

## AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

### **MINUTES OF THE STAKEHOLDERS' CONSULTATION MEETING HELD ON 11.11.2024 AT 3:30 PM AT UDAAN BHAWAN REGARDING THE CONSULTATION PAPER NO. 05/2024-25 IN THE MATTER OF DETERMINATION OF AERONAUTICAL TARIFF FOR VARANASI INTERNATIONAL AIRPORT, VARANASI (VNS) FOR THE SECOND CONTROL PERIOD (FY 2024-25 to 2028-29).**

1. For determination of tariff for aeronautical services, section 13(4)(a) of the Airports Economic Regulatory Authority of India Act, 2008 empowers AERA to ensure transparency in the Consultation Process in the wider interest of the public and the stakeholders. Accordingly, a Stakeholders' Consultation Meeting was convened by the Authority on 11.11.2024 at 3:30 PM at Udaan Bhawan to elicit the views of the Stakeholders on the proposals made in the Consultation Paper No. 05/2024-25 dated 26.10.2024 issued by the Authority in the matter of determination of aeronautical tariff for Varanasi International Airport, Varanasi in respect of the Second Control Period (01.04.2024 – 31.03.2029). The list of participants is enclosed at **Annexure-I**.
2. At the outset, Chairperson, AERA welcomed all the participants in the Stakeholders Consultation meeting of Varanasi International Airport. He briefly outlined the agenda and the regulations under the AERA Act that guided the tariff determination for Varanasi International Airport. The due process of evaluation and assessment of the tariff proposal submitted by Varanasi International Airport /AAI for the Second Control Period had culminated in the issuance of the said Consultation Paper and the convening of the stakeholders meeting.
3. Chairperson then provided an overview of the analysis & due diligence done by the Authority in respect of MYTP submitted by the Airports Authority of India (AAI) for Varanasi International Airport. AAI had submitted the MYTP in two parts i.e. (i) true up of the First Control Period (01.04.2019 to 31.03.2024), and (ii) projections for the Second Control Period (01.04.2024 to 31.03.2029). He also informed that for each Regulatory Building Block, Consultation Paper comprehensively explains AERA's review, analysis, prudence check vis-à-vis the Airport Operator's i.e. AAI's submission and proposals.

He further stated that among the airports, whose current Control Period had commenced in FY 2024-25 (w.e.f. 01.04.2024) till FY 2028-29 (till 31.03.2029), the Varanasi airport is the first for whom the Consultation Paper has been issued by AERA.

It was further apprised that the Authority is looking forward to the views/comments of the stakeholders on the various proposals of the Authority contained in the Consultation Paper. Chairperson also re-iterated that AERA is committed to ensuring transparency as per the provisions of Section 13(4)(a) of the AERA Act, 2008. The consultation meeting is a vital step for ensuring that all stakeholders' views/comments are considered on merit before finalizing the tariff of Varanasi Airport for the Second Control Period.

Thereafter, the Chairperson invited AAI Officials to make their presentation and also invited stakeholders to present their views/comments on the various proposals of AERA as contained in the Consultation Paper No. 05/2024-25 for Varanasi International Airport.

#### Airports Authority of India

4. Mr. L. Kuppulingam, ED (JVC), AAI thanked AERA on behalf of AAI for the invitation to make presentation on the Consultation Paper. He informed that AAI's comments/views on the Consultation Paper will be presented by Mr. R. Prabhakar, GM (Finance/JVC), AAI and a brief on the Varanasi International Airport will be presented by Mr. Puneet Gupta, Airport Director.
5. Mr. Puneet Gupta, Airport Director (Varanasi), introduced himself and made a presentation in response to the AERA Consultation Paper in respect of the Varanasi International Airport, covering the following information:

a. Background Information:

- Varanasi Airport is the Code 4C Airport and the gateway to the eastern Uttar Pradesh. It connects the holy city of Varanasi to other major cities of India and abroad.
- Airport initially built in 1924 and started its commercial operation in 1950.
- In addition to being the holy city, Varanasi is also educational and medical hub of eastern region of Uttar Pradesh.

