



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

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

प्राप्त
डायरी नं० 17531
तारीख 17/5/2023

AAI/CHQ/Tariff/Major Apt/PPP-Jaipur/2023-24/903

Date: 17-May-2023

The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi-110003

Sub: Finalization of RAB & True up as on Commercial Operation Date (COD) in respect of Jaipur International Airport

Sir,

1. AERA vide its Order No. 13/2015-16 dated 05.06.2015 decided that the tariffs would continue at the existing level pending determination for the first control period and advised AAI to submit Multi-Year Tariff Proposal for the second control period.
2. AERA vide order no 10/2017-18 dated 04/08/2017 has determined the Aeronautical Tariff in respect of Jaipur International Airport for the Second Control Period (01/04/2016 to 31/03/2021).
3. The Concession Agreement with the Concessionaire M/s Adani Jaipur International Airport Ltd (AJIAL) was signed on 19.01.2021 and the Commercial Operation Date (COD) was achieved on 11.10.2021.
4. As per Concession Agreement the Concessionaire shall be liable to pay to AAI an amount equivalent to investments made by AAI in aeronautical assets as of COD and considered by the AERA as part of Regulatory Asset Base (RAB) subject to reconciliation, True-up and final determination by AERA and the same is subject to adjustment as per para 28.11.4(a) & (b).
5. The amount of Estimated Initial RAB & Initial Non-Aeronautical Investments as on 31-Mar-18 amounting to Rs. 253 Crores Estimated Initial RAB and Rs. 2.56 Crores for Non-Aeronautical Investments has been paid by M/s AJIAL to AAI on 07.01.2022.
6. AAI has prepared the proposal of True-up & Finalization of RAB as on COD in respect of Jaipur International Airport as per the terms of the Concession Agreement and as per AERA methodology. The proposal has been prepared with the actual data for the period 01/04/2016 to 11/10/2021 considering the following:

- o Traffic Data
- o Allocation
- o Employee Ratio
- o Quarter Ratio
- o Regulatory Asset Base
- o Fair Rate of Return (FRoR)
- o Return on Land

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- o Depreciation
- o Operating Cost
- o Taxation
- o Adjusted Non-Aeronautical Revenue
- o Regulated Revenue

7. Based on the above, shortfall including the amount payable by the Concessionaire as per the terms of Concession Agreement has been worked out for 2nd Control Period (01.04.2016 to up to COD).
8. Total amount payable by Adani Jaipur International Airport Limited as per the concession agreement as on COD subject to true up and final determination by Airports Economic Regulatory Authority (AERA) is as follows:

Computation of amount payable by AJIAL

Particulars (₹ in Cr)	Aero	Shortfall	Total
RAB as on COD- Transferred to AJIAL Net of Assets retained by AAI	515.36	-	515.36
ANS Assets Transferred to AJIAL	4.34	-	4.34
Total	519.70	-	519.70
Less: Amount already paid by AJIAL for Deemed Initial RAB	253	-	253
Balance amount payable for RAB as on COD	266.70	-	266.70
Present value of Shortfall of True Up for 2 nd Control Period up to COD (11-Oct-2021)	-	641.15	641.15
Total	266.70	641.15	907.85
PVF @ 14% as on 31-Mar-22 [1+14%*172/365]	1.066	1.066	
PV of Adjusted Deemed Initial RAB as on 31-Mar-22 (A*B)	284.30	683.45	967.75
PVF @ 14% as on 31-Mar-23 [1+14%*365/365]	1.14	1.14	
PV of Adjusted Deemed Initial RAB as on 31-Mar-23 (C*D)	324.10	779.13	1103.23
PVF @ 14% as on 30-Sept-23 [1+14%*183/365]	1.07	1.07	
PV of Adjusted Deemed Initial RAB as on 30-Sept-23 (C*D)	347	833.67	1180.67
Total Amount payable as on 30-Sept -23			1180.67

Particulars	Amount (₹ Crores)
Non- Aeronautical Assets handed over to AJIAL as on COD (Table 31)	0.06*
Less: Amount already paid by AJIAL for Non-Aeronautical assets	2.56
Amount payable as on COD for Non-Aeronautical Assets	-2.50

The detailed submissions along with workings are enclosed for your consideration and approval.

