



Ref No: JIAL/CO/AERA-MYTP/2023/1

22nd April, 2023

To,

The Chairperson,

Airports Economic Regulatory Authority of India,
AERA Building, New Administrative Block,
Safdarjung Airport,
New Delhi- 110003.

Sub: Submission of Multi Year Tariff Proposal (MYTP) by Jaipur International Airport Limited (JIAL) for True up period (From COD to 31st March 2022) & Projections for Third Control Period (FY2022-23 to FY2026-27)

Dear Sir,

The Authority vide order No. 10/2017-18 dated 4th August 2017 approved the existing tariff for Jaipur International Airport till 31st March 2021, vide Order No. 42/2021-22 dated 14th March 2022 extended the said tariff till 30th September 2022. It was extended till 31st March 2023 vide Order No. 22/2022-23 dated 20th September 2022 and it is now further extended till 30th September 2023 vide Order No. 41/2022-23 dated 22nd March 2023. Further, recently AERA vide Order No. 03/2023-24 dated 20th April 2023 has allowed JIAL to levy Ad Hoc Tariff for Domestic Cargo Handling Services till 30th September 2023.

A clarification was sought for the Control Period for Jaipur, Guwahati & Jaipur Airports on 15th April 2022, against which the Authority vide its Public Notice No 05/2022-23 dated 20th June 2022 decided as under:

4. Accordingly, in view of position explained in the preceding paras, which makes it difficult for AERA to stick to original tariff cycle in case of these three Airports, Concession Agreements and the request received from the Airport Operator, the Authority takes the following decision:

(i) To shift the Control Period for Guwahati, Jaipur and Jaipur Airports from 01.04.2021-31.03.2026 to 01.04.2022-31.03.2027. The periodicity of the Control Period will be five years only.

(ii) To consider the true up for 01.04.2021 to 31.03.2022 at the time of determination of tariff for the Third Control Period as per AERA policy.

Jaipur International Airport Limited
(Formerly known as Adani Jaipur International Airport Limited)
Adani Corporate House,
Shantigram, Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad 382 421
Gujarat, India
CIN: U63033GJ2019PLC110077

Tel. +91 79 2656 5555
Fax +91 79 2555 5500
adaniairports@adani.com
www.adani.com

Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421



(iii) This issue will be suitably highlighted in the Consultation Paper to be issued by the Authority for determination of Aeronautical tariff for the Third Control Period in respect of Guwahati, Jaipur and Trivandrum Airports.

(iv) The decision to shift the start of the tariff period by one year while keeping the Control Period of 05 years as per the provisions of AERA Act is taken under exceptional circumstances as elaborated above.

In line with the Authority's decision, we hereby submit the Multi Year Tariff Proposal for Jaipur International Airport Limited (JIAL) for the True up period (from COD to 31st March 2022) and determination of Aeronautical Tariff for Third Control Period starting from 1st April 2022 to 31st March 2027 for kind consideration and approval of the same.

We shall be pleased to provide any further information that Authority may require in this regard.

Thanking you

Yours truly,

For Jaipur International Airport Limited,

Manoj Chanduka
Authorized Signatory

Enclosures: -

1. Multi Year Tariff Proposal along with annexures
2. Financial Model in Excel format

Jaipur International Airport Limited
(Formerly known as Adani Jaipur International Airport Limited)
Adani Corporate House,
Shantigram, Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad 382 421
Gujarat, India
CIN: U63033GJ2019PLC110077

Tel. +91 79 2656 5555
Fax +91 79 2555 5500
adaniairports@adani.com
www.adani.com



**BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AT NEW DELHI**

**SUBMISSION OF MULTI YEAR TARIFF PROPOSAL FOR AND ON BEHALF OF:
M/S JAIPUR INTERNATIONAL AIRPORT LIMITED (JIAL)**

I, Manoj Chanduka, aged 56, resident of Gujarat, India acting in my official capacity as authorized signatory in M/s Jaipur International Airport Limited having its registered office at Adani Corporate House, Shantigram, S G Highway, Ahmedabad, 382421 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s Jaipur International Airport Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include (i) Business Plan; (ii) Information pertaining to physical assets; (iii) Information relation to the Regulatory Building Blocks; (iv) Historical and Forecasted Volumes; and (v) Historical Revenue, are correct and true to my knowledge and belief and nothing material has been concealed there from.

For Jaipur International Airport Limited,

Manoj Chanduka

Authorized Signatory

Place: Ahmedabad

Date: 22nd April, 2023

Jaipur International Airport Limited
(Formerly known as Adani Jaipur International Airport Limited)
Adani Corporate House,
Shantigram, Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad 382 421
Gujarat, India
CIN: U63033GJ2019PLC110077

Tel. +91 79 2656 5555
Fax +91 79 2555 5500
adaniairports@adani.com
www.adani.com



Confidential Information

With reference to this MYTP, JIAL will make various submissions/providing information, including but not limited to the information being submitted along with this MYTP, from time to time to the Authority.

JIAL would request the Authority to maintain the confidentiality of financial information and commercial agreements by not sharing any such information in the public domain. JIAL would not have objections with the Authority publishing documents that should be available to public under any other law or are already under public domain. JIAL's MYTP business plan containing financials are requested not to be placed in public. The following legal agreements which contain commercially sensitive data for which parties have the responsibility to maintain confidentiality and/or are the property of parties signing them should not be published for common access:

- Any communication between AEL/AAHL/JIAL and AAI/Authority
- Commercial Agreements/arrangements/Letter of Awards/Bid documents etc.



Multi Year Tariff Proposal for Jaipur International Airport Limited (JIAL) (Formerly known as Adani Jaipur International Airport Limited) for True up period (from COD to 31st March 2022) and Determination of Aeronautical Tariff for Third Control Period (from 1st April 2022 to 31st March 2027)

22nd April, 2023



Contents

1. Background	10
2. Methodology to determine Aggregate Revenue Requirement (ARR).....	15
3. True-up for Second Control Period	18
4. Passenger Traffic, Air Traffic Movements (ATMs) and Cargo forecasts for TCP	31
5. Capital Expenditure for TCP.....	38
6. Cargo Handling Operations in TCP	103
7. Fuel Farm Operations in TCP.....	108
8. Ground Handling Operations in TCP.....	114
9. Allocation Methodology for TCP.....	115
10. Depreciation on Regulatory Asset Base for TCP	120
11. Regulatory Asset Base for TCP	122
12. Fair Rate of Return for TCP.....	123
13. Operation & Maintenance for TCP	127
14. Inflation considered for TCP	157
15. Non-Aeronautical Revenue for TCP.....	158
16. Aeronautical Income Tax for TCP	161
17. Airport Service Quality.....	163
18. Aggregate Revenue Requirement (ARR) for TCP	167
19. Annual Tariff Proposal for TCP	168
20. Annexures	169



List of Abbreviations

AAHL	Adani Airport Holdings Limited
AAI	Airports Authority of India
AAICLAS	Airports Authority of India Cargo Logistics and Allied Services Company Limited
AEL	Adani Enterprises Limited
AERA	Airports Economic Regulatory Authority of India
AIC	Aeronautical Information Circular
ANS	Airport Navigation Services
AO	Airport Operator
AOCC	Airport Operations Control Center
AODB	Airport Operations Data Base
ARFF	Aviation Rescue and Fire Fighting
ARR	Aggregate Revenue Requirement
ASQ	Airport Service Quality
ATC	Air Traffic Control
ATM	Air Traffic Movements
ATRS	Automatic Tray Retrieval System
AUCC	Airports Users Consultative Committee
BCAS	Bureau of Civil Aviation Security
BHS	Baggage Handling System
BMA	Baggage Makeup Area
BRS	Baggage Reconciliation System
CA	Concession Agreement
CAGR	Compounded Annual Growth Rate
CAPM	Capital Asset Pricing Model
CBR	California Bearing Ratio
CCR	
CISF	Central Industrial Security Force
COD	Commercial Operations Date
CoD	Cost of Debt
CoE	Cost of Equity
CNS/ATM	Communications, Navigation and Surveillance Systems for Air Traffic Management
CPI	Consumer Price Index
CPWD	Central Public Works Department
CUTE	Common User Terminal Equipment
CWIP	Capital Work In Progress
DGCA	Directorate General of Civil Aviation
ERP	Equity Risk Premium
ETD	Explosive Trace Detector
FIDS	Flight Information Display Systems
FRoR	Fair Rate of Return



GA	General Aviation
GoI	Government of India
GSE	Ground Support Equipment
GST	Goods & Service Tax
HOS	Head of Stand
HVAC	Heating, Ventilation and Air Conditioning
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICC	Integrated Cargo Complex
IDC	Interest During Construction
ILHBS	In-Line Hold Baggage Screening
IMD	India Meteorological Department
IMG	Inter-Ministerial Group
JDA	Jaipur Development Authority
JGE	Jaipur Gemstone Exchange
JIA	Jaipur International Airport
JIAL	Jaipur International Airport Limited
LoA	Letter of Award
MoCA	Ministry of Civil Aviation
MPPA	Million Passengers Per Annum
MoU	Memorandum of Understanding
MSSR	Mono-pulse Secondary Surveillance Radar
MYTP	Multi Year Tariff Proposal
NAR	Non-Aeronautical Revenue
NCAP	National Civil Aviation Policy
OLS	Obstacle Limitation Surfaces
ORAT	Operational Readiness and Airport Transfer
O&M	Operation & Maintenance
Pax	Passengers
PBB	Passenger Boarding Bridge
PBG	Performance Bank Guarantee
PCN	Pavement Classification Number
PHP	Peak Hour Passenger
PIDS	Perimeter Intrusion Detection System
PIF	Project Information File
PPP	Public Private Partnership
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RAJSICO	Rajasthan Small Industries Corporation Limited
RESA	Runway End Safety Area
RET	Rapid Exit Taxiways
RfP	Request for Proposal
RWY	Runway
SBD	Self-Baggage Drop
SCP	Second Control Period



SMR	Surface Movement Radar
SOFR	Secured Overnight Financing Rate
SPV	Special Purpose Vehicle
STP	Sewage Treatment Plant
TCP	Third Control Period
UDF	User Development Fee
UPS	Uninterruptible Power Supply
WDV	Written Down Value Method
WIPA	Work In Progress Asset
WPI	Wholesale Price Index
XBIS	X-ray Baggage Inspection System
YoY	Year On Year



1. Background

- 1.1. Jaipur International Airport (JIA) is the first airport in the state of Rajasthan. Jaipur International Airport (IATA: JAI, ICAO: VIJP) is an international airport serving Jaipur, the capital of Rajasthan. It is the 11th busiest airport in India in daily scheduled flight operations. It is spread over a site area of 776.19 acres and has a single runway. Currently passenger traffic at JIA is handled from terminal 2 (T2) for both domestic and international passengers. T2 has built-up area of about 29,246 sqm having a capacity of 5 MPPA. In 2019, AAI renovated terminal 1 (T1) to process international traffic. Area of T1 is approximately 11,529 sqm however, currently it is not operational.
- 1.2. Jaipur International Airport (JIA) has a single runway, with orientation 09-27, measuring 3,407m in length and 45m in width. It can handle a wide range of aircrafts. The airport has been designated as Code 4E.
- 1.3. The Government of India (GoI), in an attempt to bring expertise, enterprise, professionalism, investments, and efficiency in service delivery to airports, decided to privatize the operations, management, and development of Jaipur International Airport (JIA), Jaipur.
- 1.4. Accordingly, the Airports Authority of India (hereinafter referred to as "AAI") invited proposals, through a global competitive bidding process, for the operations, management, and development of JIA, while prescribing technical and commercial terms and conditions. In a competitive bidding, Adani Enterprises Limited (AEL) emerged as the highest bidder to operate, manage, and develop JIA.
- 1.5. Having evaluated the bids and having received security clearance from the Ministry of Home Affairs, GoI, AAI accepted the bid of AEL, and issued a Letter of Award (LOA). As per the Concession Agreement, AEL has promoted and incorporated the Special Purpose Vehicle (SPV) – Jaipur International Airport Limited (JIAL), as the concessionaire under the Companies Act, 2013. JIAL signed the Concession Agreement with AAI on 19th January 2021 for



exclusive right to operate, manage and develop Jaipur Airport for a period of 50 (fifty) years from the Commercial Operations Date (COD).

- 1.6. Subsequently, AEL incorporated a 100% subsidiary named Adani Airport Holdings Limited (AAHL). As on date, AEL holds 100% shareholders equity in JIAL, directly or indirectly through AAHL.
- 1.7. JIAL achieved Commercial Operations Date (COD) on 11th October 2021.
- 1.8. The Concession Agreement between AAI and JIAL (refer Annexure – A) and Memorandum of Understanding between Gol and JIAL (refer Annexure – B) provides JIAL the right to levy aeronautical and non-aeronautical charges from users effective from the COD.
- 1.9. With respect to JIAL's right to demand User Fees for aeronautical and non-aeronautical services, the Concession Agreement¹ states that:

"On and from COD and till the Transfer Date, the Concessionaire has the sole and exclusive right to demand, collect and appropriate Fees from the Users for the provision of the Aeronautical Services and Non-Aeronautical Services, including the airlines and passengers, in accordance with the provisions of the Regulatory Framework and this Agreement including the terms set out in Schedule R (Memorandum of Understanding), provided that the Concessionaire may determine and collect Fees at such lower rates as may be agreed with the Users or any category of Users in accordance with the Applicable Laws and Applicable Permits."

Additionally, the Memorandum of Understanding² entitles JIAL to levy, collect and appropriate aeronautical charges from the COD, from the users of the JIA at the tariff rates approved by AERA.
- 1.10 In accordance with the same, AAI issued a notification to all the stakeholders of JIA informing that JIAL commenced operation from 11th October 2021 and

¹ Clause 28.1.1. of the Concession Agreement

² Clause 2.2.5 of the Memorandum of Understanding



shall be entitled to demand and collect fees in accordance with the provisions of the Concession Agreement.

A copy of said notification is enclosed herewith and marked as Annexure C.

- 1.11 As mentioned above, JIAL has an exclusive right to demand, collect and appropriate fees from COD onwards at the rates determined by AERA. As an interim measure, JIAL applied to AERA vide letter with reference no. AJIAL/CO/AERA-IT/2021/1 dated 27th August, 2021 to allow the existing rates at JIA from COD till 31st Mar 2022. Subsequently, AERA vide order No. 22/2020-21 dated 6th Oct 2021 stated the following: -
- (i) The new Airport Operator, M/s Adani is allowed to levy and collect the existing Aeronautical Tariffs as per the Tariff Orders mentioned at Table-I [(A) & (B)] above, at the International Airports of Jaipur, Trivandrum and Guwahati from their respective CODs (ref. Table-II) till the period ending 31.03.2022, or, till regular determination of tariff for the 3rd Control Period, whichever is earlier.*
 - (ii) The Airport Operator shall submit MYTP for 3rd Control Period well in time as per the provisions of AERA Regulatory Guidelines and as per the timelines specified in the Concession Agreement with AAI.*
- 1.12 Subsequently, JIAL vide letters JIAL/CO/AERA-IT/2022/1 dated 23rd February 2022, JIAL/CO/AERA-IT/2022/3 dated 1st September 2022 and JIAL/CO/AERA-IT/2023/1 dated 2nd March 2023 respectively asked for extension of existing rates till 30 September 2022, till 31 March 2023 and then till 30 September 2023 respectively, for which JIAL received approval from the Authority as per Order No. 42/2021-22 dated 14th March 2022, Order No. 22/2022-23 dated 20th September 2022 and Order No. 41/2022-23 dated 22nd March 2023 respectively.
- 1.13 In addition to Airport activities, JIAL will also be providing Cargo Handling services at the JIA. JIAL vide letter no. JIAL/CO/AERA-IT/2023/2 dated 10th March 2023 requested AERA for an ad-hoc approval of domestic cargo charges to be levied at JIA for cargo handling services in line with approved



cargo charges for AAICLAS. Recently, AERA vide Order No. 03/2023-24 dated 20th April 2023 has allowed JIAL to levy Ad Hoc Tariff for Domestic Cargo Handling Services till 30th September 2023.

1.14 On 15th April 2022, a clarification was sought from AERA on the commencement of control period in respect of three Airports viz., Guwahati, Jaipur and Jaipur.

AERA decided the following vide Public Notice No. 05/2022-23 dated 20th June 2022:

Accordingly, in view of position explained in the preceding paras, which makes it difficult for AERA to stick to original tariff cycle in case of these three Airports, Concession Agreements and the request received from the Airport Operator, the Authority takes the following decision:

- (i) To shift the Control Period for Guwahati, Jaipur and Trivandrum Airports from 01.04.2021-31.03.2026 to 01.04.2022-31.03.2027. The periodicity of the Control Period will be five years only.*
- (ii) To consider the true up for 01.04.2021 to 31.03.2022 at the time of determination of tariff for the Third Control Period as per AERA policy.*
- (iii) This issue will be suitably highlighted in the Consultation Paper to be issued by the Authority for determination of Aeronautical tariff for the Third Control Period in respect of Guwahati, Jaipur and Jaipur Airports.*
- (iv) The decision to shift the start of the tariff period by one year while keeping the Control Period of 05 years as per the provisions of AERA Act is taken under exceptional circumstances as elaborated above.*

1.15 JIAL through this document aims to submit a detailed Multi Year Tariff Proposal (MYTP) for the True up period starting from 11th October 2021 to 31st March 2022 and for 3rd Control Period from 1st April 2022 to 31st March 2027 (TCP) of JIA.

Features of the Airport:

1.16 The traffic handled by JIA between FY2017 to FY2022 is given in the table below:

Year	Pax (Nos)			ATMS (Nos)			Cargo (MT)		
	Dom.	Int.	Total	Dom.	Int.	Total	Dom.	Int.	Total
2016-17	3,332,496	450,962	3,783,458	28,596	3,744	32,340	13,503	2,623	16,126
2017-18	4,229,961	527,217	4,757,178	38,069	4,220	42,289	12,822	3,482	16,304
2018-19	4,866,742	604,481	5,471,223	42,019	4,166	46,185	14,918	3,595	18,513
2019-20	4,502,569	528,992	5,031,561	35,872	3,612	39,484	15,186	2,313	17,499
2020-21	1,719,937	130,250	1,850,187	17,753	1,180	18,933	11,784	420	12,204
2021-22	2,768,167	175,004	2,943,171	25,790	1,367	27,157	13,982	198	14,180

*Above table includes total domestic ATMs, which comprise both ATMs less than 80-seater and ATMs more than 80-seater. Less than 80-seater aircraft movements account for approx. 20% of total domestic ATMs. JIAL requests AERA to kindly take cognizance of the fact.

1.17 Technical and Terminal building details of JIA are provided in the table below:

Particulars	Details
Total airport area	776.19 acres Carved Out approx. 11.08 Acres Demised approx. 765.11 Acres
Total covered area of Terminal Building (TB)	Terminal 1 – 11,529 sqm, Terminal 2 – 29,246 sqm as per area statement received from AAI on 23 rd January 2023. A copy of AAI's letter is enclosed herewith and marked as Annexure D.
Existing Passenger Capacity	5 MPPA (for Terminal T2 as Terminal T1 is non-operational)
Main Runway orientation and length	Runway 09/27, dimension 3,407m x 45m
Apron	Apron C: 14 bays (Total) (3 nos. B747-400 / A340-600 + 3 nos. B767-400 + 4 nos. A321 / B737-900 + 4 nos. ATR 72 / Q400) Apron D: 19 bays (Total) (19 nos. A321 / B737-900)

2 Methodology to determine Aggregate Revenue Requirement (ARR)

- 2.1. The Concession Agreement³ defines the regulator and regulatory framework as the following:

“Regulator” means AERA or any other entity as may be designated by Gol for determination of Aeronautical Charges for the Airport as per Applicable Laws, as the case may be.”

“Regulatory Framework” means the framework adopted by the Regulator as per the Applicable Laws, including the AERA Act and Airports Economic Regulatory Authority (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011.”

- 2.2. As per the Concession Agreement⁴:

“The GOI has, through the National Civil Aviation Policy, dated June 16, 2016, approved, (“Shared-Till Approval”) the 30% (thirty percent) shared-till framework for the determination and regulation of the Aeronautical Charges for all airports in India, and the same shall be accordingly considered by the Regulator for the purposes of the determination of the Fees/Aeronautical Charges pursuant to the provisions of this Agreement.”

- 2.3. As per clause 13 (1) of the AERA Act, 2018, the authority shall determine the tariff for aeronautical services taking into consideration “the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise.”

- 2.4. The methodology adopted by the Authority to determine tariff is based on AERA Act, 2008 (AERA Act) and the AERA (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011 dated 28th February 2011 (Tariff Guidelines).

³ As per definitions of Concession Agreement

⁴ Clause 28.3.2. of the Concession Agreement

- 2.5. Further, tariff is based on 'hybrid till' method wherein 30% of non-aeronautical revenues is used to cross-subsidize ARR (Order No. 14/ 2016-17 "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" dated 12.01.2017).
- 2.6. The Authority shall determine the ARR for the current control period on the basis of the following Regulatory Building Blocks:
- Regulatory Asset Base (RAB)
 - Depreciation (D);
 - Fair Rate of Return applied to the Regulatory Asset Base (FRoR x RAB);
 - Operation and Maintenance Expenditure (O);
 - Taxation (T);
 - Revenue from services other than aeronautical services (NAR).
- 2.7. Based on the building blocks provided above, the formula for determining ARR under Hybrid Till is as follows:

$$ARR = \sum_{t=1}^5 (ARR_t) \text{ and}$$

$$ARR_t = (FRoR \times RAB_t) + D_t + O_t + T_t - 30\% \text{ of } NAR_t$$

Where:

- 't' is the Tariff Year in the Control Period;
- ARR_t is the Aggregate Revenue Requirement for year 't';
- FRoR is the Fair Rate of Return for the control period;
- RAB_t is the Regulatory Asset Base for the year 't';
- D_t is the Depreciation corresponding to the RAB for the year 't';
- O_t is the Operation and Maintenance Expenditure for the year 't', which includes all expenditures incurred by the Airport Operator(s) including expenditure incurred on statutory operating costs and other mandate operating costs;
- T_t is the corporate tax for the year 't' paid by the airport operator on the aeronautical profits; and



- NAR_t is revenue from services other than aeronautical services for the year 't'

2.8. JIAL has adopted a similar approach for determination of aeronautical revenues as stated in the guidelines of AERA, as also in line with AERA Act and as mandated under the Concession Agreement.

2.9. A true up of all regulatory blocks in the next control period is required as per AERA methodology. In respect to the true-up till COD, it is to be provided by AAI to AERA for consideration. The same may be taken into account by the Authority while determining True Up for SCP. Further, JIAL has done calculations of true-up of the period from COD to 31st March 2022 and projections for the Third Control Period from 01st April 2022 to 31st March 2027.

2.10. JIAL has capitalised financing allowance using the formula provided by the Guidelines, 2011:

$$\text{Financing Allowance} = R_d \times \left(WIPA_{t-1} + \frac{\text{Capex} - \text{SC} - \text{CA}}{2} \right)$$

Where

- (i) R_d is the cost of debt determined by the Authority
- (ii) SC are the capital receipts
- (iii) CA are the commissioned assets

3. True-up for Second Control Period

True-up for SCP upto COD and related clauses under the Concession Agreement signed between AAI and JIAL

- 3.1. In January 2023, AAI & JIAL team members jointly carried out the physical verification of the assets and have signed the joint verification fixed asset register as on COD. The summary of the signed statement is as follows: -

S. No.	Particulars	No. of Assets	Amount (₹ in Crores)
A1	Aeronautical assets handed over to JIAL	760	514.31
A2	Non-Aeronautical assets handed over to JIAL	144	0.06
A3	ANS assets handed over to JIAL	40	4.34
	TOTAL	944	518.71

Joint asset reconciliation statement signed with AAI for assets handed over to JIAL on COD is provided as Annexure E.

- 3.2. As per the provisions of the Concession Agreement, JIAL is required to pay to AAI the amount of WDV (Written Down Value Method of Depreciation) of assets as on COD. The amount paid by JIAL to AAI for assets as at 31st March 2018 (Estimated Deemed Initial RAB) was INR 253 Crores for Aeronautical Assets and INR 2.56 Crores for Non-Aeronautical Assets. Invoices received from AAI for Estimated Deemed Initial RAB and Initial Non-Aeronautical Investment are enclosed herewith and marked as Annexure F.

- 3.3. **The amounts paid for Estimated Deemed Initial RAB is subject to final reconciliation by AERA to arrive at the Adjusted Deemed Initial RAB as per below clauses of CA including adjustment for over-recovery or under-recovery of true-up amount relating to period before COD.**

*"28.11.3 (a) It is agreed by the Parties that the Concessionaire shall be liable to pay to the Authority an amount equivalent to the investments made by the Authority in the Aeronautical Assets as of the COD and considered by the Regulator as part of the Regulatory Asset Base, subject to requisite reconciliation, true-up and final determination by the Regulator of the quantum of such investment ("**Deemed Initial RAB**")."*



*(b) The estimated depreciated value of investments made by the Authority in the Aeronautical Assets at the Airport as on March 31, 2018 is Rs. 253,00,00,000 (Rupees Two Hundred and Fifty Three Crores) ("**Estimated Deemed Initial RAB**"). It is agreed by the Parties that the Estimated Deemed Initial RAB shall be due and payable by the Concessionaire to the Authority within 90 (ninety) days of COD*

*28.11.4 Pursuant to the payment of the Estimated Deemed Initial RAB, and upon the reconciliation, true-up and final determination by the Regulator of the quantum of the investment under 28.11.3(a), any surplus or deficit in the Estimated Deemed Initial RAB with respect to the Deemed Initial RAB shall be adjusted as part of the Balancing Payment that becomes due and payable as per Clause 31.4 after the expiry of 15 (fifteen) days from such final determination by the Regulator, with due adjustment for the following ("**Adjusted Deemed Initial RAB**"):*

(a) reduced to the extent of over-recoveries, if any, of Aeronautical Revenues by the Authority until the COD, that the Regulator would provide for as a downward adjustment while determining Aeronautical Charges for the next Control Period; or

(b) increased to the extent of under-recoveries, if any, of Aeronautical Revenues by the Authority until the COD, that the Regulator would provide for as an upward adjustment while determining Aeronautical Charges for the next Control Period.

The amount(s) to be paid by the Authority or Concessionaire shall be the present value of Adjusted Deemed Initial RAB calculated using the fair rate of return as determined by the Regulator for the time period from the COD to the date of actual payment of the Adjusted Deemed Initial RAB.

28.11.5 Upon reimbursement of such amount by the Concessionaire to the Authority, the Deemed Initial RAB will, in addition to the investments made by the Concessionaire, be considered for the purpose of determination of Aeronautical Charges by the Regulator.

(a) The Authority undertakes to make any required supporting submissions to the Regulator towards such consideration and determination by the Regulator.



(b) The Parties shall submit to and request the Regulator to separately identify the Deemed Initial RAB in future determinations of Aeronautical Charges with regard to consideration of depreciation, required returns, etc.

*28.11.6 For the purpose of this Clause 28.11, "**Control Period**" and "**Regulatory Asset Base**" shall have the meaning set forth in Airports Economic Regulatory Authority (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011."*

28.12 "It is agreed by the Parties that the Concessionaire shall pay to the Authority an amount equivalent to the estimated depreciated value of investments made by the Authority in the Airport as of the COD towards development of Non-Aeronautical Assets ("Initial Non-Aeronautical Investments").

The estimated depreciated value of investments made by the Authority towards development of the Non-Aeronautical Assets at the Airport as on March 31, 2018 is Rs. 2,56,00,000 (Rupees Two Crores and Fifty Six Lakhs) ("Estimated Initial Non-Aeronautical Investments"). It is agreed by the Parties that the Estimated Initial Non-Aeronautical Investments shall be due and payable by the Concessionaire to the Authority within 90 (ninety) days of COD.

28.12.3 Pursuant to the payment of the Estimated Initial Non-Aeronautical Investments, and upon the final determination by the Independent Engineer of the quantum of the Initial Non-Aeronautical Investments, any surplus or deficit amount(s) to be paid by the Authority to the Concessionaire or the Concessionaire to the Authority, as the case may be, shall be adjusted as part of the Balancing Payment that becomes due and payable as per Clause 31.4 after the expiry of 15 (fifteen) days from such final determination.

28.12.4 The amount(s) to be paid by the Authority or Concessionaire pursuant to Clause 28.12.3 shall be the present value of the same, calculated using the fair rate of return as determined by the Regulator for the time period from the COD to the date of actual payment of such amount(s).

31.4 Reconciliation

31.4.1 Every quarter the balancing payment (reflecting netting of amounts which are due and payable as reimbursement, adjustment or otherwise, or as



Damages which are not paid, or not recovered from the Performance Security or the Bid Security, as the case may be, under this Agreement) (the "Balancing Payment") shall be calculated by the Authority who shall deliver its calculation and statement to the Concessionaire within 15 (fifteen) days of the end of each quarter of an Accounting Year. Each such statement shall have attachments reasonably supporting evidence of all amounts claimed. For the avoidance of any doubt, Balancing Payment calculated under this Clause 31.4.1 shall not take into account the Monthly Concession Fee for such calculation, but shall include any adjustment pursuant to Clause 27.5.

31.4.2 On receipt of the Authority's statement under Clause 31.4.1, the Concessionaire shall have 20 (twenty) days in which to (a) approve or (b) require recalculations and amendments. Both Parties shall maintain sufficient records to enable verification of all the Authority's statements made under Clause 31.4.1. Failure by the Concessionaire to comment on any Authority's statement within the above 20 (twenty) day period shall be deemed to constitute approval.

31.4.3 If the Authority does not submit its calculation of the Balancing Payment within 10 (ten) days of the end of any quarter of an Accounting Year, the Concessionaire shall be entitled to submit such calculation, together with attachments reasonably supporting evidence of all amounts claimed, and in such event, the provisions of Clause 31.4.2 above shall apply to the Parties in reverse.

Capital Work in Progress (CWIP):

- 3.4. With respect to JIAL's obligations to pay AAI any amount incurred by AAI as on COD with respect to the contracts related to works-in progress, the Concession Agreement states the following⁵:

"6.4.5 Work in Progress

Notwithstanding anything to the contrary in this Clause 6.4, the Concessionaire shall be liable to pay to the Authority such amounts as may have been incurred by the Authority as on the COD in respect of the

⁵ Clause 6.4.5. of the Concession Agreement



contracts relating to works-in-progress as have been set forth in Schedule T. Such amounts shall be intimated by the Authority with supporting documents and details within 30 (thirty) days of COD and shall be due and payable by the Concessionaire to the Authority within a period of 90 (ninety) days thereon.

The Parties shall constitute a committee comprising representatives of the Concessionaire, Authority and each of the counterparties under such contracts, which committee shall be responsible for: (a) facilitating any discussions and/ or interactions amongst AAI, the Concessionaire and the counterparties under such contracts, including in respect of any modifications to the works, and (b) coordinating, facilitating, and monitoring the progress of such works-in-progress. The Concessionaire shall be responsible to incur any additional cost towards completion of such work-in-progress assets after COD.

Upon reimbursement by the Concessionaire to the Authority, of amounts as may have been incurred by the Authority as on the COD for such work-in-progress assets as provided for above, and completion of such works-in-progress by the Concessionaire, such works-in-progress assets shall form part of the Airport.

The amounts reimbursed by the Concessionaire to the Authority and additional amounts incurred by the Concessionaire for completion of such work-in-progress assets shall be considered as investments made by the Concessionaire in creation of such assets for the purpose of determination of Aeronautical Charges by the Regulator. In the event that any part of the amounts reimbursed by the Concessionaire to the Authority pursuant to this Clause 6.4.5 are not considered for pass-through by the Regulator due to any act or omission on the part of the Authority, the adjustment towards any differences in the amounts reimbursed by the Concessionaire to the Authority and the amounts considered for pass-through by the Regulator shall be undertaken as part of the Balancing Payment that becomes due and payable as per Clause 31.4 immediately after the determination of the Aeronautical Charges by the Regulator."



- 3.5. JIAL received CWIP invoices (refer Annexure G) from AAI totalling INR 15.56 Crores (excluding GST). The assets under CWIP were subsequently completed and capitalised in books of accounts of JIAL.

True-up for period from COD till 31st March 2022

3.6. As mentioned earlier, TCP commences from 1st April 2022. However, JIAL started operations from COD, i.e. 11th October 2021. Accordingly, JIAL is entitled for a true-up for the interim period between COD to 31st March 2022. The following table summarizes the submission of JIAL under various regulatory blocks:

Particulars (in INR Crores)	COD to 31 st March 2022
Opening RAB as on COD	518.71
Closing RAB as on 31 st March 2022	493.49
Average RAB	506.10
Add: FRoR return @14% on Average RAB	33.39
Add: Operating expenses	49.03
Add: Expenses pertaining to pre-COD period incurred to achieve successful transition of operation and management of Airport from AAI to PPP*	7.24
Add: Depreciation	29.98
Add: Taxes	-
Less: 30% of Non – Aero revenues	(2.83)
ARR (A)	116.81
Actual Aero Revenues earned (B)	63.00
True-up (A-B)	53.81
Present Value (PV) of True-up @14.76% as on 31st March 2023	61.76

Summary of information used for True-up calculation is as follows:

Items	Assumption	Remarks
Fair Rate of Return	14%	Considered in line with AERA order for Second Control Period
Operating Expenditure	Manpower AAI INR 15.19 Crores Manpower ADANI INR 4.53 Crores Utility Expenses INR 2.72 Crores IT Expenses INR 0.67 Crores Rates & Taxes INR 0.06 Crores Security Expenses INR 2.68 Crores Corporate Allocation INR 5.18 Crores Collection Charge on UDF INR 0.23 Crores Administrative Expenses INR 2.99 Crores Insurance INR 0.58 Crores R&M INR 7.05 Crores Other Operating Exp INR 2.96 Crores Bank & Finance Charges INR 0.24 Crores Working Capital Interest INR 0.35 Crores Independent Engineer INR 1.80 Crores	The same can be referred from audited financial statement provided as Annexure H . Working capital interest is calculated on net cash requirement during the period. As detailed in Chapter 10, all expenses are considered to be expense relating to Regulated Assets and services.

	Total	INR 49.03 Crores	
Non-Aeronautical Revenues	Master Concession Building Rent Other Income Car Parking Total	INR 5.00 Crores INR 3.26 Crores INR 1.05 Crores INR 0.12 Crores INR 9.42 Crores	In the financial statement total non-Aeronautical revenues is INR 8.99 Crores. Further there are other income of Rs 0.42 Crores added in the same.
Aeronautical Revenues	Landing & Parking Ground Handling UDF CUTE and BRS Other Income Total	INR 17.28 Crores INR 0.59 Crores INR 43.46 Crores INR 1.76 Crores INR 0.08 Crores INR 63.00 Crores	In the financial statement total Aeronautical revenues is INR 63.00 Crores
Expenses pertaining to pre-COD period incurred to achieve successful transition of operation and management of Airport from AAI to PPP*	INR 7.24 Crores		Refer detailed note provided below
Regulated Asset Base and Depreciation	Opening RAB as on COD transferred from AAI as per joint asset register signed (A) Add: Assets Capitalised During period from COD to 31 st March 2022 (B) Less: Depreciation calculated for Opening RAB based on balance useful life of the asset (useful life as per Chapter 10 is considered) (C1) Less: Depreciation on new assets capitalised as per useful life provided in AERA order (C2) Closing RAB = A + B - C Average RAB = (Opening RAB + Closing RAB)/2		Refer 3.2 point above about the reconciliation of opening RAB agreed with AAI. As detailed in Chapter 10, all assets are considered to be Regulated Assets Due to timing difference of reconciliation of opening RAB with AAI, the depreciation amount will not match with depreciation amount provided in the financial statements.

***Expenses incurred to achieve successful transition of operation and management of Airport from AAI to PPP**

- Adani Enterprises Limited (AEL) was announced the successful bidder for Jaipur Airport in February-2019. As the Concession agreement was a part of the Bid, AEL was aware of its obligations and responsibilities under the Concession Agreement and about the activities that were required to be undertaken to achieve the



successful Commercial Operations Date (COD). This process was akin to Operational Readiness and Airport Transfer (ORAT) activity which is done when green field facility is commissioned at Airport. When an old asset is taken over by a new owner with a responsibility to maintain superior service standards which are not supported by the existing infrastructure and bottlenecks, it is akin to a greenfield asset from the operations perspective.

- The Concession agreement mandated certain activities/obligations to be performed by the Airport Operator prior to COD so that the transition from AAI to AO is smooth. These activities covered many areas like operational readiness, familiarization & training, Trial programs, Airport facility assessment, capability building & human resource management, observation period, financial closure etc. Being an operating Airport, these were important from the perspective of Airport users and passengers as well. The relevant provisions of the CA for ready reference are as:-

Extract of relevant clauses from the Concession Agreement:

Clause 16.5 Observation Period prior to COD:- There was a requirement to have 60 days of observation period before COD whereby Concessionaire’s team was to work along with AAI’s team to understand the Airport operations. In order to have a dedicated Airport team to be ready for participation in Observation period Concessionaire is required to hire personnel well before the time.

Further As per Clause 5.8 of the CA, Concessionaire is obligated to have trained personnel employed all the time. Before taking over the Airport, the AO is required to hire people who are trained to take care of safe operations of the Airport.

As per Clause 4.1.3 of the CA, as a condition precedent; Concessionaire needs to fulfill the following activities: -

Particulars	Details
Submission of PBG within 120 days of signing of CA.	Submission of PBG requires engagement with various Banks, lenders and financial institution. This also requires dedicated finance team to work with various financial institutions.
Procure all the applicable permits	All the necessary applicable permits need to be obtained which encompass all the functions of the Airport: - Operational like CTO, Fire NOCs, Clearance of BoD Financial – GST / PAN / TAN Engineering & Maintenance – Travelators, Weights & Measures, Single Line, HR Compliances – Shops & Establishment / ESI / PSF / CLRA Security – Clearance of Aviation Security Program

Particulars	Details
	In order to process and obtain the necessary applicable permits adequate manpower had to be onboarded well before the COD so that necessary applications are made timely, and approvals are obtained.
List of construction works to be undertaken in the first seven concession years	In order to provide list of construction works, Master planning needed to be undertaken which required engagement of master planner, designer, architects, town planners etc. Further under clause 5.12 of the CA Obligations relating to aesthetic quality of the Airport it is stated that "The Concessionaire shall engage professional architects and town planners of repute for ensuring that the design of the Airport meets the aforesaid aesthetic standards"
Execution of the escrow agreement as per Schedule M	This requires engagement with banks, lenders, financial institutions to perform the necessary documentation.

Clause 6.4.5 Works In Progress: - Concessionaire is obligated to pay CWIP amounts to AAI. *"The Parties shall constitute a committee comprising representatives of the Concessionaire, Authority and each of the counterparties under such contracts, which committee shall be responsible for: (a) facilitating any discussions and/ or interactions amongst AAI, the Concessionaire and the counterparties under such contracts, including in respect of any modifications to the works, and (b) coordinating, facilitating, and monitoring the progress of such works-in-progress."*

In order to assess, the works in progress both physical and financial, necessary teams were engaged from master planning, designing, asset health check, vendor management and financial experts.

Clause 10.2 Lease, Access, and Right of Way:- Concessionaire is allowed to take necessary surveys, investigations etc of the property prior to COD to assess various risks associated with the site.

This activity required engagement of various experts and agencies.

Clause 10.3 Procurement of the Site:- Both AAI and Concessionaire need to undertake joint inspection of site, inventory of buildings, structures, roads works etc.

This required dedicated finance, operations and engineering & maintenance team in place for joint inspection and asset health check.

Clause 15.1 / 26.1 Commercial Operation Date / Financial Close:- In order to achieve COD, financial close is a mandatory requirement.



