingly, the actual allocation of area (in %) towards Non-Aeronautical activities, viz. **8.47% and 9.88% for the International and Domestic terminals respectively**, has been proposed for the purposes of the tariff determination. This changes the percentage of area allocated for Non-Aeronautical activities to 8.94% from 7.19% for the entire terminal area.

¹ The number has been computed using the FAR – asset acquisition cost and asset transfer

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- For the second control period, the impact of revision in terminal allocation ratio for Common assets results in a reduction of INR 15.9 Cr. in the Aeronautical additions. Hence, post reclassification of assets and other adjustments made (such as due to change in terminal allocation ratio which is applied on common assets), the revised Aeronautical additions to the Gross Block are INR 1817.7 Cr (92.6%) and revised Non-Aeronautical additions are INR 145.9 Cr (7.4%).
- The summary of adjustments made to aeronautical gross block additions is as follows:

Table 30: Summary of Adjustments to Aeronautical Additions

	Particulars	Value (INR Cr.)
(A)	Proposed additions as per the CIAL for 2 nd CP	1847.1
(B)	Adjustments on account of corrections in additions	(3.17)
(C)	Adjustments on account of reclassification and corrections	(10.3)
(D) =(A) + (B) + (C)	Revised additions to Gross Block for 2 nd CP as per Section 6	1833.6
(E)	Impact on capital additions in 2 nd CP due to revised terminal allocation	(15.9)
(F) = (D) + (E)	Adjusted additions to gross block for 2nd CP after revision of terminal allocation ratio	1817.7

- Revised allocation of closing gross block for the 2nd control period after making necessary adjustments to usage and terminal allocation ratio is as given in the table below. The average (simple) percentage of Aero Gross Block for the second control period is 85.4%.

Table 31: Allocation of Gross Block

% Aero Gross Block	FY 17 <i>as on 31 Mar 2017</i>	FY 18 <i>as on 31 Mar 2018</i>	FY 19 <i>as on 31 Mar 2019</i>	FY 20 <i>as on 31 Mar 2020</i>	FY 21 <i>as on 31 Mar 2021</i>
Aeronautical Ratio as per CIAL	84.5%	84.5%	85.5%	85.8%	86.8%
Revised Aeronautical Ratio	83.6%	83.3%	84.3%	84.6%	85.7%
Impact on Aero Ratio	(0.9) %	(1.2) %	(1.2) %	(1.2) %	(1.1) %

Table 32: Allocation of Gross Block – category break-up

% Aero Gross Block	As on 31 March 2020	Projected as on 31 March 2021
Land	0%	0%
Buildings and Civil Works	86%	85%
Golf Course Development	0%	0%
Runways, Roads and Culverts	96%	97%
Plant and Equipment	92%	92%
Office Equipment	91%	91%
Computers and Accessories	95%	95%
Furniture and Fixtures	86%	86%
Vehicles	91%	91%
Software	92%	93%
Total	84.6%	85.7%

- The above reclassification of assets is applied across other preceding years of the 2nd control period. Correspondingly, the revised non-aeronautical to total gross block for FY17 is proposed as 16.4%, for FY18 is proposed as 16.7%, for FY19 is proposed as 15.7% and for FY20 is proposed as 15.4%. This non-aeronautical to gross block ratio is higher than that based on the submissions by CIAL at 15.5% for FY17, 15.5% for FY18, 14.5% for FY19 and 14.2% for FY20.