When asked why the Airport commenced its commercial operations in the year 1950 though it was initially built in 1924, the APD, Varanasi clarified that in the intervening period (from 1924 to 1950), the Airport was used for military operations.

b. Existing infrastructure & Facilities:

- The Airport has one runway and 11 parking stands and has Aircraft Rescue and Fire Fighting (ARFF) of category 07.
- The peak hour capacity of the Airport is 750 Domestic pax and 300 International pax.
- The Terminal Building has a Carpet Area of 24,000 Sqm, 4 Aerobridges, 21 Check-in counters, 169 CCTV, 500 nos. of passenger baggage trolleys.
- ATC Watch Hours – 24 hrs.

c. Passenger Amenities/ Facilities include :-

- Digi Yatra, 21 Check in counters with CUTE & 06 CUSS Facility
- Restrooms/ Tactile Flooring
- Ramp Facility for persons with reduced mobility
- FIDS (HD Display)- PA System/ Entertainment Screen, Immigration & Customs counters
- Child care room, MI room, Napkin vending machines, Bottle crushing machine

- Reading Lounge - where books are being kept by National Book Trust (NBT) at free of cost and made available to all the passengers.
- Charging stations
- Executive Lounge, Reserved Lounge
- May I Help You Counters

Chairperson AERA, complimented the Airport Operator for having a Reading Lounge in the Airport which is a new initiative worth replicating in other airports as well. Further, regarding the EV Charging Points, he suggested that the Airport may consider co-ordinating with Ministry of Power, Govt. of India, which is promoting the installation of Public EV Charging Points in public utilities without any extra financial burden on the public utility.

d. Major Ongoing Projects:

- The construction of the New Terminal Building and allied works constitutes one of the major development projects at the airport, with an investment of ₹ 963.05 Crores (package -I). Construction work is in progress and is likely to be completed by July 2027.
- The project on construction of Boundary wall for newly acquired land amounting to ₹ 17.31 Crore is also in progress and likely to be completed by December 2025.

APD stated that total project of development of Lal Bahadur Shastri International Airport, Varanasi (Phase-I), including construction of new Terminal Building, Apron Extension, Runway Extension, Parallel Taxi Track and allied works is expected to cost Rs. 2869.65 Crores approximately. The above project is likely to be completed by 2027.

e. APD, Varanasi also gave an overview of capex works completed during the First Control Period (01.04.2019 to 31.03.2024).

f. APD, Varanasi presented the Passenger and ATM projections in respect of Varanasi airport for next 10 years and also highlighted the ASQ ratings achieved by the Airport in the recent past. It was highlighted that:

- The current passenger traffic of Varanasi Airport is 3.06 MPPA and airport is expected to handle 10.56 MPPA in FY 2034-35, with the commissioning of new terminal building.
- The ATM traffic is nearing the pre-covid levels of 24,000 movements in FY 2024-25.
- ASQ rating has been maintained at the highest level, i.e. more than 4.8 in all the years from the year 2020

Chairperson, AERA enquired about the critical service quality parameters, which helped the Varanasi airport in maintaining high ASQ rating, to which the APD replied as follows:

- Passenger Facilitation: The Airport had tried to provide good facilities to disabled persons by providing the Porter service, in person support and other required facilities.
- Clean Washrooms: to enhance the customers' experience.
- Baggage efficiency: This is being taken up with the Airlines to minimise the baggage arrival time.

iv. Check-in time: the queue time is restricted to 2 minutes.

g. Connectivity:

- The Airport is connected to all major cities of India, with the weekly frequency being highest for Bengaluru (23%), followed by Delhi (22%), Mumbai (18%) and Hyderabad (14%).
- There is also a daily flight to Sharjah and four times a week to Kathmandu.

h. Cargo Terminal:

- Integrated Cargo Terminal was established in Varanasi airport in 2019.
- The Cargo Terminal has an area of 8,800 sqm with at-a-time cargo holding capacity of 16 MT in respect of international cargo and 32 MT of domestic cargo.

Chairperson, AERA asked about the kind of international cargo exported from Varanasi, to which the APD replied that Varanasi airport is exporting agriculture and perishable cargo such as vegetables, flowers, coriander etc. to Sharjah on a daily basis. The farmers are benefitting from the air cargo terminal, as they get direct access to the market in the Middle East. Chairperson advised AAI to further promote the export of international cargo from the airport.