To make financial projections necessary studies were required to be undertaken like traffic study, revenue potential study, capex planning based on master planning, estimation of capex, operating cost estimation, engagement of financial consultant, financial modelling etc. This required engagement of consultants and also in-house corporate finance team.

Clause 18.17 Maintenance Programme :- On or before COD, Concessionaire needs to submit detailed Maintenance Programme which shall include: (a) preventive maintenance schedule; (b) arrangements and procedures for carrying out urgent repairs; (c) criteria to be adopted for deciding maintenance needs; (d) intervals and procedures for carrying out inspection of all elements of the Airport; (e) intervals at which the Concessionaire shall carry out periodic maintenance; (f) arrangements and procedures for carrying out safety related measures; and (g) intervals for major maintenance works and the scope thereof. **In order to prepare the Maintenance Programme a dedicated Engineer's team involvement was required. Further this required investigation and detailed health study of the existing assets. The detailed study was conducted by engagement of both in-house team and expert consultants.**

Clause 28.1 Collection of Fees by the Concessionaire: - On and from COD and till the Transfer Date, the Concessionaire has the sole and exclusive right to demand, collect and appropriate Fees from the Users for the provision of the Aeronautical Services and Non-Aeronautical Services, including the airlines and passengers, in accordance with the provisions of the Regulatory Framework. **In order to collect the fees from COD onwards necessary IT infrastructure was required to be set up which included SAP, AODB, AOCC, Billing Systems, Passenger Data Collection System. In addition, it required Engagement of Finance team, assessment of existing IT Infrastructure, engagement of IT experts and experts who understood the regulatory framework.**

Clause 28.8 Display of Aeronautical Charges:- Website was required to be ready and necessary aeronautical charges needed to be provided on the website. This required creation of websites, domains, engaging IT experts, domain experts, experts from regulatory framework etc.

Clause 30.3 Insurances:- No later than 30 (thirty) days prior to commencement of the Concession Period, the Concessionaire shall by notice furnish to the Authority, in reasonable detail, information in respect of the insurances that it proposes to take. **This required engagement of insurance agents, risk measurement, assessment of asset value, risk mitigation plan etc.**

Various other requirements under the CA which entailed onboarding of personnel/consultants: -

- Operational SOPs



- Clause 23 - Readiness of Performance Measurement Plan
- Schedule H - to obtain ACI Membership
- Schedule 1 - Submission of Aerodrome Emergency Plan prior to COD
- 18.15.4 Establishing Airport Safety Management Unit (ASMU)
- Formation of various committees - JCC for CNS ATM, MoU, Capex, Right of Way
- Aeronautical Information Services
- Apron Management Unit

From the foregoing submissions, it is evident that without having proper manpower and professional support it would not have been possible to achieve transition of airport from AAI to JIAL as mandated under the CA. These activities were required to be performed prior to COD. JIAL has incurred expenditure of INR 7.24 Crores to achieve successful COD. In the financial statement the amount is reflected as Intangible Assets as per accounting principles. However, for MYTP purposes the same has been considered as operating expenditure in the first year of operation.

Particulars	INR Crores	Remarks
Expenses till letter of award	1.72	Majorly includes bid advisory expenses
Expenses from letter of award to COD	5.52	Majorly includes Salaries, professional services, and corporate Allocation
Total	7.24	



Disclaimer for GST on Opening RAB and CWIP

As described in detail in Chapter 3 above, as per CA clause 28.11 JIAL is required to make payment of Estimated Deemed Initial RAB and Initial Non-Aeronautical Investment. In addition, as per CA clause 6.4.5 JIAL is required to make payment of CWIP as on COD. JIAL had received invoice from AAI for RAB and CWIP exclusive of GST. AAI had taken legal opinion on applicability of GST on RAB and CWIP invoices and based on the said opinion, AAI requested JIAL to provide necessary indemnity bond in case in future GST amount is payable by AAI to tax authorities on RAB and CWIP invoices. JIAL submitted the necessary indemnity bonds (Refer Annexure I for the Indemnity Bonds). If in future, AAI is required to bear the GST, which based on indemnity bond inter-alia will be recovered by AAI from JIAL, the GST amount will be added to the Initial RAB and CWIP. For the time being, the Initial RAB and CWIP numbers provided in this MYTP are exclusive of GST. JIAL hereby, reserves the right to include the GST and to revise the Initial RAB and CWIP and thereby the MYTP or shall be considered in subsequent control periods as part of true-up, depending on the future outcome of the matter.

We request AERA to kindly take note of the above submissions and make necessary disclosures in the tariff order.



4. Passenger Traffic, Air Traffic Movements (ATMs) and Cargo forecasts for TCP

Impact of COVID-19

- 4.1. The airlines and airports industries were one of the worst affected sectors due to Covid-19 in FY21 and FY22, as countries across the World imposed travel restrictions and lockdowns in different phases.
- 4.2. India's aviation sector faced an unprecedented situation in March 2020, when the government grounded all scheduled domestic and international air services. While it took two months for domestic operations to recommence (domestic operations recommenced on 25th May 2020), international travel recommenced largely on account of repatriations, chartered, and bubble flights by both Indian and foreign operators still leaving travel operations out of ambit.
- 4.3. Total passenger traffic at Indian airports fell by 66.3% annually in FY2020-21 to 115 million passengers, a level last seen in FY2007-08, which comprised of 105 million domestic airport passengers and 10 Mn international pax.
- 4.4. The second wave in 2021 and third wave in Jan 2022 coupled with economic slowdown impacted a number of travel segments and the aviation sector as a whole.
- 4.5. Full international operations commenced from 27th March 2022.

Robust recovery of Traffic in India

- 4.6. As per ICRA March 2023 Aviation outlook (refer Annexure J): - *The international passenger traffic steadily increased in the past 12 months and is expected to reach 85% - 86% of pre Covid levels by end FY 2023 Domestic traffic recovered to 100% of pre Covid levels from December 2022 and is expected to reach more than 98% of pre Covid levels in FY 2023 Overall*



passenger traffic is expected to recover to 95 % of pre Covid levels to reach 324 - 327 million in FY 2023

Exhibit 6: Total passenger traffic (in million)

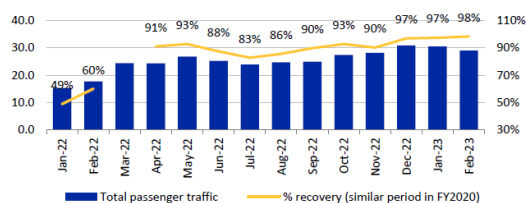


Exhibit 7: Domestic passenger traffic (in million)

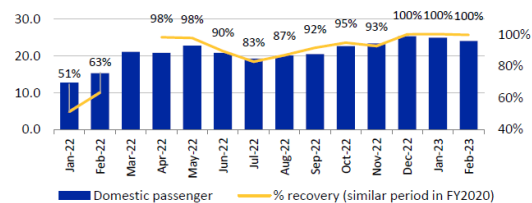
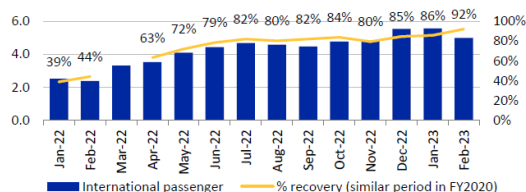


Exhibit 8: International passenger traffic (in million)



- Domestic passenger traffic reached more than 100% of pre-Covid levels in Dec 2022 and remained stable at around 100% in Jan & Feb 2023. Domestic traffic in FY2023 is expected to recover to more than 98% of pre-Covid levels.
- Post resumption of international commercial operations from March 27, 2022, international passenger traffic steadily increased and reached 92% of pre-Covid levels in February 2023. International traffic is expected to reach 85%-86% of pre-Covid levels for FY2023 (vs FY2020 level). Overall passenger traffic is expected to recover to 95-96% to reach ~ 324-327 million in FY2023.
- With resumption of business travel, sustained growth in leisure travel, increase in operational airports along with improvement in air connectivity to tier II cities/ tourist destinations and improvement in international travel on account of lower restrictions, the overall passenger traffic is estimated to witness growth of 12-14% in FY2024 to reach 365-368 million.

- 4.7 As per OAG report on Aircraft Supply Capacity as on December-22 -
- 4.7.1 The Airlines seat supply capacity in India has reached to 95% of the Pre-COVID period.
- 4.7.2 Indigo Airline seat supply capacity has reached more than Pre-COVID period.

Top 20 Country Market Capacity (Mn seats)

Country	2019	2020	2021	2022	% Change Year on Year	% Change V's 2020	% Change V's 2019
USA	1,145	678	883	1,062	20.30%	56.60%	-7.20%
China	836	684	783	666	-14.90%	-2.60%	-20.30%
India	211	127	153	199	30.00%	56.50%	-5.70%
Japan	215	138	106	150	41.60%	8.30%	-30.10%
Spain	159	65	85	146	70.90%	125.60%	-8.20%
United Kingdom	178	67	59	142	140.50%	110.10%	-20.50%
Brazil	134	66	85	119	40.10%	79.50%	-11.00%
Indonesia	154	117	86	112	30.70%	-3.90%	-27.20%
Germany	160	58	60	108	80.10%	85.20%	-32.80%
Italy	119	49	60	106	78.50%	119.20%	-10.30%
Mexico	96	61	83	106	27.30%	72.10%	10.00%
Russian Federation	125	87	113	105	-6.90%	20.10%	-15.90%
France	117	50	59	99	68.10%	97.20%	-15.60%
Australia	107	42	49	83	69.50%	97.90%	-22.90%
Canada	106	42	39	82	110.60%	93.30%	-23.00%
Viet Nam	71	51	40	67	68.80%	30.80%	-5.90%
United Arab Emirates	76	32	38	64	67.40%	97.90%	-15.70%
Saudi Arabia	68	34	42	61	47.50%	78.90%	-9.60%
Turkey	117	58	81	54	-32.90%	-6.70%	-53.90%
Colombia	44	18	35	54	53.00%	200.00%	21.10%

Top 20 Airlines Capacity

Airline	2019	2020	2021	2022	% Change Year on Year	% Change V's 2021	% Change V's 2019
American Airlines	265	157	217	248	14.60%	58.10%	-6.30%
Delta Air Lines	243	139	186	210	13.10%	51.60%	-13.70%
Southwest Airlines	211	149	169	208	23.30%	39.70%	-1.30%
United Airlines	200	102	141	178	26.20%	74.60%	-11.10%
Ryanair	151	68	88	170	92.40%	149.40%	12.00%
China Southern Airlines	141	112	123	107	-13.70%	-5.10%	-24.50%
China Eastern Airlines	134	98	116	101	-12.80%	2.80%	-24.60%
IndiGo	89	56	72	99	37.30%	76.50%	12.00%
Turkish Airlines	93	42	64	89	40.80%	114.00%	-4.10%
Easyjet	106	39	39	88	123.20%	128.10%	-16.70%
LATAM Airlines Group	87	38	52	82	56.70%	117.10%	-5.80%
Air China	94	69	80	66	-17.70%	-4.40%	-29.40%
Deutsche Lufthansa AG	92	31	35	64	82.80%	109.80%	-30.10%
Emirates	76	27	31	55	76.30%	103.40%	-27.20%
Alaska Airlines	59	36	47	53	12.90%	48.30%	-10.50%
All Nippon Airways	74	58	36	52	46.40%	-9.80%	-29.80%
JetBlue Airways Corporation	52	27	40	51	27.50%	90.40%	-1.90%
Air France	60	30	34	50	47.90%	69.70%	-16.50%
Spirit Airlines	42	27	41	49	20.70%	80.10%	16.90%
Air Canada	66	24	21	48	126.40%	102.00%	-26.30%

4.8 The trend of recovery of Pre-COVID traffic achieved in the recent period⁶ is as follows : -

- Actual traffic (Dom +Intl) from April 2022 to February 2023 was ~ 296 million all over India which is approx. 92% recovery of Pre-COVID traffic of 323 million April 2019 to February 2020).
- Actual ATMs (Dom +Intl) from April 2022 to February 2023 was ~ 2,279,328 all over India which is approx. 95% recovery of pre-COVID traffic of 2,392,828 from April 2019 to February 2020).

4.9 It is opined by various aviation experts that passenger traffic for Domestic sector will reach Pre-COVID in FY22-23 and international traffic will reach Pre-COVID in FY23-24.

Traffic projections for TCP

4.10 The traffic at JIA increased at a CAGR of 20% to 5.47 Mn in FY2019 from 1.80 Mn passengers in FY 2013. At JIAL, the ratio of Domestic and International is approx. 90%:10%. **However, due to the impact of Covid-19 in FY 2021, CAGR may not be a good indicator to gauge the recovery growth of passenger traffic.**

⁶ AAI Aero Traffic News

4.11 The following table illustrates the traffic for previous 4 years and post COVID recovery trend:

Particular	Apr 2019 - Mar 2020	Apr 2020 - Mar 2021	Apr 2021 - Mar 2022	Apr 2022 - Mar 2023	Recovery in FY22-23 vs FY19-20
Passenger Traffic (No.)	5,031,561	1,850,187	2,943,171	4,856,810	96%
Air Traffic Movements (No.)	39,484	18,933	27,157	43,589	110%

In April 2022 to March 2023, the passenger and ATM has reached 96% and 110% respectively of Pre-COVID level.

4.12 A study of traffic for JIA was undertaken by a Third Party, M/s Mott Macdonald. As per the Mott-Macdonald study (Refer Annexure K), the traffic growth rates and traffic forecasts for the TCP for JIA are as follows:

Passenger Traffic (Pax) and Pax growth rate forecasts for JIA for TCP

Year	Passenger Traffic			Growth rate		
	Dom	Intl	Combined	Dom	Intl	Combined
2019-20* (Pre-COVID)	4,502,569	528,992	5,031,561			
2020-21*	1,719,937	130,250	1,850,187	-62%	-75%	-63%
2021-22*	2,768,167	175,004	2,943,171	61%	34%	59%
2022-23	4,442,927	413,883	4,856,810	61%	136%	65%
2023-24	6,497,250	609,283	7,106,533	46%	47%	46%
2024-25	7,569,363	659,835	8,229,198	17%	8%	16%
2025-26	8,259,979	713,221	8,973,200	9%	8%	9%
2026-27	8984088	769387	9,753,475	9%	8%	9%

* Actuals as per AAI Aero traffic news

Air Traffic Movements (ATM) and ATM growth rate forecasts for JIA for TCP

Year	ATM			Growth rate		
	Dom	Intl	Combined	Dom	Intl	Combined
2019-20* (Pre-COVID)	35,872	3,612	39,484	-15%	-13%	-15%
2020-21*	17,753	1,180	18,933	-51%	-67%	-52%
2021-22*	25,790	1,367	27,157	45%	16%	43%
2022-23	40,647	2,942	43,589	58%	115%	61%
2023-24	55,156	4,342	59,498	36%	48%	36%
2024-25	64,889	4,759	69,648	18%	10%	17%
2025-26	70,520	5,119	75,639	9%	8%	9%
2026-27	76,395	5,498	81,893	8%	7%	8%

* Actuals as per AAI Aero traffic news

4.13 Further it is to be noted that JIA handles significant volumes of ATM which are less than 80-seater capacity, some of which are under RCS category. Based on historical trend, for the purpose of revenue projection in the MYTP, less than 80-seater capacity category ATMs has been considered as approx. 20% of domestic ATMs.

Please refer below table indicating the historic volume of Domestic ATMs which are less than 80-seater:

Month	Less than 80-Seater ATM	Other ATM	Total ATM	Exempt ATM %
	(A)	(B)	(C = A + B)	(D = A / C x 100)
Oct-21	438	2,321	2,759	16%
Nov-21	812	2,412	3,224	25%
Dec-21	800	2,752	3,552	23%
Jan-22	568	1,712	2,280	25%
Feb-22	448	1,707	2,155	21%
Mar-22	986	2,160	3,146	31%
Apr-22	978	2,157	3,135	31%
May-22	990	2,212	3,202	31%
Jun-22	846	2,071	2,917	29%
Jul-22	780	2,038	2,818	28%
Aug-22	882	1,959	2,841	31%
Sep-22	766	1,924	2,690	28%
Oct-22	794	2,337	3,131	25%
Nov-22	770	2,495	3,265	24%
Dec-22	858	2,847	3,705	23%
Jan-23	806	2,486	3,292	24%
Total	12,522	39,281	51,803	24%

4.14 Similarly, the historical trend of exempt category of passengers is 3% (as indicated in table below), which has been considered for the purpose of revenue projections in the MYTP.

Month	Exempt Pax (Transit, Infant & Diplomat)	Total Pax	Exempt Pax %
Nov-21	8,090	413,864	1.95%
Dec-21	9,515	445,657	2.14%
Jan-22	6,343	230,470	2.75%
Feb-22	7,697	304,143	2.53%
Mar-22	5,505	400,014	1.38%
Apr-22	7,434	361,139	2.06%

Month	Exempt Pax (Transit, Infant & Diplomat)	Total Pax	Exempt Pax %
May-22	18,449	360,786	5.11%
Jun-22	10,442	330,461	3.16%
Jul-22	8,316	320,181	2.60%
Aug-22	9,360	346,303	2.70%
Sep-22	8,081	333,132	2.43%
Oct-22	8,231	389,811	2.11%
Nov-22	9,813	426,379	2.30%
Dec-22	11,954	496,770	2.41%
Jan-23	12,198	462,730	2.64%
Grand Total	147,058	5,621,840	2.30%

4.15 In view of GoI/MoCA guidelines, the aircrafts less than 80-seater and RCS category are exempt from landing charges. Further, as per DGCA circular AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019, certain category of passengers (Transit/transfer passengers, Children below 2 years, Diplomatic passport holders, Airline Crew etc.) are exempt from UDF. The relevant circulars/guidelines are enclosed herewith and marked as Annexure L. Accordingly, for the purpose of revenue projection, JIAL request the Authority to consider the billable traffic after adjustment of the above is made in Total ATM and Total Pax Traffic in line with practice adopted across all major airports.

4.16 Therefore, in order to show correct revenue, while calculating the revised aeronautical charges, the ATM and Passenger traffic is suitably adjusted to account for only billable ATMs and billable Passengers. The adjusted billable ATM and Passengers after excluding exempted categories are as follows:

Adjusted Billable Air Traffic Movements (ATM) forecasts for JIA for TCP:

Year	Dom	Intl	Combined
2022-23	32,518	2,942	35,460
2023-24	44,125	4,342	48,467
2024-25	51,911	4,759	56,670
2025-26	56,416	5,119	61,535
2026-27	61,116	5,498	66,614



Adjusted Billable Pax Traffic forecasts for JIA for TCP

Year	Dom	Intl	Combined
2022-23	4,309,639	409,744	4,719,383
2023-24	6,302,333	603,190	6,905,523
2024-25	7,342,282	653,237	7,995,519
2025-26	8,012,180	706,089	8,718,269
2026-27	8,714,566	761,693	9,476,259

4.17 Based on Mott Macdonald traffic forecast, the Cargo forecasts and growth rate for JIA for TCP is as follows:

Year	Domestic	Intl	Combined	Domestic	Intl	Combined
2019-20*	15,186	2,313	17,499	2%	-36%	-5%
2020-21*	11,784	420	12,204	-22%	-82%	-30%
2021-22*	13,982	198	14,180	19%	-53%	16%
2022-23	16,472	1,916	18,388	18%	868%	30%
2023-24	23,699	2,633	26,332	44%	37%	43%
2024-25	27,481	2,862	30,343	16%	9%	15%
2025-26	30,238	3,104	33,342	10%	8%	10%
2026-27	33,158	3,360	36,519	10%	8%	10%

* Actuals as per AAI Aero traffic news

4.18 JIAL is expected to process certain cargo volumes out of the total volume at its own Cargo facility as discussed in Chapter 6.

5. Capital Expenditure for TCP

5.1. JIAL is required to undertake the operation, development, maintenance, and management of the airport to meet the requisite performance standards to ensure its obligations as described under the Concession Agreement (CA). As outlined in CA, the design, construction, modernization, up-gradation, and operation of the Airport shall comply with all Service Quality requirements as set out in Schedule H (Annex I) of CA and IATA Level of Service Optimum.

5.2. As required under the Concession Agreement, JIAL, in accordance with Clause 12.2 of Article 12 and in compliance with requirements set forth in Schedule A (and its Annex II and III), Schedule B (and its Annex I), Schedule C and Schedule H (Annex I) of the Concession Agreement, has finalized the Proposed Master Plan for development of JIA. JIAL has identified basic improvements projects to be implemented in five-year period from 1st April 2022 to 31st March 2027. The master plan has been prepared, based on a traffic forecast study carried out by JIAL with the support of Mott MacDonald, for the concession period of 50 years. JIAL has proposed projects which can be broadly classified under the following categories:

- 5.2.1. Passenger Terminal & Associated works
- 5.2.2. Airside Improvement Works
- 5.2.3. Ancillary Building Works
- 5.2.4. Development of Cargo Facilities
- 5.2.5. ATF storage and distribution system
- 5.2.6. Utilities
- 5.2.7. Environment Related
- 5.2.8. Sustaining / Minor Capex Works

5.3. Passenger Terminal & Associated works

5.3.1. Mott Macdonald has carried out the study on traffic projections along with daily distribution flight simulation. Based on the same, following peak hour capacity and terminal area requirement is projected: -

Peak Hour Projection Vs Peak Hour Available Capacity

Peak Hour Forecasts	Unit	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
							Upto Q3
Domestic Arrivals	Nos	419	798	1111	1167	1154	1197
Domestic Departures	Nos	431	833	1176	1176	1107	1179
International Arrivals	Nos	126	218	276	291	289	338
International Departures	Nos	126	218	276	291	289	302
Total PHP required	Nos	1,102	2,067	2,839	2,925	2,839	3,016
PHP Supply During the TCP							
Terminal 1	Nos				400	400	400
New Terminal 3	Nos						
Terminal 2	Nos	900	900	900	1,200	1,200	1,200
Total PHP available	Nos	900	900	900	1,600	1,600	1,600
Area requirement in TCP							
Area Requirement based on 35 sq mtr per peak passenger	Sqm	38,570	72,345	99,365	102,375	99,365	105,560
Area Availability/ planned for TCP							
Terminal 1	Sqm				11,529	11,529	11,529
New Terminal 3	Sqm	-	-	-	-	-	0
Terminal 2	Sqm	29,246	29,246	29,246	34,516	34,516	34,516
Total Area Supplied	Sqm	29,246	29,246	29,246	46,045	46,045	46,045

As can be seen from above, the terminal capacity is severely constrained and there is need to increase the terminal area. Considering the limited land availability at Jaipur, JIAL has projected to increase terminal capacity in a modular fashion as follows: -

Jaipur International Airport has two terminals. Terminal 1 located at south side of the runway, currently is non-operational and Terminal 2, located at north side of runway handles all passenger operations. The terminal 1 has an area of approximately 11,529 sqm and can handle around 400 passengers at



a time. Terminal 1 was commissioned in 1985, which was refurbished in 2019 by AAI. Terminal 2, with an area of approximately 29,246 sqm with handling capacity of around 900 passengers, is an integrated terminal and handles domestic & international passengers.

T1 is proposed to be improved to commence international operations thus releasing load from T2. Refurbishment works are proposed for T2 to improve the user experience and operational efficiency. A new terminal T3 is proposed and planned to be made operational by FY 2027.

5.3.2 Terminal 2 Upgradation and associated works

T2 is currently handling both domestic and international traffic. The current peak hour passenger handling capacity (900) is already exhausted.

Below are few pictures of congestion at T2:



Congestion on the Arrival kerb Side.



Congestion at Check in Queuing area in Peak hour



Space constraint at boarding gate queuing



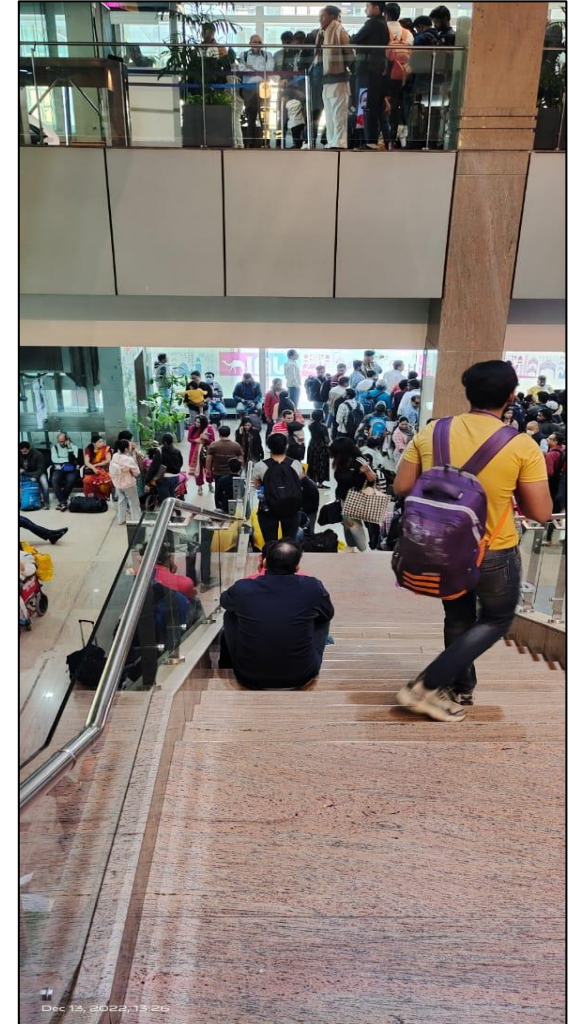
Congestion at Arrival Baggage claim area



E-Gate queuing pre security Check area is mixing with Check in queue



Congestion in Security Check area

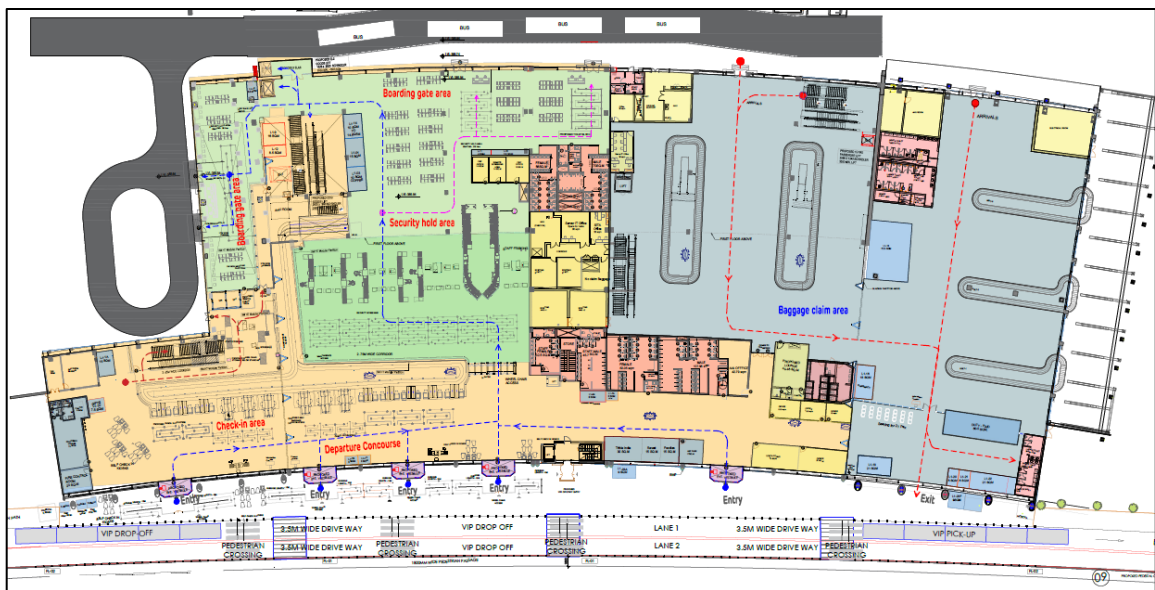


Congestion at Bus Gate during Peak

Since T1, after improvisation and commissioning, will cater to international traffic, T2 modifications are proposed considering only domestic operations. To improve passenger experience and optimize the usage of the available floor area, JIAL proposes to carry out following upgradation works and improvements in processing at terminal 2:

Straightening Check-in Hall, realigning and reconfiguring Check-in counters to accommodate Self-bag drops (SBDs):

The existing check-in hall had several functional problems, including crossflows of domestic and international traffic, crowding near the entrance vestibule, difficult wayfinding, underutilization of space, etc. Therefore, it is proposed to realign and relocate the check-in counters in a straight line to make flows more unidirectional and thereby improve functionality, visibility, and wayfinding, add 12 numbers of SBDs and 15 numbers of self-check-in kiosks by replacing earlier traditional check-in counters.

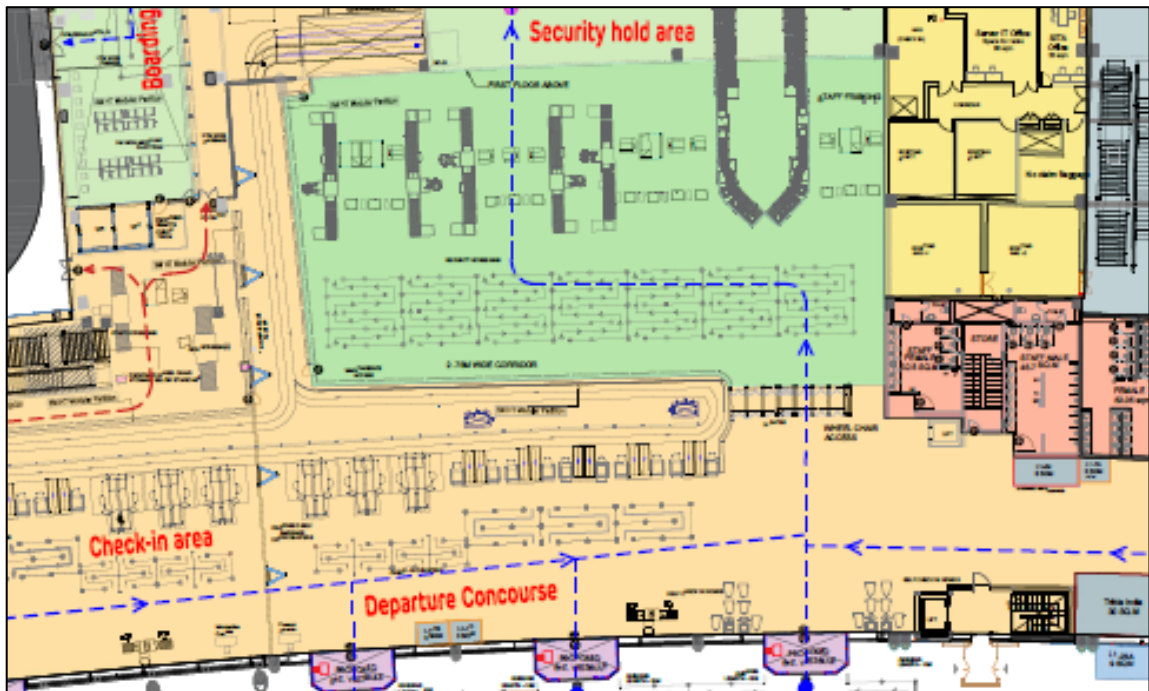


PROPOSED GROUND FLOOR OF TERMINAL T2

Relocating all Domestic Security Check lanes in one location and enhancing Security lanes by adding ATRS:

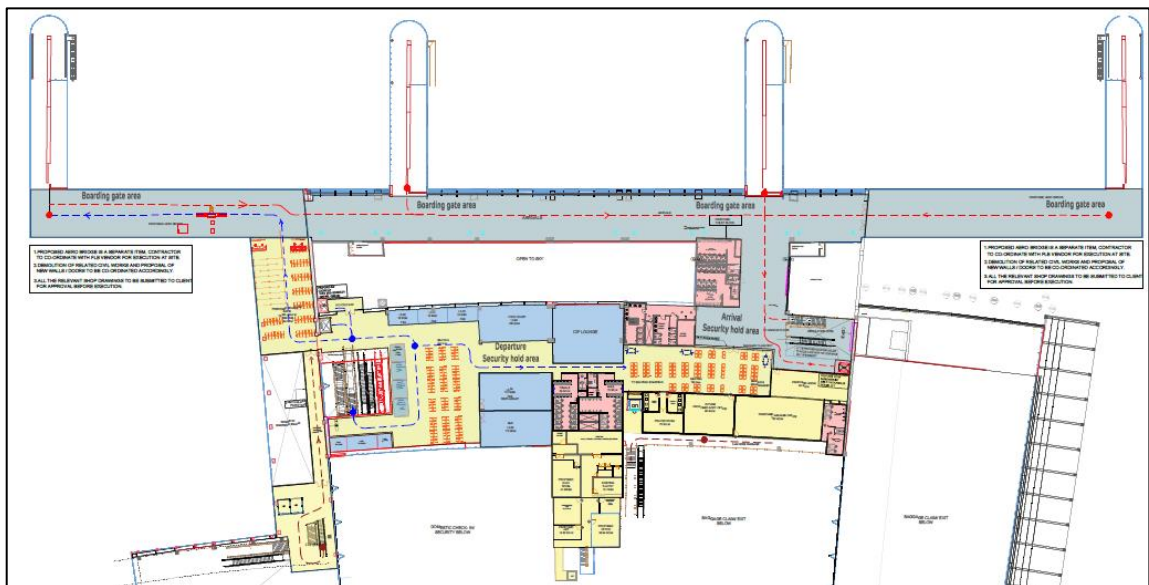
In the existing layout, domestic security is facing a constraint when adding new machines and security screening booth due to the limited space. Also, there is not enough space after security for passengers to pack their bags. Another challenge in this area is insufficient seating & boarding gate queuing area after the security check for the existing 3 bus gates. This is not a good experience for passengers and operationally it is inefficient. ATRS lanes are proposed including further improvements on queuing depth after

and before the security area. These improvements are proposed and indicated in the image below.

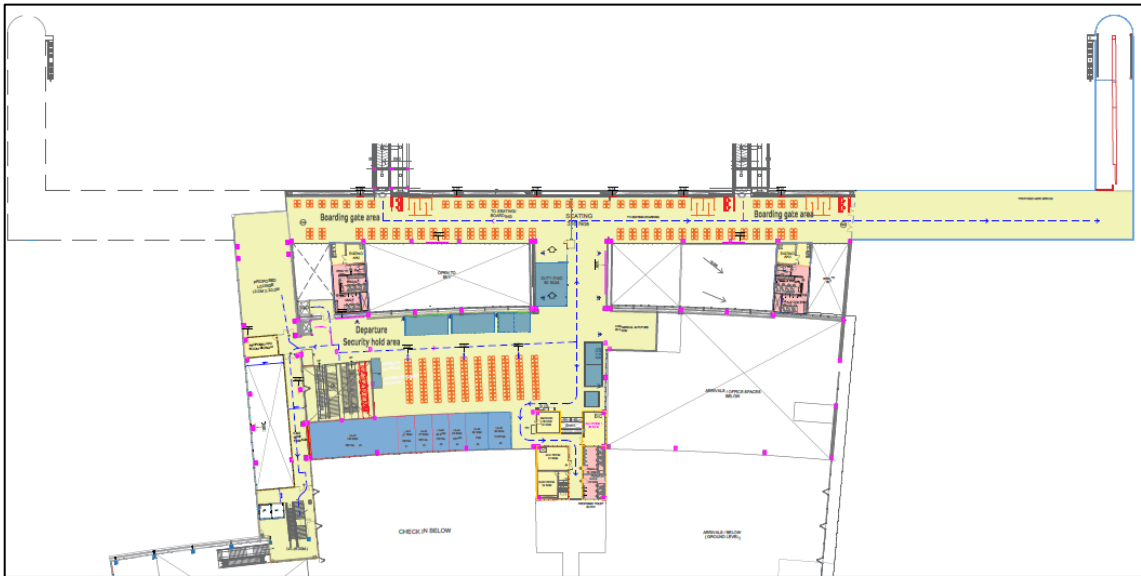


PROPOSED SECURITY CHECK LAYOUT GROUND FLOOR OF TERMINAL T2

Provision of additional contact gates on First Floor & Second Floor:
Additional contact gates are proposed, one each on the first floor & second floor, to increase the operational efficiency and passenger experience.



PROPOSED FIRST FLOOR OF TERMINAL T2



PROPOSED SECOND FLOOR OF TERMINAL T2

The table below shows the comparison of key processors:

Processor Numbers		T2 (As per existing Layouts) (Integrated)	T2 (As per proposed Layouts) (Domestic)
		Nos.	Nos.
Departure Processor numbers			
Combined Check-in	Bag Drop	0	12
	Traditional Desk	26	16
Emigration	Emigration Desk	10	-
Security Check	Domestic X-ray Machines	5	5 + 2 ATRS
	International X-ray Machines	2	-
Boarding Gates	Contact Boarding Gate (Code C Equivalent)	2	4
	Remote Boarding Gate (Code C Equivalent)	4	4
Arrival Processor numbers			
Immigration	Immigration Desk	11	-
Baggage Reclaim	Number of Carousels	5 (3 Dom/1 swing/1 Int'l)	5
Customs	Customs Desk	2	-

Overall improvement in layouts is proposed as follows:

- Unidirectional passenger flows for better wayfinding
- Improvement in staff entry, exit and flow routes in SHA and non-SHA areas.
- Addition of freight elevators, waste chutes and improvement in Goods in Waste out flows and associated functionalities.



- Toilet sizing and adjacencies
- Gate area seating, boarding and circulation improvement.
- Improvement in egress strategy.
- Relocation / addition of Passenger and Staff amenities like Baby care rooms, Prayer rooms, medical facilities, etc.

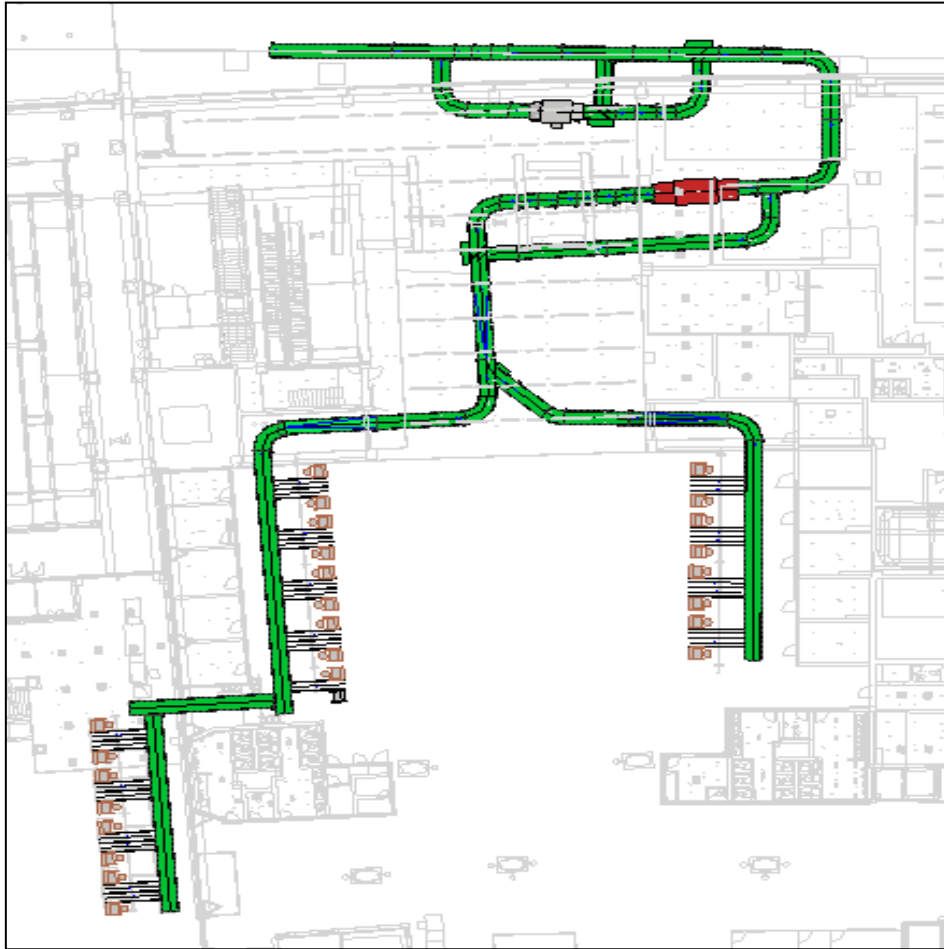
To improve the aesthetic appearance and enhance passenger experience, the interiors are planned to be improved.