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

- While item-wise assessment was made, but it has not been possible to verify the project-wise expenses incurred, as such data and mapping (items to project) are not available with the airport operator. In this regard, the airport operator provided a CA certificate to validate the expenses of the completed projects; the same has been used to verify the submissions in the MYTP. There is an opportunity for the airport operator for improving the upkeep of the information required as per AERA in order to facilitate such reviews in future.
- **Conclusion:** Based on this study, the Aeronautical capital additions for the second control period are **INR 1817.7 Cr** (92.6%) and the Non-Aeronautical additions are **INR 145.9 Cr** (7.4%). **There has been a total reduction of approx. INR 29.4 Cr in the Aeronautical additions** as against the Aeronautical additions of INR 1847.1 Cr (refer Table 2) proposed by the airport operator. The average (simple) percentage of Aero Gross Block for the second control period is 84.3% and percentage of Aero Gross Block as on 31 Mar 2020 is 84.6% (refer Table 31).

10. GLOSSARY

Abbreviation	Full Form
AAI	Airports Authority of India
AC	Air Conditioning
ACFT	Air Crash Fire Tender
AEP	Aerodrome Entry Permit
AERA	Airports Economic Regulatory Authority of India
AFRRO	Assistant Foreign Regional Registration Office
APHO	Airport Health Organisation
APIS	Advance Passenger Information System
ARR	Aggregate Revenue Requirement
ATC	Air Traffic Control
ATM	Air Traffic Movement
AUCC	Airport User Consultative Committee
BHS	Baggage Handling System
BMA	Baggage Make-Up Area
BRS	Baggage Reconciliation System
CA	Chartered Accountant
CCTV	Closed Circuit Television
CIAL	Cochin International Airport Limited
CIP	Commercially Important Person
CISF	Central Industrial Security Force
CP	Control Period
CUPPS	Common User Passenger Processing System
CUSS	Common User Self Service
DGCA	Director General of Civil Aviation
DIAL	Delhi International Airport Limited
DPR	Detailed Project Report
DTP	Desktop Publishing
ERP	Enterprise Resource Planning
F&B	Food and Beverages
FA	Financing Allowance
FAR	Fixed Asset Register
FY	Financial Year
GH	Ground Handling
HVAC	Heating, Ventilation and Air Conditioning
IATA	International Air Transport Association
IMG	Inter-Ministerial Group
IT	Information Technology
LAN	Local Area Network
MD	Managing Director

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

MPPA	Million Passengers per Annum
MYTP	Multi-Year Tariff Proposal
NRI	Non-Resident Indian
NRK	Non-Resident Keralite
OMDA	Operations, Management and Development Agreement
OPEX	Operational Expenditure
PCN	Pavement Classification Number
PPP	Public, Private Partnership
RAB	Regulatory Asset Base
RFP	Request for Proposal
SSA	State Support Agreement
T2	Terminal 2
T3	Terminal 3
UAE	United Arab Emirates
VDGS	Visual Docking Guidance System
VIP	Very Important Person

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

Unique Identifier	Asset Class	Capitalized on	Description	Useful Life	Acquisition Value	Classification as per CIAL	Revised Allocation	% Aeronautical
6000000930	Vehicles	30/06/2019	Innova Crysta 24L Z7-White Pearl Crystal	8	2,723,126.00	Aeronautical	Common (Employee)	95.60%
6000000940	Vehicles	20/06/2019	Airport runway surface friction tester	8	11,001,100.00	Aeronautical	Aeronautical	100%
6000000950	Vehicles	12/06/2019	6 pax FRP speed boat	13	1,287,119.00	Aeronautical	Aeronautical	100%
6000000980	Vehicles	16/11/2019	6 seater GRP Monohull speed boat	13	1,193,333.33	Aeronautical	Aeronautical	100%
6000000990	Vehicles	16/11/2019	6 seater GRP Monohull speed boat	13	1,193,333.33	Aeronautical	Aeronautical	100%
6000001000	Vehicles	16/11/2019	6 seater GRP Monohull speed boat	13	1,193,333.33	Aeronautical	Aeronautical	100%
6000001020	Vehicles	11/03/2020	Mobile Command Post Vehicle	8	9,842,000.00	Aeronautical	Aeronautical	100%
6000001030	Vehicles	01/03/2020	Moving Boat purchased Berky, Germany	13	7,677,994.75	Aeronautical	Aeronautical	100%