- i. Availability of Aviation Fuel Farms: The four oil marketing companies namely IOCL, BPCL, HPCL, and Jio BP have set up their aviation fuel farms at Varanasi Airport.
- j. Implementation of new projects: APD stated that Varanasi airport has an existing area of 774 acres and have a single runway with 2745m x 45m in dimension. The existing terminal building has a PHP handling capacity of 1050 and cater to 3.9 mppa. To meet the increasing passenger traffic demand and enhance air-side infrastructure following new projects have been planned:
- New Terminal Building with 75000 sqm area.
  - Runway Extension by 1704 meters and this Runway Extension project is likely to be awarded in June 2025. Land acquisition process is taken up by the State Government on high priority.
  - Multi level carparking for 1000 vehicles.
  - New Apron for provision of 20 aircraft parking bays.
- k. Land Acquisition Status: The total additional land acquisition planned is 350 acres out of which, around 90 acres land acquisition is complete for terminal building. For runway extension project, out of total land requirement of 260 acres, the acquisition of around 200 acres of land has been completed.
- State Govt has authorized AAI to commence work on the land which has been acquired till date.
  - APD also shared pictures of the layout of the new Terminal Building, which is based on the design of the Kasi Viswanatha temple.
- l. Works awarded: APD informed that Terminal Building & associated works have already been awarded on EPC basis and construction work is going on. Further, the work related to construction of new boundary wall has also been awarded (June 2024).

Chairperson, AERA advised that due to inter-dependencies of airport project work and NHAI project (construction of underpass), it is very important to monitor the land acquisition by NHAI, because if NHAI is not able to acquire the land in time, it will directly impact the runway expansion project at Varanasi airport.

He also advised that NHAI and AAI should initiate the work concurrently on Underpass for speedy completion of Runway Extension project and AAI should coordinate very closely and regularly with NHAI for the same.

6. Thereafter, Mr. R Prabhakar, GM(Finance), AAI, introduced himself and thanked AERA for issuing the Consultation Paper for Varanasi International Airport. Mr Prabhakar made a presentation before the Authority and other stakeholders which comprised of issues pertaining to true up of the First Control Period and determination of tariff for the Second Control Period:

#### **AAI Submission for the True up of First Control Period**

##### **i. Payroll Expenses:**

- Mr. Prabhakar requested AERA to consider actual Payroll expenses claimed by AAI amounting to ₹ 108.04 Crs., as against ₹105.30 Crs. considered by AERA.

##### **ii. Terminal Building Area Allotted to Airlines:**

- The terminal building space allotted to airlines has been considered as Aeronautical by AERA. However, upon re-allocation of space allotted to airlines as per AERA approach, the non-aeronautical portion of the Terminal Building ratio has been reduced and it is in the range of 3.54% to 4.40% during the First Control Period.
- GM (Finance), AAI requested AERA to consider the space allotted to airlines as Aeronautical, while calculating the Terminal Building Ratio.

Chairperson, AERA responded that this issue would be reviewed while finalising the tariff order. However, AAI may also keep in mind that 30% of the non-aeronautical revenue is used for cross subsidization of aeronautical tariff and 70% non-aero revenue remains with AAI. Hence, AAI should try to optimally utilise the space available within the terminal building area for non-aero revenue.

Director (Tariff), AERA stated that IMG norms also recommend the non-aeronautical area, in airports having passenger traffic upto 10 MPPA should be in the range of 8% to 12%. Further, in the past, the Terminal Building Ratio for many AAI airports have been considered as 90:10 (aero: non-aero).

#### **AAI Submissions for the Second Control Period**

##### **iii. Normative Cost:**

- Mr. Prabhakar stated that AERA has considered the new Terminal Building area as 81,345 Sqm and excluded the basement area of 2,440 Sqm from the total area. To this, the Aviation Expert of AERA's Independent Consultant, clarified that only 800 sqm have been

excluded, based on the review of layout map/drawings submitted by AAI for Varanasi Airport.

- GM(Finance), AAI further stated that AERA has incorrectly applied Terminal Building Ratio (TB Ratio) on assets such as Sky Walk, Roads and Footpath and Elevated Roads, while determining the normative cost of Terminal Building. Mr. Prabhakar also stated that assets such as CTX machine, Skywalk, Underground water tank, Roads and Footpath and Elevated Roads should be considered as 100% aeronautical.

When enquired about the above assets it was explained by the Planning team that Elevated Roads, Roads and Footpaths are designed exclusively for use by the passengers. Therefore, it is not correct to apply Terminal Building ratio on such assets and it was requested to AERA to re-look these issues afresh while finalising the tariff order for the Varanasi Airport.

- Mr. Prabhakar also requested AERA to consider Terminal Building ratio of 93% instead of 90%, while apportioning costs of Art Work, PMC charges etc.

