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भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

No. AAI/CHQ/AERA/MYTP-PATNA/2019 /640

11th Oct, 2019

1042/DC
11/10/19
The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi-110003

भारतीय विमानपत्तन आर्थिक विनिमायक प्राधिकरण
सफदरजंग एयरपोर्ट, नई दिल्ली-110003

प्राप्त

डाकरी न० 14322
तारीख 11/10/19

11/10/19
ACM(T)

Sub: - Replies to the comments of FIA on the Addendum to Consultation Paper No: -03/2019-20 in the matter of Determination of Aeronautical Tariff in respect of Patna Airport for the first Control Period (01.04.2018 to 31.03.2023).

Sir/Madam,

Reference is invited to email dated 04/10/2019 received from M/s Deloitte regarding comments of FIA on the addendum to Addendum to Consultation Paper No: -03/2019-20 in the matter of Determination of Aeronautical Tariff in respect of Patna Airport for the first Control Period (01.04.2018 to 31.03.2023).

The replies of the same are as under:

S. No.	Subject	Comment	AAI's reply
1.	Traffic	Bihta Airport: Documentation regarding Bihta Airport should be provided to FIA. AAI is requested to provide any policy document or factors/considerations for developing dual or multiple airports in the same city or nearby vicinities.	The rapid growth in Passenger traffic in the coming years would touch 8.3 MPPA by 2022-23 considering growth projected by AERA and Bihta alone cannot handle the growing traffic of Patna. Therefore, Bihta Airport shall be supplementing the capacity of Patna Airport and it cannot be replacement for Patna airport.
2.	Capex	Allocation of terminal building to electrical installations: FIA has requested the Authority for the basis of allocation of new	AAI has allocated capex on the basis of the abstract of cost for civil & electrical works (Copy enclosed)


		terminal building across the two asset categories - terminal building and electrical installations.	
3.	Capex	<p>Useful life of residential building and terminal building:</p> <p>FIA has submitted that the useful life for depreciation of residential building and terminal building should be 60 years, instead of 30 years considered by the Authority.</p>	AAI has followed the useful life policy of assets as prescribed by AERA for residential building and terminal building
4.	Fair Rate of Return	<p>Cost of equity in last year:</p> <p>FIA has submitted that cost of equity in last year should be 14%, instead of 16% considered by the Authority.</p>	AERA may like to give the reply.
5.	Operating expenses	<p>Consumption of electricity due to additional operational hours:</p> <p>FIA has submitted that for increase in operational hours from 19 to 24 hours (about 20%), the consumption has been assumed to increase by 40%. FIA has requested that the increase in consumption be proportional to the number of hours of increase.</p>	The consumption of electricity during night operation is on higher side comparative to day time.
6.	Non-aeronautical revenues	<p>Increase in non-aeronautical revenues for last year - retail, F&B</p>	The new terminal building will be operationalise in Oct 2022 and gestation period is normally 8 to 9 months.

		<p>and advertisement)</p> <p>FIA has submitted that the increase in non-aeronautical revenues in last year of the control period should be more, considering the operationalization of a new terminal building.</p>	<p>However, an additional increase of 5% in NAR has been considered in FY22-23 (last year of the control period).</p>
7.	Non-aeronautical revenues	<p>Clarification in calculation of revenue from new concessions:</p> <p>FIA has requested the Authority for clarification regarding how the revenue from new concessions is being calculated.</p>	<p>The amount which have been considered in the new concession are based on the value at which the concessions have been awarded through tendering process of the airport.</p>
8.	Tariff card	<p>Aviation Security Fee (ASF):</p> <p>FIA submits that the Authority should accordingly specify the amount of ASF as well as the collection charges for the same in the Tariff Card applicable for Patna Airport. FIA further submits that the Tariff Card should specify the exempted categories of passengers from the levy and collection of ASF as specified in the AIC.</p>	<p>Aviation Service Fees has not been factored while preparation of tariff of Patna airport.</p> <p>ASF is being dealt by MOCA and AIC in this regard has been issued by DGCA which is applicable at all airports specifying the charges and exemptions.</p>

Not to include in T.O. ASF to be revised

This issues with the approval of the Competent Authority.

Your sincerely


11.10.2019

(D.K. Kamra)

Executive Director (JVC & Tariff)

Annexure - I

Construction of New Domestic Terminal Building (Phase- I & II) and other allied structures at Jai Prakash Narayan International Airport, Patna.

Abstract of cost

S.No.	Description	Civil	Electrical	Total
		Amount in Rs.	Amount in Rs.	Amount in Rs.
A	AAI works			
1	Technical Block Control Tower (TBCT)	177095866.00	84304165.00	261400031.00
2	Common user Cargo Terminal (CUCT)	76029000.00	53095422.00	129124422.00
3	Fire Station, Fire Drill Tower, EMC	91014408.00	11184286.00	102198694.00
4	Terminal Building	3686683801.00	2185749471.00	5872433272.00
5	Administrative Block & Parking	105129009.00	35210411.00	140339420.00
6	MT Pool (E & M Workshop)	70550726.00	25853004.00	96403730.00
7	Residential Quarters (Type II, III, IV, V & VI)	587948641.00	126130515.00	714079156.00
8	Elevated Road with Ramps	587948504.00	0.00	587948504.00
9	Metrological Building	60692829.00	17495922.00	78188751.00
10	MLCP	464957968.00	212705815.00	677663783.00
11	Link Bridge (MLCP to TB)	41648360.00	5708291.00	47356651.00
12	Community Hall	49052487.00	11882043.00	60934530.00
13	Apron (i/c I.C 1% & GST 18%)	117265632.04	0.00	117265632.04
B	State Govt. Works			
1	03 nos. Hangars (02 State Govt. + 01 Flying Club) with offices, VIP Lounge and Flying club offices including area development	369988000.00	148323164.00	518311164.00
		6486005231.04	2917642509.00	9403647740.04
	Add labour cess @ 1% (except on S.No. 13)			92863821.08
	Add PMC Fees @ 5.69% (except on S.No. 13)			9496511561.12
	Add GST@ 18% (except on S.No. 13)			533679093.36
	Add Contingencies @ 3%			10030190654.48
	Grand Total			1784326504.04
	Say Rs.			11814517158.52
				354435514.76
				12168952673.28
				1216.90 Cr.

[Handwritten Signature]
27/11/18