Vidya
17/05/23
(V Vidya)

Executive Director (JVC-Tariff)

Enclosed: As above

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Submission to Airport Economic Regulatory Authority of India (AERA) for Determination of Tariff for Airport Services for Jaipur International Airport for the Control Period – FY 2016-17 to FY 2021-22 (up to COD)

1. Background and Introduction to Jaipur International Airport

1.1. Background of Airport Authority of India

1.1.1. Airports Authority of India (AAI) was constituted under the Airports Authority of India Act 1994 ("AAI Act") and came into being on 1st April 1995 by merging erstwhile National Airports Authority and International Airports Authority of India, with a view to accelerate the integrated development, expansion and modernization of the air traffic services, passenger terminals, operational areas, and cargo facilities at the airports in the country. The merger brought into existence a single organization entrusted with the responsibility of creating, upgrading, maintaining, and managing civil aviation infrastructure, both on the ground and air space in the country.

1.2. Overview and History of Jaipur Airport

1.2.1. Jaipur is the capital city of Rajasthan. Jaipur's Airport is the 11th busiest Airport in India in daily scheduled daily flight operations. Jaipur's Airport has been declared as 'World's Best Airport' in the category of 2 to 5 million passengers per annum for 2015 and 2016.

1.2.2. As per Section 2(i) of AERA Act, any airport with annual passenger throughput exceeding 1.5 million has been categorized as a major airport. The passenger throughput at Jaipur International Airport exceeds 1.5 million, and therefore Jaipur International Airport is a major airport and, thus, is considered for regulation of tariff and other charges by the Authority.

1.2.3. Based on the above, initial MYTP was submitted by Airport Authority of India vide letter dated 23.06.2011 considering First Control Period beginning 1st April 2011 up to 31st March 2016, and AERA issued order dated 05th June 2015 vide order no.13/2015-16.

1.2.4. Subsequently, MYTP for Second Control, i.e. from 1st April 2016 up to 31st March 2021 was submitted by Airport Authority of India on 22nd March 2017, and AERA issued order dated 04th August 2017 vide order no. 10/2017-18.

1.3. Other key highlights of the agreement with AJIAL are as follows:

1.3.1. **Estimated Deemed Initial RAB** : 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 Crore ("Estimated Deemed Initial RAB"). This Estimated Deemed Initial RAB shall be due and payable by the Concessionaire to the Authority within 90 days of COD.

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1.3.2. **Adjusted Deemed Initial RAB (Article 28.11.4 of Agreement):** "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"):

1. 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
2. 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 from the COD to the date of actual payment of the Adjusted Deemed Initial RAB.

1.3.3 **Initial Non-Aeronautical Investments:** 28.12 of Concession Agreement states that:

"28.12.1- 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").

28.12.2 - 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. 4,93,00,000 (Rupees Four Crore and Ninety Three 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).

2. Methodology for Tariff Determination

2.1. Methodology / Approach to preparation of MYTP Submission

2.1.1. The Authority, vide Order No. 13/ 2010-11 dated 12.01.2011 (referred to as "Airport Order" hereinafter) and Direction No. 5/2010-11 dated 28.02.2011 (referred to as "Airport Guidelines" hereinafter), has issued guidelines to determine tariffs at major airports based on Single Till mechanism. Subsequently, the Authority has amended guidelines vide Order no. 14/2016-17 dated 12.01.2017 to determine future tariffs using Hybrid Till.

2.1.2. The tariff determination process consists of true-up of 2nd Control Period and determination of building blocks for 3rd Control Period. The Authority proposes to undertake true-up of 2nd Control Period and the determination of building blocks for 3rd Control Period under Hybrid Till.