BHS IMPROVEMENT:

Important improvement of BHS is required to manage the domestic and international operations.

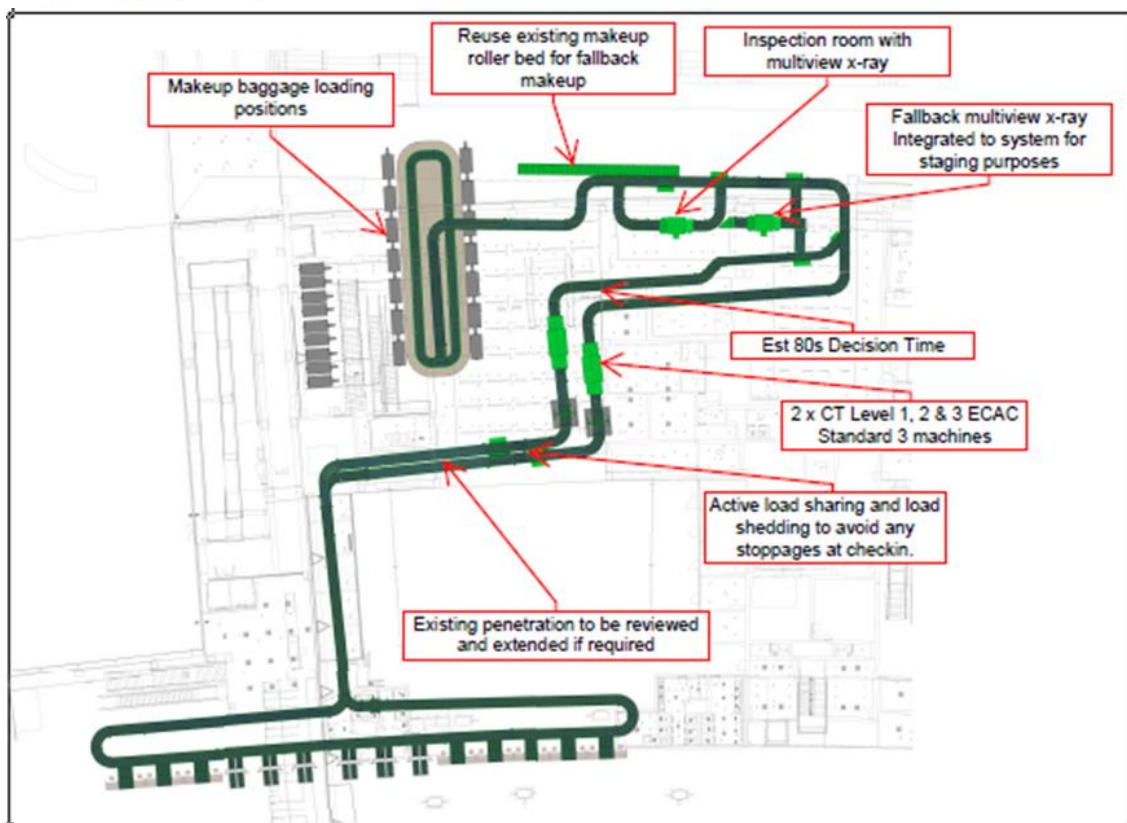
Existing Outbound System

- The outbound BHS comprises of check-in areas, each equipped with 3-stage injection conveyors and takeaway conveyors.
- Checked bags are transported via single In-Line HBS machine located in the BMA (basement)
- Frequent dieback and congestion experienced during peak hours due to unavailability of makeup carousel with no buffering space.
- Less screening time available for Level-2 operators leading to system timeouts.
- Single lateral with limited length serves the makeup area.
- Increased bag waiting times for check in line installed in 2019 due to integration issues.



Proposed Outbound System

- Design capacity of 1,800 bags/hr is proposed with 2 numbers CTX inline Level-1 machines for redundancy and load sharing purpose.
- Proposed system provides for 54 makeup positions with additional carousel and accumulation chutes that are connected via common sortation system.
- Flexible design at both check-in and makeup area ensures operational flexibility & maximum utilization of design capacity.
- Redundancies across different levels across the system ensures minimal impact to operations during both preventive and breakdown maintenance.
- Flight-wise sortation capabilities are added to the proposed system to make optimal usage of makeup positions.
- Addition of makeup carousel and extension of existing lateral.
- L2A/L2B screeners room with 22 screener's workstations



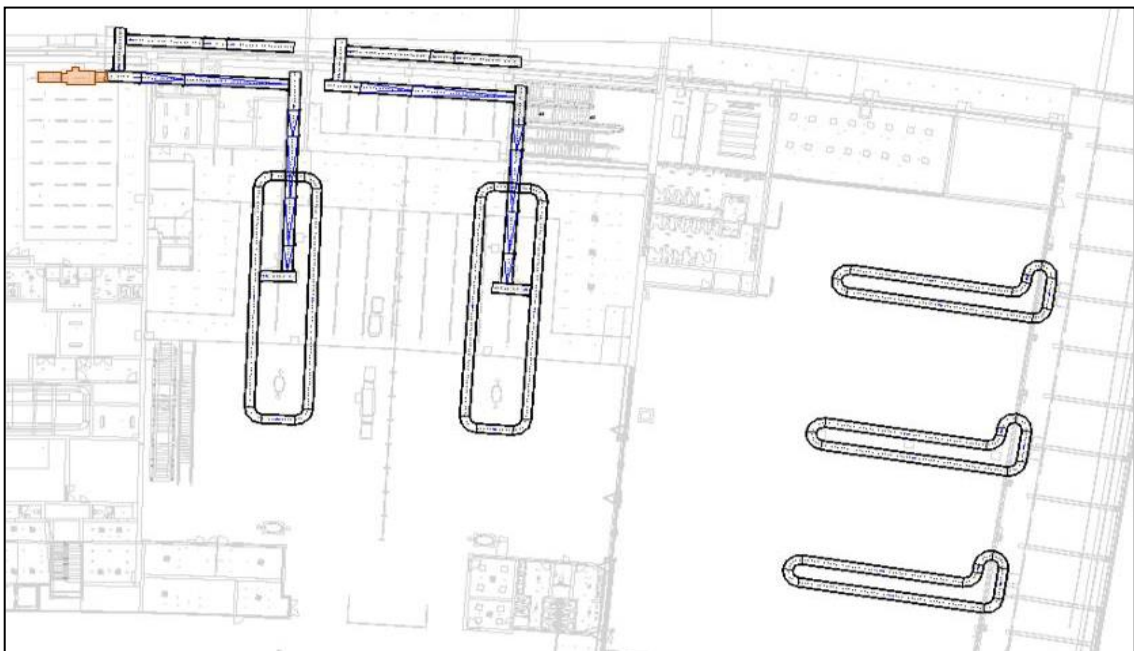
Existing Vs Proposed Departure BHS System Comparison

Item Description	Existing	Proposed
Throughput Capacity	System congestion and dieback is experienced beyond 400 bags per hour per check in line (1,200 bags/hr combined capacity)	1,800 Bags per Hour
Redundancy		
Check-in	No redundancy	Complete flexibility in island setup with additional redundancy via 180-degree curves
Level-1 X-ray lines	No redundancy	100% redundancy with load sharing and fallback capabilities. Additional new X-Ray machine along with existing machine.
Level-3,4 feeder lines	No redundancy	New standalone X-ray machine in addition to the existing machine.
Sortation	NA	PLC based sortation between carousel and lateral.
Check-in Counters	26 Nos	16 Nos
SBD's	Nil	12 Nos

Item Description	Existing	Proposed
Makeup positions	1 Lateral	1 carousel + 1 extended lateral
Security decision time	20s (Level 2 screening)	90-100s (BCAS compliant Level 2A/2B screening)

Inbound System

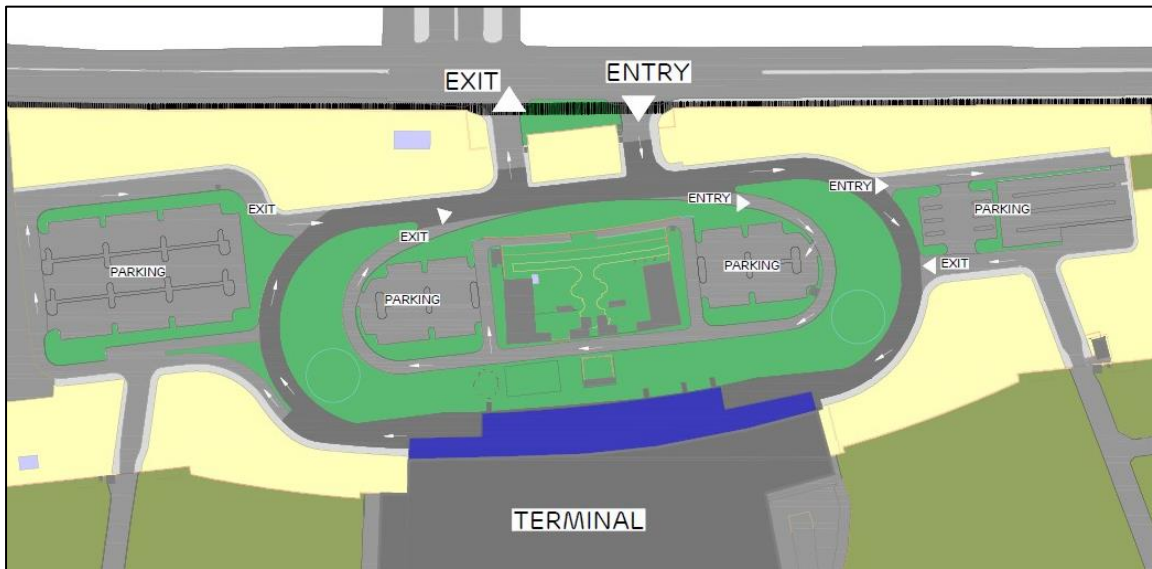
- 5 numbers reclaim carousels fed via single feed lines for 2 carousels and 3 are smaller flat carousels with short roller conveyors for loading bags for domestic.
- The current reclaim carousels have sufficient capacity for the design horizon of the terminal and as such no expansion is required.
- Some minor adjustment shall be made by removal of the customs screening equipment on the old international reclaim lines and the removal of the smaller roller belts on the domestic reclaim conveyors.



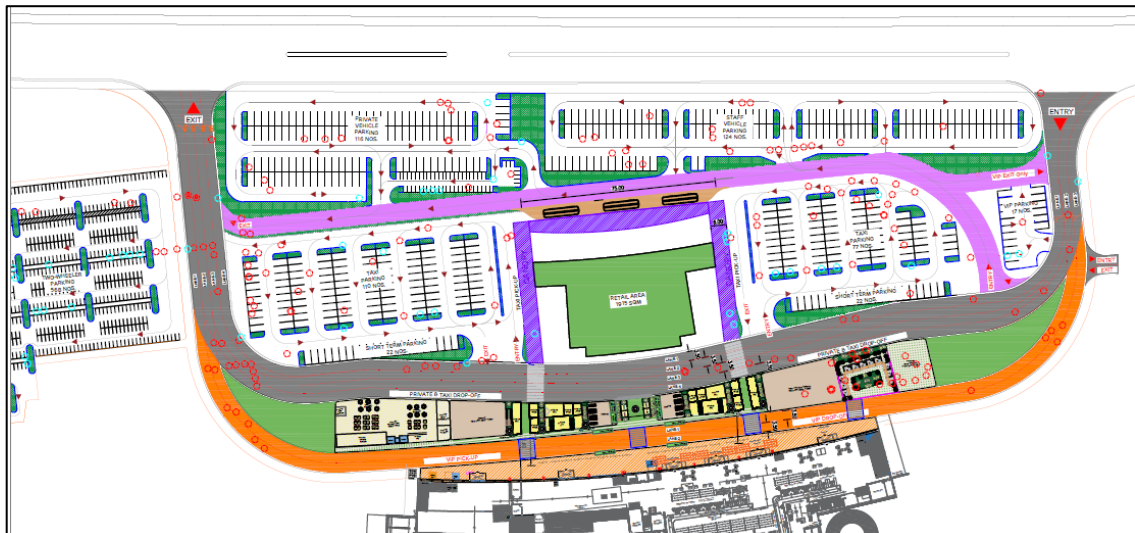
KERBSIDE IMPROVEMENT:

The main entry and exit for the existing T2 from approach road are realigned for better vehicular circulation and optimize the land use to its maximum extent. The access road needs to be created to provide separate entry for two wheelers to the terminal. This is required to ease out traffic flow at the bottlenecks on the kerbside.

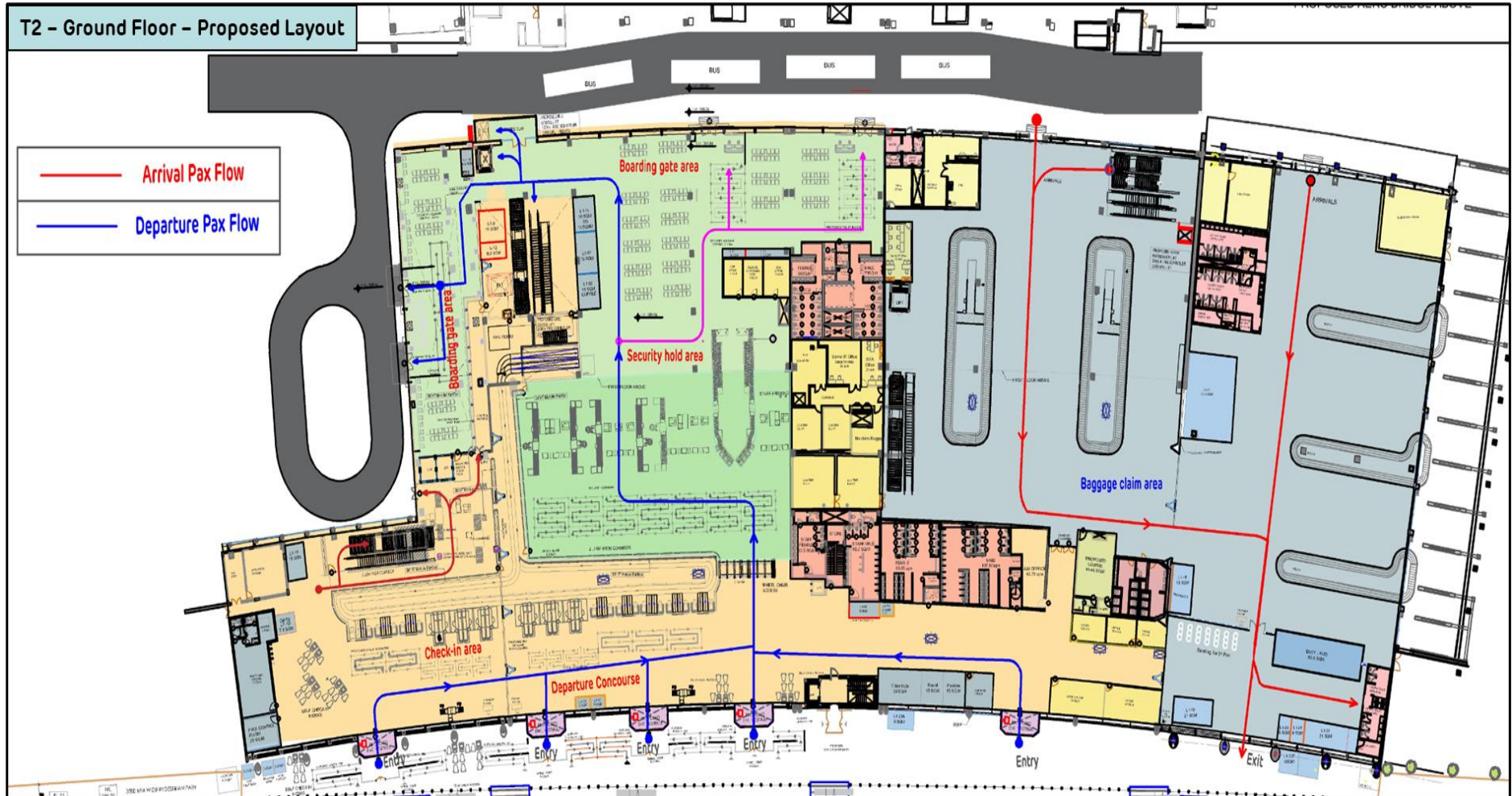
The images below indicate the existing circulation and proposed circulation.



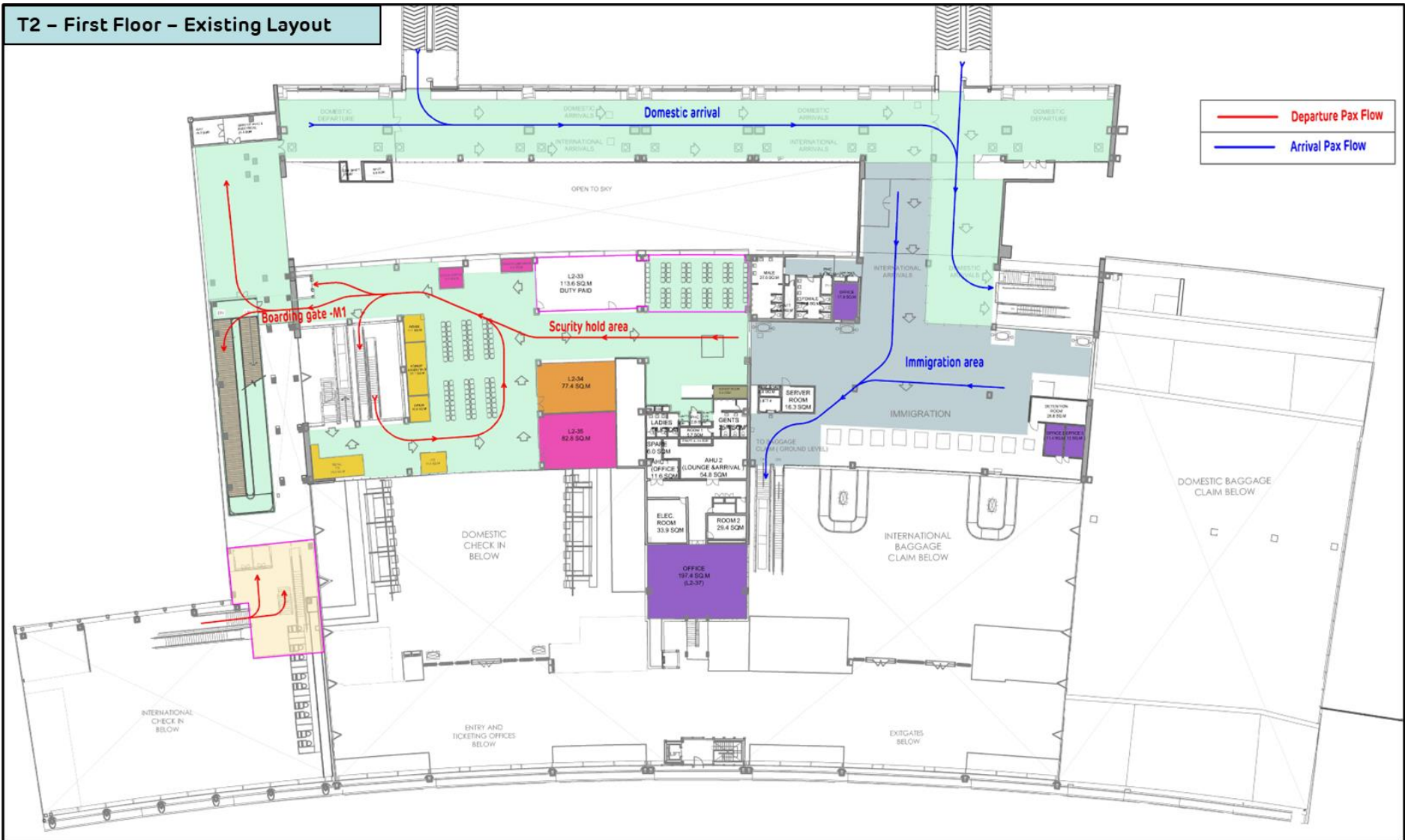
EXISTING KERBSIDE AT T2



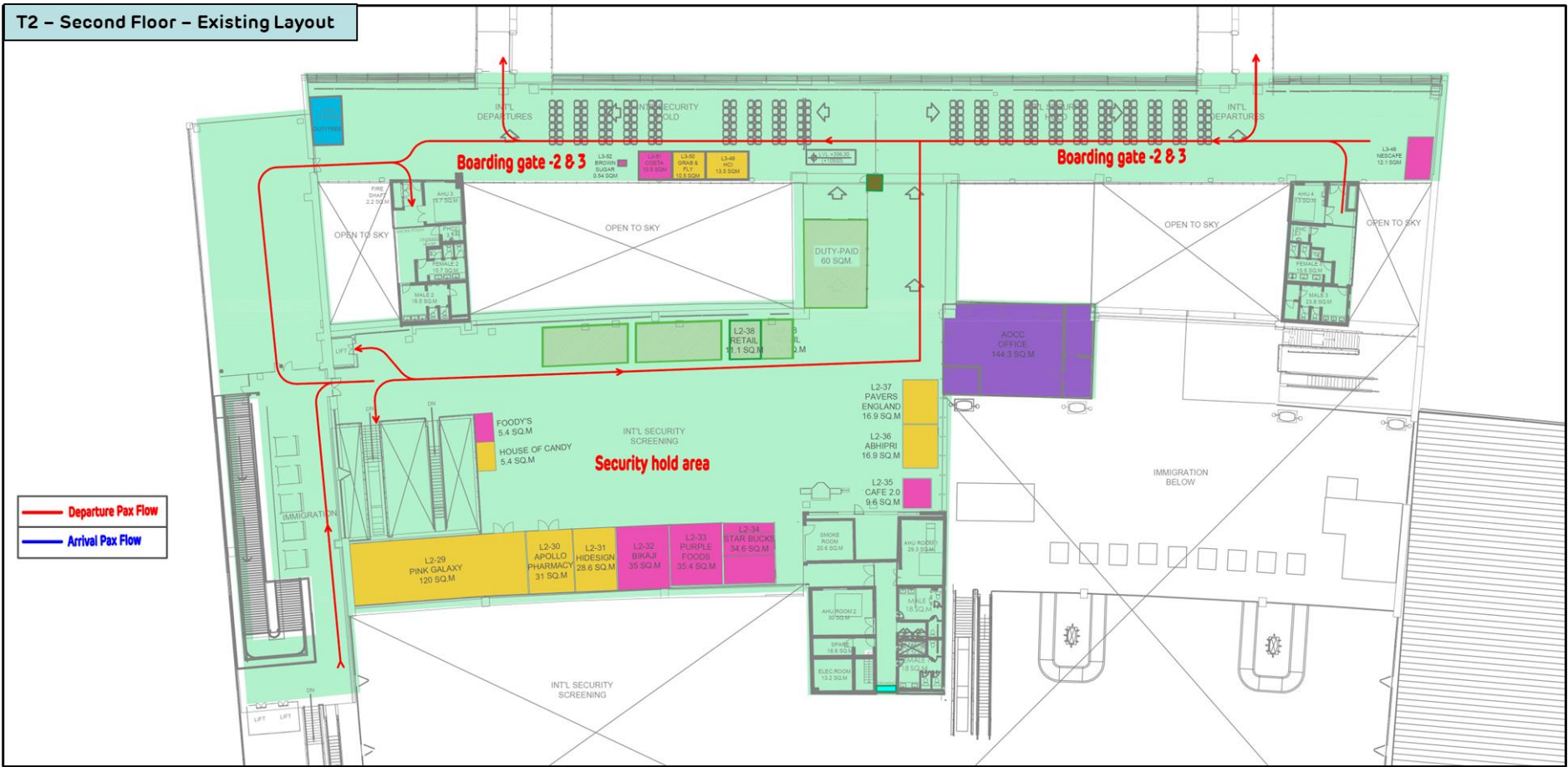
PROPOSED KERBSIDE IMPROVEMENT AT T2



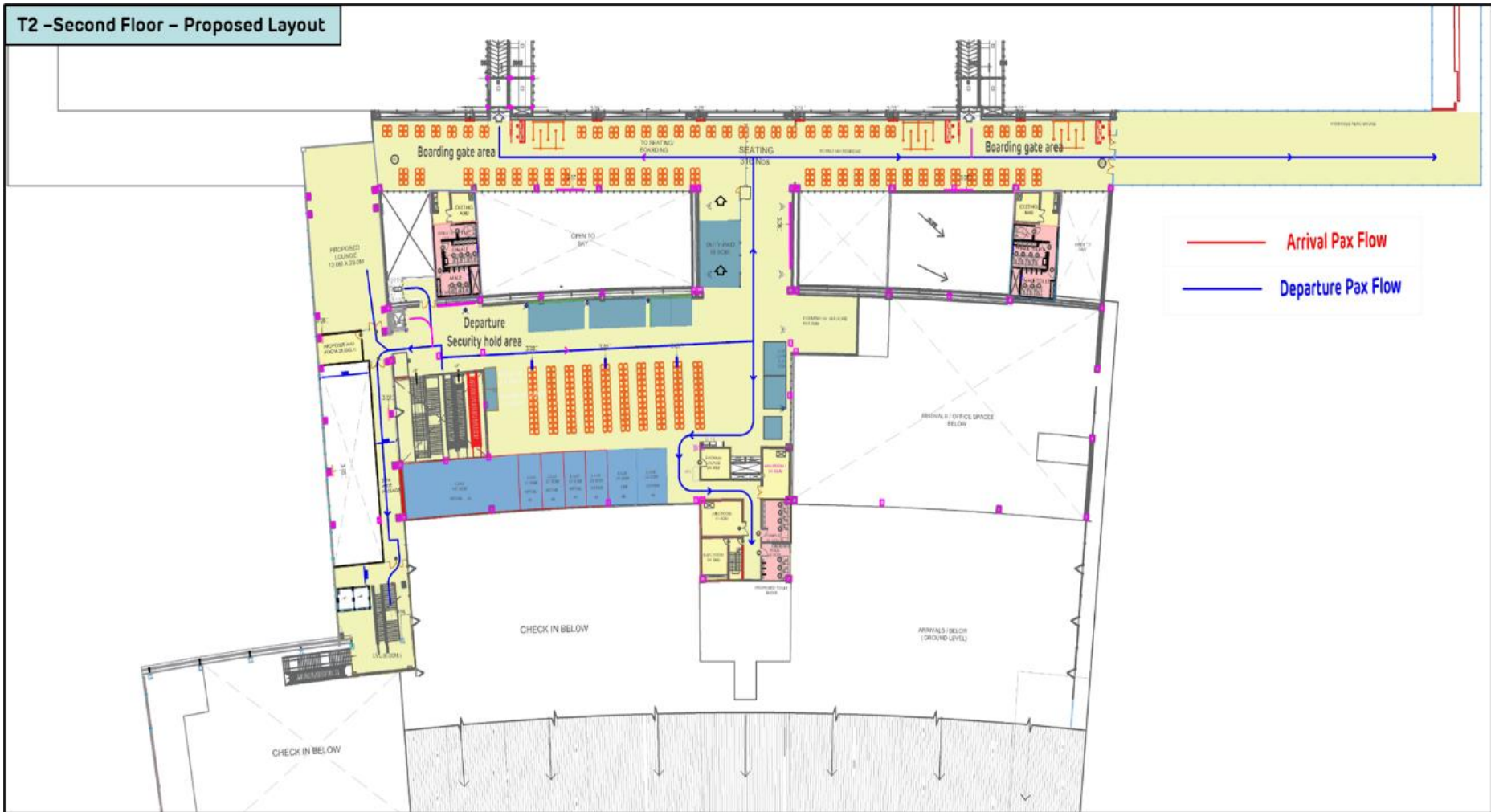
T2 – First Floor – Existing Layout



T2 – Second Floor – Existing Layout



T2 -Second Floor - Proposed Layout

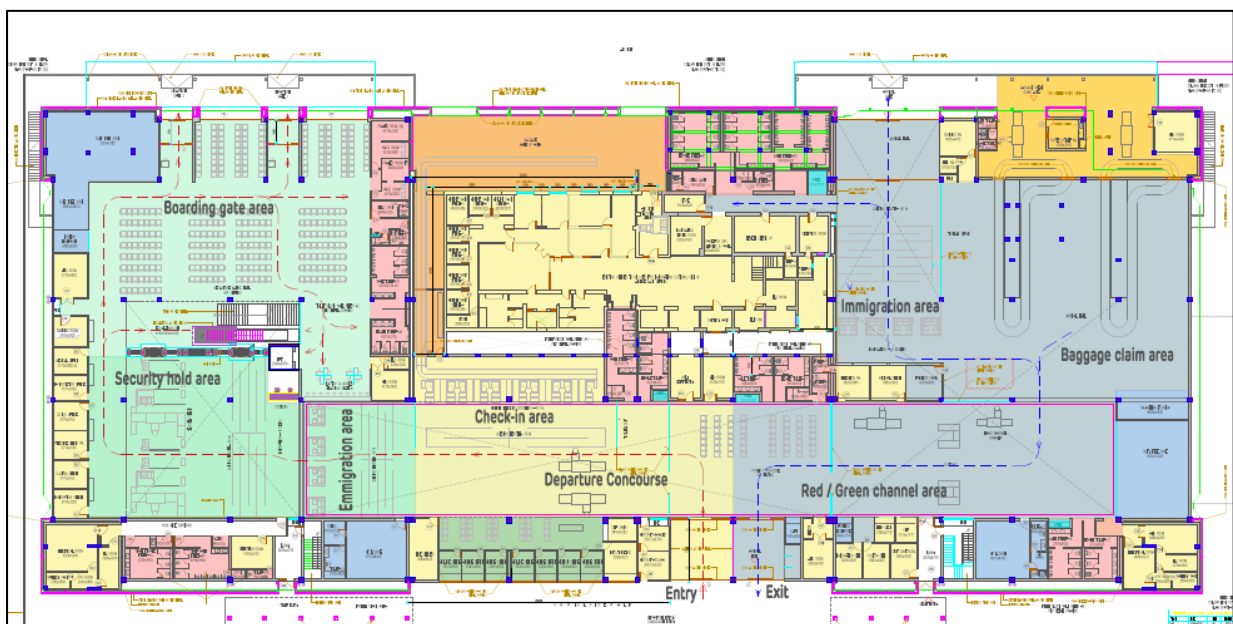


5.3.3 Existing Terminal 1 upgradation and associated works

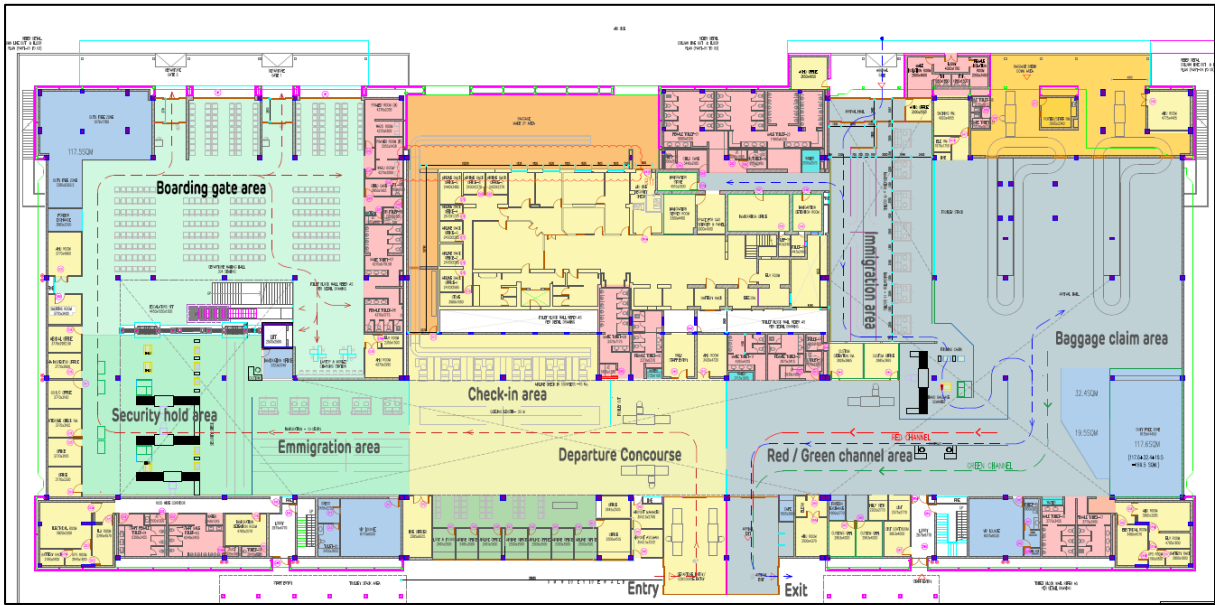
The terminal T1, located in the southern part of the airport is built across an area of approximately 11,529 m² in two levels. The declared capacity of T1 is 400 PHP 2-way. Minor upgradation of T1 is proposed to cater the international passenger traffic up to FY2027. This proposed interim arrangement will continue in operations, till the commissioning of new integrated Terminal T3.

Refurbishment of T1 and its associated areas is proposed to meet the operational requirements and to comply with Service Quality Requirements as per the Concession Agreement. No change in the existing terminal footprint area is proposed. However, to effectively utilize the existing terminal footprint, and to enhance terminal capacity, changes in the layouts are proposed to achieve the desired passenger experience. These include relocation of emigration, international security lanes, re-aligning duty free areas, improvements in custom red & green channel area, statutory offices, provision of custom hand baggage screening area at the arrival, departure & arrival kerbs, etc.

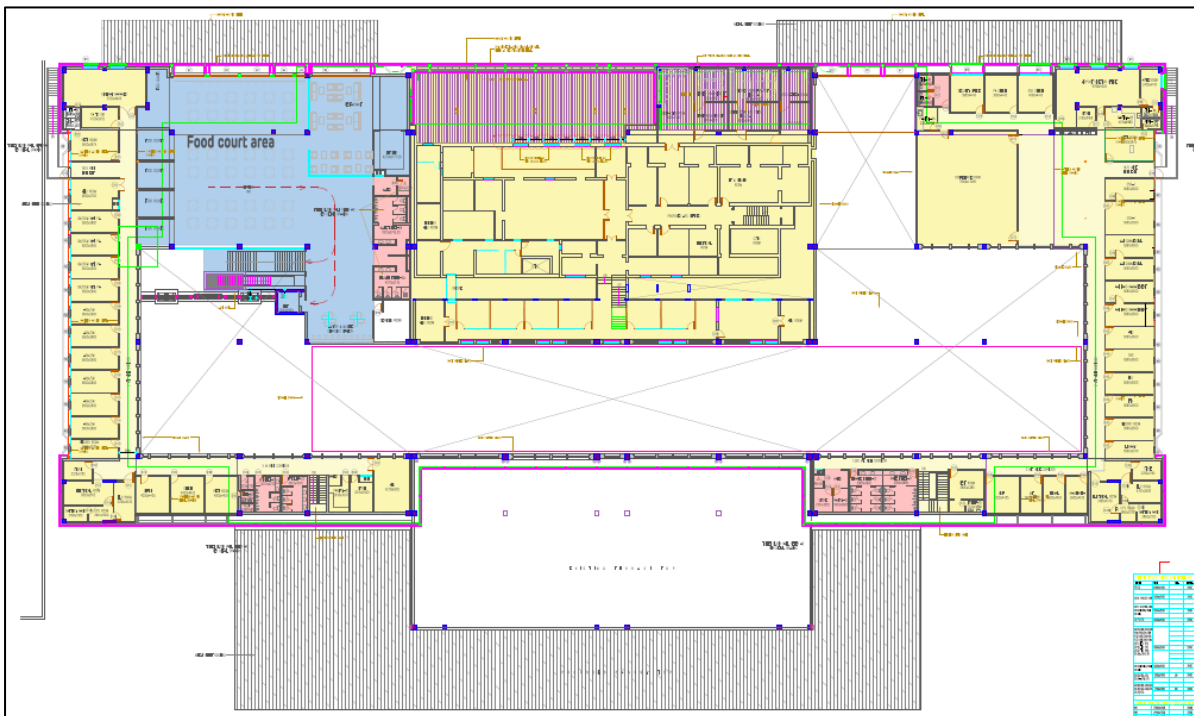
Proposed changes in the layout of the floor plans are indicated in the figures below.



EXISTING GROUND FLOOR PLAN WITHOUT MODIFICATION (LVL. +0.15 M)



EXISTING GROUND FLOOR PLAN WITH MINOR MODIFICATION (LVL. +0.15 M)

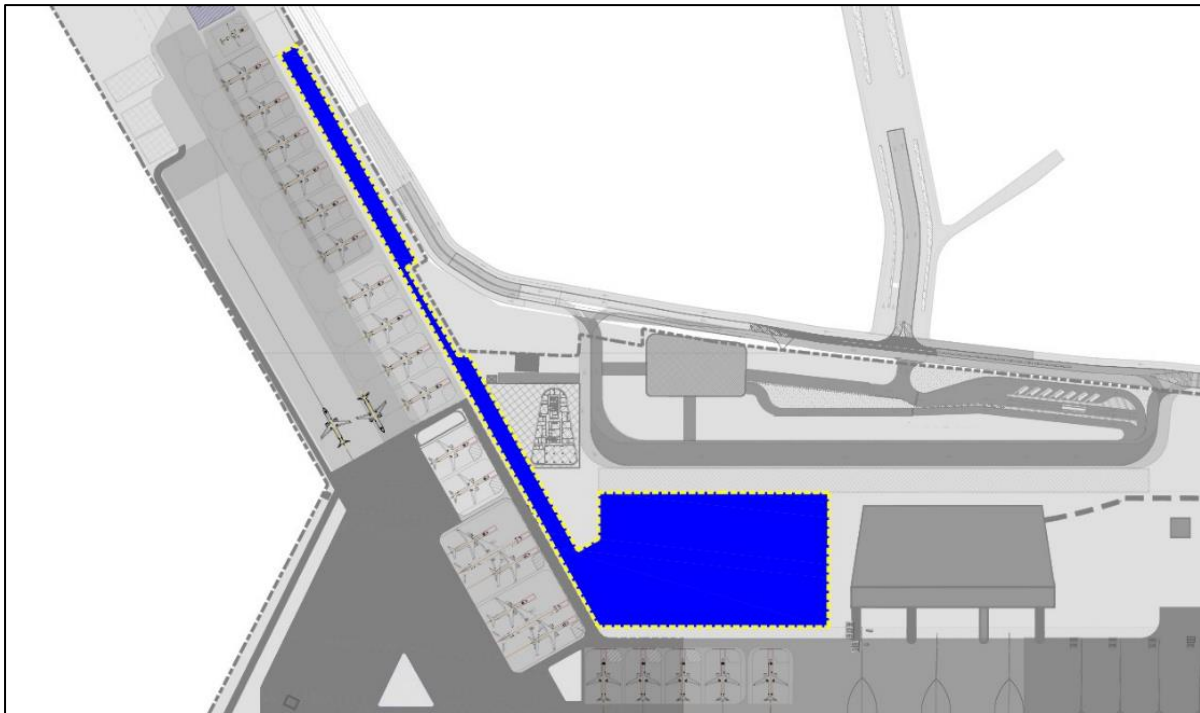


EXISTING FIRST FLOOR PLAN (LVL. +6 M) (No change proposed on this floor)

5.3.4 New Integrated Terminal 3

A new integrated Terminal 3 is proposed near T2. To meet with the Service Quality requirements of the CA, additional passenger boarding bridges must be created, as well as additional processors to cater to the passenger growth as per the forecast. The new terminal 3 is proposed to meet these requirements, with a built-up area of approximately 1,50,000 sqm. The terminal will have a capacity of 12 MPPA.