EXHIBIT – 2: ASSETS TO BE COMMISSIONED BY CIAL IN 2ND CONTROL PERIOD (FY21)

Sl. No.	Asset Class	Capitalized on	Description	Useful Life	Acquisition Value (INR Cr.)	Classification as per CIAL	Revised Allocation	% Aeronautical
1	Computers and Accessories	2021	Datacenter Revamp at ATC	6	1.00	Aeronautical	Aeronautical	100%
2	Computers and Accessories	2021	Access control & Attendance management System	3	2.24	Aeronautical	Common (Employee)	96.10%
3	Office Equipment	2021	UV-C Systems - T1 & T3	5	2.50	Aeronautical	Common	91.06%
4	Plant and Equipment	2021	BDDS	15	1.00	Aeronautical	Aeronautical	100%
5	Computers and Accessories	2021	Biometric Access Control System for AEP	3	0.39	Aeronautical	Common (Employee)	96.10%
6	Computers and Accessories	2021	IT systems for Cargo revamping	6	1.00	Aeronautical	Aeronautical	100%
7	Runway, Roads and Culverts	2021	Service Road and other miscellaneous CWIP (Civil Works)	10	2.79	Aeronautical	Aeronautical	100%
8	Buildings & Civil Works	2021	Minor works (Civil Works)	15	2.00	Common	Common	91.06%
9	Runway, Roads and Culverts	2021	Reconstruction of compound wall and providing concertina coils (southern side) - Civil Works	5	4.20	Aeronautical	Aeronautical	100%
10	Buildings & Civil Works	2021	PET ground Infront of fire station (Civil Works)	60	0.50	Aeronautical	Aeronautical	100%
11	Plant and Equipment	2021	Foam filling system at Fire Station building roof for ACFTs (Civil Works)	10	0.10	Aeronautical	Aeronautical	100%
12	Buildings & Civil Works	2021	Roof storage on main fire station terrace (Civil Works)	15	0.20	Aeronautical	Aeronautical	100%
13	Runway, Roads and Culverts	2021	Flood Control Measures (Civil Works)	10	23.39	Aeronautical	Aeronautical	100%
14	Runway, Roads and Culverts	2021	Widening of storm water drain Avanamcode to Neduvannoor (Civil Works)	10	6.48	Aeronautical	Aeronautical	100%
15	Runway, Roads and Culverts	2021	Recarpetting of runway	15	97.91	Aeronautical	Aeronautical	100%
16	Plant and Equipment	2021	Upgradation of light fittings	10	36.35	Aeronautical	Aeronautical	100%
17	Runway, Roads and Culverts	2021	Construction of Rapid Exit & Vertical Link	30	43.47	Aeronautical	Aeronautical	100%
18	Buildings & Civil Works	2021	Construction of new convention centre	60	0.99	Non-Aeronautical	Non-Aeronautical	0%
19	Plant and Equipment	2021	CCTV additional	15	2.45	Aeronautical	Aeronautical	100%
20	Plant and Equipment	2021	Civil works for Aerobridge Phase II	15	0.59	Aeronautical	Aeronautical	100%
21	Buildings & Civil Works	2021	CIAL quarters at Thuravumkara	60	0.31	Aeronautical	Common (Employee)	96.10%
22	Plant and Equipment	2021	Information Displays	10	1.00	Aeronautical	Common	91.06%
23	Computers and Accessories	2021	UPS Systems	3	0.20	Aeronautical	Common (Employee)	96.10%
24	Computers and Accessories	2021	Redundant cabling System	6	0.58	Aeronautical	Common	91.06%