2.1.3. The Aggregate Revenue Requirement (ARR) under regulatory framework of Authority is calculated as under

$ARR =$

$$ARR_t = (FRoR \times RAB_t) + D_t + O_t + T_t - \alpha \times NAR_t$$

Where,

t is the Tariff Year in the Control Period;

ARR_t is the Aggregate Revenue Requirement for the year t;

FRoR is the fair rate of return for the Control Period;

RAB_t is the Aeronautical Regulatory Asset Base for the year t;

D_t is the Depreciation corresponding to the Aeronautical RAB for year t;

O_t is the Aeronautical Operation and Maintenance Expenditure for year t, which include all expenditures incurred by the Airport Operator(s) towards aeronautical activities including expenditure incurred on statutory operating costs and other mandatory operating costs;

T_t is the Tax for the year t, which includes payments by Airport Operator in respect of corporate tax on income from assets/ amenities/ facilities/ services taken into consideration for determination of ARR for year t;

α is 30% cross subsidy factor for revenue from services other than aeronautical services under Hybrid Till for 2nd Control Period. α was 100% cross subsidy factor under Single Till during First Control Period.

NAR_t is the revenue from services other than aeronautical services (Non-Aeronautical Revenues or NAR) for year t.

2.1.4. Based on ARR, Yield per passenger is calculated as formula given below:

Where,

Present Value (PV) of ARR_t for a tariff year t is calculated at the beginning of the Control Period and the discounting rate for calculating PV is equal to the Fair Rate of Return determined by the Authority.

VE_t is the Traffic Volume in a tariff year t as estimated by the Authority.

ARR_t is the Aggregate Revenue Requirement for tariff year t .

3. True Up for Second Control Period (SCP)

3.1.1. As per the Decision No.2 of Order No. 10/2017-18,

“2a. The Authority decided to true-up the 1st Control Period on the basis of Single Till.

2b. The Authority decides to apportion CHQ/RHQ overheads on revenue basis.

2c. The Authority decides to consider the revenues from cargo facility, Ground handling services and supply of fuel to aircraft including land lease rentals as aeronautical revenue.

2d. The Authority decides the following depreciation rates.

- i. For asset types not defined under Companies Act (runway, taxiway and aprons): 3.33% based on useful life of 30 years from FY 2011-12 onwards.
- ii. For asset types defined under Companies Act: rates prevalent under the Companies Act 1956 till FY 2013-14 and as per the Companies Act 2013 from FY 2014-15 onwards as the effective date of implementation of the Companies Act 2013 is 01.04.2014. The depreciation rates as submitted by AAI and as considered by the Authority are given in Table 9 for the 1st Control period.

2e. The Authority decides to consider shortfall of Rs. 123.90 in the 1st Control Period to be added to ARR for the 2nd Control period.”

3.1.2. After factoring the above adjustments, the authority had allowed the following ARR for the first control period based on Single till (Table 16 of Order No. 10/2017-18).

Table 2: Shortfall as per AERA for 2nd Control Period as per Order No. 10/2017-18

Particulars (In Crs.)	2011-12	2012-13	2013-14	2014-15	2015-16	Total

ARR for the year	64.1	72.6	59.3	70.8	71.6	338.4
Aeronautical Revenue	43.8	46.6	47.9	54.6	69.0	261.9
Shortfall/ Excess	20.3	26.0	11.3	16.2	2.6	
Future Value of Shortfall/ Excess as on 01 st April 2016	39.1	43.9	16.8	21.0	3.0	
Shortfall as on 01 st April 2016 to be carry forward to 2 nd Control Period						123.9

4. True Up of Second Control Period (SCP)

4.1. Overview

4.1.1. The Airports Authority of India submissions MYTP for 2nd Control Period (2016-17 to 2021-22 – up to COD- 11th Oct 2021) with respect to Jaipur International Airport.

4.2. Traffic

4.2.1. As per Decision No. 3a and 3b of Order No. 10/2017-18, the Authority decided: **Decision No. 3a** “The Authority decides to consider the ATM and passenger traffic as per Table 19”.

Decision No. 3b “The Authority decides to true-up the traffic volume (ATM and passengers) based on actual traffic in 2nd control period while determining tariffs for the 3rd control period”.