**iv. Shifting capitalization of Terminal Building by AERA from FY 2027-28 to FY 2028-29:**

- Mr. Prabhakar submitted that AERA has shifted the capitalization of Terminal building to FY 2028-29 as against AAI's proposal of capitalizing it in the FY 2027-28, due to which there is an impact of ₹ 229.98 Crs. in the computation of ARR on account of Depreciation and Return on RAB.
- Further, he informed that 99% of the land acquisition for the New Terminal is completed and Hon'ble Prime Minister of India has laid the foundation for the building on October 20, 2024. The work on Terminal Building is expected to be completed in FY 2027-28.

Mr. Sreekumar, Aviation Expert of the Independent Consultant commented that only 2/3<sup>rd</sup> of the works relating to Terminal Building have been awarded as of now and the balance packages like FIDS, CCTV, PA System, BHS etc. have not yet been awarded. APD, Varanasi & members of AAI team from Planning Directorate responded that draft tenders for the balance works are ready and AAI is hopeful of meeting the deadlines of completing the project by FY 2027-28.

Chairperson AERA stated that AERA will examine all these details while finalising the Tariff Order for the Second Control Period.

**v. Shifting capitalization of Runway/ Taxiway by AERA to the next Control Period:**

- Mr. Prabhakar submitted that AERA has shifted some portion of runway extension project to the Third Control Period. However, in this regard, 80% of the land has been acquired and balance 20% land acquisition is being done on fast mode and same will be completed in next 4 to 5 months.
- He further stated that the work is likely to be awarded by April 2025 and would be completed by FY 2028-29. He requested AERA to consider the capitalisation of all the projects under Extension of Runway in FY 2028-29.

It was clarified to AAI that completion of the project related to Extension of Runway depends on the concurrent execution of project relating to construction of Underpass by NHAI. At present the entire land required for approach roads to Underpass has not yet been acquired. Further, construction of approach roads requires rehabilitation of oustees. In this regard, AAI was asked to obtain a project timeline schedule from NHAI and synchronise the same with the AAI timeline schedule within the overall project timelines and share the same with AERA, based on which AERA may analyse the timelines for the completion of the project on Extension of Runway.

**vi. Computation of Fair Rate of Return (FRoR):**

- Mr. Prabhakar submitted that AERA has considered a notional gearing ratio of 48:52 (Debt: Equity) and Cost of Debt at 9%, for the computation of FRoR pertaining to the Second Control Period.
- He further stated that as AERA has shifted a few projects proposed by AAI for Second Control Period to the next Control Period and also shifted the capitalisation of the new Terminal Building from FY 2027-28 to FY 2028-29, the FRoR proposed by AERA (for the Second Control Period) may be applied from the year of the capitalization of Terminal Building, instead of entire Second Control Period.
- He also requested that 9% notional Interest on Debt may be considered/allowed as Interest During Construction (IDC) for the Second Control period.

It was informed to AAI that AERA has determined FRoR based on the recommendations of Niti Aayog during the PIB meeting held recently for few AAI airport projects including Varanasi Airport. Further, FRoR is to be applied for the entire Control Period and not in the year of capitalisation, as these are long term projects, for which the notional gearing ratio has been considered by AERA.

**vii. Operation & Maintenance (O&M) Expenses proposed by AAI v/s as considered by AERA:**

GM(Finance), AAI submitted the following with respect to O&M expenses proposed by AAI and that proposed to be considered by AERA.

- **Payroll Expenses:** AERA has considered 6% Y-o-Y growth in Payroll expenses, as against 7% Y-o-Y growth proposed by AAI. Further, AERA has also disallowed additional 20% increase proposed in FY 2027-28, on account of 8<sup>th</sup> Pay Commission.
- **Repairs and maintenance:** AERA has considered only ₹ 41.74 Crs. which is less than 50% of the repair and maintenance expenses claimed by AAI.
- Further, AERA has not considered 40% additional increase for R&M -Electrical and Electronics due to the capitalization of new Terminal Building (in FY 2028-29). In this regard, Mr. Prabhakar submitted that even though it will be a new building, however, most of the contracts are manpower-based Contracts/AMC/CAMC. Therefore, AERA is requested to consider one-time increase of 40% in R&M Expenses as proposed by AAI.

- **Upkeep, Utility and Outsourcing Expenses:** AERA has proposed 5% Y-o-Y growth in these expenses, as against 10% Y-o-Y increase submitted by AAI.

