

**GOVERNMENT OF PUNJAB  
DEPARTMENT OF CIVIL AVIATION  
ROOM NO 13-15, 17 BAYS BUILDING  
SECTOR 17-D, CHANDIGARH**

To,

Chairman,  
Airports Economic Regulatory Authority of India,  
AERA Building, Administrative Complex,  
Safdarjung Airport,  
New Delhi – 110003

Memo No. DCA(ACA)2021/ 1093  
Dated:- 15/07/2021

**Subject: - Comments on Consultation Papers No. 09/2021-22 issued in the matter of  
Tariff determination of Chandigarh International Airport Limited (CHIAL)  
for Second Control Period.**

Please refer to the subject cited above.

It is submitted that the Govt. of Punjab through GMADA is a shareholder in Chandigarh International Airport Ltd. and having stake of 24.5% which is contributed in form of cost of land acquired through market. In response to the consultation paper 09/2021-22 and subsequent stakeholders meeting held on 06.07.2021, as a stakeholder, following concern need attention of Airport Economic Regulatory Authority.

- **Point no. 2.7.3 of page no. 34 of CP** – GMADA had invested in land of CHIAL way back in the year 2015 and deferment of return on land till 2<sup>nd</sup> control period and not considering the inflationary impact over a period of time on cost of land is discouraging to the shareholders.
- **Point no. 5.2.6 of page no. 63 of of CP** – Airport Economic Regulatory Authority has proposed to take the return on land only on the land actually used for aeronautical purpose. It is requested compounding impact of cost of inflation index (CII) on cost of land from the year 2015, which was originally purchased in the year 2008 for the construction of International Terminal, may be considered. The return on cost of land for second control period may be provided on the compounded value of cost of land taking into consideration the cost of inflation index for the first control period.
- **Point no. 5.2.8 of page no. 63 of CP** –AERA vide order no. 42/2018-19 dated 5<sup>th</sup> March, 2019 informed that SBI rate plus 2% will be the return on land for the Airport operators who have purchased the land but the act is silent in case of debt free companies. It is submitted that the Airport Economic Regulatory Authority has considered the return on land for CHIAL at just 6.21% on the basis of cost of debt of AAI and considered return on only 201 acres land against the CHIAL submission of 270 acres, whereas cost of debt of other airports likes Hyderabad (8.82%), Bangalore (7.85%), Kochi (7.80%), etc. has been considered. It is worthwhile to mention that Airports Authority of India is a statutory body working under Ministry of Civil Aviation, Government of India, whereas CHIAL is a company which is registered under Companies Act and have a different credentials and not guaranteed by the Govt. of India.

It is requested that SBI Base rate + 2% as applicable as per AERA's order no. 42/2018-19 dated 5<sup>th</sup> march, 2019 may be considered.

  
15-07-2021  
Adviser, Civil Aviation