Table 3: Traffic allowed as per Second Control Period Order No. 10/2017-18

YEAR	Passenger				ATM			
	Domestic	International	Combined	% Increase	Domestic	International	Combined	% Increase
2016-17	3,332,496	450,962	3,783,458	-	28,596	3,744	32,340	-
2017-18	3,745,163	487,011	4,232,174	11.86%	31,647	3,938	35,584	10.03%
2018-19	4,208,931	525,943	4,734,873	11.88%	35,023	4,141	39,164	10.06%
2019-20	4,730,127	567,986	5,298,114	11.90%	38,759	4,354	43,114	10.09%
2020-21	5,315,865	613,390	5,929,255	11.91%	42,894	4,579	47,473	10.11%
TOTAL	21,332,582	2,645,292	23,977,874	-	176,919	20,756	197,675	-

Table 4: Actual Traffic

YEAR	Passenger				ATM			
	Domestic	International	Combined	% Increase	Domestic	International	Combined	% Increase
2016-17	3,332,496	450,962	3,783,458	-	28,596	3,744	32,340	-
2017-18	4,229,961	527,217	4,757,178	25.74%	38,069	4,220	42,289	30.76%
2018-19	4,866,742	604,481	5,471,223	15.01%	42,019	4,166	46,185	9.21%
2019-20	4,502,569	528,992	5,031,561	-8.01%	35,872	3,612	39,484	-14.51%
2020-21	1,719,937	130,250	1,850,187	-63.23%	17,753	1,180	18,933	-52.05%
TOTAL 2nd CP	18,651,705	2,241,902	20,893,607	-	162,309	16,922	179,231	-
2021-22 (Till COD)	896,769	40,109	936,878	-	8,674	356	9,030	-
TOTAL	19,548,474	2,282,011	21,830,485	-	170,983	17,278	188,261	-

Note*: Up to COD i.e. 11th Oct 2021

4.2.2. **Table 5: Variance between actual and AERA approved traffic is tabulated below:**

YEAR	UoM	Passenger			ATM		
		Domestic	International	Combined	Domestic	International	Combined
2016-17	No's	-	-	-	-	-	-
2017-18	No's	4,84,798	40,206	5,25,004	6,422	282	6,705
2018-19	No's	6,57,811	78,538	7,36,350	6,996	25	7,021
2019-20	No's	-2,27,558	-38,994	-2,66,553	-2,887	-742	-3,630
2020-21	No's	-35,95,928	-4,83,140	-40,79,068	-25,141	-3,399	-28,540
2021-22*	No's	896,769	40,109	936,878	8,674	356	9,030

4.2.2.1. Significant reason for increase/ decrease in Traffic are as follows

4.2.2.1.1. Fall in ATM and Passenger for FY 2019-20 and FY 2020-21 was due to Pandemic.

4.3. Allocation of Assets

4.3.1. For the allocation of assets, expenditure between aeronautical and non-aeronautical services, Airports Authority of India had divided assets into aeronautical, non-aeronautical and common components. Common components have further been segregated into aeronautical and non-aeronautical assets by applying one of the following three ratios:

4.3.2. **Terminal Area Ratio-** Ratio of Aeronautical area to non-aeronautical area (For terminal related assets).

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto COD)
Total No. of Quarters	108	112	95	95	95	95
No. of Quarters ANS	19	22	13	10	8	8
ANS Usage Ratio	17.59%	19.64%	13.68%	10.53%	8.42%	8.42%
Aero Usage Ratio	82.41%	80.36%	86.32%	89.47%	91.58%	91.58%

Table 6: Terminal Building Ratio as approved by AERA for 2nd Control period (Table 23 of Order No. 10/2017-18)

Particulars	Ratio
Terminal Building Ratio	95.50 %

Table 7: True Up of Terminal Building Ratio for 2nd Control Period

Particulars	Location	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto COD)
Space Rented	T2	1695	1722	1749	1636	1243	1243
Capacity	T2	18000	18000	18000	24954	24954	24954
Non-Aero %	T2	9.40%	9.57%	9.72%	6.56%	4.98%	4.98%
Aero %	T2	90.60%	90.43%	90.28%	93.44%	95.02%	95.02%

* Terminal 1 of Jaipur Airport has not been in Operation during 2nd Control Period hence, Terminal building ratio only for Terminal 2 has been calculated.

4.3.3. **Quarters Ratio-** Ratio of staff providing commercial service staying in residential building to staff providing aeronautical service staying in residential building.