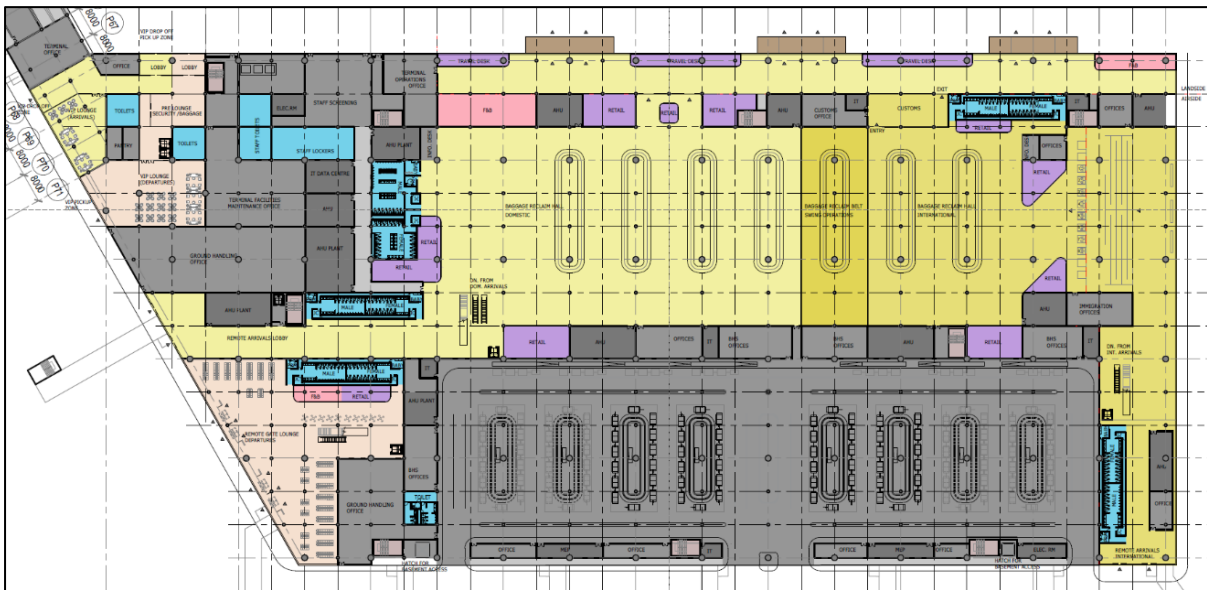
The terminal will have a built-up head-house area of approximately 90,000 sqm, basement of 35,000 sqm and built-up pier area of about 25,000 sqm.



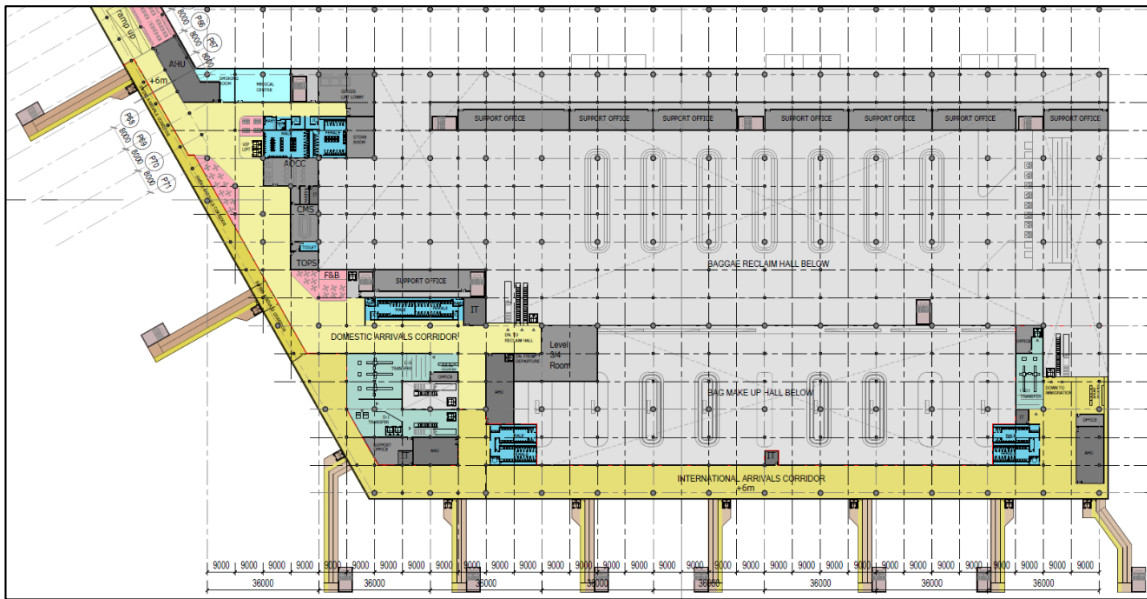
The new Terminal 3 is planned to be commissioned in Jan 2027. Tentative plans and sections of the head house and pier of the proposed new terminal building are presented below.



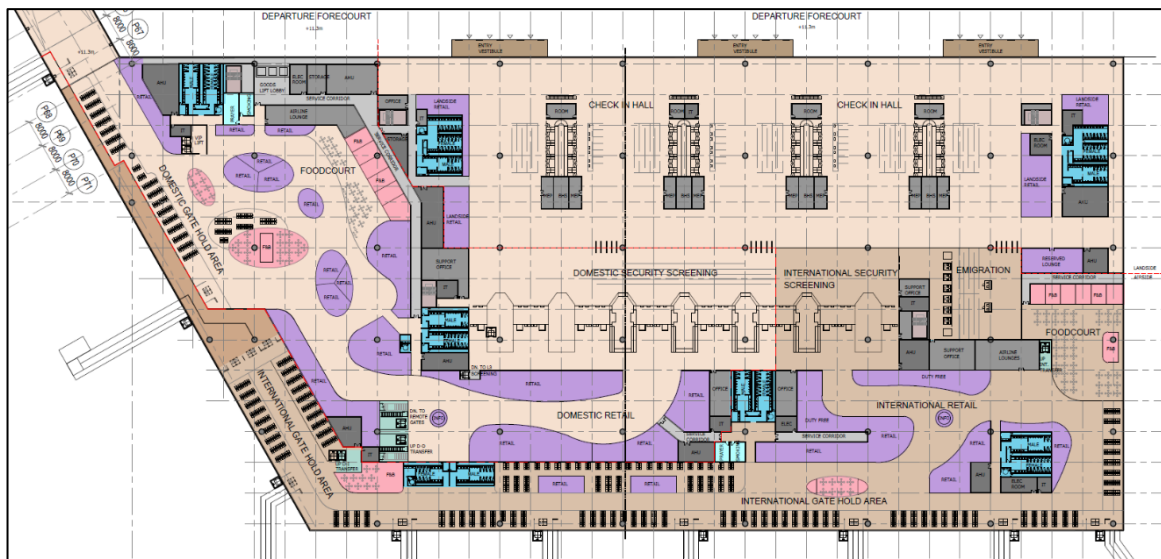
New Terminal 3 – Head House: Basement level plan (-7m level)



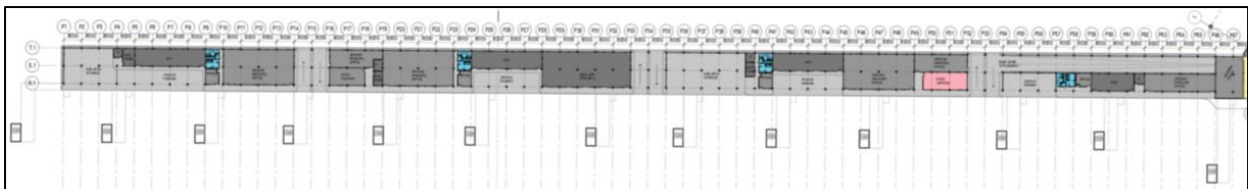
New Terminal 3 – Head House: Apron level plan (+0.0m level)



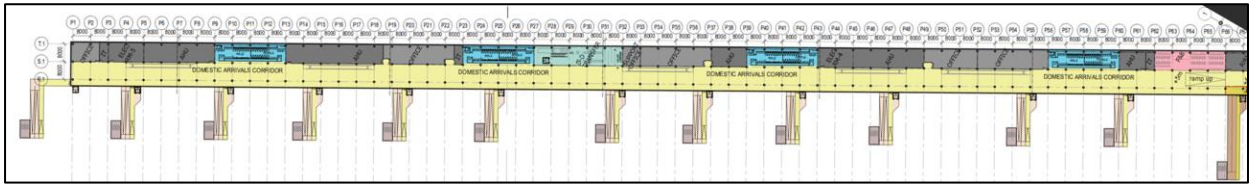
New Terminal 3 – Head House: Arrival level plan (+6.0m level)



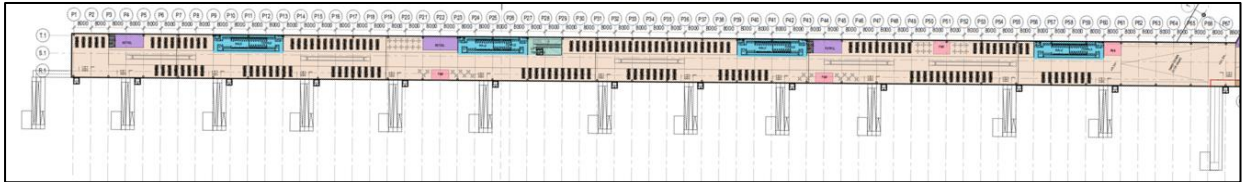
New Terminal 3 – Head House: Departure level plan (+11.3m level)



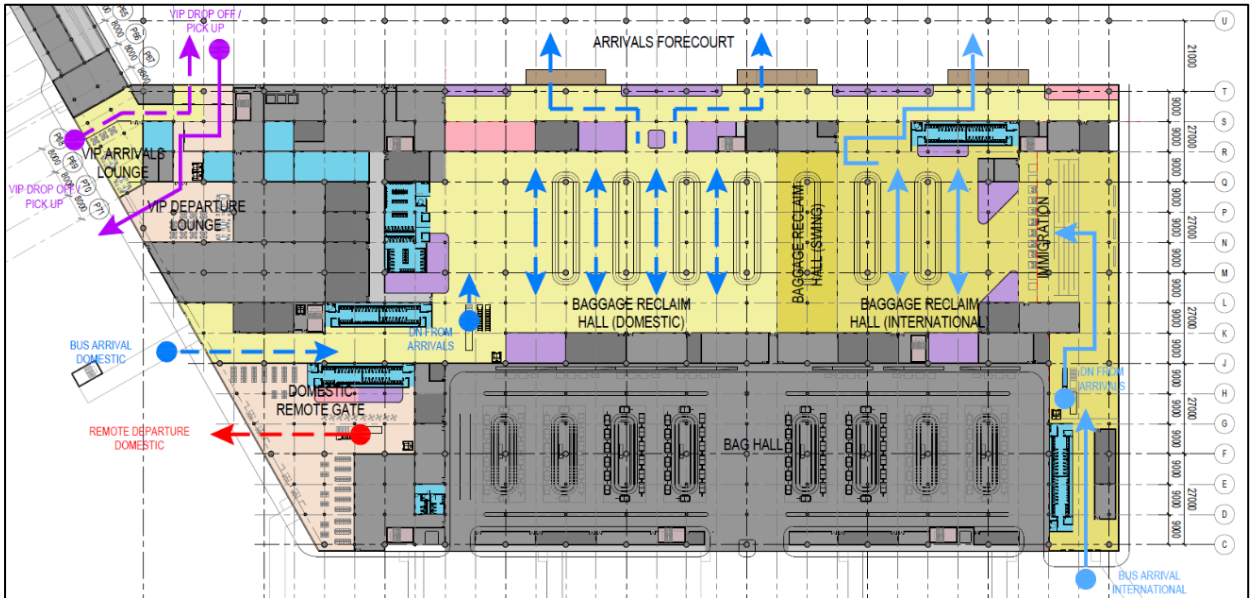
New Terminal 3 – Pier: Apron level plan (+0.0m level)



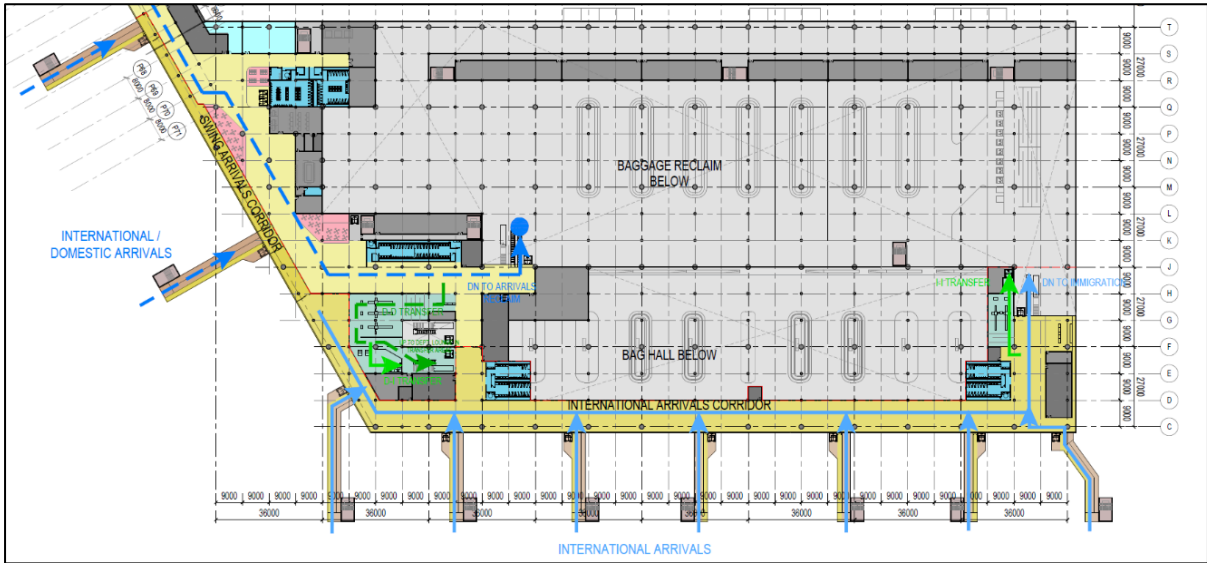
New Terminal 3 – Pier: Arrival level plan (+6.0m level)



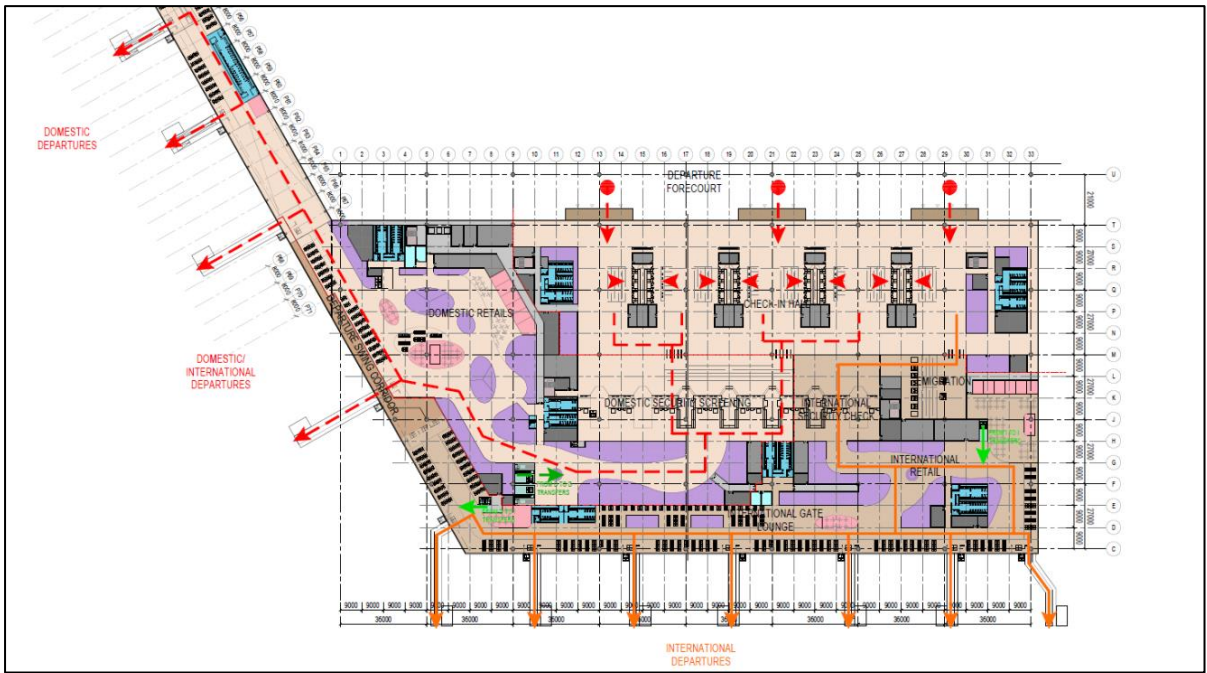
New Terminal 3 – Pier: Departure level plan (+11.3m level)



New Terminal 3 – Apron level plan passenger flow



New Terminal 3 – Arrival level plan passenger flow



New Terminal 3 – Departure level plan passenger flow

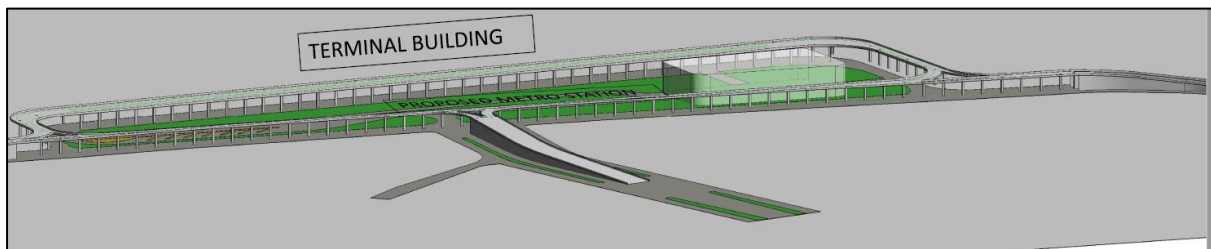
5.3.5. Kerbside Development Works

Due to limited land availability of the airport, an elevated departure road and at-grade road network associated with new terminal T3 is proposed to facilitate smooth passenger traffic movement and improved passenger experience. Segregated arrival and departure passenger movement is proposed in line with new T3 which is a two-level terminal.

Elevated Departure and Arrival Road for new T3

The elevated departure road to the proposed new Terminal T3 is a uni-directional roadway for direct vehicular connectivity to T3 departure level at +11.3m level. The arrival road is located at ground level.

The proposed infrastructure will be constructed in coordination with Jaipur Development Authority (JDA), as the up ramp and down ramp including elevated portion of the access road falls outside the airport land and is with JDA.



PROPOSED ELEVATED DEPARTURE FORECORT ROAD

5.4 Airside Improvement Works

5.4.1 Mott Macdonald has carried out the study on traffic projections along with daily distribution flight simulation. Based on the same, following peak hour runway capacity is projected:-

Runway Peak Hour Projection Vs Peak Hour Available Capacity

Peak Hour Forecasts	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Runway Capacity peak ATM available						
Total Peak ATM Available	16	16	16	16	16	16
Arrivals only	9	9	9	9	9	9
Departures only	15	15	15	15	15	15
Projected Peak hour ATMs						
Total Peak ATM projections	10	14	19	21	21	21
Arrivals only	4	6	8	9	9	9
Departures only	4	6	8	9	9	9
Domestic Arrivals	4	6	8	9	9	9
Domestic Departures	4	6	8	9	9	9
International Arrivals	1	1	2	2	2	2
International Departures	1	1	1	1	1	1

Relevant extract from Minutes of Slot Coordination Committee Meeting dated 30th Jan 2023 published by AAI is as below-

1. Runway 09 (ADS-B based approach surveillance services)
 - *Maximum number of arrivals and departures in one hour - 12*



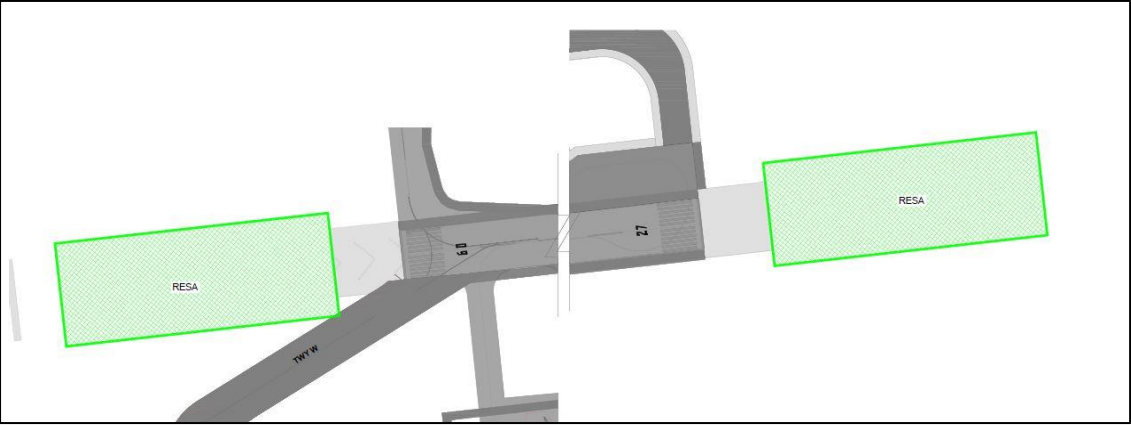
- *Maximum number of arrivals only in one hour - 6*
- *Maximum number of departures only in one hour - 12*
- 2. Runway 27 (ADS-B based approach surveillance services)
 - *Maximum number of arrivals and departures in one hour - 16*
 - *Maximum number of arrivals only in one hour - 9*
 - *Maximum number of departures only in one hour - 15*
- 3. Procedural approach for both Runways (as many aircrafts are non-ADS-B equipped)
 - *Maximum number of arrivals and departures in one hour - 12*
 - *Maximum number of arrivals only in one hour - 6*
 - *Maximum number of departures only in one hour - 10*


5.4.2 Presently, JIA has a single runway (09-27), with length of 3,407 meters and width of 45m which is adequate for Code 4E aircraft operations. It should be noted that the predominant landing direction is Runway 27 which accounts for approximately 85% of overall movements.


The existing runway and taxiway system can handle up to 16 aircraft traffic movements (ATMs) in one hour.

5.4.3 With the increase in traffic and to meet the service level requirements, 1 RET and additional Aprons will be required. Further, there are certain activities to mitigate the non-compliances relating to Airside activities like RESA, Basic Strip and Runway recarpeting which JIAL has planned to take up.

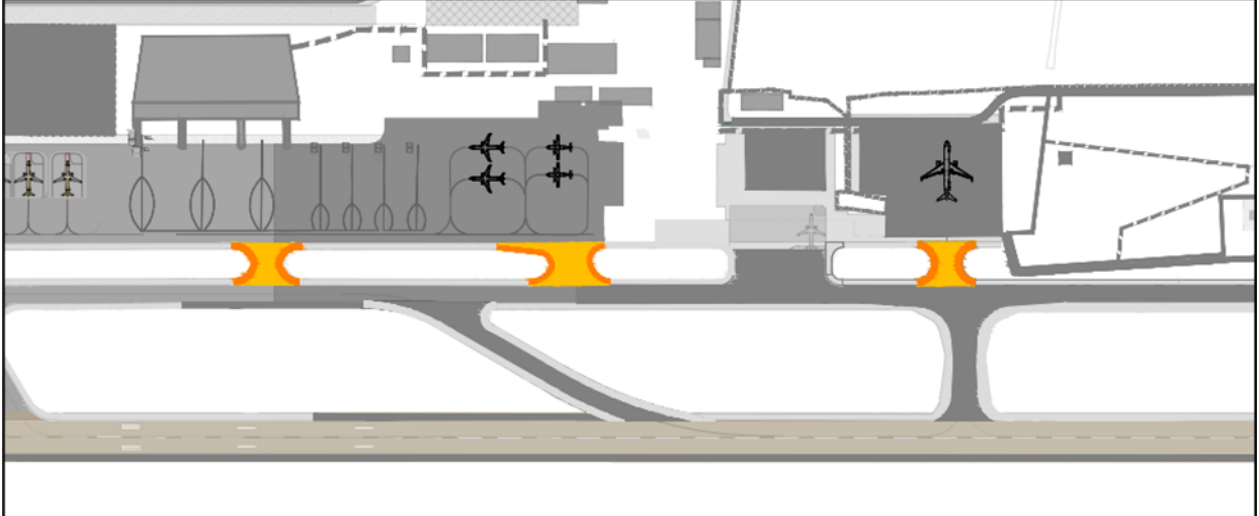
5.4.4 The list of major Airside Improvement Works is tabled below:

S.N.	Airside improvement projects	Need for the project
1. Runway Improvement Works		
1.1	Refurbishment of RESA 09 and RESA 27	<p>Runway End Safety Area (RESA) as defined in ICAO Annex 14 should be prepared or constructed to reduce the risk of damage to an airplane undershooting or overrunning the runway, enhance deceleration and facilitate the movement of rescue and firefighting vehicle. Further, the Aerodrome Design Manual (Doc 9157) Part 1 specifically spells the guidance on the strength of a RESA. DGCA has given observations on the same during pre-licensing inspection in the month of August 2022. In line with the above requirements and guidance, this project is proposed to refurbish both the RESA, that is, RESA 09 and RESA 27. The current dimensions (240 m X 90 m) of both RESA are as per the recommendations of ICAO Annex 14 and shall be maintained as part of the refurbishment process. Please refer to the figure below for the proposed RESA refurbishment project.</p> 
2. Taxiway Improvement Works		
2.1	Construction of Code E Taxiway for Terminal 1 Apron	<p>The project includes construction of a Code E compliant taxiway for connecting the proposed Terminal 1 Apron with the Runway. The length of the taxiway starting from RWY 09 till the Apron taxiway is approximately 380m. The project involves the construction of approx. 12,445 sqm of pavement with its shoulders. The figure below indicates the proposed taxiway plan.</p>

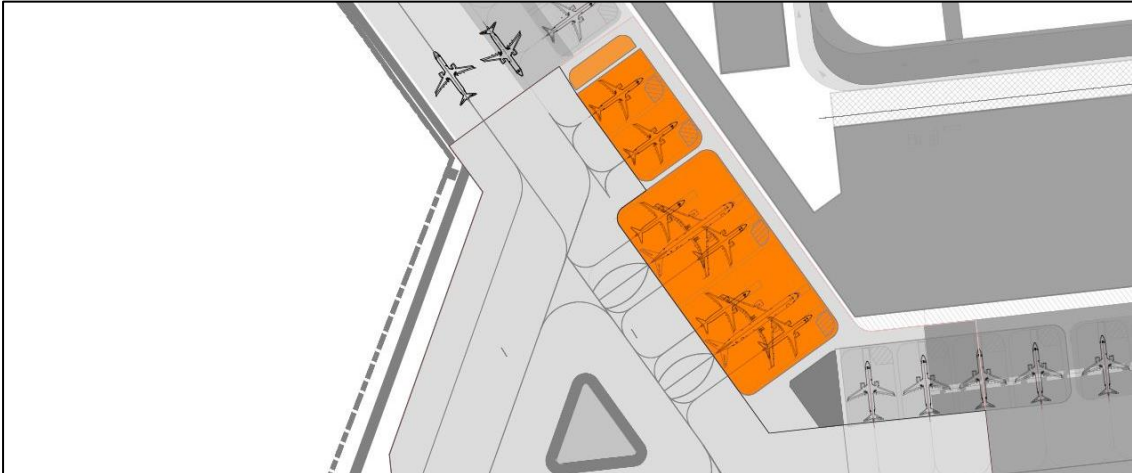
S.N.	Airside improvement projects	Need for the project
		
2.2	Construction of associated Taxiways for North-West Apron	<p>As part of the current airside development phase, north-west apron is proposed to be modified/reconfigured and include new apron development. This project development is a necessity to connect the north-west apron with the runway system. This project involves construction of approx. 80,635 sqm of taxiway pavement including shoulders. The proposed taxiways are indicated in the figure below.</p>

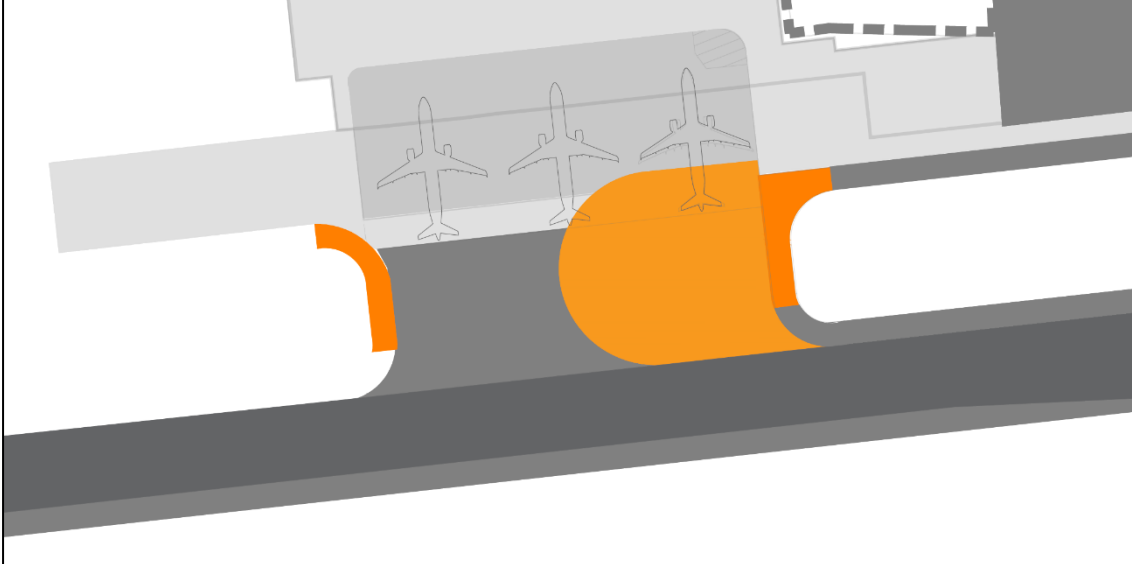
S.N.	Airside improvement projects	Need for the project
		
2.3	Construction of New Rapid Exit Taxiway	<p>To improve the operational efficiency of the runway, Rapid Exit Taxiways (RETs) are required at appropriate locations to enable aircraft to vacate the Runway in the shortest possible time and distance. A new code C RET is proposed at 1,980m from RWY 27. The project includes construction of approx. 14,085 sqm of RET pavement with its shoulders. The below figure indicates the RET location and proposal.</p>

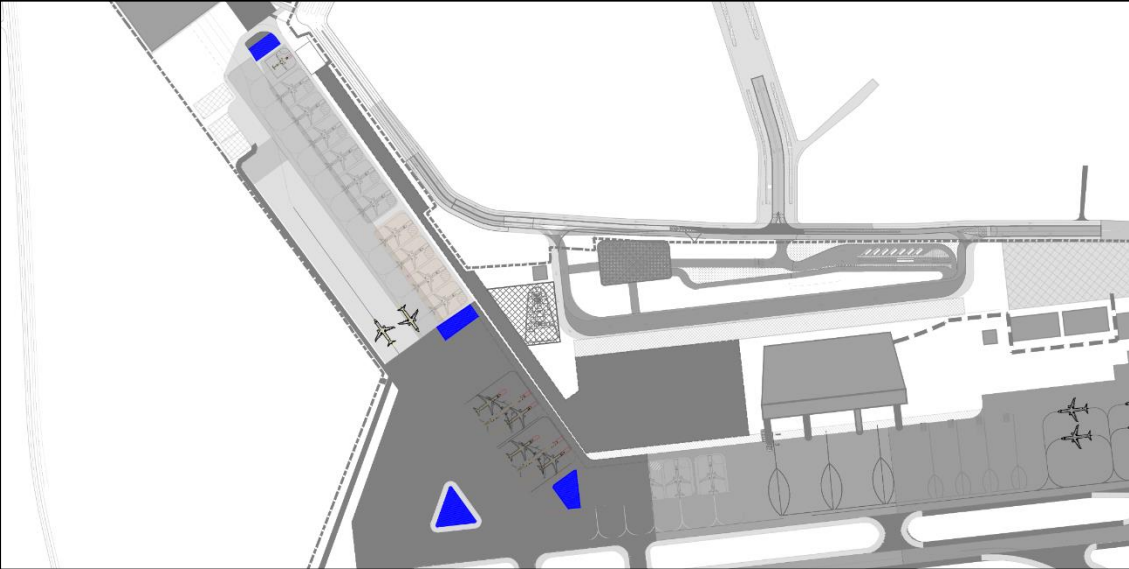
S.N.	Airside improvement projects	Need for the project
2.4	Construction of New Link Taxiways	<p>Link taxiways are required to provide and ensure smooth connectivity of all the facilities with the taxiway system and subsequently to the Runway. This project includes construction of link taxiways for connecting the existing Terminal 2 apron, Terminal 2 extension and Isolation Bay with the parallel taxiway system and subsequently to the Runway. This project include construction of approx. 10,705 sqm of link taxiway pavement with its shoulder. Please refer to the below figure for the location of each link taxiways.</p>

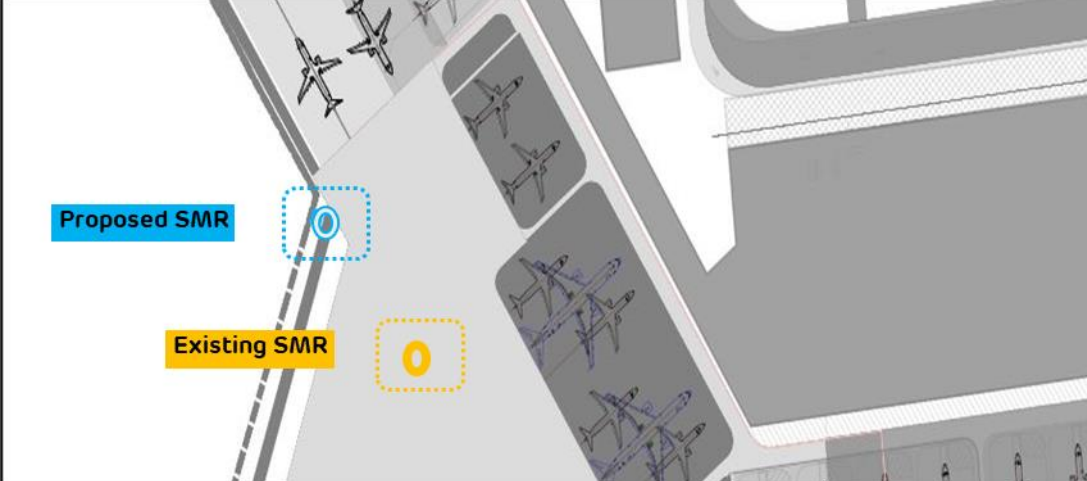
S.N.	Airside improvement projects	Need for the project
		
3. Apron Improvement Works		
3.1	Construction of Terminal 1 Apron	<p>International aircraft will infringe the OLS when parked on existing apron in front of T1 international terminal. To address the above non-compliance issue and to commence international operations from the current Terminal 1, this project is proposed. As part of this development, provision of total 3 nos. of Code C remote aircraft stand, or 1 Code E remote aircraft stand is proposed. The figure below illustrates the proposed development. This involves construction of approx. 26,500 sqm of apron including HOS / perimeter road of 3,590 sqm.</p>

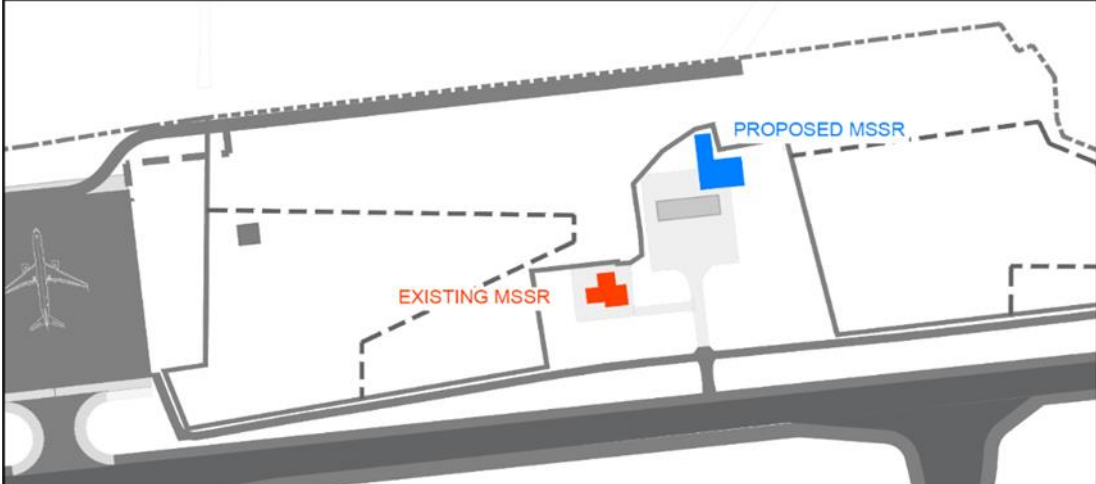
S.N.	Airside improvement projects	Need for the project
3.2	Extension of North-West Apron	<p>This project is proposed to convert part of existing taxiway T from flexible pavement to rigid pavement and thus use this area for aircraft parking stands. This project involves construction of approx. 26,700 sqm of apron works including HOS road of 3,900 sqm. The North-West Apron currently has 19 code C stand with one taxilane only. This brings in inefficient stand occupancy time, as the taxilane will be a bottleneck. After the modifications of taxiway works, and converting part of the apron into a taxiway, and providing the proposed additional stands, the total number of code C stands will be 17. Please refer to the below figure for the proposed project.</p>

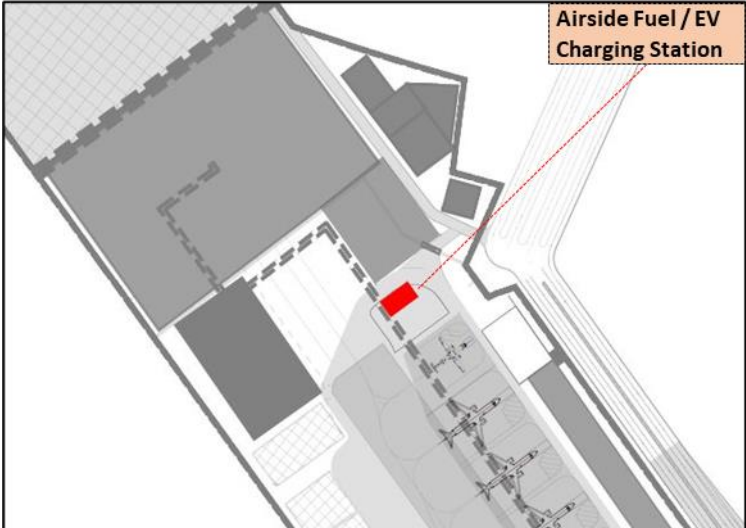
S.N.	Airside improvement projects	Need for the project
		