When enquired about upkeep expenses Mr. Prabhakar stated that these contracts are based on manpower, which is subject to quarterly revision as per Minimum Wages Act. Consultant of AERA clarified that the Upkeep contracts are negotiated for a period of 3 years and it is a composite contract, which includes cost of material and labour. It was clarified that increase in costs due to changes in statutory requirements can be considered on actual basis, at the time of true of the Second Control Period.

On the aspect of capping of R&M Expenses, it was informed that the same would be examined for all the airports on a case-to-case basis.

On conclusion of AAI's presentation, AERA invited other stakeholders to present their views/ comments.

## **7. Airport Operators**

### **7.1 GMR Group**

Mr. Rakesh Vorkala, AGM-Regulatory stated that they would submit their written comments to the Authority within the stipulated timelines.

### **7.2 Adani Group**

Mr. Chirag Parmer, Adani Group - Regulatory said that Repairs and Maintenance expenses should be considered based on actuals for safe and efficient operations of the Airport. He mentioned that they would submit written comments to the Authority within the stipulated timelines.

### **7.3 Noida International Airport**

Ms. Trisha Bedi, Head - Regulatory said that they would share their written comments to the Authority within the stipulated timelines.

## **Airlines and Airlines Associations**

### **7.4 Spicejet Airlines**

Ms. Poonam Yadav, Senior Manager- Ground Services asked clarification regarding the Terminal Building capacity, whether it is 2.5 MPPA or 3.9 MPPA. APD, Varanasi clarified that original designated capacity of the Airport in the year 2011 was 2.5 MPPA. However, after re-configuration of the terminal building, the passenger handling capacity has increased to 3.9 MPPA.

Member-I, AERA intervened and remarked that AAI's MYTP submission has considered designated passenger handling capacity of airport as 2.5 MPPA (in place of 3.9 MPPA). He advised AAI to ensure that airport's passenger handling capacity and other technical parameters are duly verified and correctly reflected in their submissions.



### **7.5 Indigo Airlines**

Mr. Lakshya Bhagnari, Senior Manager (Aero political & Industry Affairs) stated that Varanasi is an important airport which Indigo Airlines would endeavour to support and are looking forward to upgraded facilities. He informed that there are flight cancellations due to low visibility issues at Varanasi airport and airport should consider provision of CAT III lighting.

To this, ED (Planning), AAI responded that they already have provision of CAT III lighting in their master plan and same will be taken-up along with the Runway Extension work.

### **7.6 Air India Express**

Mr. Sunil Joshi, representing Air India Express said that they would share their written comments to the Authority within the stipulated timelines He also stated that the presentation given by AAI in the stakeholders' meeting may be shared with all the stakeholders.

Further, he enquired about the AUCC meeting conducted by the Airport and AAI responded that the AUCC was conducted in the year 2019.

Chairperson, AERA stated that AUCC was held long back in 2019. Hence, he advised AAI to conduct fresh AUCC meeting with all the stakeholders in respect of projects being undertaken at Varanasi Airport for the Second Control Period.

### **7.7 Air India**

Mr. Ashish Bhalla, Assistant Vice President said that they would share their written comments to the Authority.

### **7.8 Federation of Indian Airlines (FIA)**

- Mr. Ujjawal Dey, Associate Director, FIA thanked the Authority on behalf of FIA for convening of stakeholders' consultation meeting. He appreciated AERA for carrying out the detailed examination of the MYTP diligently and rationalization of Capex, Opex & ARR, which have a direct bearing on airlines & passengers.
- Mr Dey raised the matter relating to AUCC and said that as per AERA Guidelines, AUCC meeting should be held by the airport operator before issuance of Consultation Paper. In this regard he informed that during January, 2024 an invite for attending AUCC was sent by AAI and that FIA sought Project Investment File (PIF). However, neither any details were shared nor the AUCC meeting was conducted by AAI.
- Mr. Dey raised a query regarding non-aeronautical revenues (NAR) and said that NAR proposed by AAI for Varanasi Airport was only 27% of the Operation and Maintenance (O&M) Expenses of the airport and that NAR proposed by AERA was only 36% of the O&M expenses and not 50%.

Director (Tariff), AERA clarified that NAR is considered based on projected growth in passenger traffic and historical trends etc. Further, the Consultant engaged by AERA for the tariff

determination exercise clarified that NAR projected by the Airport for the Second Control Period is significantly higher than the NAR achieved during the First Control Period.