Table 8: True Up of Quarters Ratio for 2nd Control Period

4.3.4. **Employee Ratio-** Ratio of staff providing commercial assets to staff providing aeronautical services.

Table 9: Employee Ratio as approved by AERA for 2nd Control period (Clause 7.9 of Order No. 10/2017-18)

Particulars	Ratio
Employee Ratio	97%

Table 10: True Up of Employee Ratio for 2nd Control Period

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto COD)
No. of Resources						
ANS	77	88	93	92	97	93
Aero	155	166	188	181	159	188
Non-Aero	6	5	5	5	5	5
Total	238	259	286	278	261	286
Employee Ratio for AAI Jaipur						
ANS	32.35%	33.98%	32.52%	33.09%	37.16%	32.52%
Aero	65.13%	64.09%	65.73%	65.11%	60.92%	65.73%
Non-Aero	2.52%	1.93%	1.75%	1.80%	1.92%	1.75%
Employee ratio for (AERO: Non-Aero)						
Aero	96.27%	97.08%	97.41%	97.31%	96.59%	97.41%
Non-Aero	3.73%	2.92%	2.59%	2.69%	3.05%	2.59%

4.4. Regulatory Asset Base (RAB)

4.4.1. Airport Authority of India submits Gross Block of Asset, Accumulated Depreciation, Additions, Deletions and closing RAB

4.4.2. **Table 11:** Reconciliation of RAB as on 01-Apr-2018 has been provided below:

Particulars (Rs. In Crores)	As per True Up	As per RFP	Difference
RAB as per Tariff Order as on 01-Apr-2016	136.0	136.0	-
Add: Left out assets	4.18	-	4.18
Add: Improvement	1.03	-	1.03
Add: Land	36.43	-	36.43
Adjusted Balance as per True up as on 01-Apr-2016	177.64	136.0	41.64
Additions during FY 16-17 and 17-18	148.85	150.0	-1.15
Less: Disposals during FY 16-17 and 17-18	0.67	0.00	0.67
Less: Depreciation during FY 16-17 and 17-18	34.42	33.8	0.62
Balance as on 01-Apr-2018	291.40	252.2	39.20

- Variations in balance of assets as on 01-Apr-2018 is due to variations in additions and disposals of assets during FY 2016-17 and FY 2017-18.
- Depreciation in deemed RAB has been calculated as 50% on additions whereas in true up it has been calculated from the date of "put to use".

Table 12: Projected RAB and Depreciation for 2nd Control Period is as follows as per Order no. 10/2017-18 is as follows:

	Particulars (₹ Crore)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
A	Opening Aeronautical RAB*	136.0	255.1	271.9	262.1	324.0	1249.1
B	Aeronautical assets capitalized during the year	133.8	34.3	8.0	80.3	0.0	256.4
C	Disposals/ Transfers	-	-	-	-	-	-
D	Depreciation	14.7	17.5	17.8	18.4	17.3	85.7
E	Closing Aeronautical RAB (A+B-C-D)	255.1	271.9	262.1	324.0	306.8	1419.9
	Average RAB (A+E)/2	195.5	263.5	267.0	293.1	315.4	1334.5

Table 13: True Up of RAB and Depreciation for 2nd Control Period till COD is as follows:

	Particulars (₹ Crore)	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL 2 nd CP	2021-22 (Till COD)	Total
A	Opening Aeronautical RAB*	136.00	253.52	255.03	261.21	318.50	1229.53	328.94	1558.48
B	Aeronautical assets capitalized during the year	134.60	19.52	26.98	79.84	33.96	289.63	200.86	490.49
C	Disposals/ Transfers	0.67	-	-	-	-	0.67	-	0.67
D	Depreciation	16.41	18.01	20.80	22.55	23.51	101.29	12.87	114.15
E	Closing Aeronautical RAB (A+B-C-D)	253.52	255.03	261.21	318.50	328.94	1417.20	516.94	1934.14
	Average RAB (A+E)/2	197.39	254.27	258.12	289.85	323.71	1323.37	422.94	1746.31

*Opening Aeronautical RAB does not include value of land

Significant reasons for variations in RAB and Depreciation are as follows:

- Assets to the tune of INR 26.08 Crores (net value INR 4.18 Crores) were left out at the time of finalisation of Tariff for 2nd Control Period and hence, they have been added to the True up of 2nd Control Period.
- It has been noted that additions during FY 2018-19 and 2020-21 are higher than the projected capital expenditure due to unplanned capital expenditure (Comparison of planned and unplanned capital expenditure has been provided below).