3.3	Construction of Apron near Cargo Terminal	<p>This project is proposed to develop Code C aircraft parking stands due to shortfall of stands on North-West Apron. The apron is planned to accommodate 3 Code C compliant aircraft parking stands. This project includes construction of approx. 4,370 sqm of apron pavement including the required shoulder. The figure below indicates the proposed works required for this apron.</p>

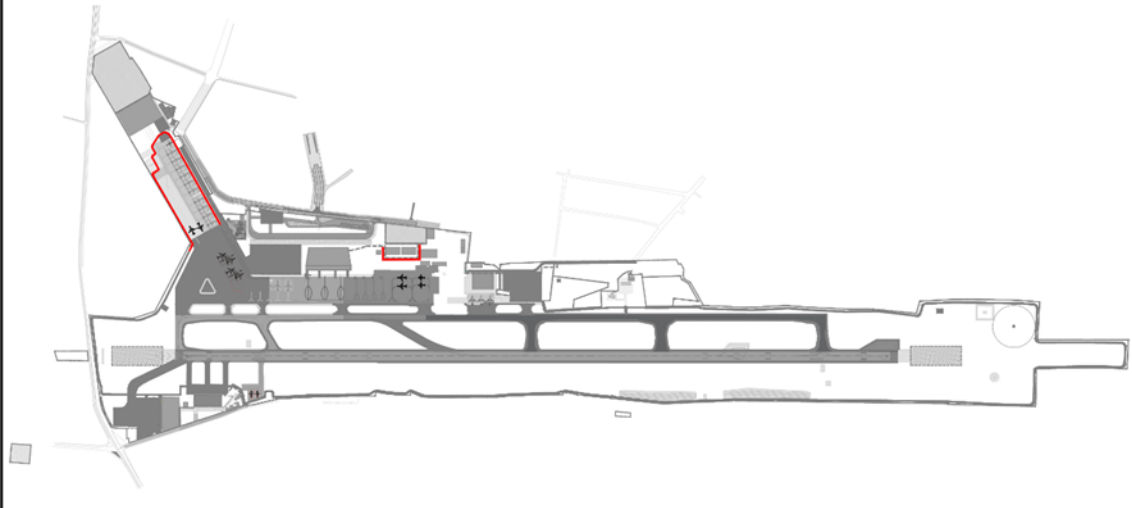
S.N.	Airside improvement projects	Need for the project
		
4.	Provision of Oil Water Separator	<p>Wastewater from aprons, hangars, cargo facility, GA & GSE workshop, etc. contains floating oil along with suspended solids. These need to be separated from the water through screens, oil water separator and Grit Chamber. This is an important environmental compliance; therefore, 3 Oil Water Separators are proposed to be provided at required locations on the airside.</p>
5.	Development of GSE Staging Area	<p>The existing GSE staging area near Terminal 2 apron comes in the footprint of new airside development and hence a portion of it will be demolished for airside infrastructure improvement works. GSE area of 5,320 sqm is proposed at different locations indicated in the figure below.</p>

S.N.	Airside improvement projects	Need for the project
		
6.	Relocation of SMR	<p>Surface movement radar (SMR) is used to detect aircraft and vehicles on the surface of an airport. It is used by air traffic controllers to supplement visual observations. It may also be used at night-time and during low visibility to monitor the movement of aircraft and vehicles. The existing SMR is located west of the existing apron for Terminal 2 and falls in the footprint of airside taxiway improvement works. Thus, there is a need to shift the SMR facility. The proposed location of the SMR is to the west of the extended portion of taxiway improvement works. The location is as indicated in the figure below.</p>

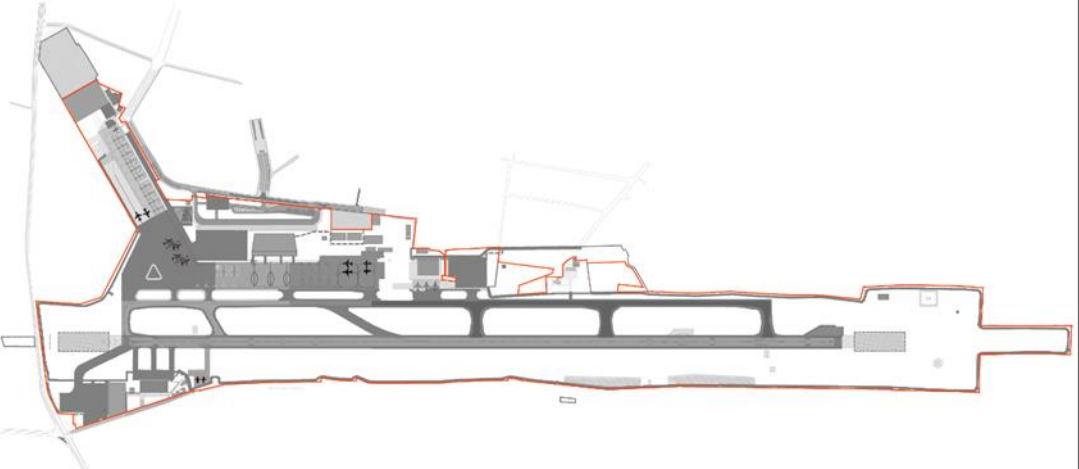
S.N.	Airside improvement projects	Need for the project
		
7.	Relocation of MSSR	<p>The relocation of Mono-pulse Secondary Surveillance Radar (MSSR) is essentially required to ensure safe, smooth, and efficient operation of the expanded airfield and development of new cargo complex. Currently it imposes restrictions on the permissible height of the new cargo complex and planned other facilities. The current location of MSSR falls within the footprint of the future apron expansion as well. The proposed location of MSSR is highlighted in the figure below with a total 1,058 sqm built up area.</p>

S.N.	Airside improvement projects	Need for the project
		
8.	Development of Airside Fuel Station	<p>Presently the airport does not have this facility on airside. To reduce movement from airside to landside for re-fuelling of airside vehicles, this facility is very essential. It shall dispense diesel, petrol, CNG as well as provide electric charging facility for all airside vehicles. Airside Fuel Station is proposed east of terminal 2. This is indicated in the figure below.</p>

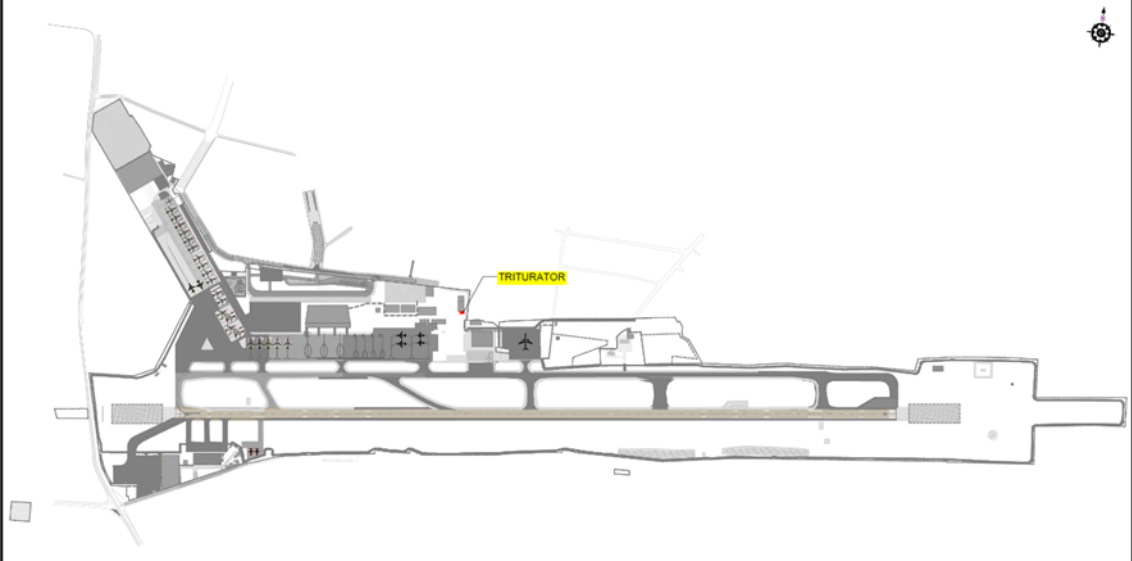
S.N.	Airside improvement projects	Need for the project
		
9.	Development and Modification of Airside Roads	<p>New airside roads are proposed to connect the airside areas in line to airside infrastructures for emergency and operational needs. The figure below indicates the airside road connectivity. The total length of the proposed road works is 1,550 m.</p>

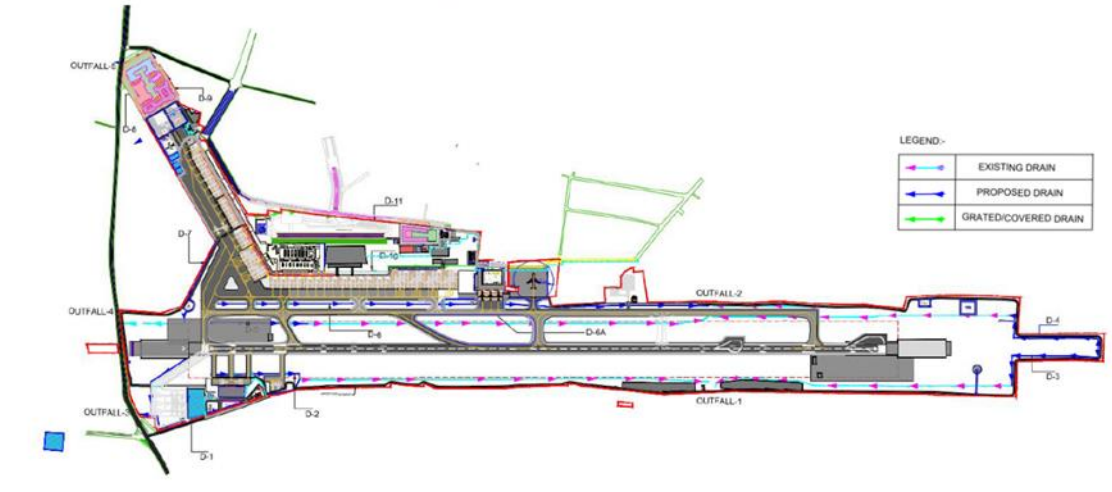
S.N.	Airside improvement projects	Need for the project
		
10.	Construction of Airside Boundary Wall	<p>In line with the proposed airside developments and terminal expansion, the existing airside boundary wall needs to be re-constructed. Similarly, some of the existing airport site area which were not utilized but needs to be included within airside area. Thus, new airside boundary wall needs to be built at these locations. Construction and modification plan of airside boundary wall is indicated in the figure below. A total of 2,393 m of airside boundary wall is proposed.</p>

S.N.	Airside improvement projects	Need for the project
11.	Provision of Perimeter Intrusion Detection System	<p>The airport presently does not have Perimeter Intrusion Detection System (PIDS) along / on its airside boundary wall. Due to security considerations, the airport requires PIDS as part of its airport security infrastructure. Therefore, installation of PIDS is proposed for approximately 14,430 m on the boundary wall.</p>

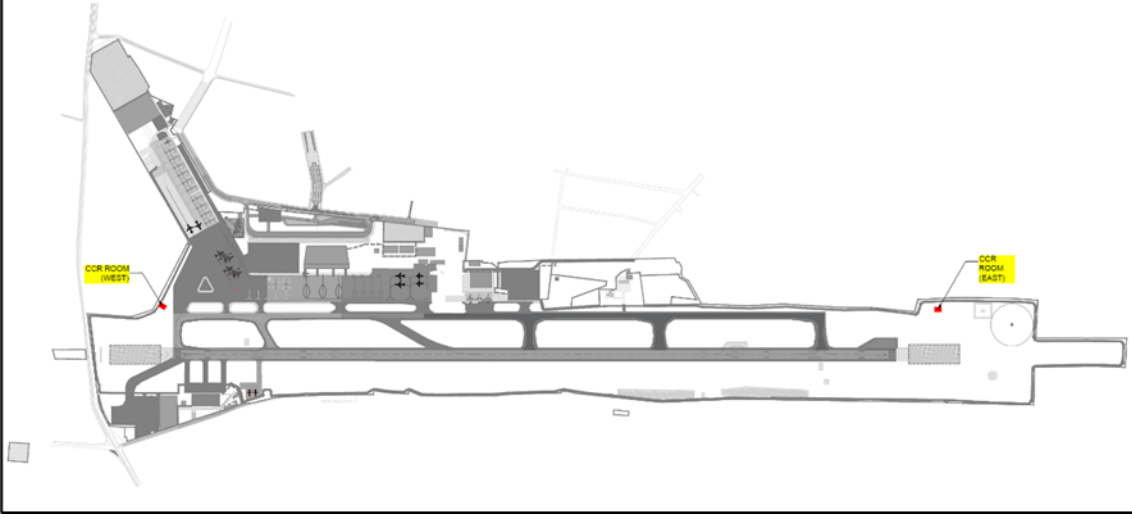
S.N.	Airside improvement projects	Need for the project
		
12.	Relocation of Bomb Cooling Pit	<p>Currently bomb cooling pit is located on western part of airport near taxiway U and close to SMR facility, which is falling under the proposed taxiway improvement works. Therefore, the bomb cooling pit needs to be relocated in this control period, by proposing a new bomb cooling pit on vacant land located on eastern side of the airport.</p>

S.N.	Airside improvement projects	Need for the project
13.	Triturator	<p>This facility is required for safe and hygienic disposal of waste from aircraft toilets to ensure compliance with safety and environment regulations. Liquid waste from aircraft shall be treated at Triturator as a primary treatment & further will be pumped to STP for secondary treatment. This facility is proposed on the northeast side of T2. Refer figure below for the location of the proposed facility.</p>

S.N.	Airside improvement projects	Need for the project
		
14.	Storm Water Drainage Works	<p>The proposed airside development will result in an increase in storm water run-off in the existing drainage network so enhancement of existing airside & landside storm water drainage will be required. A new storm water drainage system to carry runoff to the existing drainage system towards the outfalls is proposed. The indicative layout of the system is shown in the figure below. The total length of drainage network is 13,868 m out of which 10,376 m is existing and the new proposed network is about 3,492 m.</p>

S.N.	Airside improvement projects	Need for the project
		
15.	Construction of New Airside Security Gate	<p>Security Gates are a necessity and act as a connectivity for the airfield. In accordance with the proposed new integrated terminal and airside improvement works, a new security gate is required. One airside security gate is proposed and the indicative location of the same shown in the figure below:</p>

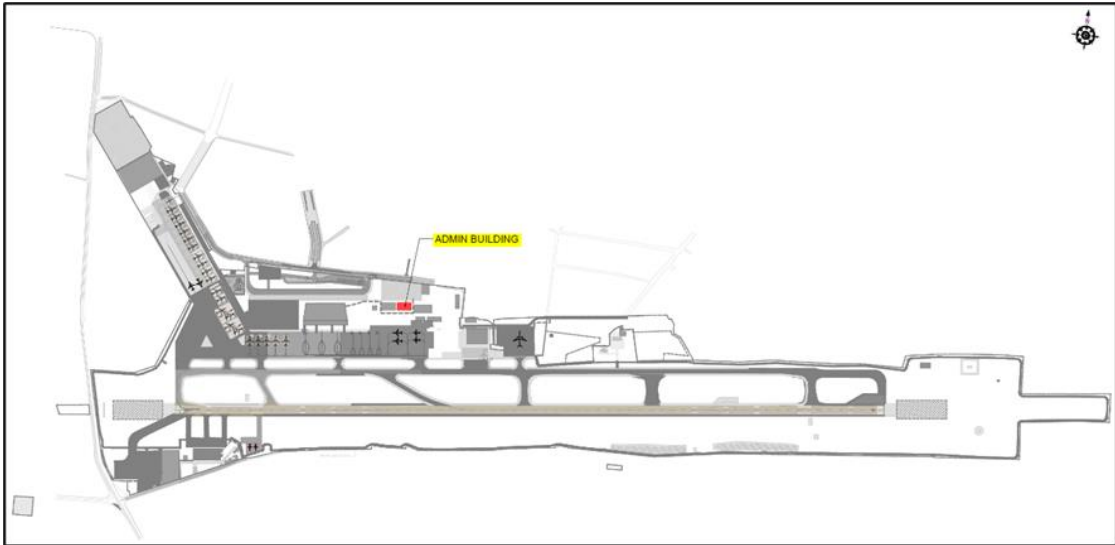
S.N.	Airside improvement projects	Need for the project
16.	Construction of CCR Rooms	<p>Constant Current Regulator (CCR) is an electrical sub-station providing un-interrupted and regulated power supply to critical airfield infrastructure like runway lighting, lighting for RETs, approach lighting, etc. The current CCR has limited capacity and it is located near the existing ATC Block. Due to the need for increased capacity of CCR, and since the existing CCR building comes in the footprint of future apron expansion, two new CCRs of 600 sqm each are proposed near both ends of the runway. The parallel taxi track also requires CAT III lighting and the power will be supplied through the proposed CCRs. The works proposed includes the migration of the system from the old CCR to these new CCRs.</p>

S.N.	Airside improvement projects	Need for the project
		 <p>The image shows a detailed architectural floor plan of an airport terminal building. The plan is elongated and features a central corridor system. On the left side, there is a large, angled structure, possibly a check-in or baggage claim area. On the right side, there is a smaller, more compact structure. Two yellow callout boxes are present: one on the left labeled 'CCR ROOM (WEST)' and one on the right labeled 'CCR ROOM (EAST)'. The plan also shows various rooms, corridors, and structural elements like columns and beams.</p>

5.5 Ancillary Building Development Works

5.5.1 Airport Administration Building

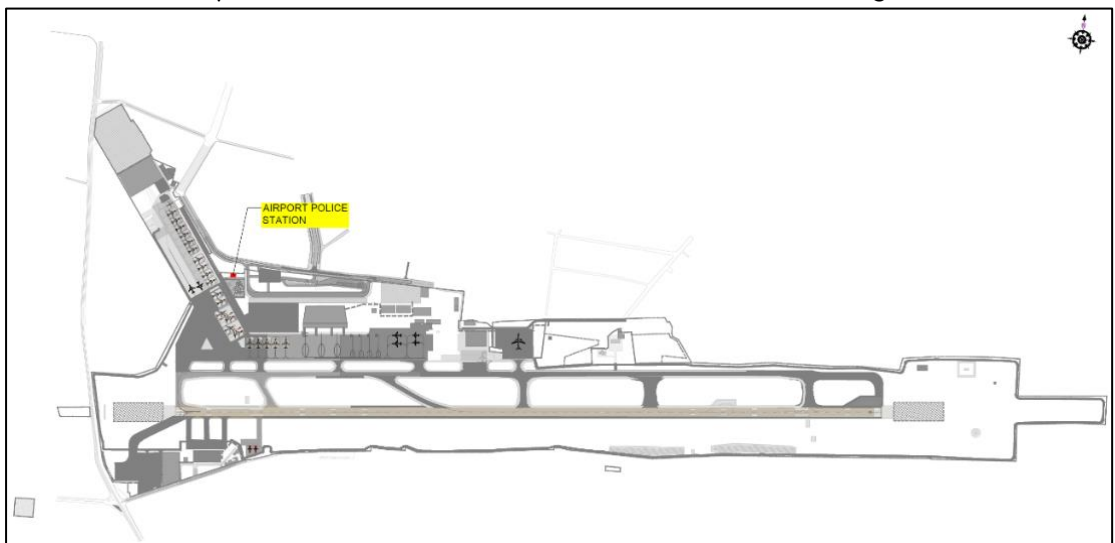
A dedicated administration building would be required for JIAL to have their administration set up. The existing T1 back offices are used for administration, which is small in size, will not be adequate and efficient. A plot area of approximately 2,275 sqm near the existing T2 Terminal is earmarked for this facility. Cost of this project is part of capex for 3rd Control Period.



5.5.2 Airport Police Station

Airport police provide a wide range of law enforcement duties and responsibilities including patrol, investigation, and response to airport emergencies. Airport police provides enhanced safety to airport employees, and to passengers.

For easy access, proposed police station is located on the landside, not far from the airport terminal. The location is indicated in the figure below.



5.6 Utility Improvement Works

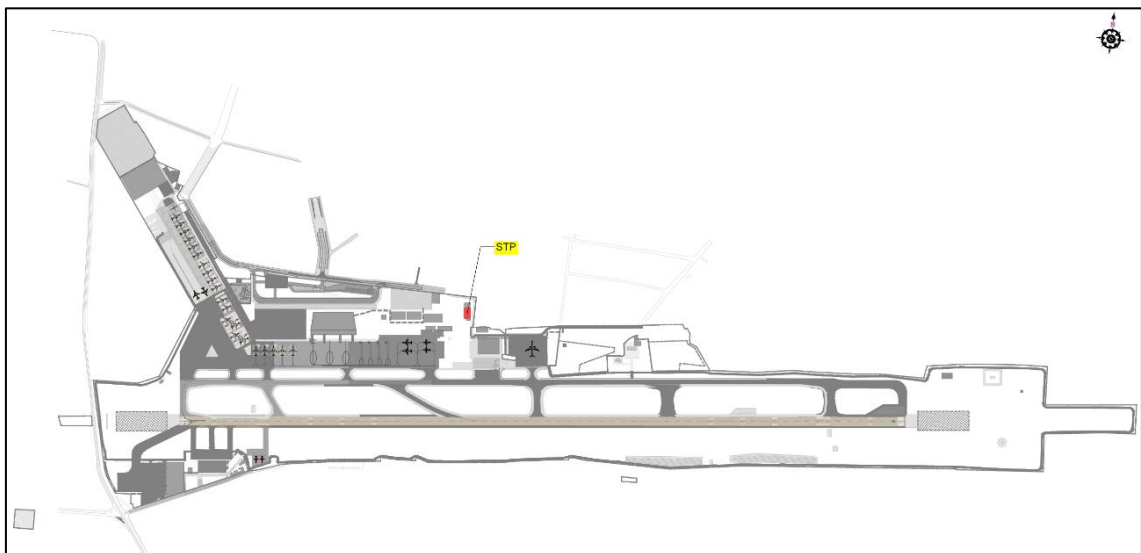
5.6.1 New electrical substation for proposed new infrastructure

New 132 KV/11 KV, 2x20 MVA substation is proposed for new T3, administration office, police station, and other infrastructure proposed in this control period. The proposed works include reticulation of the power supply to these new infrastructures.

5.6.2 STP for proposed new T3

Existing STP is of 100 KLD capacity and will not be able to take additional load. STP used for recycling of sewage is proposed to cater for the increased sewage generated from the new T3. This facility shall be compact, odour free and consume low power. Wastewater after treatment shall be utilized for air conditioning cooling tower make-up, irrigation system and flushing.

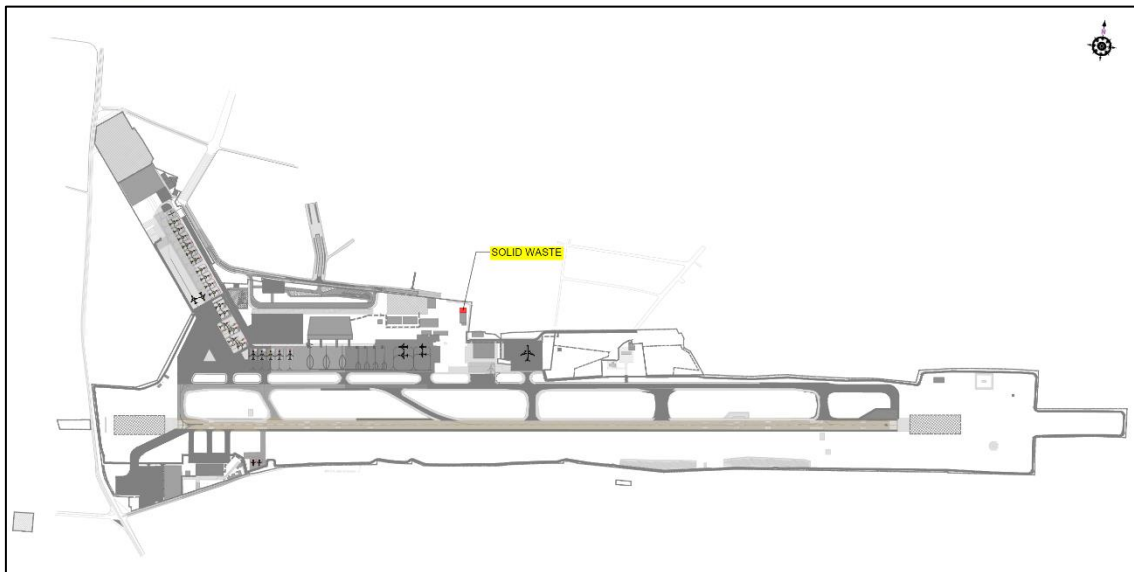
The proposed STP location is indicated in the figure below.



5.6.3 Solid Waste Facility

Different kinds of waste material including solid waste generated due to operations and regular maintenance of airport terminal and support facilities, needs to be stored in the airport till it is transported to the designated disposal area. This facility will be used only for storage of the solid waste till the same is disposed to authorised waste disposal agencies.

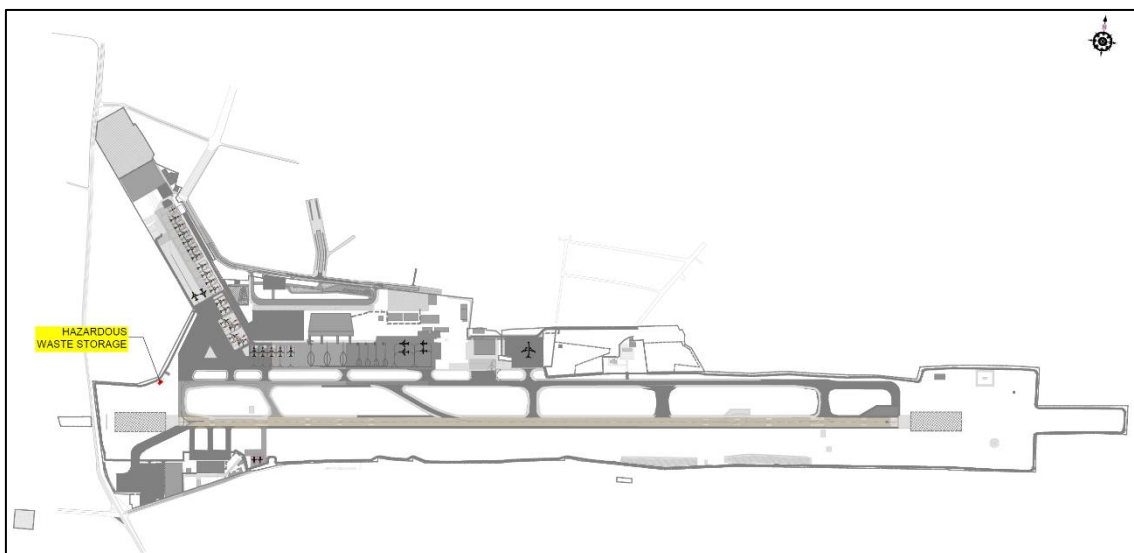
Location and general layout of the facility is indicated in the figures below.



5.6.4 Hazardous Waste Storage

Different kinds of waste material including hazardous waste generated due to operations and regular maintenance of airport support facilities, needs to be stored in the airport till it is transported to the designated disposal area, following the standard procedures. It is important to ensure that the stored materials do not spill over and contaminate the surrounding areas while stored. This facility will be used only for temporary storage of the hazardous waste till the same is disposed to authorised waste disposal agencies.

Location and general layout of the facility is indicated in the figures below.



5.7 Development of JIAL Cargo facility

5.7.1 As per Clause 19.4, 19.5 of the Concession Agreement, JIAL is required to provide Cargo Facilities at the Airport. The relevant clauses from the Concession Agreement as follows:-

19.4 Cargo Facilities

19.4.1 (a) The Concessionaire shall upgrade, develop, operate and maintain the Cargo Facilities in accordance with the provisions of this Agreement, Applicable Laws, Applicable Permits, relevant ICAO Documents and Annexes and Good Industry Practice.

19.4.2 The Concessionaire shall:

(a) make reasonable endeavors to ensure that the Cargo Facilities include adequate cargo and parcel space, handling equipment, storage and handling of perishable cargo and dangerous goods, space for cargo agents and customers, inspection area, office space, automation systems, screening equipment, storage facilities, and facilities for mail handling and courier shipments in accordance with the provisions of this Agreement and Good Industry Practice;

(b) operate and maintain the Cargo Facilities and provide the associated services to airlines and consignors in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice;

(c) provide, free of charge and in accordance with Good Industry Practice, operational space and other facilities to the customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions;

(d) install and keep operating in good working condition, web-cams, at all the strategic locations, wherever, the cargo facilities are being handled or dealt with in any manner whatsoever.

19.5.1 The Concessionaire shall ensure that the Master Plan earmarks an area for Cargo Facilities, and that such area shall be used only for handling of cargo and for associated activities.

"Cargo Facilities" means the buildings, structures and equipment, docking space, aircraft parking, vehicular parking and land appurtenant thereto, as the case may be, required for handling of incoming and outgoing cargo, including short-term warehousing thereof;

5.7.2 In Compliance to the CA, JIAL has planned for Cargo Facilities and its operations, the details of which are provided in Chapter 6.

5.8 Development of Fuel Storage and distribution Facility

5.8.1 As per Clause 19.3, the Concession Agreement, JIAL is required to provide infrastructure required for operation of fuelling services on equal access basis (Open access basis) at the Airport. The relevant clauses from the Concession Agreement as follows:-

19.3 Aircraft Fueling Services

The Concessionaire shall provide, or cause to be provided, the infrastructure required for operation of fueling services on equal access basis for all the aircrafts at the Airport in a transparent and non-discriminatory manner. Such infrastructure shall include tank farms and associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice. Good Industry Practice.

5.8.2 In Compliance to the CA, JIAL has planned for fuel farm infrastructure and its operations. The details regarding projected fuel throughput volume, short term and long-term infrastructure planning, operating expenses relating to planned fuel farm infrastructure are provided in Chapter 7.

5.9 Environment Related Capital Expenditure

In view of Aviation and Airport Industry's initiatives towards Carbon Neutrality and Net Zero Emissions, JIAL has planned certain capital expenditure to reduce emissions, development of green infrastructure, improving energy efficiency and improved airport operations with resource conservations. Few of the major Environment related capital expenditure are listed below:

- I. Oil Water Separators (OWS)
- II. Provision of Triturator
- III. Hazardous Waste Storage
- IV. Solid Waste Facility
- V. STP for proposed new T3
- VI. Conversion of vehicles to EVs
- VII. Conversion of refrigerants to lower Global Warming Potential (GWP)
- VIII. Conversion of CO2 type fire extinguishers to lower GWP
- IX. Installation of EV charging stations
- X. Solid waste management yard
- XI. Organic waste converter (OWC)

5.10 Sustaining/Minor capital expenditure

A detailed list of sustaining / minor capital works is provided below in point 5.12.

5.11 Basis of Costing

5.11.1 **Block Cost Estimate:** - Block Cost estimation for works / projects as included in each category of capex are based on DSR / MoRTH / PAR / Market rate including all necessary Taxes, duties, levies etc. as applicable. Indexation @ 5% per annum has been considered (as per RBI forecaster survey Dec 2022).

5.11.2 **Soft Costs of approx. 16%** - Technical consultancies, contingencies, pre-operative Cost, design cost, PMC, preliminary expenses

5.11.2.1 As per recent released CPWD SOP 2022 dated 13.07.2022 <https://cpwd.gov.in/Publication/sop2022.pdf>, the Project Estimation should take care of the following requirements :-

10. Preliminary estimate (PE) is to be prepared on the basis of Plinth Area Rates or length of road etc. worked out on the rate per unit area/length/number, or such other method adopted for ready and rough calculation, so as to give an idea of the approximate cost involved in the proposal.

11. Prevailing Cost Index over the plinth area rates, effect of ESI & EPF leviable (rates as given in Annexure -14, Contingencies and Departmental Charges (if applicable) are to be added in the PE.

As per CPWD norms, the various costs to be considered while preparing the preliminary estimates and should include the following components:

- i. Planning Consultancy 4% and Project Management Consultancy 5% (refer below PART 1 as the relevant extract from CPWD SOP2022)
- ii. Other Technical Services like Preliminary Sketches, Detailed Drawings, Preliminary Estimates, Structural Design, Execution, Audit & Account etc. is ranging between 7% to 24% depending upon size of the project (refer below PART 2 as the relevant extract from CPWD SOP2022)



- iii. Contingency cost is 3% (*refer below PART 3 as the relevant extract from CPWD SOP2022*)
- iv. ESI & EPF ranging between 0.85% to 4.2%, say average of 2% (*refer below PART 4 as the relevant extract from CPWD SOP2022*)

5.11.2.2 As per accounting standards (*refer extract as PART 5 below*) the costs relating to Project Team is required to be capitalized. These costs have been approved by AERA in various orders for PPP and AAI Airports ranging between 2-3% of the project cost (*refer below PART 6 for few Airports examples*). The same is recognized by AERA in its Guidelines Form F11 (b) (*refer below PART 7 as the extract from AERA Guidelines*).

The overall Soft Costs based on point 5.11.2.1 and 5.11.2.2 above is minimum 18-20%.

5.11.2.3 As per "Airport Capital Improvements: A Business Planning and Decision-Making Approach" study conducted by Airport Cooperative Research Program (ACRP), Transport Research Board (sponsored by US Government's Federal Aviation Administration). The soft costs range between 10% to 30%. The extract from Page 48 the report is as follows:

Soft costs typically range from 10% to 30% of total project costs. These include design fees, permitting fees, utilities, costs associated with inspections and land acquisition, costs associated with the bidding and procurement process, and project administration and management costs.

Full study report by ACRP is provided as Annexure M.

5.11.2.4 **JIAL has proposed soft cost of 16% of total Capex which is within the reasonable range based on information from reputed agencies from India and Overseas.**

PART 1

SOP No. 8/7: Levy of Fees by CPWD for Consultancy Services (Para 8.20)

CPWD handles consultancy works of planning and designing (with or without construction) of

various projects including high-rise buildings, housing complexes etc of Public Sector Undertakings and other organizations to undertake construction on turnkey basis, or for

Mission's buildings abroad, etc. at negotiated rates. Fee for the Consultancy Services is charged.

by CPWD as given below.

FEES FOR CONSULTANCY SERVICES

- (a) Planning 4%
- (b) Construction Management 5%
- (c) Visits of CPWD Officers from India 1%

For planning and designing work, the following charges is levied:

- (i) Development of Master Plan Rs.10000/- per hectare
- (ii) Architectural plans and drawings 3 % for original work 1/2 % for repetition
- (iii) Structural designs and drawings 1% for original work 1/2 % for repetition

PART 2

ANNEXURE- 5 (Reference Para 3.1.1.4 (1)) RATES OF DEPARTMENTAL CHARGES				
Objectives of works	All maintenance works, and minor works costing upto Rs. one lakh	Construction works costing upto Rs. Two Crores	Construction works costing between Rs. Two and five Crores	Construction works costing more than Rs. five crores
1	2	3	4	5
(A) Establishment Charges				
1. Preparation of preliminary sketches	1/2%	1/4%	1/4%	1/4%
2. Preparation of detailed working drawings	1%	3/4%	1/2%	1/4%
3. Preparation of preliminary estimates	1/4%	1/4%	1/4%	1/4%
4. Preparation of detailed estimates	1/2%	3/4%	1/2%	1/4%
5. Preparation of structural designs	1%	1%	3/4%	3/4%
6. Execution	19-1/4%	7-3/4%	4-3/4%	4-1/4%
Total Establishment charges	22-1/2%	10-3/4%	7%	6%
(B) T&P (Machinery Equipment)	3/4%	3/4%	1/2%	1/2%
(C) Audit & Account	1/4%	1/4%	1/4%	1/4%
(D) Pensionary	1/4%	1/4%	1/4%	1/4%
	23-3/4%	12%	8%	7%

PART 3

SOP No. 3/4: Provision for Contingencies and its Utilization (Refer Para 3.1.1.3 (3))

1. In addition to the provision for all expenditure which can be foreseen for a work, a provision of contingency is kept as follows : (i) Estimated cost up to Rs. 1 Crore 5% (ii) **Estimated cost more than Rs. 1 Crore ... 3%, subject to minimum of Rs. 5 Lakh**

PART 4

ANNEXURE- 14 (Refer SOP No. 3/2) STATEMENT SHOWING THE RATES OF EPF and ESI CHARGES TO BE INCLUDED IN PRELIMINARY ESTIMATE				
Category of work	Component of Labour	EPF @12.5 % of labour Component	ESI @ 4.5 %of labour Component	Total of EPF & ESI
Buildings	25%	3.125%	1.125 %	4.25%
Road Works & pavements in airfields	5%	0.625%	0.225%	0.85%
External sewerage	10%	1.25 %	0.45%	1.70%
External water supply	5%	0.625%	0.225%	0.85%
Bridge/Flyover works	25%	3.125%	1.225%	4.25%
Maintenance works engaging only labour component	100%	12.50 %.	4.50%	17.00 %
Other Maintenance work	70%	8.75%	3.15%	11.9%

PART 5

Indian Accounting Standard (Ind AS) 16 *Property, Plant and Equipment*

Elements of cost

16 The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

17 Examples of directly attributable costs are:

(a) costs of employee benefits (as defined in Ind AS 19, Employee Benefits) arising directly from the construction or acquisition of the item of property, plant and equipment;

- (b) costs of site preparation;
- (c) initial delivery and handling costs;
- (d) installation and assembly costs;
- (e) costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment); and
- (f) professional fees.

PART 6

Extract from Chennai Airport Order No. 38/2021-22 for the Third Control Period

Grand Total of Capital Additions Proposed in the Third Control Period				
Grand total of capital additions proposed to be considered	Total	3,882.58	2,139.82	(1,742.66)
	Financing Allowance	51.88	-	(51.88)
	IDC	108.17	21.93	(86.27)
	Project division expenses capitalized (Exp. Cap)	87.07	47.58	(39.57)

~2.25%

Extract from Pune Airport Order No. 38/2021-22 for the Third Control Period

4.2.33 Based on the discussion above, the total capital additions proposed to be considered by the Authority in the Third Control Period was as tabulated below:

4.2.34 Based on the Authority's analysis of capital expenditure deferred from Second Control Period (Para 4.2.9 to Para 4.2.24) and new capital expenditure proposed to be incurred in the Third Control Period (Para 4.2.25 to Para 4.2.31), the Authority considered a total Capital Expenditure of Rs. 52,540.93 lakhs as given below:

Table 83: Capital Expenditure additions for the Third Control Period considered by the Authority

Reference	Project	No.	Particulars	Submitted by AAI	Proposed by the Authority	Difference
				1	2	3=2-1
I	Capital additions deferred from the Second Control Period to the Third Control Period	I.A	New Integrated Terminal Building	44,621.19	43,694.92	-926.27
		I.B	PMC-Expansion of Terminal Building- (Tensile canopy)			
		I.C	PMC-Expansion of Terminal Building-Electrical works (aerobridge)			
		I.D	Baggage Trolley & XBIS	508.47	508.47	-
		I.E	Financing Allowance	3,337.57	-	-3,337.57
		I.F	IDC	2,023.22	2,005.96	-17.26
		I.G	Project division expenses capitalized (Exp. Cap)	1,651.26	1,630.60	-20.66
		I	Sub Total (I.I.D)	52,191.71	47,839.95	-4,301.77

~3.5%

PART 7

Form P11 (b): Payroll Related Expenditure and Provisions (ref: Section A6.3.6)

S.N.	Particulars - with detailed breakup	Last available audited year [^]	Financial Year before Tariff Year 1*	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
A	<i>Salaries and Wages</i>							
B	<i>PF Contribution</i>							
C	<i>Medical Expenses</i>							
D	<i>Overtime</i>							
E	<i>Staff Welfare Fund</i>							
F							
1	Grand Total							
2	Employee expenses capitalised							
3	Net Employee expenses (1)-(2)							

* Projected values to be provided
 # Fields in italics are indicative only
 ^ Information for last financial year for which audited accounts are available

5.11.3 **Interest During Construction (IDC)** – IDC is calculated based on construction phasing of the proposed capital expenditure and capitalized as per accounting policies. The amount is calculated considering debt portion of 65% with cost of debt as 12%.