- Mr. Ujjwal also raised query on the CUTE charges levied at the Airport and why the same is not shown in the Tariff Rate Card of the airport. To this, AAI team responded that the CUTE charges are levied @ ₹ 35/- per Pax and out of this, AAI is getting Rs 24/- per pax as revenue share. AAI team further informed that the CUTE Charges levied at AAI airports are much lesser than those being levied at the PPP Airports. Further, CUTE Charges at AAI airports have been determined based on open tender.

### **Oil Companies**

#### **7.9 Hindustan Petroleum Corporation Limited (HPCL)**

Mr. Manish Kumar from HPCL enquired if there is any plan for provision of common fuel farm facility at the Airport to which APD, Varanasi airport said that HPCL's comment is noted and same will be examined.

#### **7.10 Bharat Petroleum Corporation Limited (BPCL)**

Mr. Christopher Tigga from BPCL also seconded the views of Mr. Manish Kumar (HPCL) regarding the use of common fuel farm facility at the Airport.

#### **7.11 Indian Oil Corporation Limited (IOCL)**

Mr. Amit Kabre, Dy. General Manager from IOCL thanked AERA for the opportunity extended to attend the stakeholders' consultation meeting. He also supported the common use of fuel farm facility at the airport. Mr Kabre said that they would submit their comments in writing to the Authority within the stipulated time frame.

To this ED (Planning), AAI responded that they have plans for common use fuel farm facility at Chennai, Kolkata, Bhubaneswar airports

### **Other Industry Bodies**

#### **7.12 Business Aircraft Operators Association (BAOA)**

Capt. Rajesh K. Bali complimented the Chairperson & AERA team for the extensive analysis of all the regulatory building blocks in the Consultation paper for the Varanasi airport. He said that the stakeholders' meeting was an enriching experience for him. He also complimented the Varanasi airport for initiative like Reading Room. Captain Bali requested that the Itemised Charges for Ground Handling Services may be published on the websites of the Airport Operators.

Director (P&S) informed that AERA had already issued the necessary advisory to all the airport operators in December, 2023 for uploading of approved tariff rate card pertaining to Cargo Facility, Ground Handling and Supply of Fuel to the aircrafts (CGF) Services, including itemised charges pertaining to the Ground Handling Services, at their official websites. AERA

has again issued advisory dated 05.11.2024 to airport operators for uploading the approved tariffs pertaining to CGF Services at their websites.

Chairperson, AERA directed the Tariff Division AERA to check which major airport has not yet uploaded these tariff/ charges on their websites and they may be again reminded to comply. Even the concerned stakeholders may check the websites of these major airports and inform AERA the names of airports which are yet to upload the requisite information on their websites.

### 7.13 Consumer Unity & Trust Society

Mr. Vijay Singh representing Consumer Unit & Trust Society highlighted that domestic UDF charges proposed at the Airport is very high, which is proposed to be increased from existing rate of ₹ 400 per Pax to ₹1,223 per Pax. He expressed his concern about the high Domestic UDF proposed at Varanasi airport.

AERA clarified that UDF @ ₹ 1,223/- was AAI's proposal and AERA after due diligence process and prudence check had rationalised the same while issuing the Consultation Paper for Varanasi airport. Further, AERA will take a final view on the UDF considering the views of all the stakeholders, while finalizing the Tariff Order. However, it was emphasized that when there is a growth in aviation sector, airport operator has to incur capital expenditure to augment airport infrastructure for handling increased flow of passenger traffic. For this purpose, Airport Operator brings in investment in the form of equity and debt, for which they are required to be provided a fair rate of return on their investments so as to meet the costs of running the airport in an economic and viable way.

It was highlighted that airport sector is not a static sector but rather a fast growing dynamic sector. Therefore, UDF paid by passengers also gets increased with the increase in Capex etc. to meet the rising passenger traffic. AERA's objective while determining the tariff is to protect the interest of all stakeholders including passengers and airlines while also ensuring the economic and viable operation of the airport as an entity so that in the end the tariff so determined is fair, just and reasonable.