25	Computers and Accessories	2021	Local Area Networking	6	0.30	Aeronautical	Common	91.06%
26	Computers and Accessories	2021	Video Conferencing systems	3	1.00	Aeronautical	Common (Employee)	96.10%
27	Computers and Accessories	2021	Presentation Systems	3	0.10	Aeronautical	Non-Aeronautical	0%
28	Plant and Equipment	2021	Replacing old equipments	10	0.20	Aeronautical	Aeronautical	100%
29	Vehicles	2021	Replacing diesel tractors with electrical tractors	8	0.35	Aeronautical	Aeronautical	100%
30	Plant and Equipment	2021	Purchasing plastic / wooden skids	10	0.05	Aeronautical	Aeronautical	100%
31	Plant and Equipment	2021	Weighing Machines	10	0.20	Aeronautical	Aeronautical	100%
32	Computers and Accessories	2021	Software upgradation for paperless transaction	6	0.05	Aeronautical	Aeronautical	100%
33	Plant and Equipment	2021	Commercial RO water plant	15	0.75	Aeronautical	Common	91.06%
34	Plant and Equipment	2021	Additional Access platforms	10	0.70	Aeronautical	Common	91.06%
35	Vehicles	2021	Procurement of new vehicles to replace Bolero, Gypsy, etc	8	0.15	Aeronautical	Aeronautical	100%
36	Plant and Equipment	2021	Procurement of Triage equipments	15	0.50	Aeronautical	Aeronautical	100%
37	Plant and Equipment	2021	Procurement of Nomex fire protective jackets	15	0.30	Aeronautical	Aeronautical	100%
38	Plant and Equipment	2021	Procurement of fire and rescue equipments	15	0.25	Aeronautical	Aeronautical	100%
39	Plant and Equipment	2021	BA set air compressor and containment fill station	15	0.50	Aeronautical	Aeronautical	100%
40	Plant and Equipment	2021	High expansion foam generator (02 Nos)	15	0.25	Aeronautical	Aeronautical	100%
41	Plant and Equipment	2021	Fire extinguisher procurement to replace expired ones	15	0.20	Aeronautical	Aeronautical	100%
42	Plant and Equipment	2021	Fire Alarm system in terminals and ancillary buildings	15	0.50	Aeronautical	Common	91.06%
43	Plant and Equipment	2021	Hight pressure pump for Static tank/Sump	15	0.30	Aeronautical	Aeronautical	100%
44	Plant and Equipment	2021	Commercial zone in front of Butterfly Restaurant - Electrical	10	0.50	Non-Aeronautical	Non-Aeronautical	0%
45	Plant and Equipment	2021	Upgradation of Restaurant and other F&B at CGC - Electrical	10	1.00	Non-Aeronautical	Non-Aeronautical	0%
46	Plant and Equipment	2021	Building & Parking near Athani - Electrical	10	0.25	Non-Aeronautical	Non-Aeronautical	0%
47	Buildings & Civil Works	2021	Lounge Expansion in T3	15	2.00	Non-Aeronautical	Non-Aeronautical	0%
48	Buildings & Civil Works	2021	Commercial zone in front of Butterfly Restaurant - Civil	20	1.00	Non-Aeronautical	Non-Aeronautical	0%
49	Buildings & Civil Works	2021	Upgradation of Restaurant and other F&B at CGC - Civil	15	1.00	Non-Aeronautical	Non-Aeronautical	0%
50	Buildings & Civil Works	2021	Building & Parking near Athani - Civil	60	1.00	Non-Aeronautical	Non-Aeronautical	0%