Comparison of Planned and Unplanned capital expenditure

Table 14: Approved Capital expenditure by Authority as per Order No. 10/2017-18 is as follows:

	Particulars (₹ Crore)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
1	Runways/ Taxiways	126.5	26.0	0.0	0.0	0.0	152.5
2	Aprons	0.0	0.0	0.0	60.0	0.0	60.0
3	Roads, Bridges & Culverts	0.3	6.4	0.0	0.0	0.0	6.7
4	Terminal Building	0.5	0.0	0.0	11.3	0.0	11.8
5	Operational Boundary Wall	1.6	1.9	0.0	0.0	0.0	3.5
6	Residential Boundary Wall	0.2	0.0	0.0	0.0	0.0	0.2
7	Other Buildings	0.0	0.0	8.0	9.0	0.0	17.0
8	Machinery	1.1	0.0	0.0	0.0	0.0	1.1
9	Tools and Plant	0.6	0.0	0.0	0.0	0.0	0.6
10	Electrical Installation	2.0	0.0	0.0	0.0	0.0	2.0
11	X-Ray	1.1	0.0	0.0	0.0	0.0	1.1
	Total	133.8	34.3	8.0	80.3	0.0	256.4

Table 15: True Up of Planned Capital Expenditure is as follows:

	Particulars (₹ Crore)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
1	Runways/ Taxiways	102.35	0.41	0.0	0.0	0.0	102.76
2	Aprons	0.0	0.0	0.0	0.0	0.0	0.0
3	Roads, Bridges & Culverts	0.0	0.0	0.0	0.0	0.0	0.0
4	Terminal Building	0.0	0.0	0.0	0.0	0.0	0.0
5	Operational Boundary Wall	1.61	0.0	0.0	0.0	0.0	1.61
6	Residential Boundary Wall	0.24	0.0	0.0	0.0	0.0	0.24
7	Other Buildings	1.33	2.73	10.79	33.52	3.73	52.10
8	Plant & Machinery	12.12	0.0	0.0	6.97	0.70	19.79
9	Tools and Plant	0.0	0.0	0.0	0.0	0.0	0.0
10	Electrical Installation	0.0	0.0	0.0	0.0	0.0	0.0
11	X-Ray	0.0	0.0	0.0	0.0	0.0	0.0
	Total	117.65	3.14	10.79	40.49	4.43	176.50

Table 16: True up of Unplanned capital Expenditure is as follows:

	Particulars (₹ Crore)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
1	Runways/ Taxiways	0.0	0.0	0.0	1.38	14.25	15.63
2	Aprons	0.0	0.0	0.0	0.0	0.0	0.0

3	Roads, Bridges & Culverts	0.57	1.04	11.72	9.05	0.0	22.37
4	Terminal Building	1.46	3.90	0.25	0.55	5.53	11.70
5	Operational Boundary Wall	0.0	0.0	0.0	0.03	0.0	0.03
6	Residential Boundary Wall	0.0	0.0	0.0	0.0	0.0	0.0
7	Other Buildings	0.0	0.0	0.0	0.0	0.0	0.0
8	Plant & Machinery	10.18	12.63	0.0	22.25	12.25	57.32
9	Office Appliances	0.40	0.04	0.47	0.07	0.16	1.15
10	Furniture & Fixtures	0.04	0.16	0.01	0.01	0.58	0.80
11	Computer Software	0.03	0.01	1.77	0.0	0.0	1.81
12	Vehicles	0.03	0.61	0.01	0.0	0.08	0.73
	Total	12.70	18.40	14.23	33.34	32.86	111.54

4.5. Fair Rate of Return (FRoR)

4.5.1. The Airports Authority of India has considered the FRoR at 14% in line with the decision by AERA taken for Chennai, Kolkata, Guwahati & Lucknow airports for the First Control Period.