5.11.4 **Financing Allowance** – As per clause 5.2.7 of AERA Guidelines Clause, financing allowance is provided on Works in Progress. The relevant extract from the AERA Guidelines is as

5.2.7. Work In Progress assets

(a) Work in Progress Assets (WIPA) are such assets as have not been commissioned during a Tariff Year or Control period, as the case may be. Work in Progress assets shall be accounted for as:

$$WIP_t = WIPA_{t-1}$$

+ Capital Expenditure (Capex)

+ Financing Allowance

- Capital receipts of the nature of contributions from stakeholders (SC)

- Commissioned Assets (CA)

Where: -

WIP_t : Work in progress asset at the end of Tariff Year t

WIP_{t-1} : Work in progress asset at the end of Tariff Year t - 1

Capital Expenditure: Expenditure on capital projects and capital items made during Tariff Year t.

The Financing Allowance shall be calculated as follows:

$$\text{Financing Allowance} = R_d \times \left(WIPA_{t-1} + \frac{\text{Capex} - \text{SC} - \text{CA}}{2} \right)$$

Where

(iv) R_d is the cost of debt determined by the Authority

(v) SC are the capital receipts

(vi) CA are the commissioned assets

As per AERA Guidelines, financing allowance is to be provided on WIPA (irrespective of the source of funds). Since IDC is already proposed on the

65% of the debt portion, the financing allowance is proposed on the balance 35% funding source.

All the procurement will be done as per company procurement policy which is available on the company website. The same can be accessed at the link <https://www.adani.com/jaipur-airport/-/media/8B8E70E910714B7D888D1E4691B7A4B3.ashx>

5.12 Total cost of the proposed Capital expenditure during TCP is tabled as below:

Project Heading and project details	Asset Category for Gross Block and Depreciation	Amount (Rs Crores)	Start Date	End Date		
A. Airside Improvement Works		495.99				
Airport Boundary Wall (New Construction)	Boundary Wall	4.94	Aug-24	Aug-25		
Airside Drainage Works	Runway, Taxiway and Apron	49.57	Aug-23	Mar-26		
Airside Perimeter & Service Road including streetlights	Boundary Wall	5.26	Aug-23	Jun-25		
Bomb Cooling Pit (New Construction)	Other Buildings	0.85	Aug-23	Jun-24		
CCR Room East & West	Other Buildings	8.21	Aug-23	Apr-25		
Construction of Apron near Cargo Terminal	Runway, Taxiway and Apron	5.74	Aug-23	Oct-24		
Construction of associated Taxiways for North-West Apron	Runway, Taxiway and Apron	98.75	Aug-23	Oct-24		
Construction of Code E Taxiway for Terminal 1 Apron	Runway, Taxiway and Apron	13.99	Aug-23	Oct-24		
Construction of New Link Taxiways	Runway, Taxiway and Apron	12.53	Aug-23	Oct-24		
Construction of New Rapid Exit Taxiway	Runway, Taxiway and Apron	16.59	Aug-23	Oct-24		
Construction of T1 Apron	Runway, Taxiway and Apron	31.63	Aug-23	Oct-24		
Extension of North-West Apron for new T3	Runway, Taxiway and Apron	33.38	Aug-23	Apr-25		
Fuel Station (Petrol Pump)/ EV Charging Station including rooftop solar panels and circulation area	Other Buildings	4.50	Jan-24	Dec-24		
GSE Staging - (Rigid Pavement)	Runway, Taxiway and Apron	5.31	Aug-23	Apr-25		
New Airside Gates – 1	Other Buildings	0.62	Aug-24	Aug-25		
Perimeter Intrusion Detection System (PIDS)	Boundary Wall	36.33	Feb-25	Mar-26		
Refurbishment of RESA for Runway 09 & 27 End	Runway, Taxiway and Apron	4.27	Aug-23	Jun-24		
Relocation of MSSR	Other Buildings	5.90	Nov-23	May-25		
Relocation of SMR	Other Buildings	0.71	Nov-23	Sep-24		
Security equipment for Gates	Security equipment	0.56	Aug-24	Aug-25		
SITC of CAT-IIIB lights and associated works for Parallel taxiway phase II	Plant and Machinery	8.58	Throughout the Control Period			
Construction of view cutter for Tango Apron area	Plant and Machinery	4.93				
Modification in PAPI, Runway centerline circuits, separate guard light circuits and provision of interleaving AGL circuits.	Plant and Machinery	2.70				
Gas suppression system -NAV-AIDs site	Plant and Machinery	0.83				
Improvement of CBR of basic strip	Runway, Taxiway and Apron	13.33				
Fire access road on south of Runway & perimeter road repair	Access Road	20.16				
Replacement of all type of AGL halogen lights with LED lights	Plant and Machinery	24.81				
Runway Recarpeting work, taxiway repair job, Pavement block work near signages, Frangible boxes	Runway, Taxiway and Apron	80.97			Mar-25	Jun-25

Project Heading and project details	Asset Category for Gross Block and Depreciation	Amount (Rs Crores)	Start Date	End Date
B. Passenger Terminal & Associated works		3,070.61		
Elevated Departure and Arrival Road for new T3	Access Road	312.42	Jun-23	Jan-27
Existing Terminal 1 upgradation and associated works	Terminal Building	3.01	Aug-23	Feb-24
New Integrated Terminal 3	Terminal Building	2,476.19	Jun-23	Jan-27
Terminal 2 Upgradation and associated works	Terminal Building	278.98	Aug-23	Jun-24
C. Ancillary Building Development Works		54.33		
Construction of Administration Building	Other Buildings	50.34	Dec-23	Nov-25
Police Station (New Construction)	Other Buildings	3.99	Dec-23	Aug-24
D. ATF storage and distribution system		280.69		
Acquisition of existing assets (BPCL, IOCL, RIL) and Dead Stock of Material	Fuel	30.97	Jun-23	Oct-23
Equipment (Dispensers and Bowsers)	Fuel	19.59	Jun-23	Apr-25
Fuel Farm facility	Fuel	127.41	Jun-23	Apr-25
Hydrant Line	Fuel	102.72	Jun-23	Apr-25
E. Development of Cargo Facilities		95.08		
Cargo Terminal Complex (Warehouse including docking area)	Cargo Building	85.81	Oct-23	Jan-25
Interim Dom + Refurbishment of Int	Cargo Building	9.26	Apr-22	Sep-23
F. Environment Related		34.90		
Oil Water Separators (OWS)	Plant and Machinery	13.60	Aug-23	Apr-25
Triturator	Plant and Machinery	3.17	Aug-23	Sep-24
Hazardous Waste Storage	Plant and Machinery	0.41	May-24	May-25
Solid Waste Facility	Other Buildings	2.05	May-24	May-25
STP for proposed new T3	Other Buildings	6.55	Jun-23	Jan-27
Conversion of vehicles to EVs	Vehicles	7.06		
Conversion of refrigerants to lower Global Warming Potential (GWP)	Plant and Machinery	1.25		
Conversion of CO2 type fire extinguishers to lower GWP	Plant and Machinery	0.01		
Installation of EV charging stations	Other Buildings	0.14		
solid waste management yard	Other Buildings	0.46		
Organic waste converter (OWC)	Plant and Machinery	0.20		
G. Utilities		123.86		
New electrical substation for proposed new infrastructure	Plant and Machinery	117.53	Jun-23	Jan-27
Reticulation of utilities to new facilities	Plant and Machinery	6.33	Jun-23	Jan-27
G. Sustaining / Minor Capex Works		312.23		
HVAC improvement work in SHA second floor- T2. and Chiller plant capacity Enhancement	Plant and Machinery	0.59		
Terminal 1 -Immigration counters, glass partition and water proofing	Plant and Machinery	0.13		
Augmentation of water supply from PHED, Govt. of Rajasthan at Jaipur Airport.	Plant and Machinery	1.77		
Special repair/modernisation of THYSSANKRUPP make lifts in ATC Tower.	Plant and Machinery	0.09		
Modernisation of existing hydro pneumatic system & water storage/distribution in airport from T2 to operation area and T1	Plant and Machinery	0.30		
33 KV substation Capacity enhancement and relocation, cable re-routing from JVVNL, Alternative 33 KV power supply source from JVVNL, Replacement of 11 KV Power Cable from 33 KV Substation and Ring main from T-1	Plant and Machinery	6.67		
Ambulance (4 Nos) for ARFF & Recovery Vehicle	Vehicles	1.37		
Power factor improvement at 33 KV Substation	Plant and Machinery	0.62		

Project Heading and project details	Asset Category for Gross Block and Depreciation	Amount (Rs Crores)	Start Date	End Date
Revamping of Fire Fighting Pump house & Apron Office, WHM Crackers storage	Plant and Machinery	0.31		
Enhancing solar plant capacity by 500 KW	Plant and Machinery	3.10		
CFTs (4Nos.) for ARFF	Vehicles	71.96		
Night Vision Device (NVD)	Plant and Machinery	3.71		
BP Jackets	Plant and Machinery	1.17		
BP Helmet	Plant and Machinery	0.49		
Bullet Proof Shield	Plant and Machinery	0.71		
Bullet Proof Morcha	Plant and Machinery	1.41		
Binocular Device	Plant and Machinery	0.22		
Hands Free Communication RT	Plant and Machinery	0.01		
Convex Mirror (Blind Curve)	Plant and Machinery	0.03		
Printer with photo copy	Plant and Machinery	0.11		
Unified Security Control Room for CISF	Other Buildings	0.67		
Upgradation of RLCC Control Rooms infra	Other Buildings	0.34		
Body Scanner	Plant and Machinery	12.89		
Card Printer for Biometric AEP	IT equipment	0.18		
BDDS Equipment's (Set)	Plant and Machinery	2.64		
CISF Mess Equipment	Plant and Machinery	0.46		
CISF Barrack Lodging Material	Plant and Machinery	0.82		
Furniture & Fixtures (Chairs, Stool, Tables, etc.)	Furniture & fixtures	1.45		
CISF - Gym equipment	Plant and Machinery	0.16		
Ghumti/ security cabin	Plant and Machinery	0.07		
CCTV & Video Surveillance System Tech Refresh (Including servers, Storage, network Switches and passive cabling)	IT equipment	5.29		
CCTV & Video Surveillance System Additional (Including servers, Storage, network Switches and passive cabling)	IT equipment	1.60		
CCTV workstation and display	IT equipment	0.06		
Access control system	IT equipment	0.58		
Biometric Access control system for CISF	IT equipment	0.13		
Desktop and monitors for CISF & AEP Section	IT equipment	0.42		
Guard Tour System	IT equipment	0.03		
Readers for Biometric AEP	IT equipment	0.51		
RoIP Infrastructure/Additional RoIP Handset/RoIP Base stations/Vehicle sets	IT equipment	1.29		
CTSR (Containerised Tubular Shooting Range)	Plant and Machinery	2.60		
Additional/ Relocation & Refurbishment of Watch towers	Other Buildings	0.76		
Mobile phone for CISF outer duty post	IT equipment	0.02		
Upgradation/ Refurbishment of Antihijack Control Room	Other Buildings	0.58		
Automation of AEP Section/ security process	IT equipment	0.41		
Miscellaneous	Plant and Machinery	1.53		
Bollards	Plant and Machinery	2.03		
Operational Capex for Commencement of T1	Terminal Building	4.02		
Modified Vehicle for BDDS equipment	Vehicles	0.33		
POC and New Tech evaluation	IT equipment	1.19		
NEW AOS-SITA	IT equipment	1.03		
AOS - INFRA @ MS Azure	IT equipment	3.62		
INTEGRATION	IT equipment	0.89		
IT Infra & DC	IT equipment	4.07		
Cyber	IT equipment	1.48		
Strategic Projects	IT equipment	126.84		
BU Growth & Sustainance	IT equipment	1.19		
Asset level Technology Refresh	IT equipment	14.87		
Misc. Expenses of Cones, Barrier, Foot mat, Single seater chairs - T1	Plant and Machinery	1.29		
Furniture Expenses- Furniture purchase Terminal (Passengers) - T1	Furniture & fixtures	1.53		
Signage - New procurement for emergency route identification etc. - T1	Plant and Machinery	0.23		

Project Heading and project details	Asset Category for Gross Block and Depreciation	Amount (Rs Crores)	Start Date	End Date
Misc. Expenses of Cones, Barrier, Foot mat, Single seater chairs -T2	Other Buildings	1.63		
Furniture Expenses- Furniture purchase Terminal (Passengers) - T2	Furniture & fixtures	1.79		
Fire Exit Signages	Plant and Machinery	0.08		
Cones, Barricades	Plant and Machinery	0.05		
WHM Equipment	Plant and Machinery	0.39		
Separate Storage of Fire Crackers for Bird scaring	Plant and Machinery	0.07		
Stretchers /O2 Gas cylinder purchase/ other equipment	Plant and Machinery	0.15		
Software for ADP/AVP through HQ, Ahmedabad	IT equipment	0.27		
ASMA for Safety use by Safety officers	Plant and Machinery	0.02		
FOD MAT for collection FODs	Plant and Machinery	0.57		
EV for Aerodrome safeguarding at City Side for monitoring of Obstacles and Site verification for NOC	Vehicles	0.33		
Gym Equipment / Table Tennis	Plant and Machinery	0.07		
GPS Satellite watches	IT equipment	0.03		
Setup of Apron Office, Fire Station Movement	Other Buildings	0.39		
Software for Aerodrome Safeguarding & AIS	IT equipment	0.26		
Tablets for Airside Mobile Application (ASMA) for online filling of Audit, Inspections, Safety Occurrence Report (SOR) etc. for use by Apron Control	IT equipment	0.05		
Software for maintaining Safety Data and retrieval of reports	IT equipment	0.26		
Green walls at terminal-1/2 (1000 sq.ft)	Plant and Machinery	1.10		
Land side & air side Garden (Softscape) developments (2 Ha.)	Plant and Machinery	4.81		
Polyhouse 500Sqm.	Plant and Machinery	0.64		
Planters and pots for terminal 1 & 2	Plant and Machinery	1.55		
Purchase indoor and outdoor Plants T1/2	Plant and Machinery	2.51		
Irrigation Development	Plant and Machinery	0.37		
Grand Total (A to G)		4,467.69		

S. No	Project Name	Cost (INR Crores)
A	Basic Cost (including indexation) as tabled above	4,467.69
B	Soft Costs	714.83
C	Interest During Construction	530.16
D	Financing Allowance	285.47
E	Grand Total (A to D)	5,998.15

5.13 Following is the summary of cash flows of third control period for the airport based on project phasing plan is as follows:

S. No.	Particulars (INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
1	Terminal Building	4.67	912.53	972.24	1,028.64	907.53	3,825.60
2	Runway, Taxiway and Apron	-	152.93	168.84	36.83	-	358.60
3	Boundary wall	-	2.09	13.38	42.24	-	57.71
4	IT equipment	14.32	24.60	49.96	49.74	55.29	193.91

5	Security equipment	-	-	0.43	0.26	-	0.69
6	Plant and Machinery	18.49	62.67	93.66	70.37	68.70	313.90
7	Other Buildings	1.00	21.16	58.42	30.44	2.73	113.75
8	Access Roads	-	81.63	120.43	145.63	114.50	462.20
9	Furniture	0.25	0.36	2.34	1.43	1.16	5.54
10	Vehicles	2.46	-	23.77	25.67	42.09	94.00
11	Office Equipment's	-	-	-	-	-	-
12	Total Airport	41.19	1,257.98	1,503.46	1,431.25	1,192.01	5,425.89
13	Cargo building	7.49	42.04	69.49	-	-	119.02
14	Cargo Equipment	-	-	-	-	-	-
15	Fuel	-	170.21	184.62	3.33	-	358.15
16	Grand Total (12 to 15)	48.68	1,470.23	1,757.56	1,434.58	1,192.01	5,903.06

5.14 Total capitalization amount during the TCP is as:

S No.	Particulars (INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
1	Terminal Building	4.67	3.59	339.47	0.00	3,477.87	3,825.60
2	Runway, Taxiway and Apron	19.94	0.00	235.04	123.56	0.00	378.54
3	Boundary wall	0.00	0.00	0.00	57.71	0.00	57.71
4	IT equipment	16.07	25.30	49.96	49.74	55.29	196.36
5	Security equipment	0.00	0.00	0.00	0.69	0.00	0.69
6	Plant and Machinery	18.49	22.06	40.13	35.95	197.27	313.90
7	Other Buildings	1.00	0.11	14.76	88.35	9.54	113.75
8	Access Roads	0.00	0.00	7.55	15.85	438.81	462.20
9	Furniture	0.26	0.36	2.34	1.43	1.16	5.55
10	Vehicles	2.46	0.00	23.77	25.67	42.09	94.00
11	Office Equipment's	0.18	0.00	0.00	0.00	0.00	0.18
12	Total Airport	63.07	51.42	713.01	398.94	4,222.03	5,448.47
13	Cargo building	0.00	11.70	107.32	0.00	0.00	119.02
14	Cargo Equipment	0.00	0.00	0.00	0.00	0.00	0.00
15	Fuel	0.00	36.70	0.00	321.45	0.00	358.15
16	Grand Total (12 to 15)	63.07	99.81	820.34	720.39	4,222.03	5,925.64

**Runway recarpeting is not capitalised as asset in the above table since it is claimed as amortization as per AERA Guidelines. Also, there are CWIP balances of approx. INR 23 Crs as on 31st March 2022 which got capitalised in FY22-23.*

Airport Users Consultative Committee (AUCC): JIAL conducted Airports Users Consultative Committee with all relevant stakeholders on 27th March, 2023. The need and costs for all the projects above INR 25 Crores (5% of opening RAB) or INR 50 Crores, whichever is lower were discussed in AUCC. The project information memorandum (PIF) was circulated to all stakeholders including AERA well in advance. The AUCC presentation and minutes of the meeting of AUCC are being submitted as Annexure N.

6 Cargo Handling Operations in TCP

6.1 JIAL handled cargo volume of approx. 17,500 MT in 2019-20 (Pre Covid). This was split into 2,300 MT of international cargo and 15,200 MT of domestic cargo. Within the international cargo, most of the volume pertains to exports for gems and jewellery, whereas in domestic cargo the volume as inbound and outbound is equal.

6.2 Before the COD, domestic and international air cargo was handled by AAICLAS (carved out facility). Additionally, the international cargo was also handled by RAJSICO and JGE. The summary of various facilities as on COD is as follows:-

Operator	Status
AAICLASS	The facility is in Carved Out area as per Concession Agreement.
Rajasthan State Industrial Co. (RAJSICO)	For the facility operated by RAJSICO (Non-Carved Out), we are under discussion to have it vacated soon. Meantime we are in the process of getting structural audit, basis audit report facility shall be refurbished / redeveloped and initiate our international operations.
Jaipur Gemstone Exchange (JGE)	Facility already vacated by JGE, we are in the process of getting structural audit, basis audit report facility shall be refurbished / redeveloped and initiate our international operations.

6.3 JIAL being a part of Adani Group, which has strategic interest in logistics business, has decided to participate in the cargo handling business. Accordingly, JIAL has plan to start processing domestic cargo with capacity of 2,750 MT p.a. from May 2023 onwards. In this regard, AERA vide order no. 03/2023-24 dated 20th April 2023 allowed JIAL to levy the existing charges for Domestic Cargo Handling Services at JIA till 30st September 2023 or tariff determination of third control period, whichever is earlier.



6.4 In addition to domestic cargo facility, JIAL is proposing to operate International Cargo Facility from September 2023. Initially, JIAL will commence International Cargo processing from an interim facility (refurbished facility of RAJSICO & JGE) with an annual handling capacity of 4,260 tonnes. The cost of basic investment including the domestic facility and the interim facility will be approx. INR 9.26 Crores (soft cost, interest during construction and financing allowance will be separate) largely in building refurbishment and equipment.

However, the interim facilities have limited capacity and will not be able to cater to the increased demand in future. Therefore, a new Integrated Cargo Complex (ICC) of approx. 4,500 sq mtr with handling capacity of 22,500 MT p.a. is proposed to be made operational in FY24-25. The ICC facility at JIA will have office and warehouse space dedicated for cargo operations. The equipment of ICC shall be meeting the needs of the cargo operations and regulations, that include battery operated forklifts, tractors, temperature-controlled facilities for perishable cargo, cargo dedicated dollies, weighing scales (that are integrated with Warehouse Management System, build/break workstations, etc. The security systems will include regulatory compliant dual view X-ray machines in both international and domestic terminals, ETDs, CCTV, etc. The facility will be well equipped with the required firefighting equipment and systems that will be fully integrated with the airport systems. Cost of new facility along with equipment is expected to be around INR 86 Crores (soft costs, interest during construction and financing allowance will be separate).

		FY19-20	FY20-21	FY 21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
		Actuals	Actuals	Actuals	Base Case Projection as per Mott Macdonald				
Volume	Ton	17,500	12,204	14,180	22,160	26,332	30,343	33,342	36,519
ATMs	No.	39,484	18,933	27,157	43,589	59,498	69,648	75,639	81,893
Ton / ATM		0.44	0.64	0.52	0.51	0.44	0.44	0.44	0.45
Volume to be processed by JIAL									
Total	Ton					6,721	7,010	25,006	27,389
% Market Share	%					26%	23%	75%	75%
Capacity Proposed									
Domestic - Interim Facility	Ton					2,750	2,750		

		FY19-20	FY20-21	FY 21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
		Actuals	Actuals	Actuals	Base Case Projection as per Mott Macdonald				
International - Interim Facility	Ton					4,260	4,260		
Integrated Cargo Complex	Ton							22,500	22,500
Total						7,010	7,010	22,500	22,500
Capacity Utilization %						96%	100%	111%	122%

6.5 The day-to-day operations and management of existing domestic cargo facility are performed through outsourced employees with initial estimated cost of INR 0.14 Crores per month. However, once JIAL develops Integrated facility, it is expected to outsource all day-to-day operations (domestic and international) to an O&M agency for a fee (O&M fees). It is expected that O&M Fees will be a variable fee based on volume of cargo tonnage processed from the cargo facility. The O&M Fee is expected to increase by 10% per annum.

Based on experience of Ahmedabad and Lucknow Airport in FY22, JIAL expect the average fees for O&M agency will be approx. INR 3,000 per ton subject to annual inflation: -

Airport	Fees
Ahmedabad	INR 3,130/ton
Lucknow	INR 2,590/ton
Jaipur (projected)	INR 3,000/ton

6.6 In addition to O&M fees, JIAL being operator for international facility will have to bear custom cost recovery charges of **INR 1.80 Crores** p.a. as per custom regulation circular 02/2021 dated 19.01.2021.

The calculation of custom cost recovery is given here under

5 staff required as follows: -

Deputy Commissioner – 1 No.

Superintendent – 1 No.

Appraiser – 1 No.



Inspector – 1 No.

Helper/Sepoy – 1 No.

Calculation

Average Salary per month – INR 160,000 (based on industry experience)

Salary for 5 staff (per month) – $5 \times 160,000 = \text{INR } 800,000$

As per Customs Circular – Cost of 1.85 times of Monthly Salary =
 $1.85 \times 800,000 = \text{INR } 1,480,000$

Annual Cost – $\text{INR } 1,480,000 \times 12 \text{ Months} = \text{INR } 17,760,000$ [Considered as
INR 1.80 Crores p.a. (Rounded Up)]

The basis of 1.85 times is provided in the custom circular. The relevant
extract is as follows -

7. Payment of Cost Recovery Charges⁵

7.1. The Cost Recovery Charges shall be payable by facilities at the uniform rate of 1.85 times of the monthly average cost⁶ of the post plus other allowances (such as Dearness Allowance, House Rent Allowance, etc.) For this purpose, the following factors may also be kept in view for working out the cost regarding all the cost recovery posts:

Since International Operational are starting from September 2023, the custom cost recovery is considered for half year in FY23-24 and from FY24-25 onwards annualised cost is considered.

6.7 JIAL will be a Customs Custodian for the facility. JIAL is the ultimate responsible entity for any loss of cargo, loss of property, any issues in service levels of cargo processing, loss of brand name and any statutory liability. While the O&M is expected to be outsourced, JIAL will continue to retain Supervisory staff and Duty managers who look after the facility and functioning of the O&M operator on a day-to-day basis. It is a 24 * 7 facility, hence JIAL has retained the following staff in shifts:-

Supervisor 3

Duty Manager 3

The average annual cost per person is approx. INR 16 Lakhs (Total cost approx. INR 1 Crores per annum).

Future requirement of manpower requirement is projected based on likely volume to be processed.



6.8 JIAL's cargo operating expenses are projected to be as follows:

Operating expense (INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
JIAL Staff salary	-	1.00	1.10	1.21	1.33	4.64
O&M Expenses	-	2.01	2.31	9.08	10.94	24.33
Customs Cost Recovery	-	0.90	1.98	2.18	2.40	7.45
Total	-	3.91	5.39	12.47	14.66	36.43

7 Fuel Farm Operations in TCP

7.1 At present various Oil Marketing Companies (OMCs) (IOCL, RIL, BPCL and HPCL with storage facility of 610KL, 220KL, 450KL and 30KL respectively) have their respective fuel tanks and refuelling facilities at Jaipur Airport. OMCs manage the operations on their own, and currently operating expenditure and other charges are embedded in Aviation Turbine Fuel (ATF) fuel price. Therefore, as on date there is no concept of open access facility at the Airport.

7.2 With reference to JIAL's obligations towards providing aircraft fuelling services, the Concession Agreement⁷ states that:

"The Concessionaire shall provide, or cause to be provided, the infrastructure required for operation of fuelling services on equal access basis for all the aircrafts at the Airport in a transparent and non-discriminatory manner. Such infrastructure shall include tank farms and associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice."

Under the Concession Agreement, it is responsibility of Airport Operator to provide necessary open access facility for the users.

7.3 Based on IATA Guidance Note on assessment of storage requirement (refer Annexure O for IATA guidance note) and past experience of various PPP Airports where Open Access is prevalent, it is proposed to provide open access storage facility equivalent to 9-10 day's throughput.

7.3.1 Any open access fuel storage (particularly, which operates 24x7) needs to have four tanks, as per details below. This is essentially because of prevailing batch control systems and quality control procedures in Jet Fuel handling: -

7.3.1.1 One tank on product receipt

7.3.1.2 One tank on delivery

⁷ Clause 19.3. of the Concession Agreement



7.3.1.3 One tank under product settling

7.3.1.4 One tank as stand-by (to cover, issues like maintenance, periodic tank cleaning, tank sealing for VVIP movement etc)

7.3.2 Any greenfield facility should be developed with minimum 10 years horizon. The reason is that Open Access Fuel Farm is the sole facility at any airport, and it remains operational 24x7. It is serious hazard to carry out construction/fabrication work in such running facility which operates with such high inflammable product. In fact, since in India the growth is robust, the planning is done with 10 years horizon. In Europe, the horizon considered is for up to 25-30 years.

7.3.3 Broad consideration while designing fuel storage are:-

Demand

- To accommodate current demand
- To accommodate future demand growth (for the next 10 years)
- To cater for unexpected demand surge

Supply

- To accommodate normal current supply
- Buffer for supply schedule
- Cover against significant supply interruptions

Stock management

- To allow for day-to-day stock fluctuations
- To allow for seasonal variations in stock
- To provide an appropriate level of redundancy in case part of the infrastructure fails.

Quality Control

- To allow for settling time & quality control checks for recertification
- Maintenance requirements (preventive and breakdown)
- To allow for recirculation and filtering of product from any tank

IATA issued a guidance note in 2008 for estimation on fuel storage. It clearly defines that the facility should be able to withstand any abnormality/disruption in any of parameter related to demand, supply, storage and functioning of facility.



The guideline suggests that, while estimation is done, the additional days storage required on account on any normality/disruption which may take place in whole value chain, should be identified. Then, it can be fairly assumed that all the disruption may not take place simultaneously and therefore, the sum of total days of disruptions (for all parameters) needs to be discounted by 15%, and only 85% of same to be considered.

Estimation for JIAL

For JIAL, the various parameters are as listed below: -

Storage and Day-to-day operations

At any given point, facility should have clear (QC cleared and ready to fuel) product for at least two days. This is to cover demand uncertainty (at JAI, there are unplanned heavy movement of non-scheduled operators' flights and also VVIP movements etc).

Product receipt and settling

One day storage should be considered on this account on normal course. However, there may be a upside by two days, on account of any equipment failure, quality concerns in product received, retesting of products etc.

Product receipt

The product at JIAL fuel farm facility is received from IOCL, RIL, HPCL and BPCL with storage capacity of 610KL, 220KL, 30KL and 450KL respectively. At Jaipur, IOCL and RIL are the main supplier with a combined market share of around 85%. Unfortunately, all the oil companies at Jaipur airport receive product by road from the respective terminal situated at a distance from Jaipur.

In normal course, the product is received on day-to-day basis. However, as experienced, and well established in Indian downstream Oil & Gas supply chain, there may be complete supply disruption for up to four days. It is on account of various factors like shutdown of refinery, transporter strike, breakdowns in offsite oil terminals of OMCs, batch failure in refinery (quality issues), disruption in crude oil supply (like the Suez Canal blockage few years back). In case of JAI the uncertainties are on higher side, as there is no refinery in the near vicinity or pipeline for the downstream movement up to JAI airport. Also, no other alternative mode of supply other than road tanker like rail wagons, pipeline from OMC is available and supplies completely depend on road transport which has its own uncertainties as mentioned above.

Basis above, all parameters are tabulated below: -

S. no.	Potential Purpose	Average Stock Required for this purpose	Max Required Worst scenario	Stock for Case	Difference Between Avg & Max
1	Product readiness, storage	2	2		0
2	Product storage and settling	1	2		1
3	Product receipt, Logistic contingency, OMC's issue	0	4		4
4	Total (Average)	3			
5	Total (Difference)				5
6	85% of Total Difference				4.3
7	Overall Total				7.3
Recommended ATF Storage Days					Say 8 days

7.3.4 Examples of storage capacity at various Open Access Facilities in India

Airport	AERA order reference no.	Storage Facility KL	Annual Fuel Throughput KL	Storage days No.	Owners of the facility
Mumbai	Order No. 20/ 2021-22 dated 24 th September 2021	47,500	Pre-COVID volume of ~1,400,000	12	Joint venture of MIAL, IOCL, BPCL, HPCL
Bangalore	Order No. 30/ 2021-22 dated 07 th December 2021	19,800	Pre-COVID volume of ~7,00,000 - 800,000	9-10	Indian Oil Skytanking
Kannur	Order No. 44/2021-22 dated 15 th March 2022	1,000	~45,000	8	Joint Venture of BPCL and Kannur Airport

As evident, the ideal storage at JAI is of 8-10 days which is in line with good industry trade practice. 5,000 KL storage is planned at JAI and it is being constructed with 10 year's horizon. Considering 10% non-pumpable dead stock, the effective storage is just 4,500 KL.

7.4 In order to provide open access facilities as per Concession Agreement, JIAL has planned the following infrastructure: -

7.4.1 **Immediate Plan** - JIAL is planning to purchase existing assets of IOCL, BPCL and RIL which will be converted into Open Access facility. The budget proposed to acquire these assets is approx. **INR 15 Crores** for Fuel Farm tanks and other allied infrastructure facilities. Additionally, there will be requirement to acquire **12** refuelers/bowsers to deliver ATF from Fuel Farm storage tanks to Aircrafts at a cost of around **INR 20 Crores**. Delivery of new refuelers /bowsers have lead time of 9-12 months, therefore JIAL will hire refuelers/bowsers on rentals basis for approx. **INR 2.10 Crores p.a.** to operate



the facility for first year of operations. The negotiations with IOCL and BPCL are at advanced stage. The open access facility is expected to be operational in October 2023 subject to necessary regulatory approvals.

7.4.2 **Long Term Plan** – JIAL is proposing to build a new facility of approx. 5,000 KL with hydrant system of approx. 4 Kms. The proposed cost of these facilities is approx. INR 230 Crores (soft costs, interest during construction and financing allowance will be separate) which includes 4 number storage Tanks, Admin Facilities, Refilling / offloading area, Fuel Hydrant System, Pit Flushers, dead stock. The new facility will be operational during FY25-26.

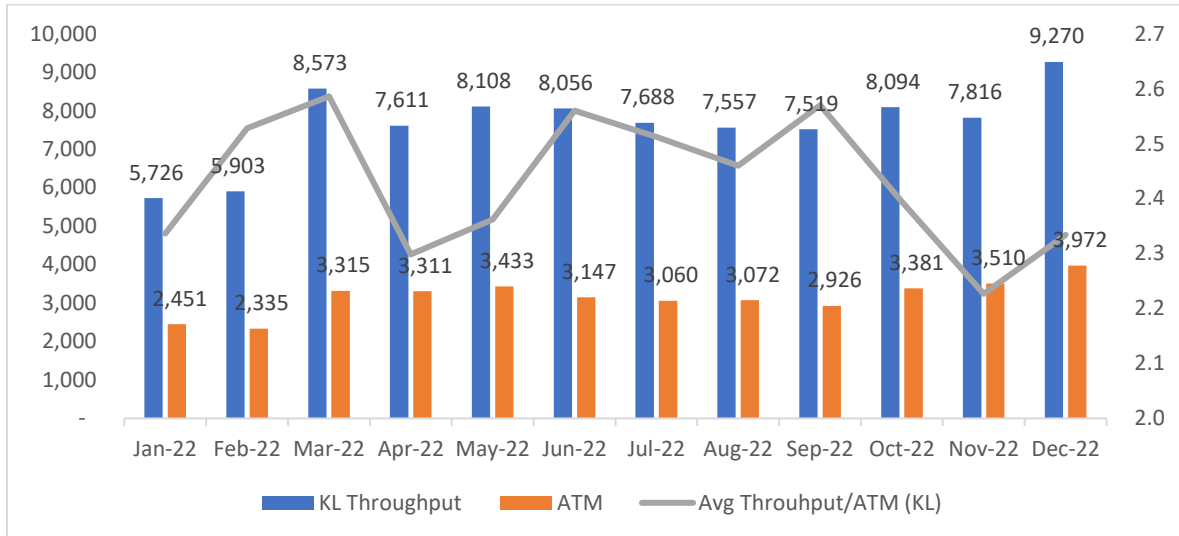
7.4.3 Apart from above, JIAL is required to purchase the deadstock of approx. 1,333 KL with an estimated investment of INR 16 Crores.

S. No.	Description	Quantity	Unit	Remarks
1	Hydrant Line	705	KL	Total length of around 4 km of pipeline dia of 18inch. Apart from that there are various risers and branch lines
2	Storage tanks	500	KL	10% of total planned storage of 5,000 KL
3	Various Fuel Pipeline and filters	128	KL	Fuel Farm has a complex grid of pipelines of various diameter. Moreover, there is a long 18inch diameter pipeline connecting Hydrant System. There are 10 filters as well. It is combined volume of all of them
	Total Requirement	1,333 KL		
	Cost @ INR 1.2 Lakhs per KL	INR 16 Crores		

7.5 JIAL storage requirement and throughput analysis

		FY23	FY24	FY25	FY26	FY27
IOCL, BPCL and RIL	KL	1,280	1,280	1,280		
New Facility Proposed	KL				5,000	5,000
Total	KL	1,280	1,280	1,280	5,000	5,000
Fuel Throughput Projected						
Total ATMs	No.	44,373	59,498	69,648	75,639	81,893
Fuel per ATM	KL	2.4	2.4	2.4	2.4	2.4
Total Projected Volume	KL	106,495	142,795	167,155	181,534	196,543
Storage Days	No	4	3	3	10	9

Recent Trend for Throughput per ATM at Jaipur Airport



7.6 The day-to-day operations and management of the Fuel Farm will be outsourced to an O&M agency for a fee (O&M fees). It is expected that O&M Fees will be a combination of minimum fixed fees and variable fees based on volume of fuel processed from the fuel farm facility. The O&M Fee is expected to increase by inflation rate of 5% per annum. Based on experience of Lucknow Airport in FY22 which is of similar size and nature, JIAL expect the benchmark fees for O&M agency will be as follows subject to annual inflation: -

Airport	Fixed Fees	Variable Fees
Jaipur (projected)	Volume upto 80,000 KL, fixed fees of INR 7.69 Crores p.a.	Rs 290/KL for volume above 80,000

7.7 Following is the summary of fuel farm operation and maintenance costs as per JIAL for the TCP:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
O&M Expenses	-	4.76	10.73	11.73	12.82	40.03
Bowser Rental	-	1.04	1.04	-	-	2.08
Total	-	5.80	11.77	11.73	12.82	42.11

8 Ground Handling Operations in TCP

8.1 Ground handling (GH) activity has been outsourced by JIAL as per the Ground Handling Regulations. There are currently two service providers for Ground Handling services at the airport, (1) Indo Thai Airport Management Services Private Limited and (2) AI Airport Services Limited. As per commercial arrangement with the service provider, they are required to make two payments:-

- a. Land Rentals; and
- b. Revenue Share expressed as a percentage of GH revenue.

8.2 Revenue Share payable is based on concession contract with Ground Handling service providers and are fixed until the tenure as mentioned in the Concession Agreement. The revenues expected from Ground Handling services to JIAL are as given in the table below:-

Revenue (INR crores)		FY23	FY24	FY25	FY26	FY27
Total ATMs	No.	43,589	59,498	69,648	75,639	81,893
Share of airlines having its own GH facilities	No.	21,795	29,749	34,824	37,820	40,947
Balance ATM handled by Ground Handling (GHAs) Agencies	No.	21,795	29,749	34,824	37,820	40,947
Total Turnarounds handled by GHAs	No.	10,897	14,875	17,412	18,910	20,473
Avg. Revenue per turnaround earned by GH Agencies	INR	15,000	15,750	16,538	17,364	18,233
Revenue Share to JIAL	%	45%	45%	45%	45%	45%
Revenues Share earned by JIAL	INR Crores	6,750	7,088	7,442	7,814	8,205

8.3 Amounts paid by ground handling service providers have been considered as Aeronautical revenues for tariff determination.

Refer Annexure P for the Concession Agreement signed with AI Airport Services Limited and Indo Thai Airport Management Services Private Limited.

9 Allocation Methodology for TCP

Regulated Asset Base

9.1 As per AERA Order No 14/2016-17 and as mandated under the Concession Agreement, the Hybrid-Till with 30% cross subsidisation of non-Aeronautical revenues is the applicable methodology. The relevant extract from AERA order and Concession Agreement is as follows:

9.1.1 Extract from AERA order:

The authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory of India Act 2008 and after careful consideration of the comments of the stakeholders on the subject issue, decides and orders that :-

- (i) The Authority will in future determine the tariffs of major airports under "Hybrid Till" where in 30% of non-aeronautical revenues will be used to cross-subsidise aeronautical charges. Accordingly, to that extent the airport operator guidelines of the Authority shall be amended. The provisions of the Guidelines issued by the Authority, other than regulatory till, shall remain the same.*
- (ii) In case of Delhi and Mumbai airports, tariff will continue to be determined as per the SSA entered into between Government of India and the respective airport operators at Delhi and Mumbai.*

9.1.2 Extract from Concession Agreement:

28.3.2 The GOI has, through the National Civil Aviation Policy dated June 15, 2016, approved, ("Shared-Till Approval") the 30% (thirty percent) shared-till framework for the determination and regulation of the Aeronautical Charges for all airports in India, and the same shall be accordingly considered by the Regulator for the purposes of the determination of the Fees/ Aeronautical Charges pursuant to the provisions of this Agreement. It is clarified that, for the purposes of this Agreement, the Shared-Till Approval shall apply as on the date of this Agreement notwithstanding any subsequent revision or amendment of such Shared-Till Approval.

