



Date: 18th July 2024

To
Director (P&S, Tariff)
Airports Economic Regulatory Authority of India (AERA),
3rd Floor, Udaan Bhawan,
Safdarjung Airport, New Delhi – 110003, India

Subject: Response to Consultation Paper No. 02/2024-25 dated 18.06.2024 in the matter of determination of aeronautical tariff for Shirdi International Airport, Shirdi (SAG), for the First Control Period (01.04.2022-31.03.2027)

Dear Sir / Madam,

This is in respect to above mentioned Consultation Paper, we hereby submit our comments for the kind consideration of the Authority as below:

- 1. Expenses related to CNS/ATM services paid to AAI:** The Authority has not considered the expenses related to CNS/ATM services being paid to AAI while determining the Operating & Maintenance (O&M) expenses for True-up period as well as First Control Period. These expenses should not be disallowed or be put on hold awaiting the review of policy at AAI level as these are legitimate and also one of the major expenses in the overall expenses of the Airport Operator. The Airport Operator needs to adhere to the Concession Agreement requirements which is also a mandate for the Authority to consider under Section 13 (1)(a)(vi). Not allowing the same would put the Airport Operator in a situation where it needs to incur the expenses as per the Concession agreement and it would not be able to recover them. These are genuine expenses incurred for Airport Operations. We request the Authority to consider the expenses related to CNS/ATM services as submitted by the Airport Operator and allow it as part of ARR.
- 2. Repair and Maintenance (R&M) Expenses:** We appreciate that the Authority has acknowledged the fact that the Opening RAB (Net Block) of the airports, particularly in smaller airports, with no major CAPEX additions, gradually decreases due to depreciation; whereas, due to normal wear & tear and aging of Assets, R&M Expenses tend to increase over a period to maintain the efficiency of the operations. We also appreciate that the Authority has considered revisiting its views on restricting R&M expenses to 6% of Opening RAB and we hereby request the Authority to allow Repairs and Maintenance on actual, subject to reasonableness and efficiency, as proposed by the Airport Operator without any notional percentage capping.

We will be pleased to submit further information / clarification to the Authority if required.

Thanking You

For Ahmedabad International Airport Limited


Authorized Signatory

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