Table 17: Summary of FRoR on Regulatory Asset Base is as follows

Particulars (₹ Crore)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Till COD)	Total
Average Regulatory Asset Base (RAB)	197.39	254.27	258.12	289.85	323.71	422.41	
Fair Rate of Return (FRoR)	14%	14%	14%	14%	14%	14%	
Return on Average RAB @ 14%	27.63	35.60	36.14	40.58	45.32	31.27*	216.54

*Return on RAB for the FY 2021-22 has been computed proportionately for the period up to COD.

4.6. Depreciation

4.6.1. Table 18: Depreciation rates adopted by AAI

Asset Class Name	Classification	Depreciation Rate from 1.4.2014 onwards	Dep as per Order 35 (1.4.2018 onwards)
Runways, Taxiways, Apron	R/W, T/W, Apron	3.33%	3.33%
Building Freehold	Residential Building	3.33%	3.33%
Building Freehold	Terminal Building/Other Building	3.33%	3.33%

Building Freehold	Road	3.33%	10.00%
Building Freehold	Temporary Building	3.33%	3.33%
Boundary- Freehold	B/w Residential	5.00%	10.00%
Boundary- Freehold	B/w Operation	3.33%	10.00%
Boundary- Freehold	Temporary B/W(Fencing)	100.00%	10.00%
Plant & Equipment-Fr	Plant & Equipment	6.67%	6.67%
Plant & Equipment-Fr	Tools & Equipment	6.67%	6.67%
Plant & Equipment-Le	Xray Baggage	6.67%	6.67%
Furniture & Fixtures	Office Furniture	10.00%	14.29%
Furniture & Fixtures	Office Furniture-Trolley	10.00%	33.33%
Vehicles-Fire	CFT & Fire Fighting Equip.	6.67%	6.67%
Vehicles-Freehold	Car/Jeep etc	12.50%	12.50%
Office Appliances-Fr	Office Appliances	20.00%	20.00%
Office Appliances-Fr	Computer	16.67%	33.33%
Computer Software-Fr	Software	20.00%	20.00%
Plant & Equipment-Fr	Elect Installation	10.00%	10.00%

4.6.2. Based on the above rates of Depreciation, The Airports Authority of India submits Depreciation on assets purchased during FY 2016-17 to FY 2021-22 for the 2nd Control Period as follows”

Table 19: Projected Depreciation for 2nd Control Period as per Order No. 10/2017-18 is as follows:

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	Total 2 nd CP
Depreciation for 2 nd Control Period	14.7	17.5	17.8	18.4	17.3	85.7

Table 20: True Up of Depreciation during FY 16-17 to FY 21-22 is as follows:

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	Total 2 nd CP	2021-22 (Till COD)	Total
Depreciation for 2 nd Control Period	16.41	18.01	20.80	22.55	23.51	101.29	12.87	114.15

Significant reason for variations in Depreciation are as follow:

- Depreciation has been calculated as 50% on additions during the year 2016-17 to 2021-22, whereas in true up it has been calculated from the date of "put to use".
- There has been change in depreciation rate.

4.7. Operating Expenses

4.7.1. Airport Authority of India submits Operating Expenditure for the 2nd Control Period as follows:

Table 21: Projected Operating Expenditure for 2nd Control Period as per Order No. 10/2017-18 is as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Payroll Expenditure of JIA (1)	21.9	27.4	29.3	31.3	33.5	143.4
Expenditure for JIA Employees' retirement benefit allocated at CHQ (2)	3.7	4.6	5.0	5.3	5.7	24.3
Less: Pay & Allowances of ANS Unit, Non-Aero (3)	1.8	2.2	2.4	2.6	2.7	11.7
Total Payroll Expenditure (1+2-3) (A)	23.8	29.8	31.8	34.0	36.4	155.8
Administrative & General Expenditure (4)	3.0	3.3	3.6	3.9	4.2	18.0
Apportionment of General Expenditure of CHQ/ RHQ (5)	7.1	7.4	7.8	8.2	8.6	39.1
Total Admin & General Expenditure (4+5) (B)	10.1	10.7	11.4	12.1	12.8	57.1
Repair & Maintenance Expenditure (C)	8.6	9.5	10.4	11.5	12.6	52.6
Power Charges (6)	4.0	4.0	4.0	4.0	4.0	20.0
Water Charges (7)	0.0	0.0	0.0	0.0	0.0	0.0
Utility & Outsourcing Expenditure (6+7) (D)	4.0	4.0	4.0	4.0	4.0	20.0
Consumption of Stores & Spares (E)	0.4	0.4	0.4	0.5	0.5	2.2
Other Outflows (F)	0.3	0.4	0.4	0.5	0.5	2.1
Total (A+B+C+D+E+F)	47.3	54.8	58.6	62.6	66.9	290.2