28.3.3 The Aeronautical Charges shall be regulated and set/ re-set, in accordance with the Shared-Till Approval, terms of this Agreement including



the terms set out in Schedule R (Memorandum of Understanding) and the Applicable Laws.

9.1.3 Extract from Schedule R of the Concession Agreement:

2.2 Principles for Determination and Revision of Fees

2.2.1 The GOI has, through the National Civil Aviation Policy dated June 15, 2016 approved the 30% (thirty percent) shared-till framework for the determination and regulation of the Aeronautical Charges for all Airports in India ("Shared-Till Approval"), and the same shall be accordingly considered by AERA, for the purposes of the determination of the Fees/ Aeronautical Charges pursuant to the provisions of this Agreement.

2.2.2 The Aeronautical Charges shall be regulated and set/ re-set, in accordance with the Shared-Till Approval, the terms of the Concession Agreement and the Applicable Laws.

9.2 As per Clause 5.2 of the AERA Guidelines:

5.2.1. Scope of the RAB

(a) In normal course, all airport fixed assets will come under the scope of the RAB. However, the Authority may, based on due consideration of relevant factors, include or exclude certain fixed assets from the scope of RAB.

(b) The relevant RAB assets shall be all the fixed assets proposed by the Airport Operator(s), after providing for such exclusions therefrom or such inclusions therein, as may be determined by the Authority in respect of specific assets based on following principles:-

(i) The assets that substantially provide amenities / facilities/ services that are not related to, or not normally provided at an airport, may be excluded from the scope of RAB;

(ii) The assets that in the opinion of the Authority do not derive any material commercial advantage from the airport (for example from being located close to the airport) may be excluded from the scope of RAB;

(iii) Responses by stakeholders in relation to their inclusion or exclusion during consultations;

(iv) Specification of, to the Authority's satisfaction, sufficient accounting separation to ensure that the costs and revenues associated with the assets shall be clearly identified for the preparation and audit of regulated airport accounts;

(v) Specification of, to the Authority's satisfaction wherever appropriate (where the Authority considers there may be substantial financial risks associated with any asset), sufficient legal separation to protect the Airport Operators, and thus airport Users, in the event of any substantial financial risks materialising. The Authority shall require the Airport Operator(s) to insulate the Users by suitably ring fencing the assets excluded from the scope of RAB. The principles governing the ring fencing are mentioned in the paragraph 7.5 of Order Number 13/2010-11 of the Authority issued on 12-Jan-2011.

(vi) Notwithstanding the principles mentioned under points (i) to (v) above, assets with fixed locations inside terminal buildings shall be considered within the scope of RAB.

(c) Any exclusion/ inclusion shall only be considered if it is proposed to be executed in the Control Period for which the Multi Year Tariff Proposal is submitted.

(d) The Authority may also, in its discretion, consider any other relevant factors for exclusion or inclusion of assets.

(e) The assets related to any service(s) provided by the Airport Operator that are subject to separate control and regulated as per Clause 5.7, shall be excluded from the scope of RAB.

9.2.1 It is observed that as per AERA Guidelines, 5.2.1 (b) (vi) all the assets which are part of the terminal building shall be considered as part of RAB. Therefore, terminal building as a whole should be considered as RAB / Aeronautical asset and not required to be allocated into Aero and Non-Aero.

9.3 The norms mentioned in IMG report are not applicable to PPP airports, as per clause no. G of IMG Report. reproduced below:

"In case of airports developed through Public Private Partnerships the project authorities may adopt a case-by-case approach with respect to norms

relating to unit area and unit costs. Based on the judicious consideration of international best practices and financial viability, the norms may be specified in each case prior to inviting bids for private participation."

No norms with respect to unit area and costs were mentioned in the bidding documents and Concession Agreement of Jaipur Airport.

9.4 *Clause 5.4.1 of AERA Guidelines relating to Operation and Maintenance Expenditure (O) is as follows*

5.4.1. The operation and maintenance expenditure shall include all expenditures incurred by the Airport Operator(s) including expenditure incurred on statutory operating costs and other mandated operating costs as defined in Clause 5.4.2.

5.4.2. The assessment of operation and maintenance expenditure by the Authority shall include a review of the forecast of such expenditure as submitted by the Airport Operator based on the following principles:

(a) Assessment of baseline operation and maintenance expenditure based on review of actual expenditure indicated in last audited accounts, and prudence check inter alia with respect to underlying factors impacting variance over the preceding year(s) including treatment for one-time costs or atypical costs. For avoidance of doubt, the operation and maintenance expenditure to be assessed will be limited to only those expenditure that relate to assets and services taken into consideration for determination of Aggregate Revenue Requirement;

(b) Assessment of efficiency improvement with respect to such costs based on review of factors such as trends in operating costs, productivity improvements, cost drivers as may be identified, and other factors as maybe considered appropriate; and

(c) Assessment of other mandated operating costs or statutory operating costs, where (i) subject to Clause 5.4.5, other mandated operating costs are costs incurred in compliance to directions received from regulatory agencies including Director General Civil Aviation; and (ii) statutory operating costs are costs incurred on account of fees, levies, taxes and other such charges, directly imposed on the Airport Operator by the regulatory agencies and directly paid for by the Airport Operator.

- 9.5 The summary of JIAL's proposal is as follows:-
- 9.5.1 Shared-till/Hybrid till methodology which mandates the cross subsidization of 30% non-aeronautical revenues for determination of aeronautical charges is considered. Under the Shared-Till model, 30% of Non-Aeronautical Revenues are accounted for cross subsidizing the ARR. Therefore, there is no need to apply the allocation ratio whereby, capital and operating expenditure is reduced.
- 9.5.2 IMG norms are not applicable to JIAL as the same is not specifically mentioned in Concession Agreement for Jaipur Airport. Hence, unit area norms as mentioned in IMG norms are not relevant.
- 9.5.3 JIAL has considered all assets as Regulated Asset Base as provided in clause 5.2.1 (b)(vi) of the AERA Guidelines.
- 9.5.4 Accordingly, as per clause 5.4.1 of the AERA Guidelines, all the operating and maintenance expenditures are considered to be relating to assets taken into consideration for determination of Aggregate Revenue Requirement, other than expenses which are specifically not allowed as pass-through as per Concession Agreement like Concession Fees.

10 Depreciation on Regulatory Asset Base for TCP

10.1 With respect to assets taken over from AAI as on COD as per signed Fixed Asset Register, JIAL proposes to calculate depreciation based on the remaining useful lives of the assets. This is in line with the decision 1.d of Authority's Order No. 35/2017-18 dated 12th January 2018 and amendment to Order No. 35/2017-18 dated 09th April 2018. The relevant extract of the order is as follows:-

1.d To propose that the carrying amount of the asset as on the date of effect shall be depreciated over the remaining useful life of asset.

10.2 JIAL has considered the depreciation for the assets based on the useful life of the assets as per the Companies Act and useful life of various assets as recommended by independent technical evaluation for Lucknow and Ahmedabad Airports. JIAL also submits that the same is consistent with Authority's Order No. 35/2017-18 dated 12th January 2018 and amendment to the Order dated 09th April 2018.

10.3 Following are the useful life and depreciation rates assumed for the TCP:

Particulars	Book Depreciation	Useful Life (Years)	Income Tax Rates
Terminal Building	4%	25	10.0 %
Runway, Taxiway and Apron	5%	20	10.0 %
Cargo building	4%	25	10.0 %
Cargo Equipment	13.3%	7.5	15.0 %
Boundary wall	20%	5	10.0 %
Software	33.3%	Not provided	40.0 %
IT equipment	33.3%	3	15.0 %
Security equipment	13.3%	7.5	15.0 %
Plant and Machinery	13.3%	7.5	15.0 %
Other Buildings	3.3%	30	10.0 %
Access Road	10%	10	10.0 %
Fuel Farm (considered same as Plant & Machinery)	13.3%	7.5	15.0%
Furniture & fixtures	14.3%	7	10.0%
Vehicles	20%	5	15.0%
Office equipment	20%	5	15.0%

10.4 For the purpose of MYTP, depreciation has been computed for full year for the Opening Gross Block and half year for the assets capitalised during the particular year. The methodology is used throughout the control period.

Following is the depreciation and amortization calculated by JIAL based on above methodology and also after considering all assets as 100% RAB:-

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Depreciation and Amortization on Deemed Initial RAB	49.37	45.79	39.48	36.80	33.51	204.96
Depreciation and Amortization on Asset acquired during the period	1.76	18.97	56.42	131.32	295.58	504.04
Total Depreciation	51.13	64.76	95.90	168.12	329.09	709.00



11 Regulatory Asset Base for TCP

11.1 After considering the financing allowance as per Clause 5.2.7 of the AERA Guidelines and capitalization of fixed assets, following is the summary of the Opening RAB and Closing RAB :-

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY 27
Opening RAB	492.38	504.32	539.38	1,263.81	1,816.08
Assets Capitalised	62.89	99.81	820.34	720.39	4,222.03
Depreciation	51.13	64.76	95.90	168.12	329.09
Closing RAB	504.32	539.38	1,263.81	1,816.08	5,709.02
Average RAB = (Opening RAB + Closing RAB) / 2	498.35	521.85	901.60	1,539.95	3,762.55

12 Fair Rate of Return for TCP

Cost of Equity (COE)

12.1 It is mandated under the AERA Guidelines that Cost of Equity is to be calculated based on Capital Asset Pricing Model (CAPM). The relevant extract from AERA Guideline is as below:

5.1.3. Cost of Equity

The Authority shall estimate cost of equity, for a Control Period, by using the Capital Asset Pricing Model (CAPM) for each Airport Operator, subject to the consideration of such factors as the Authority may deem fit.

12.1.1 JIAL is a new Concession Agreement whose terms and conditions are different than other Concessions Agreement like Delhi Airport, Mumbai Airport, Hyderabad Airport, Bangalore Airport and Cochin Airport, hence it cannot be compared with these Airports.

12.1.1.1 Delhi and Mumbai Airports went into regulatory framework after 3 years of operations when all the initial improvement, service standards and AAI manpower obligation were phased out, whereas JIAL is already under regulatory framework with the transition phase of first few years and improvement process is still under progress.

12.1.1.2 Bangalore and Hyderabad Airport have no constraint on availability of land for expansion whereas the land is limited at JIAL.

12.1.1.3 Also, it is acknowledged by AERA in point 4.6.20 Tariff Order No 08/2021-22 for Cochin Airport for the Third Control Period that newer airport operators cannot be compared with old airport operators. It is reasonable to presume that newer companies would have a greater risk when compared to a well-established company.

12.2 JIAL believes that it is similar to Lucknow International Airport Limited (LIAL) in terms of size and passenger mix i.e. international and domestic (with pax traffic between 5 to 10 mppa and similar Concession Agreement framework)



and it would have similar risk factors. Accordingly, JIAL has adopted the CoE computed for LIAL.

12.3 The three components to be estimated in the CAPM are (a) the beta of the Airport, (b) the risk-free rate and (c) the equity risk premium. The process is elaborated in the table below:

Estimated parameter	Methodology/Approach	Result
Beta	<u>Identification of comparable airports:</u> Various airports were identified which are listed on stock exchanges across the globe or have regulated betas. A set of airports were removed from the list because of either lack of data for the required time period or unreliable data.	-
	<u>Determination of equity and asset beta for the selected airports:</u> Beta is indicative of the systematic risk of the project. In order to calculate this, the analysis regresses the movement of the stock prices (of respective airports) on the movement of an index representing the market portfolio. The beta values pertaining to this regression are called the 'equity' betas. Once the equity beta is calculated, the analysis 'un-levers' the beta (i.e., purges off the effects of the capital structure) by using the Hamada equation: $\beta_U = \frac{\beta_L}{(1+(1-t)(\frac{D}{E}))}$ where t is the tax rate, D and E are debt and equity respectively. This unlevered beta is called the 'asset' beta for the respective airports.	-
	<u>Computing the proximity scores for each airport and asset beta of the airport:</u> Once the asset betas have been computed, quantifiable assessment has been undertaken for identified airports to determine the proximity/ relevance scores. All the airports have been compared with the airport based on the following airport characteristics: Regulatory Environment Operational Structure Payment Structure Ownership Structure Numeric values of 1 to 3 have been assigned to each factor wherein lower the score, more comparable is the airport. Furthermore, an inverse of the proximity scores is used to calculate the 'asset' beta.	0.80 to 0.81
	<u>Re-lever the asset beta to obtain the equity beta:</u> The asset beta is re-levered using the Hamada equation to obtain the equity (re-levered) beta. As the re-levered beta is a function of D/E or gearing ratio, the beta value changes whenever the D/E or gearing ratio changes. A gearing ratio of 48:52 is considered. This has been	1.35-1.38

	derived from the gearing ratios set by the regulators at different comparable international airports.	
Risk Free Rate	An average of daily yield for 10 years of the 10-year Government of India security has been considered as the risk-free rate.	7.57%
Equity Risk Premium	To avoid any bias, an average of equity risk premiums computed by a list of studies and standard market indices are taken for the analysis. The list of the same is provided as follows: Prof Damodaran's estimate of ERP as of January 2021 based on ratings of sovereign bonds. Prof Damodaran's estimate of ERP as of January 2021 based on ratings of sovereign bonds. Forward looking ERP of India as estimated in a study conducted in April 2019 by Grant Thornton ERP published by Incwert Valuation Chronicles in June 2020 ERP computed based on Nifty 50 ERP computed based on Sensex.	7.06%

12.4 After computing the parameters as mentioned in the table above, the inputs are fed into the CAPM:

$$R_e = R_f + \beta * (R_m - R_f)$$

Where,

R_e is the Cost of Equity

R_f is the risk-free rate

β is the equity beta of the airport

$(R_m - R_f)$ is the equity risk premium

12.5 After incorporating the above estimated figures in the CAPM equation, the computed CoE is 17.11% - 17.28%. The following table summarizes the sensitivity of the gearing ratio:

Gearing Ratio	CoE
48:52	17.11%-17.28%
60:40	19.55%-19.76%
65:35	21.06%-21.29%
70:30	23.07%-23.34%

12.6 Accordingly, CoE should be allowed at 17.30% for JIAL for the TCP, based on report by PwC which recommended CoE at 17.11% - 17.28%.

Cost of Debt

12.7 JIAL has considered cost of debt to be 12% per annum based on actual debt taken as of date.

12.8 In May-2022, AAHL had raised a 3-year External Commercial Borrowing facility from a consortium of Standard Chartered Bank and Barclays Bank PLC. The all-in borrowing cost of this facility is 12.10% p.a. (as tabled below). The part of the proceeds raised from this facility are being on-lent to JIAL for the purpose of financing its capital expenditure and other requirements at the rate of 12.25% p.a. For the purposes of computation of weighted average cost of capital, cost of debt has been assumed as 12% p.a. The raising of funds at JIAL was not possible without Corporate Guarantee support from Adani Group and hence borrowing with Corporate Guarantee of Adani Group in turn tantamount to Borrowing at Holding Company level.

Parameters	Value
Secured Overnight Financing Rate (SOFR) reference	2.28%
Spread over SOFR	4.25%
Withholding tax gross up (at 5% of SOFR + spread)	0.33%
One-year forward Dollar-Rupee hedge cost (mandatory as per RBI guidelines)	4.51%
Other Charges	0.73%
All-in Cost of External Commercial Borrowing	12.10%

Gearing Ratio

12.9 For calculating the fair rate of return (FRoR), JIAL has assumed debt-equity ratio of 48%:52% which is consistent with debt-equity ratio considered by AERA in various recent tariff orders.

FRoR

12.10 Based on above parameters, the below table summarizes the FRoR for TCP:

Particulars	FY23	FY24	FY25	FY26	FY27
Cost of Debt	12.0%	12.0%	12.0%	12.0%	12.0%
Cost of Equity	17.3%	17.3%	17.3%	17.3%	17.3%
D/E Ratio	0.48:0.52	0.48:0.52	0.48:0.52	0.48:0.52	0.48: 0.52
FRoR	14.76%				

13 Operation & Maintenance for TCP

13.1 Introduction

13.1.1 JIAL is committed to abide by the provisions of the Concession Agreement in totality and ensure a smooth transition and transformation of JIA from AAI to JIAL.

13.1.2 With respect to the O&M obligations of JIAL, the Concession Agreement⁸ states that:

"...the Concessionaire shall operate and maintain the Airport in accordance with this Agreement, Applicable Laws and Applicable Permits, either by itself, or through O&M Contractors and if required, modify, repair or otherwise make improvements to the Airport to comply with the provisions of this Agreement, Applicable Laws and Applicable Permits, and conform to Specifications and Standards and Good Industry Practice. The obligations of the Concessionaire hereunder shall include but not limited to:

(a) ensuring to provide the Aeronautical Services, Non-Aeronautical Services and such other services, as are required as per the terms of this Agreement and Good Industry Practice;

(b) permitting safe, smooth and uninterrupted movement of Users and flow of traffic on the Airport, including prevention of loss or damage thereto, during normal operating conditions;

(c) collecting and appropriating the Fee;

(d) minimising disruption to the operation of the Airport, including airside, Terminal Building and land side, in the event of accidents or other incidents affecting the safety and use of the Airport by providing a rapid and effective response and maintaining liaison with emergency services of the State;

(e) carrying out periodic preventive maintenance of the Airport;

(f) ensuring that the Aeronautical Assets, including Runway, taxiways, aprons and approach areas are maintained and operated in accordance with the provisions contained in Applicable Laws, Applicable Permits and relevant ICAO Documents and Annexes;

⁸ Clause 18.1. of the Concession Agreement

(g) ensuring that Runway, including the strips, shoulders, stop way and runway end safety area for Runway and strips and shoulders for taxiways and isolation bays are maintained in accordance with the provisions contained in Applicable Laws, Applicable Permits and relevant ICAO Documents and Annexes;

(h) ensuring that the obstacle limitation surfaces of the Airport and the approach and take-off areas are free from obstructions or that the obstructions shall be limited to the permissible limits specified in Applicable Laws, Applicable Permits and relevant ICAO Documents and Annexes;

(i) undertaking routine maintenance including prompt repairs of cracks, joints, drainage systems, embankments, structures, buildings, pavement markings, signaling systems, communication systems, lighting, signage and other equipment;

(j) undertaking major maintenance such as repairs to structures, repairs and refurbishment of equipment, signaling and communication system and major overhaul of equipment;

(k) ensuring that the sensitive and critical areas, as identified by the Authority or the Designated GOI Agency, as the case may be, for the operation of CNS/ATM Equipment and facilities shall be maintained free of any obstructions and that no obstruction which may hamper the safety or functioning of these equipment and facilities or endanger the safety of aircraft operations shall be permitted;

(l) ensuring that appropriate arrangements and precautions have been undertaken at the Airport to prevent bird and animal nuisance in and around the Airport, in accordance with the Applicable Laws and Good Industry Practices;

(m) maintaining the Airfield Lighting System and the main and standby power supply systems in accordance with the standards prescribed in Applicable Laws and relevant ICAO Documents and Annexes, and DGCA Civil Aviation Requirements, as may be issued or updated from time to time, and relevant codes and standards;

(n) preventing, with the assistance of the concerned law enforcement agencies, any encroachments on, unauthorised entry to or unauthorised use of the Airport;



- (o) protection and conservation of the environment and provision of equipment and materials therefor;*
- (p) operation and maintenance of all communication, control and administrative systems necessary for the efficient operation and management of the Aeronautical Services and Non-Aeronautical Services;*
- (q) maintaining a public relations unit to interface with and attend to suggestions from the Users, Government Instrumentalities, media and other agencies in accordance with the Applicable Laws, for providing the requisite information;*
- (r) complying with Safety Requirements in accordance with Article 18;*
- (s) operation and maintenance of all Project Assets diligently and efficiently and in accordance with Good Industry Practice;*
- (t) maintaining punctuality and reliability in operating the Airport;*
- (u) maintaining a high standard of cleanliness and hygiene on the Airport including disposal of all kinds of waste at an appropriate location;*
- (v) taking all measures relating to fire precautions in accordance with relevant ICAO standards or appropriate international guidelines, Applicable Laws, Applicable Permits and Good Industry Practice;*
- (w) providing all the requisite information, data, operating statistics, etc., as may be required by the Authority, any of the Government Instrumentality, DGCA, State Government or GOI, from time to time."*

13.1.3 Additionally, with respect to JIAL's obligations towards *IATA Level of Service Optimum*, the Concession Agreement⁹ states that:

"Commencing from the date which is 1 (one) year from the COD, the Concessionaire agrees and undertakes to achieve IATA Level of Service Optimum at the Airport. In the event it is observed that the level of service is inferior to IATA Level of Service Optimum during Peak Hours in any quarter and the Concessionaire does not cure the same within 90 (ninety) days from the occurrence of such degradation of level of service in any Concession Year, the Concessionaire shall pay Damages to the Authority which shall be

⁹ Clause 19.6.9. of Concession Agreement

determined at the rate of 0.5% (zero point five percent) of the total revenue from Fees for the immediate preceding quarter.”

Where,

“IATA Level of Service Optimum” means the minimum service requirements at various airport subsystems as set out in the ‘Optimum’ category in the 10th edition of IATA’s Airport Development Reference Manual, as may be amended, modified or supplemented from time to time, and shall, for the avoidance of doubt, mean any similar level of service framework in the event of IATA discontinuing publication of the Airport Development Reference Manual;”

13.1.4 In addition to the abovementioned clause, the Concession Agreement further elaborates on the service level monitoring obligations of JIAL. The Concession Agreement¹⁰ states that:

“The Concessionaire shall:

(a) throughout the Concession Period, regularly monitor traffic flows at the Airport and regularly examine levels of service at the Airport;

(b) after achieving the COD, regularly monitor and count Peak Hour passengers enplaning to and deplaning from aircraft at the Airport;

(c) by the 7th (seventh) day after the end of each quarter, provide to the Authority, a detailed report: (i) confirming that the levels of service at the Airport over the preceding quarter (or part thereof) never fell below IATA Level of Service Optimum or describing the dates on or periods of time during which the levels of service at the Airport fell below IATA Level of Service Optimum, and (ii) setting forth its analysis (along with any and all supporting data) of the level of service anticipated at the Airport over the reporting quarter, including any period of time when the level of service at the Airport is projected to fall below IATA Level of Service Optimum; and

(d) promptly advise the Authority in writing, if it otherwise determines that the level of service at the Airport is projected to fall or has fallen below IATA

¹⁰ Clause 21.3. of the Concession Agreement



Level of Service Optimum at any time and provide to the Authority any and all data related to such determination along with the mitigation plan for such deficiency.”

13.1.5 The abovementioned clauses of the CA illustrate JIAL's obligations towards maintaining superior service standards. In addition to these obligations, expected increase in capacity due to existing Terminal refurbishment, completion of New Integrated Terminal Building, and development of additional facilities, warrants an increase in JIAL's O&M expenses.

13.1.6 In this MYTP, JIAL has adopted following aspects and principles to determine efficient aeronautical operating and maintenance cost:

13.1.6.1 Upcoming expansion at Jaipur Airport: As explained in Chapter 5, Jaipur Airport will be undertaking refurbishment of existing Terminals which are expected to be completed during FY2024-25. Year wise increase in operational terminal area is tabled below. Accordingly, there will be correspondingly increase in costs of various services like manpower, IT, Security, Utility, Housekeeping, Others etc.

Year	T1*	T2	Total	YoY % Increase in Area
	Sq mtr	Sq mtr	Sq mtr	
FY21-22		32,647	32,647	
FY22-23		32,647	32,647	0%
FY23-24*	13,739	32,647	46,386	+ 42%
FY24-25	13,739	37,917	51,656	+ 11.4%
FY25-26	13,739	37,917	63,000	0%

**T1 is non-operational at the moment. It is expected to get operationalise in Q4FY23-24.*

Note: Above areas include the area of canopy.

13.1.6.2 Inflationary Increase: JIAL has considered inflationary increase based on 79th Round of RBI forecaster survey Dec-2022 towards all expenses which is considered basis the projections provided in Chapter 14 below.

13.1.6.3 Base Year: FY22-23 is the first full year of operations after transition from AAI to JIAL. Based on progress for 9 months from April-2022 to December-2022, JIAL has estimated likely expenditure for full year ending 31st March

2023. Therefore FY22-23 is considered as the base year and relevant growth percentages are applied over it.

- 13.1.6.4 **Airports have high fixed costs associated with the provision and maintenance of infrastructure and services such as safety and security. These are incurred regardless of traffic levels. Airport operators, therefore, have limited scope to curtail costs when facing a downturn in demand.**

13.2 **Employees Cost**

- 13.2.1 Manpower is a crucial resource of service-oriented industries such as airports. JIAL considers manpower as its biggest asset. Total employee costs covered under this section include salaries, wages and bonuses, contribution to PF, gratuity expenses, and staff welfare and training costs.

AAI Employees

- 13.2.2 With respect to JIAL's obligations towards AAI employees, the Concession Agreement states the following¹¹:

"With the exception of the Select Employees, the Concessionaire shall have no obligations in relation to the existing employees of the Authority serving in connection with the Airport."

Where,

"Select Employees" shall mean those employees of the Authority as set forth in Schedule S¹² (of the rank of assistant general manager and below) who are posted at the Airport by the Authority and shall be deployed at the Airport for the duration of the Joint Management Period and Deemed Deputation Period."

- 13.2.3 With respect to the obligations of JIAL towards Select Employee Costs, the Concession Agreement¹³ states that:

¹¹ Clause 6.5.2. of Concession Agreement

¹² Annexure - A

¹³ Clauses 6.5.4. and 6.5.5.



"The Concessionaire shall bear the Select Employee Costs for the Joint Management Period and Deemed Deputation Period.

... the Concessionaire shall pay to the Authority, on a monthly basis, such amounts as may be indicated in an invoice to be raised by the Authority on the Concessionaire with regard to the emoluments payable by the Authority to the Select Employees."

Where,

"Joint Management Period" shall mean the period commencing from the COD and ending on the date which is 1 (one) calendar year after the COD."

And,

"Deemed Deputation Period" shall mean the period commencing from the expiry of the Joint Management Period and ending on the date which is 2 (two) calendar years therefrom."

13.2.4 With respect to JIAL's association with AAI's senior personnel, the Concession Agreement¹⁴ states that:

"The senior management staff of the Authority of the rank of deputy general manager and above ("Senior Personnel") shall remain deputed at the Airport for a period not exceeding 3 (three) months from the COD.

(i) On the expiry of such 3 (three) month period, the Senior Personnel shall be transferred out of the Airport and redeployed by the Authority.

(ii) It is clarified that the Concessionaire shall not be liable to bear any costs in respect of the Senior Personnel, which costs shall be borne entirely by the Authority."

13.2.5 There were 167 Select Employees¹⁵ (as on March-2023, 162¹⁶ employees) from AAI at JIA (level of AGM and below) whose employee costs are to be incurred by JIAL as stated in the abovementioned clauses of the Concession

¹⁴ Clause 6.5.3. of the Concession Agreement

¹⁵ Schedule – S of Concession Agreement (Annexure – A)

¹⁶ Refer Annexure – Q – Sample Invoice from AAI relating to Manpower Cost



Agreement. In addition to this, a growth assumption of annual escalation of salaries has been taken at 10%.

13.2.6 With respect to JIAL's retention obligations of during the Joint Management Period, the Concession Agreement¹⁷ states that:

"At any time during the Joint Management Period, but no later than 90 (ninety) days from the COD, the Concessionaire shall make offers of employment ("Employment Offers") to a minimum of 60% (sixty percent) of the Select Employees.

(i) It is clarified that, in the event of reduction in the number of Select Employees in the manner set forth in Clause 6.5.1, the minimum number of Select Employees to whom Employment Offers are required to be made shall stand correspondingly reduced, with any fractions thereof rounded off to the nearest whole number.

(ii) The terms and conditions of the Employment Offers shall, in terms of salary, position, etc., be the same as the current employment terms of the Select Employees on an annual cost-to-company basis."

13.2.7 As per the abovementioned clauses of the Concession Agreement, JIAL is required to provide offer of employment to at least 60% of Select Employees of AAI. However, it has to bear the cost of 100% of Select Employees of AAI for a period of 3 years. This cost will reduce to 60% of the employees after 3 years of COD in line with provisions of the Concession Agreement.

13.2.8 Moreover, in such a case where less than 60% of the Select Employees accept offers from JIAL, the Concession Agreement¹⁸ states that:

"If, at the expiry of the Deemed Deputation Period, the number of Accepting Employees is less than 60% (sixty) percent of the Select Employees (the "Deficit Employees"), the Concessionaire shall, commencing from the expiry of the Deemed Deputation Period, pay to the Authority, on a monthly basis, such amounts as may be indicated in an invoice to be raised by the Authority

¹⁷ Clause 6.5.6. of the Concession Agreement

¹⁸ Clause 6.5.10. of the Concession Agreement



on the Concessionaire with regard to the emoluments payable by the Authority in respect of such Deficit Employees (the "Deficit Employee Costs").

- (i) The Select Employees in respect of which the Deficit Employee Costs are payable shall be mutually identified by the Parties no later than 3 (three) months prior to the expiry of the Deemed Deputation Period."*
- (ii) The Deficit Employee Costs shall be considered for pass-through in the determination of the Aeronautical Charges.*
- (iii) The provisions of sub-clauses 6.5.5 (i), 6.5.5 (ii), 6.5.5 (iii), and 6.5.5(iv) shall, mutatis mutandis, apply to payment of the Deficit Employee Costs.*
- (iv) The Deficit Employee Costs shall be payable until retirement or other separation from Authority's services of the Deficit Employees, whichever is earlier."*

13.2.9 As mentioned in the above clauses of the Concession Agreement, JIAL is obligated to bear the Deficit Employee Cost as well. As stipulated above, Deficit Employee Cost shall be considered for pass-through in the determination of the aeronautical charges.

13.2.10 On 28th December 2021, JIAL made an offer to all AAI employees with substantial increase in their remuneration packages. The offer was valid till 31st January 2022. None of the AAI employees accepted the offer till the validity of the offer date.

13.2.11 Airports are national assets and need to be operated with utmost care and security. It is also a known fact that aviation industry in India is short of skilled manpower (which is also critically mentioned in the Vision 2040 for the Civil Aviation in India¹⁹). JIAL is impacted from both the sides i.e. AAI employees want to continue with AAI and there is shortage of skilled manpower in the market. Aviation Sector was hit hardest by the COVID-19 situation and hence people from other industries are hesitant about joining the Aviation industry at the moment.

¹⁹ <https://dag.um.dk/~media/danishaviationgroup/market%20information/vision-2040-for-the-civil-aviation-industry-in-india.pdf?la=en>

13.2.12 JIAL is ramping up its own manpower through all means, irrespective of the adverse circumstances, so that necessary on-the-job-training, know-how transfer and skill enhancement is done before the Joint Management Period and the Deemed Deputation Period (total 3 years from COD) ends.

JIAL Employees

13.2.13 Additionally, JIAL has also to hire its own employees for the airport operations. JIAL workforce planning is based keeping in mind the following:

- (i) JIAL is committed to maintain the highest service standards and ensure highest level of user experience.
- (ii) There are various obligations and responsibilities mandated under Concession Agreement which were not performed by AAI.
- (iii) There is a need to hire, train, and maintain a greater number of employees. As explained above, Select Employees have not accepted the offer and therefore JIAL needs to find replacement for all employees.
- (iv) Senior Personnel of AAI (approx. 4) were not part of the Schedule S and their deputation at JIA ended after 3 months from the COD as per the Concession Agreement. Therefore, there is a need for JIAL to replace and also train the replacements for these Senior Personnel.
- (v) High attrition rates in the aviation sector with a recent increase in privatisation of Airports.
- (vi) With suitable talent in the aviation sector being scarce, JIAL's expenses at seeking, hiring, and retaining suitable employees is estimated to increase.

13.2.14 JIAL average employee costs are assumed to increase by 10% in line with growth assumed for AAI Manpower.

13.2.15 Based on the above assumptions, JIAL proposes the following projections for employee costs:

Particulars	FY23	FY24	FY25	FY26	FY27	Total
AAI employees (Nos.)	162	162	162*	-	-	
AAI employees cost (INR Crores)	33.00	36.30	32.84	27.17	29.88	159.19



JIAL employees (Nos.)	108	190	325	350	400	
JIAL employees cost (INR Crores)	12.20	20.27	38.01	54.80	66.98	192.27
Total employee cost (INR Crores)	45.20	56.57	70.85	81.97	96.87	351.46

*AAI Select Employees are available till 10th October 2024. After that, no AAI employee will be available but cost of 60% of Select Employees to be incurred by JIAL as mandated under CA.

Employee recruitment Plan for the control period is as follows:

Departments	AAI Employees	Adani Employee Projections				
	On COD	FY23	FY24	FY25	FY26	FY27
Chief Airport Office (CAO office) ~	-	2	3	3	4	5
Techno Commercial (Procurement) ~	-	5	7	8	10	11
Corporate communication ~	-	1	2	3	3	4
Corporate Affairs ~	-	1	2	2	2	3
Security	1	1	8	12	14	15
Legal ~	-	1	1	2	3	3
Safety ~	-	1	3	3	4	5
Quality ~	-	1	2	3	4	5
Customer Engagement ~	-	-	1	1	2	3
Information Technology	1	1	3	6	9	12
Airside Management	-	24	35	37	38	48
Regulatory ~	-	-	1	1	1	2
Terminal and Operation	11	14	25	29	29	43
Non-Aero Commercial	1	3	4	5	6	6
Human Resources and Admin	35	4	6	8	9	11
Finance	7	5	7	8	9	10
Engineering & Maintenance	46	6	12	16	24	32
Airline Marketing ~	-	-	1	1	2	2
Aviation Rescue and Fire Fighting (ARFF) *	65	-	5	104	104	104
Environment & Sustainability ~		1	2	2	2	3
Horticulture ~		1	2	2	2	3
Land department ~		1	1	1	1	2
ILHBS Screeners **		35	57	68	68	68
Total Manpower Requirement	167	108	190	325	350	400

^ . Out of 167, only 162 are available at the Airport as on date). Refer Annexure Q for sample invoice for AAI Manpower.

*ARFF manpower requirement is projected as per DGCA Taskforce Resource Analysis report (refer Annexure R)

**ILHBS Screeners requirement is projected as per requirement based on detailed peak hour wise assessment done (refer Annexure S)

~The new departments ~ created based on various requirements emanating from CA and experience from other PPP Airports.

Airside manpower projected by JIAL includes shift staff for various activities like AOCC, Airside Operations Executives, Aerodrome Safeguarding etc. Similarly, Security manpower projected by JIAL includes staff for Pass Section, AvSec Training and Compliances, Liaising with CISF/BCAS/Police and Monitoring of outsourced staff etc.

13.3 Utilities - Electricity, Water and Diesel for genset

13.3.1 Electricity and water costs are calculated at net level, i.e. gross expenses less recovery from various users / concessionaires.

13.3.2 JIAL has consumed approx. 8.6 Mn units of electricity for 10 months of FY 2022-23 (from Apr-22 to Jan-23) and expected to consume approx. 10 Mn units of electricity for full year FY 2022-23. The electricity regulated average rate at Jaipur is approx. INR 9 per unit, JIAL's expenses on electricity (net of 10% recoveries) for 2022-23 is expected to be approx. INR 8.10 Crores. The latest trend in electricity consumption and recovery pattern is as below:-

Year	Electricity Consumption kwh	Per Unit Cost	Recovery from Concessionaire
Apr-22	874,992	8.29	9.5%
May-22	1,117,764	8.61	6.2%
Jun-22	1,073,085	8.17	7.5%
Jul-22	1,115,334	8.17	7.1%
Aug-22	1,018,536	8.46	8.6%
Sep-22	1,002,942	8.21	9.3%
Oct-22	775,545	8.54	11.4%
Nov-22	602,829	10.35	14.4%
Dec-22	512,994	10.40	17.2%
Jan-23	480,300	10.53	19.8%
Total	8,574,321	8.73	9.9%

13.3.3 Apart from Electricity, JIAL has assumed cost of water and diesel for genset for approx. INR 0.30 Crore p.a. based on the usage pattern.

13.3.4 Utility consumption is expected to increase due to increase in Terminal Area and rate per unit to increase by inflation growth. JIAL has considered 25% increase in FY24-25 due to operationalization of T1 in the last quarter of FY23-24. In addition, JIAL has considered increase of 11.4% p.a. in FY24-25 cost due to increase in Terminal 2 area because of refurbishment.

13.3.5 Based on the above assumptions, JIAL proposes the following projections for electricity and water costs (net of recoveries):

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Electricity cost (net of recoveries)	8.10	10.25	14.67	15.40	16.17	64.60
Water and Diesel	0.30	0.44	0.56	0.61	0.66	2.57
Total (net of recoveries)	8.40	10.69	15.23	16.01	16.84	67.16

13.4 Corporate Allocation

13.4.1 JIAL is a Company of the Adani Group.

13.4.2 AEL is the flagship company for Adani Group which has promoted various businesses like Power, Renewable, Ports, Logistics, Airports, Data Center, Défense etc.

13.4.3 AAHL, 100% subsidiary of AEL, is a special purposes company incorporated with an aim to promote Airport and airport related activities.

13.4.4 AEL and AAHL have developed various capabilities, infrastructure and processes in various areas (“Corporate Support Services”).

13.4.4.1 AEL has consolidated various strategic functions/activities like corporate finance, legal, central procurement, green initiative, ESG, Information technology, taxation, management assurance, internal audit, shared service for financial transactions. human resource management. AEL also includes various strategic and leadership functions like Chairman office, Group CFO office, Corporate Communication and Branding etc. AEL provides support on these functions to all group companies including but not limited to Power, Renewable, Ports, Logistics, Airports, Data Center, Défense etc.

13.4.4.2 AAHL houses a team of specialised subject matter expert in Aviation sector having domain knowledge and expertise in Airports Operation, Airside Management, Master Planning, Designing, Airport Development, Airport Regulatory, Human Resources, Transition Management, Hospitality, Customer management, Finance Management, Legal expertise, Cargo Development and Management, Airline Marketing, Retail, Commercial, Space Leasing, Non-Aeronautical etc.

- 13.4.5 These capabilities, infrastructure, and processes (retained under AEL and AAHL) are very important for sustainable operations of any business including Airports.
- 13.4.6 Cost is incurred by AEL and AAHL on overall basis to provide these services and support to various group companies (including Airports) by AEL and to various Airport companies in case of AAHL respectively. The major composition of these costs includes salaries and administrative cost.
- 13.4.7 These costs (except shareholders services and non-Aeronautical services) are recovered by AEL and AAHL through appropriate allocation method/keys. AEL and AAHL do not allocate the costs which are related to shareholders services (activities performed by AEL / AAHL for their own benefits like consolidation of accounts, secretarial etc.) and Non-Aeronautical services.
- 13.4.8 The cost is allocated on cost-to-cost basis "without any mark-up". As on date Adani Group has portfolio of 8 Airports. In case these services are to be maintained by each Airport on standalone basis then the summation of cost incurred by each Airport will be much higher than the consolidated cost incurred by AEL and AAHL to maintain these services.
- 13.4.9 Corporate cost allocation has various benefits like: -
- Leveraging on best practices
 - Centralized monitoring and control
 - Efficiencies and economies of scale
- 13.4.10 It has been a common practice across all the industries operated by big business houses including private Airport entities and AAI, whereby cost allocation process is prevalent. Similar corporate cost allocation practice is used by aviation companies For e.g., GMR Infrastructure Limited (GIL) and GMR airports Limited (GAL) provides services to DIAL and GHIAL and their costs are allocated based on suitable drivers. Similar practice is followed by



AAI as well in allocating its Central Head Quarters (CHQ) / Regional Head Quarters (RHQ) costs to various airports.