## 8. Conclusion

In the end, Chairperson asked the Members to share their views: -

- 8.1 **Ms. V. Vidya, Member-II, AERA** on behalf of the Authority thanked all the stakeholders for their participation in the meeting and said it was a very useful discussion. She appreciated AAI for their insightful presentations and said that AERA's perspective is to assess the reasonable costs of the Airport. She also asked AAI to conduct AUCC meeting and furnish the details on normative costs of the assets.
- 8.2 **Shri D.K. Kamra, Member-I, AERA** thanked AAI for their presentations and remarked that there were issues in the MYTP submitted to AERA and the Capex details submitted in the MYTP were not in line with the Master Plan of the Airport, due to which AERA's Consultant had to put more efforts. He asked AAI to timely submit MYTPs in future with proper details, so that the examination can be performed in a timely manner. As regard to terminal building data, like

passenger handling capacity etc., AAI was advised to ensure that actual passenger handling capacity etc. matches with the figures indicated in their MYTP submission. He said that all the points raised by AAI and other stakeholders have been noted.

- 8.3 **Shri S.K.G. Rahate, Chairperson, AERA** in his concluding remarks thanked AAI for a detailed presentation and all the stakeholders for their insightful views and valuable comments. He stated that all the points raised by AAI and other stakeholders during the meeting have been noted and the same would be reviewed and considered on merits. He also appreciated the presence of most of the stakeholders in the meeting and requested the stakeholders to continue their participation in the consultation meetings in future also. It was reiterated to all the stakeholders that their written comments/views/ suggestions on the consultation paper may be submitted to AERA by 25.11.2024 which is the stipulated date for the receipt of the same, after which the written comments would be framed and uploaded on the AERA website before the issuance of final tariff order.

Director (Tariff) extended a vote of thanks to all the participants of the stakeholder Consultation Meeting.



**(Ram Krishan)**  
**Director (Tariff)**

**List of Participants:**

**Airports Economic Regulatory Authority of India**

1. Shri S. K.G. Rahate, Chairperson
2. Shri D. K. Kamra, Member-I
3. Ms. V. Vidya, Member- II
4. Shri Ram Krishan, Director (Tariff)
5. Shri Satish Kumar, DGM (Fin.) – Tariff
6. Shri Rajan Gupta, DGM (Fin.)- Tariff
7. Shri Trilok Chand, Manager (Fin.)- Tariff

**Airports Authority of India (AAI)**

1. Mr. L Kuppulingam, ED (JVC)
2. Ms. Nandita Bhatt, ED (Plg.)
3. Mr. R. Prabhakar, GM (Fin.)-JVC
4. Mr. R. Bahri, Joint GM (OPS)
5. Mr. Shri Amit Kumar GM (Plg.)
6. Mr. Puneet Gupta, Airport Director (Varanasi)
7. Mr. V. K. Pandey, DGM (Civil-Varanasi)
8. Mr. Mukesh Yadav, Jt. GM (Engg- CHQ)
9. Mr. Naseem Khurram, GM (CP&MS)
10. Mr. Rakesh Dembla, DGM (Fin.)
11. Mr. Vartika Gupta, SM (Fin.)
12. Ms. Vineeta Kumari, SM (Fin.)
13. Mr. Ravi Kanojia, Manager (Fin.)

**GMR Group**

1. Mr. Rakesh Vorkala (AGM - Regulatory)

**Adani Group**

1. Mr. Chirag Parmar

**Noida International Airport**

1. Ms. Trisha Bedi, Head Regulatory

**Airlines & Associations:**

**Spice Jet Airlines**

1. Ms. Poonam Yadav, Senior Manager Ground Services

**Indigo Airlines**

1. Mr. Lakshya Bhagnari, Senior Manager- Aeropolitical & Industry Affairs
2. Ms. Prakriti Nambiar, Senior Executive - Aeropolitical & Industry Affairs

**Federation of Indian Airlines (FIA)**

1. Mr. Ujjwal Dey, Associate Director

**Air India Express**

1. Mr. Sunil Joshi

**Air India**

1. Mr. Ashish Bhalla, AVP GRC
2. Mr. Piyush Kharbanda, Manager GRC

**Oil Companies:****Hindustan Petroleum Corporation Limited (HPCL)**

1. Shri Manish Kumar Sinha, Chief Manager Operations

**Bharat Petroleum Corporation Limited (BPCL)**

1. Mr. Christopher Tigga

**Indian Oil Corporation Ltd. (IOCL)**

1. Sh. Amit Kabre, Dy. General Manager (Aviation)

**Other Industry Bodies:****Business Aircraft Operators Association (BAOA)**

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