EXHIBIT – 3: CA CERTIFICATE SUBMITTED BY CIAL FOR THE ASSETS COMMISSIONED IN 2ND CONTROL PERIOD

KRISHNAMOORTHY & KRISHNAMOORTHY
CHARTERED ACCOUNTANTS
PAN : AADFK0184C



Fax : 2371845
Phone : { (D) 2371845
(O) 2363676
2374654
(R) 2362744
E-mail: info@kandkca.in

CERTIFICATE

XXXIX/3217
PALIAM ROAD
COCHIN - 682 016

As required by the management of COCHIN INTERNATIONAL AIRPORT LIMITED, having Company Identification No. U63033KL1994PLC007803 with registered office at, Room No. 35, 4th Floor, GCDA Commercial Complex, Marine Drive, Cochin - 31, Ernakulum District, we have checked the books of accounts and other relevant records of the Company, for certifying the capital expenditure incurred by the company, for the purpose of submitting the same to Airports Economic Regulatory Authority of India for tariff fixation .

Based on the information made available, we certify that the company has spent an amount of Rs.1716.00 Crores (Rupees One Thousand Seven Hundred and Sixteen Crores) towards the capital expenditure for various assets during the period from 1st April 2016 to 31st March 2020, as per the details given hereunder:

1 of 2



BRANCHES AT
2B, Aashiyana, Paliyam Road, Thrissur - 680001
105 Sindhu Bairavi, Whitefield Main Road, Bangalore - 560 066

Study on allocation of assets between Aeronautical and Non-Aeronautical assets for CIAL

KRISHNAMOORTHY & KRISHNAMOORTHY
CHARTERED ACCOUNTANTS
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XXXIX/3217
PALIAM ROAD
COCHIN - 682 016

SL. NO.	NAME OF THE PROJECT	CAPITAL EXPENDITURE INCURRED (Rs. in Crores)
1.	New International Terminal related work (T3)	922.36
2.	Apron Works	172.00
3.	Additional Parking Bays, Code F Upgradation, Approach Road and other road work.	165.81
4.	Ground Handling related	58.73
5.	Other work - Including terminal modification ,new equipment purchases etc.	312.11
6.	Security related assets (PSF-SC)	84.99
	Total	1716.00**

(Rupees one thousand seven hundred and sixteen crores only)

**This excludes the grants reinstated as per INDAS transition requirement.

This certificate is issued at the request of the Company for submission to the Airports Economic Regulatory Authority of India.

Cochin - 16

19-01-2021

UDIN - 21201484AAAAAH5093



2 of 2

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm Regn. No.007488S


K.T. Mohanan
Partner
Membership No.201484

BRANCHES AT
2B, Aashiyana, Paliyam Road, Thrissur - 680001
105 Sindhu Bairavi, Whitefield Main Road, Bangalore - 560 066

EXHIBIT – 4: TERMINAL AREA ALLOCATION CERTIFICATE SUBMITTED BY CIAL

KITCO Ltd.

(Estd. In 1972 by IDBI & Govt. of Kerala)

Regd. Office: Femith's, P. B. No: 4407, Puthiya Road, NH Bypass
Vennala, Kochi 682 028, Kerala, India
Tel : +91-484-4129000 / 6129000, Fax : +91-484-2805066
E-mail: mail@kitco.in, Web: www.kitco.in

CIN : U74140KL1972GOI002425

15.09.2020

To whomsoever it may concern

We have done an assessment of the built areas of the Passenger Terminal Buildings of Cochin International Airport Limited as on date and would like to certify the following

Area Statement of the Passenger Terminals of Cochin International Airport Limited		
International Passenger Terminal		
Total Terminal Area	146528	sqm
Total Non-Aero Area	9201	sqm
Total Aero Area	137328	sqm
Non-Aero % in International Passenger Terminal	6.28	%
Domestic Passenger Terminal		
Total Terminal area	74123	sqm
Total Non-Aero Area	6671	sqm
Total Aero Area	67452	sqm
Non-Aero % in Domestic Passenger Terminal	9	%
Combined Passenger Terminal Area of Domestic & International		
Combined Non-Aero Area	15872	sqm
Combined Aero area	204780	sqm
Combined Non-Aero % of the Terminals in CIAL	7.19	%



Arul Jyothi Harry
Sr. Consultant

\\dtd\hray\2020-27\GP-887\to whomsoever it may concern.docx



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