13.4.11 AAHL hired an independent consultant, PwC, to undertake the study on Corporate Cost Allocation who have opined that consolidation of support services have benefits like: -

- a) Leveraging on best practices
- b) Centralized monitoring and control
- c) Efficiencies and economies of scale

The independent consultant also opined that such corporate cost allocation practice is adopted by various large corporates including Aviation companies in India and overseas.

Further the independent consultant has advised that non-allocation of shareholders cost, non-allocation of non-aeronautical services at AAHL, recovery at cost to cost without mark-up and allocation based on various drivers, are suggested approach for allocation methodology.

13.4.12 The cost is escalated based on employee growth.

13.4.13 Based on the above assumptions, JIAL proposes the following projections for corporate allocation as an operating expenditure:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Corporate allocation	11.00	19.35	33.10	35.65	40.74	139.84

13.5 Repairs & Maintenance expenses

13.5.1 JIAL aims at maintaining best-in-class service quality levels through upkeep and maintenance of the buildings, equipment and other infrastructure to ensure hassle-free, safe and smooth operations. Repairs and Maintenance includes civil, electrical and mechanical works for the maintenance of the airport including the terminal, runways, taxiways, parking bays, aprons, aerobridges, power substations, IT and other plants and machinery.

On Existing Assets

13.5.2 In relation to JIAL's obligations with respect to existing contracts with AAI, the Concession Agreement²⁰ states that:

"The Authority shall, during the Inception Period, perform and comply with all its obligations under the Existing Contracts, and shall, at its own cost and expense, procure novation of such contracts and agreements in favour of the Concessionaire, to take effect from the COD and remain in force for the remaining term thereunder. The Parties agree to execute the documents necessary for novation of the Existing Contracts ("Novated Contracts") as contemplated under this Clause 6.4.1. The Concessionaire shall bear and pay all stamp duties payable in connection therewith.

In the event the Authority is unable to procure novation of any Existing Contract in accordance with the foregoing ("Non-Novated Contracts"), it shall execute a power of attorney, effective on and from the COD, designating the Concessionaire (acting through its authorised representative) as its attorney and agent with powers to act on its behalf for all intents and purposes to the extent of the scope of the Non-Novated Contracts, including the power to appropriate all benefits which may accrue to the Authority from time to time under any such Non-Novated Contract, and terminate such Non-Novated Contracts in accordance with their terms. The Concessionaire shall bear and pay all stamp duties payable in connection with such power(s) of attorney.

²⁰ Clause 6.4. from the Concession Agreement



On and from the COD, the Concessionaire shall, at its own risk and cost, perform and comply with (i) all its obligations under the Novated Contracts; and (ii) all obligations of the Authority under the Non-Novated Contracts, as if the Concessionaire were an original party to such contracts. The Concessionaire agrees and undertakes to indemnify, defend, save and hold harmless the Government Indemnified Persons against any and all suits, proceedings, actions, demands and claims for any loss, damage, cost and expense of whatever kind and nature under or in connection with any Novated Contract or the Non-Novated Contract arising after the COD save and except any loss, damage, cost and expense arising after the COD but relating to any act or omission of the Authority prior to the COD. It is clarified that, unless they are terminated earlier in accordance with the terms of such agreements, the Novated Contracts and Non-Notated Contracts shall subsist until their expiry. Pursuant to such expiry or termination, the Concessionaire may, at its own discretion, enter into any contract with respect to the subject matter of the relevant Novated Contract and/ or Non-Notated Contract, with any third party, on such terms and conditions as it may deem fit.”

- 13.5.3 With respect to Repairs and Maintenance, JIAL received over 100 contracts from AAI. These contracts were of varied nature, including but not limited to:
- a. Electrical
 - b. Civil
 - c. HVAC
 - d. PBB
 - e. BHS
 - f. Airside
 - g. Public Address System
 - h. STP
 - i. Water Management
 - j. Waste Management
 - k. UPS
 - l. Lift
 - m. Escalator

13.5.4 While taking over the Airport, JIAL carried out a facility health assessment and found various deficiencies.

13.5.5 During the first year of operations JIAL felt a need to improve the service level of the vendors and also to address the identified deficiencies, JIAL carried out a consolidation of the contracts and awarded fresh contracts through a transparent bidding process. Refer Annexure T for the major contract/LOA for Repair & Maintenance.

13.5.6 The estimated expenses that will be incurred by JIAL on the repairs and maintenance works of existing assets (transferred from AAI to JIAL), are expected to increase by 5% inflation and another 5% allowance is provided as contingency for change of scope, overtime, escalation etc. Further JIAL has assumed increase in existing R&M by 10% in FY24-25 due to operationalization of T1 during the last quarter of FY23-24.

On New Assets

13.5.7 Repairs and maintenance expenses that are to be incurred by JIAL for new assets have been calculated as 3% of the opening gross block of new assets of the respective years.

Total R&M Expenditure

13.5.8 Based on the above assumptions, JIAL proposes the following projections for repair and maintenance:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
R&M (Initial assets)	25.00	27.50	33.00	36.30	39.93	161.73
R&M (New Assets)	-	2.39	5.37	29.57	53.41	90.73
Total R&M cost	25.00	29.89	38.37	65.87	93.34	252.46

13.6 Insurance

13.6.1 With respect to JIAL's insurance obligations, the Concession Agreement states that:



"Insurance Obligations

The Concessionaire shall effect and maintain at its own cost, during the Concession Period, such insurances for such maximum sums as may be required under the Financing Agreements and Applicable Laws, and such insurances as may be necessary or prudent in accordance with Good Industry Practice. The Concessionaire shall also effect and maintain such insurances as may be necessary for mitigating the risks that may devolve on the Authority as a consequence of any act or omission of the Concessionaire. The Concessionaire shall procure that in each insurance policy, the Authority shall be a co-assured and that the insurer shall pay the proceeds of insurance into the Escrow Account. The Parties agree that the level of insurance to be maintained by the Concessionaire after repayment of Senior Lenders' dues in full shall be determined on the same principles as applicable for determining the level of insurance prior to such repayment of Senior Lenders' dues.

Insurance Cover

Without prejudice to the provisions contained in Clause 30.1, the Concessionaire shall, during the Concession Period, procure and maintain Insurance Cover including but not limited to the following:

- (a) loss, damage or destruction of the Project Assets, including assets handed over by the Authority to the Concessionaire, at replacement value;*
- (b) comprehensive third party liability insurance, including injury to or death of personnel of the Authority or others who may enter the Airport;*
- (c) the Concessionaire's general liability arising out of the Concession;*
- (d) liability to third parties for goods or property damage;*
- (e) workmen's compensation insurance; and*
- (f) any other insurance that may be necessary to protect the Concessionaire and its employees, including all Force Majeure Events and not otherwise covered in items (a) to (e) above."*

Being an airport operator, JIAL is expected to take various insurances for property damage, business interruption, third party liabilities, and terrorism. JIAL has incurred insurance expenses of INR 1.60 Crores for 2022-23 for the



initial asset base with a replacement cost coverage of INR 1,260 Crores. The implied cost is approx. 0.13% of the replacement cost. The cost is expected to increase by inflation @5%.

The insurance expenses for new assets to be acquired/added have been calculated as 0.1% of the new additions to the gross block based on market rates.

13.6.2 Based on the above assumptions, JIAL proposes the following projections for insurance:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Existing Assets	1.60	1.76	1.94	2.13	2.34	9.77
New Assets	0.07	0.17	0.97	1.77	5.74	8.71
Total Insurance cost	1.67	1.93	2.91	3.90	8.08	18.48

13.7 Rates and taxes

13.7.1 Rates and taxes costs contain several costs such as property tax, water tax and sewage tax to local authorities.

13.7.2 JIAL is expected to incur approx. INR 1.50 Crores as property taxes and other statutory obligations in FY23. This is based on property tax invoice raised by local authorities on AAI which has in turn requested for reimbursement from JIAL as per terms of the concession agreement. The cost is estimated to increase by inflation of 5%. Further, JIAL has considered increase of 11.4% p.a. in FY24-25 cost due to increase in Terminal 2 area after refurbishment.

13.7.3 Based on the above assumptions, JIAL proposes the following projections for rates and taxes:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Rates and taxes	1.50	1.58	1.83	1.92	2.02	8.85

13.8 Security Expenses

13.8.1 Security related operating expenses are dynamic in nature and the requirement of the same varies with perceived security threat and mandates from various agencies. JIAL expects to incur significant security expenses with the expansion of the terminal building area. JIAL's security expenses includes outsourced manpower, security guards, security operation maintenance, surveillance vehicles, access controls and expenses related to other automation systems. Total cost estimated for FY 23 to be INR 6.00 Crores which is expected to increase in line with traffic growth.

The activities covered under outsourced Security Services include Kerbside Management and Other Area (ALS, Patrolling, Pass Section and other Automations) for which the Annual cost is approx. INR 2.2 Cr

As per Concession Agreement, Terminal Building *includes kerbside and access roads*. The definition of Terminal Building as provided in the Concession Agreement is as follows:-

*"Terminal Building" means the stand-alone and/ or integrated passenger terminal building with separately identified area for domestic passengers and international passengers on the Site and the land appurtenant thereto, **including the kerbside and approach roads** and including the existing terminal building, as described and demarcated in the perspective plan set out at Annex II of Schedule A, and/ or the Master Plan, as the case may be.*

13.8.2 For the forecasts, security expenses are expected to increase by a traffic growth. Further JIAL has considered increase of 11.4% p.a. in FY24-25 cost due to increase in Terminal 2 area after refurbishment.

13.8.3 Based on the above assumptions, JIAL proposes the following projections for security expenses:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Security expenses	6.00	8.78	11.16	12.17	13.23	51.35

Counter Drone Expenses

Bureau of Civil Aviation Security (BCAS) had directed the Indian Airports to implement Counter drone technology/solution for Surveillance, detection and Neutralization of drones/ UAVs vide AVSEC Circular no 02/2020 dated 11th February 2020 and vide addendum dated 09th February 2021 to the said circular. However, the above-mentioned Circular has been subsequently withdrawn by BCAS vide Order No. CAS-6(11)/2018/ Div-I/RPA/ (Part2)/ 180940 dated 23rd February 2022. For the time being, the numbers provided in this MYTP are exclusive of such expenses as the circular has been withdrawn. In future, JIAL may require to incur expenses relating to counter drone subject to revised guidelines.

We request AERA to kindly true-up such expenditure on actual incurrence basis in the tariff determination of the next control period. However, if revised guidelines are issued before tariff approval by AERA, we will provide details of likely expenditure for consideration and inclusion of the same in ARR by AERA.

13.9 IT Expenses

13.9.1 With respect to JIAL's obligations with respect to setting up of an Airport Operation Data Base, the Concession Agreement²¹ states that:

"The Concessionaire shall set up Airport Operation Data Base ("AODB") consisting of an airport operations database, communications layer and visual system that link various systems in the Airport together. The AODB must provide all operations data at the Airport including but not limited to the data related to objective service quality requirement and parameters defining level of service of the Terminal Building and any other such information as may be required by the Authority and/ or any Designated GOI Agency pursuant to this Agreement. AODB shall generate daily, weekly, monthly, quarterly and annual reports as per the requirements of this Agreement. The AODB system should be capable to provide historical, real-

²¹ Clause 21.1. of the Concession Agreement



time data to assist in strategic decision making as well as to help the Concessionaire for various compliance requirements. The Concessionaire shall provide AODB access to the Authority for periodic review and generation of reports.”

13.9.2 To ensure world-class IT infrastructure, JIAL intends to revamp the existing IT capacity and efficiency. IT expenses incurred by JIAL include the following:

- ▶ System license costs
- ▶ IT consumables
- ▶ IO/AO support
- ▶ Digitization, travel, and group governance
- ▶ Operating cost of servers, website, and other systems
- ▶ Maintenance costs (office, cables, and DC room)
- ▶ IT resources
- ▶ AMC for airport systems
- ▶ AAI end user system support

13.9.3 For the forecasts, IT expenses are expected to increase in line with growth in manpower strength.

13.9.4 Based on the above assumptions, JIAL proposes the following projections for IT expenses:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
IT expense	5.00	8.80	15.05	16.20	18.52	63.56

13.10 **Administrative and General Expenses**

13.10.1 Administrative costs contain expenses such as consultancy expenses, advertisement, travel, audit, printing & stationery, office expenses, communication costs, business promotion etc. These costs are necessary for the efficient working of the Airport. The initiatives include industry outreach programs, meeting various stakeholders, participation in various domestic and international forums and catchment area programs. JIAL is transforming Jaipur Airport into a smart and futuristic airport.

13.10.2 Admin and General expenses expected to increase by inflation 5% and another 5% allowance is provided as contingency for change of scope, overtime, escalation etc.

13.10.3 Based on the above assumptions, JIAL proposes the following projections for admin expenses:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Admin expenses	15.00	34.50	37.95	41.75	45.92	175.11

13.11 UDF Collection Charges

13.11.1 UDF collection charges are currently applicable as INR 5 per departing passenger. The same has been used to project the cost during TCP.

13.11.2 Based on the above assumptions, JIAL proposes the following projections for UDF collection charges:-

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
UDF Collection Charges	1.21	1.78	2.06	2.24	2.44	9.73

13.12 Other Operating Expenses

13.12.1 Other operating expenses include expenses such as (i) housekeeping and upkeep expenses; (ii) horticulture expenses; and (iii) outsourced manpower/hire charges.

The other Operating Expenses largely includes Cleaning & Housekeeping Services, Pest Control Services, Cleaning of Public Toilet, providing biomedical waste management services, garbage collection services etc. Refer the attached Annexure U for LOA issued for one of the major contract. The major agreements were entered during FY22-23 and hence in order to provide its annualised impact necessary increase factor of 40% has been considered in FY23-24.



Outsourced manpower hire charges include expenses such as operations of Bird Scarers for WHM, customer service executive, guest relation executive etc. and a trolley management O&M contract.

13.12.2 In line with growth assumptions mentioned earlier, from FY25 onwards other operating expenses are expected to increase by inflation of 5%. Further JIAL has considered increase of 25% in FY24-25 due to operationalization of T1 in the last quarter of FY23-24 and 11.4% in FY24-25 due to increase in Terminal 2 area after refurbishment.

13.12.3 JIAL proposes the following projections for other operating expenses:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Other operating expenses	11.00	15.95	22.55	23.67	24.86	98.03

13.13 Independent Engineers' Cost

13.13.1 As per Article 24 of the Concession Agreement, AAI and JIAL will appoint the Independent Engineer (IE). The IE to be appointed initially for 3 years and thereafter for every 3 years till the end of concession period of 50 years. The cost of the Independent Engineer shall be paid by AAI and that shall be reimbursed by JIAL to AAI. The cost of Independent Engineer will be pass-through for the determination of Aeronautical Charges by the regulator.

13.13.2 The extract of the relevant clause is as follows: -

24.1.2 The appointment of the Independent Engineer shall be made within 90 (ninety) days of the date of execution of this Agreement, and such appointment shall be valid for a period of 3 (three) years. On the expiry or termination of the said appointment, the Authority shall appoint an Independent Engineer for a further term of 3 (three) years in accordance with the provisions of Schedule K, and such procedure shall be repeated after expiry of each appointment.

24.3.1 The remuneration, cost and expenses of the Independent Engineer shall be paid by the Authority, and all such remuneration, cost and expenses shall be reimbursed by the Concessionaire to the Authority within 15 (fifteen) days of receiving a statement of expenditure from the Authority. Any amounts paid to the Independent Engineer shall be considered for a pass-through for the determination of the Aeronautical Charges by the Regulator.

13.13.3 In accordance with above, AAI has appointed M/s NBCC (India) Limited as the Independent Engineer initially for 3 years with total cost of INR 12.40 Crores (or INR 4.13 Crores annually). JIAL has assumed escalation in cost based on inflation of 5% after the expiry of initial period of 3 years.

Refer Annexure V for the agreement between AAI and Independent Engineer.

13.13.4 JIAL proposes the following projections for the cost of Independent Engineer.

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Independent Engineers	4.13	4.13	4.13	4.34	4.56	21.30

13.14 Runway Re-Carpeting

13.14.1 AERA Order No. 35/2017-18, explains that the useful life prescribed to runways “would depend on the design life planned at the time of construction of the pavement based on which composition, thickness of each layer and other components of the pavement would have been planned for construction.” The runway at JAI requires recarpeting in order to ensure the minimum quality required for future use. The previous runway recarpeting was done in FY 2016-17 by AAI. As per AAI practice the runway is recarpeted every 5 years and accordingly the next runway-recarpeting was due in FY21-22 considering the traffic movement, wear & tear and weather condition. However, considering the low traffic movement in FY20 and FY21 due to COVID restricted travel, the runway recarpeting has been postponed to FY25-26. This will help to restore the PCN value of the runway. The cost of runway re-carpeting proposed in FY2025-26 is considered at approx. INR 81 Crores (soft cost, interest during construction and financial allowance is separate).

13.14.2 In terms of provisions of AERA Order no. 35/2017-18 dated 12th January, 2018 in respect of useful life of assets, the Authority has allowed the expense incurred on re-carpeting of runways, taxiways and apron as O&M expenses which are to be amortized over a period of 5 years to avoid burden on users. Authority should provide a carrying cost on the balance unamortized portion of such expense incurred by JIAL which will accrue in future, though the expense has already been incurred upfront. JIAL submits that the carrying cost on the unamortized balance of the expense incurred on re-carpeting of runways / taxiways will enable it to obtain return of capital together with the reasonable return on investment commensurate with the risk involved. The amortization of runway recarpeting expense has been provided as: -

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Runway re-carpeting	-	-	-	24.64	28.85	53.50

13.15 **Financing Charges**

13.15.1 Financing charges includes but not limited to bank charges for routine operations, debt arranging charges, processing fees and upfront fees payable to lenders, documentation charges, and various agencies. As per industry trade practice, the cost for upfront fees ranges from 1.5% to 2.5% depending on the size and complexity of the transaction. Accordingly, JIAL has assumed 1.5% of the debt amount as financing charges.

13.15.2 JIAL has also tendered a Performance Bank Guarantee to AAI as mandated by the CA²² as follows:

"The Concessionaire shall, for the performance of its obligations during Phase I hereunder, provide to the Authority, no later than 120 (one hundred and twenty) days from the date of this Agreement, an irrevocable and unconditional guarantee from a Bank for a sum equivalent to Rs. 140,00,00,000 (Rupees One Hundred and Forty Crores) in the form set forth in Schedule E ("Performance Security"). Until such time the Performance Security is provided by the Concessionaire pursuant hereto and the same comes into effect, the Bid Security shall remain in force and effect, and upon such provision of the Performance Security pursuant hereto, the Authority shall release the Bid Security to the Concessionaire."

13.15.2.1 JIAL has arranged Performance Bank Guarantee from Yes Bank in favor of AAI. Annual fee of 0.50% of the Performance Bank Guarantee is to be paid to the lenders as per agreed terms. (Refer Annexure W for the copy of Performance Bank Guarantee and agreement with Yes Bank)

13.15.3 Additionally, a working capital loan has been assumed at an interest rate of 12% per annum of average of opening and closing balance.

The following table provides a summary of the various financing charges that are incurred by JIAL:-

²² Clause 9.1.1.

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Finance charges	-	56.76	-	-	-	56.76
Annual Fee for Performance BG	0.70	0.70	0.70	0.70	0.70	3.50
Working Capital interest	0.63	3.30	7.88	10.96	12.16	34.93
Total	1.33	60.76	8.58	11.66	12.86	95.19

13.16 Summary of O&M Expenses

13.16.1 The summary of aeronautical operation and maintenance expenditure for the TCP is as follows:

No	Particulars	FY23	FY24	FY25	FY26	FY27	Total
1	Manpower expenses - AAI employees	33.00	36.30	32.84	27.17	29.88	159.19
2	Manpower expenses - Adani employees	12.20	20.27	38.01	54.80	66.98	192.27
3	Utility expenses	8.40	10.69	15.23	16.01	16.84	67.16
4	IT expenses	5.00	8.80	15.05	16.20	18.52	63.56
5	Rates & taxes	1.50	1.58	1.83	1.92	2.02	8.85
6	Security expenses	6.00	8.78	11.16	12.17	13.23	51.35
7	Corporate Allocation	11.00	19.35	33.10	35.65	40.74	139.84
8	Administrative Expenses	15.00	34.50	37.95	41.75	45.92	175.11
9	Collection Charges on UDF	1.21	1.78	2.06	2.24	2.44	9.73
10	Insurance	1.67	1.93	2.91	3.90	8.08	18.48
11	R&M	25.00	29.89	38.37	65.87	93.34	252.46
12	Others Operating expenses	11.00	15.95	22.55	23.67	24.86	98.03
13	Independent Engineers Cost	4.13	4.13	4.13	4.34	4.56	21.30
14	Runway recarpeting	-	-	-	24.64	28.85	53.50
15	Financing Charges and Others	1.33	60.76	8.58	11.66	12.86	95.19
16	Total (Airport related)	136.44	254.69	263.76	342.00	409.12	1,406.02
17	Cargo operating expenses	-	3.91	5.39	12.47	14.66	36.43
18	Fuel Farm operating expenses	-	5.80	11.77	11.73	12.82	42.11
19	Grand Total (16 + 17 + 18)	136.44	264.40	280.92	366.20	436.60	1,484.56

13.17 **Concession Fee**

13.17.1 Clause 27.3.1. of the Concession Agreement states that “the Parties hereto acknowledge and agree that the Per Passenger Fee for Domestic Passengers and Per Passenger Fee for International Passengers shall be applicable from the COD and shall be revised annually on each anniversary of the COD to take account of the variation in the CPI (IW).”

13.17.2 As per the abovementioned clause, the per passenger fee for domestic passengers in the first 15 (fifteen) concession years shall be revised in accordance with the following formula:

$$PPF \text{ for Dom. Pass.}_{(CY)} = PPF \text{ for Dom. Pass.}_{(CY-1)} \times (1 + 85\% \text{ of Delta CPI (IW)})$$

Additionally, the per passenger fee for domestic passengers in the remaining concession years shall be revised in accordance with the following formula:

$$PPF \text{ for Dom. Pass.}_{(CY)} = PPF \text{ for Dom. Pass.}_{(CY-1)} \times (1 + 50\% \text{ of Delta CPI (IW)})$$

Where,

- *PPF for Dom. Pass._(CY)* means the revised Domestic Per Passenger Fee to be paid by the Concessionaire in the new Concession Year;
- *PPF for Dom. Pass._(CY-1)* means Per Passenger Fee being paid by the Concessionaire in the previous Concession Year;
- *Delta CPI (IW)* shall be calculated as follows:

$$\frac{[\text{Latest available monthly CPI (IW) as of the date of calculation}] - [\text{CPI (IW) pertaining to 12 (twelve) months prior to such latest available monthly CPI (IW)}]}{\text{CPI (IW) pertaining to 12 (twelve) months prior to such latest available monthly CPI (IW)}}$$

13.17.3 As per clause 27.1.2 of the Concession Agreement, the concession fees are not a pass-through expense. Hence, JIAL has not included the concession fees paid/payable to AAI in the O&M expenses as submitted above.

14 Inflation considered for TCP

14.1 As per RBI Forecaster Survey 79th round dated 07th Dec 2022, the projection of inflation is as follows : -

Calendar Year	WPI All commodities
FY22-23	Mean as 10.4%
FY23-24	Mean as 5%

14.2 Based on the above data, JIAL has assumed inflation as 10.4% for FY22-23 and 5% from FY23-24 onwards every year, while projecting capital expenditure and operating expenditure.

15 Non-Aeronautical Revenue for TCP

15.1 JIAL has outsourced all non-aeronautical businesses to the Master Concessionaire with emphasis on: -

15.1.1 High standards of airport services, safety and security

15.1.2 Functionality and flexibility

15.1.3 Deployment of modern information technology systems and equipment

15.1.4 Environment friendliness

15.1.5 Cost effectiveness

15.1.6 Ability and willingness to provide a high level of customer service at competitive prices

15.1.7 Experience and expertise in provision of non-aeronautical services with innovation in concept and design

15.1.8 Experience and expertise in city side development to meet the requirements of the travellers

15.1.9 Follow good industry practice in performing the Airport Services

15.2 The process for selection and appointment of Master Concessionaire was carried out through a global competitive bidding process as per the terms of the Concession Agreement. The RfP for the tendering process was issued in March 2021 and a Master Service Agreement has been signed on 25th October 2021. The agreement was effective from December 2021.

15.3 The Master Concessionaire scope is to develop, operate, maintain, manage the following at JIA in accordance with best-in-class standards and facilities at comparable airports and good industry practices:

- ▶ Duty free stores
- ▶ Food and beverages outlets
- ▶ Retail outlets
- ▶ Lounges
- ▶ Advertising, sponsorship and promotion opportunities
- ▶ Car parks and ground transportation facilities
- ▶ Airport hotels and transit hotels



- ▶ Preferred partners association for including but not limited to pouring rights, services in air (Wi-Fi, Bluetooth, aroma etc.), music and video rights, mobile wallet, payment gateway and other as may be approved by Airport Operator
- ▶ Business centre
- ▶ City side development
- ▶ Flight catering services
- ▶ Foreign exchange services
- ▶ Freight consolidators/forwarders or agents
- ▶ Left luggage, lost and found, excess baggage
- ▶ Messenger services
- ▶ Porter service
- ▶ Special assistance services
- ▶ Vending machines
- ▶ Meet and assist services
- ▶ Provision of land and space for various stakeholders at Airport
- ▶ Various passenger amenities, including but not limited to, banks, foreign exchange, SIM card, child-care room, kids play areas, car rental and hotel reservation counters, digital wallet tie-ups, ATMs, spas, and entertainment areas
- ▶ Airport village comprising of various retail, food and beverage, entertainment and amenities options; and
- ▶ Any other services as may be mutually agreed or permitted pursuant to applicable law.

15.4 For each year during the term of the Agreement, Master Concessionaire will pay to airport operator an amount which is higher of the following:

- Minimum Guarantee amount of INR 15 Crores per annum; or
- Amount arrived by multiplying the revenue share percentage i.e. 10% as quoted by Master Concessionaire with Gross Revenue in that year.

15.5 Minimum Guarantee amount will remain unchanged for first five years and will increase by 50% of CPI thereafter.

Refer Annexure X for the relevant extract of the Master Service Agreement.

15.6 Apart from above, JIAL has provided rental space to various government agencies like Customs, Immigration, CISF, Plant or Animal quarantine, IMD, Coast guard, Airforce, BCAS, etc. The annual space rentals from these Government Agencies are approx. INR 0.50 Crore. The same is projected to be increase by inflation rate of 5%.

15.7 Following table summarizes the projection for non-aeronautical revenues at JIAL: -

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Revenue from Master Concession	15.00	15.00	15.00	15.00	15.00	75.00
Other revenues	0.50	0.53	0.55	0.58	0.61	2.76
Total Non-Aero Revenue	15.50	15.53	15.55	15.58	15.61	77.76

16 Aeronautical Income Tax for TCP

16.1 The computation of income tax on aeronautical income, has been made on the prevailing Income Tax laws and rules. Further, the aeronautical segment has been treated as a standalone entity with its own tax computations. Therefore, this may not necessarily reflect the overall tax computation of JIAL as a whole.

16.2 The following treatment is considered while calculating aeronautical tax:

- I. 30% of Non-Aeronautical income which was reduced while calculating the ARR and corresponding Aeronautical revenues streams, are added back to reflect the comprehensive revenues for the Airports. This is in line with AERA Guidelines as mentioned below.

As per AERA guidelines 5.5.1 as provided below, corporate tax paid on ***income from assets/ amenities/ facilities/ services*** (emphasis) taken into consideration for determination of Aggregate Revenue Requirement (ARR) will be considered for calculation of taxation component of ARR. Clause 5.5 of the AERA Guidelines is reproduced below:

<p>5.5. Taxation (T)</p> <p>5.5.1. Taxation represents payments by the Airport Operator in respect of corporate tax on income from assets/ amenities/ facilities/ services taken into consideration for determination of Aggregate Revenue Requirement.</p> <p>5.5.2. The Authority shall review forecast for corporate tax calculation with a view to ascertain inter alia the appropriateness of the allocation and the calculations thereof.</p> <p>Explanation: For avoidance of doubt, it is clarified that any interest payments, penalty, fines and other such penal levies associated with corporate tax, shall not be taken into consideration for calculation of Taxation.</p>
--

- II. Concession Fee is not considered as expenditure in line with Supreme Court judgement dated 07th July 2022 in case of Delhi and Mumbai Airport.

16.3 The following table summarizes the income tax projections that have been calculated as per the above assumptions for JIAL:



Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Aero Revenues	159.76	481.73	870.72	998.26	1,132.84	3,643.30
Add 30% Non-Aero Revenues	4.65	4.66	4.67	4.67	4.68	23.33
Less Aero Expenses (as per 13.16.1 above)	(136.44)	(264.40)	(280.92)	(366.20)	(436.60)	(1,484.56)
Less Depreciation	(58.74)	(63.10)	(106.49)	(184.76)	(428.02)	(841.11)
Aero PBT	(30.78)	158.88	487.97	451.98	272.91	1,340.96
Tax expenses @25.17%	0.00	(39.99)	(122.82)	(113.76)	(68.69)	(345.27)

17 Airport Service Quality

17.1 With respect to the Airport Service Quality obligations of JIAL the Concession Agreement has defined them *“as set forth in Annex I of Schedule H;”* (Annexure – A).

17.2 These service qualities have been summarized on the basis of performance indicators, measures, measurement mechanisms and measurement frequency. JIAL is committed to abide by the following ASQ performance indicators mentioned in Annex I of Schedule H:

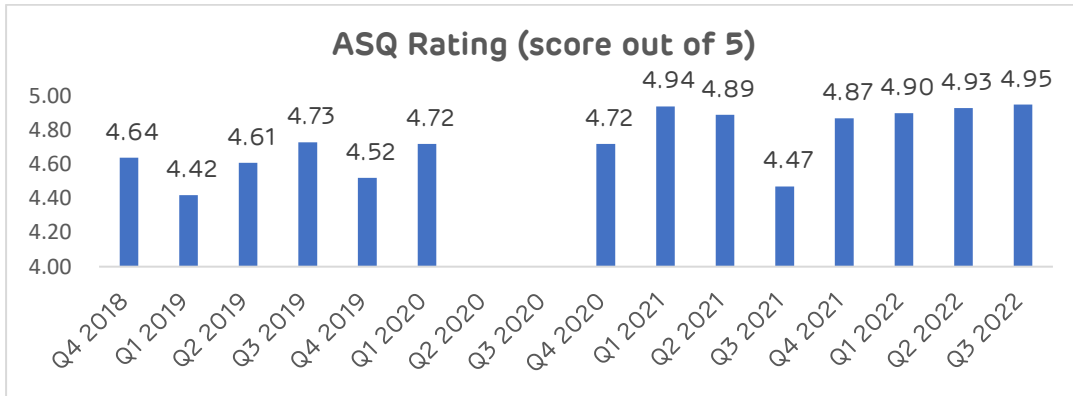
S. No.	Performance Indicator	Performance Measure	Minimum Performance Standard
1	Car Parking	Average time taken to find parking space including the time taken for payment of parking fee or collection of ticket Average time from parking slot to the exit gate including the time for payment of parking fee	95% of drivers take less than 5 minutes 95% of drivers take less than 5 minutes
2	Security Check	Waiting time in queue	95% of the Peak Hour passengers wait less than 5 minutes
3	Check-in	Waiting time in queue	95% of business class passengers wait less than 5 minutes 95% of economy class passengers wait less than 20 minutes
4	Immigration	Waiting time in queue	95% of passengers wait less than 10 minutes
5	Baggage delivery domestic	Time taken for baggage delivery from aircraft arrival	First baggage will arrive on baggage belt within 10 minutes of aircraft on blocks time, and Last baggage will arrive on baggage belt within 30 minutes for Code C aircraft 45 minutes for Code E of aircraft on-blocks time
6	Baggage delivery domestic	% time available	Each baggage belt should be available at least 95% of the time
7	Baggage delivery international	Time taken for baggage delivery from aircraft arrival	First baggage will arrive on baggage belt within 15 minutes of aircraft on blocks time, and Last baggage will arrive on baggage belt within 40 minutes for Code C

S. No.	Performance Indicator	Performance Measure	Minimum Performance Standard
			aircraft 45 minutes for Code E of aircraft on-blocks time
8	Baggage delivery international	% time available	Each baggage belt should be available at least 95% of the time
9	Passenger arrival process	Time taken from aircraft arrival to kerbside	International – 95% of passengers take less than 45 minutes Domestic – 95% of passengers take less than 35 minutes
10(a)	Passenger boarding bridges	Percentage time available	Each Passenger boarding bridge should be available at least 95% of the time
10(b)		Availability for % of aircraft movements to meet airline request	The Passenger boarding bridges should be available to 90% of international passengers and to 90% of domestic passengers travelling on aircrafts B737/A320 or larger unless not required by airlines.
11	Parking bays	Percentage time available	Each parking bay stand should be available at least 99% of the time.
12	Availability of Flight Information Display Systems (FIDS)	Percentage time available	Each FIDS should be available at least 98% of the time.
13	Availability of baggage trolleys	Percentage time available	Baggage trolleys should be available 100% of the time.
14	Passengers requiring wheel chairs	Waiting time for provision of assistance	100% of departing Passengers, needing a wheel chair, should not wait longer than 5 minutes
15	Transit/transfer Passengers	Minimum connect time for transit/transfer Passengers domestic / domestic or domestic / international or international / international	Minimum connect time to be not more than 60 minutes for 80% of the domestic / domestic Passengers , Minimum connect time to be not more than 75 minutes for 80% of the domestic / international Passengers Minimum connect time to be not more than 60 minutes for 80% of the international / international Passengers
16	Escalators, elevators, & travellers	Percentage time availability	Escalators, elevators & travellers should be available 98% of the time.
17	Automated services	Percentage time availability	Automated services should be available 98% of the time. "Automated services" shall include

S. No.	Performance Indicator	Performance Measure	Minimum Performance Standard
			but not limited to inbound baggage system, outbound baggage system, X-Ray machines and public announcement system.
18	Information /complaint desks	Availability of personnel at the information/ complaint desk	Information/complaint desks should be manned 100% of the time.
19	Ambient conditions in the Passenger Terminals	Maintenance of ambient conditions in the Passenger Terminals	Temperature range in a Passenger Terminal to be 21-25 degree Celsius during operational hours in the Passengers areas, and Relative humidity levels – correlated relative humidity to specified temperature range
20	Runway operational safety	Number of runway incursions	Recording, investigating and minimizing runway incursions
21	ARFF	Response time to incident	As specified by ICAO achieve a response time not exceeding 3 minutes to any point of each operational runway, and to any other part of the movement area in optimum visibility and surface conditions Any other vehicles required to deliver the amounts of extinguishing agents should arrive no more than 1 minute after the first responding vehicle(s) (i.e. no more than 4 minutes after the first call) so as to provide continuous agent application.
22	Availability of taxi	Waiting time in queue	Queuing time for taxis will not be more than 5 minutes for 95% of the passengers.
23	Handling of complaints	Percentage of complaints responded within specified time	100% of complaints responded within 2 working days.
24	Repair completion Time	Percentage of repairs done within specified time	95% of high priority repair works should be addressed within 4 hours, 95% of others should be addressed within 24 hours
25	Cleanliness	Ratings during cleanliness surveys	Achieve a satisfactory cleanliness rating for 95% of all inspections
26	Gate lounges	Seating availability	As per IATA Optimum Level of Service
27	Buggy Services	Availability of buggies	Buggy service should be available 98% of the time



17.3 The ASQ rating achieved by the Airport in last few years is as follows:



*In Q2 & Q3 2020, the ASQ rating was not conducted due to lockdown restriction imposed by Government of India as a measure against pandemic COVID-19

18 Aggregate Revenue Requirement (ARR) for TCP

18.1 Based on the above analysis, JIAL estimates the present value of target revenue for the airport related services (including Cargo handling and Fuel farm services) to be INR 2,555 Crores (India Rupees Two Thousand Five Hundred and Fifty-Five Crores). The following table summarizes the ARR of JIAL for the TCP:

Particulars (in INR Crores)	FY23	FY24	FY25	FY26	FY27	Total
Opening RAB	492.38	504.32	539.38	1,263.81	1,816.08	
Closing RAB	504.32	539.38	1,263.81	1,816.08	5,709.02	
Average RAB	498.35	521.85	901.60	1,539.95	3,762.55	
Add: FRoR return on avg. RAB @14.76%	73.54	77.00	133.04	227.23	555.20	1,066.02
Add: Operating expenses	136.44	264.40	280.92	366.20	436.60	1,484.56
Add: Depreciation	51.13	64.76	95.90	168.12	329.09	709.00
Add: Amortisation of land	0.00	0.00	0.00	0.00	0.00	0.00
Add: Taxes	0.00	39.99	122.82	113.76	68.69	345.27
Add: True-up for SCP for JIAL	61.76					61.76
Add: True-up for SCP for AAI						
Less: 30% Non - Aero	(4.65)	(4.66)	(4.67)	(4.67)	(4.68)	(23.33)
ARR	318.21	441.50	628.01	870.64	1,384.90	3,643.27
Discounting Factor applied to compute present value	1.00	0.87	0.76	0.66	0.58	
Present Value (PV) of ARR	318.21	384.73	476.89	576.12	798.58	2,554.53
Sum of PV of ARR for Control Period	2,554.53					



19 Annual Tariff Proposal for TCP

- 19.1 The existing applicable rate card is provided at company's website. The same can be accessed at the link <https://www.adani.com/jaipur-airport/-/media/EA4B9B2B0B0F4BEA9920ED00740DF0EF.ashx>
- 19.2 As regard to the annual tariff proposal for TCP, it is submitted that the in line with the extant practice, the detailed pricing proposal (rate card) will be submitted upon release of consultation paper by AERA.

- (A) Concession Agreement and its Schedules
(<https://www.aai.aero/en/system/files/resources/Signing-of-Concession-Agreement---Jaipur-Airport.pdf>)
- (B) Memorandum of Understanding between GoI and JIAL
- (C) AAI notification for handover
- (D) Letter from AAI on Terminal Area
- (E) Joint Asset Reconciliation Statement signed between AAI and JIAL
- (F) Invoice from AAI for Estimated Deemed Initial RAB and Initial Non-Aero Investment
- (G) Invoices from AAI for CWIP handed over to JIAL
- (H) Financial Statements - FY 21-22
- (I) Indemnity Bond for GST
- (J) ICRA – March 2023 - Airport Infrastructure
- (K) Traffic Forecast Report from Mott Macdonald
- (L) Circulars & Guidelines on Exempt ATM and Exempt Pax
- (M) Report on ACRP Study
- (N) AUCC Presentation and Minutes of Meeting
- (O) IATA Guidance Note on Fuel Storage Capacity
- (P) Concession Agreement with Ground Handling Agency
- (Q) Sample Monthly Invoice for AAI Manpower
- (R) Task Resource Analysis for ARFF
- (S) ILHBS Staff Requirement Assessment
- (T) Major Contract for Repairs & Maintenance
- (U) Major Contract for Other Operating Expenses
- (V) Agreement with Independent Engineer
- (W) PBG from Yes Bank
- (X) Annexure H of Jaipur Master Service Agreement
- (Y) Forms as required under AERA guidelines