Table 22: True Up of Operating Expenses for 2nd Control Period is as follows:

Particulars (Rs. In Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	Total 2 nd CP	2021-22 (Till COD)	Total
Payroll Expenditure of JIA (1)	19.91	26.05	28.16	32.08	27.85	134.05	16.59	150.64

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Expenditure for JIA Employees' retirement benefit allocated at CHQ (2)	0.77	4.65	9.47	5.00	0.99	20.89	1.41	22.30
Less: Pay & Allowances of ANS Unit, Non-Aero, redeployment (DIAL/ MIAL) (3)	1.88	2.84	2.98	2.73	2.27	12.70	1.48	14.18
Total Payroll Expenditure (1+2-3) (A)	18.79	27.87	34.65	34.35	26.57	142.24	16.52	158.76
Administrative & General Expenditure (4)	3.12	3.27	4.47	4.23	4.50	19.58	2.24	21.82
Apportionment of General Expenditure of CHQ/ RHQ (5)	29.36	34.30	52.03	63.22	56.47	235.38	59.29	294.67
Total Admin & General Expenditure (4+5) (B)	32.47	37.58	56.50	67.45	60.96	254.96	61.53	316.49
Repair & Maintenance Expenditure (C)	8.35	12.75	13.86	14.74	16.34	66.05	9.27	75.32
Power Charges (6)	4.46	5.94	4.50	4.23	4.16	23.29	4.22	27.51
Water Charges (7)	(0.00)	-	-	(0.00)	-	(0.00)	-	(0.00)
Consumption of Spare (8)	0.37	0.50	0.53	0.70	0.24	2.34	0.05	2.39
Other (9)	0.41	1.89	1.21	1.88	2.55	7.94	1.35	9.29
Utility & Outsourcing Expenditure (6+7+8+9) (D)	5.24	8.33	6.24	6.81	6.95	33.57	5.62	39.19
Other Outflows (E)	1.26	1.41	1.28	1.49	0.19	5.63	0.11	5.74
Total (A+B+C+D+E)	66.12	87.94	112.54	124.84	111.01	502.43	93.05	595.50

AAI has appointed an agency to study the efficiency of the process of allocation of CHQ/ RHQ expenses to the Airport.

- Conservancy charges includes Rs. 4.68 Lakhs for biomedical waste in FY2020-21 (Covid-19).
- MESS contract amounts revised Rs.9.97 Lakhs from Rs. 8.06 Lakhs p.m. in October 2019 and again revised Rs.11.88 Lakhs from February 2020 due to expansion of right and left shoulder of T2.
- In FY 17-18 expenses on Joint filling & concrete pavement of T/W & AMC operational area were increased from 30 Lakhs & 23 Lakhs to Rs.70 Lakhs & 60 Lakhs respectively as compared to FY 16-17.
- In FY 17-18 expenses of modification of ALCMS Rs. 5L, AMC Rs. 43 L & PBB Rs. 21 L were incurred.
- In FY 18-19 expenses of BHS Rs. 28.61 L, RE-ALIGNMENT of r/w light Rs. 114.64 L & Solar Rs. 4.95 L were incurred.
- In FY 19-20 expenses of GLF Rs. 51.24, AMC Rs. 107 L & Re-routing of cables Rs. 62.98 L were incurred.

4.8. Taxation

4.8.1. The Airports Authority of India submits tax amount for the 2nd Control Period as part of MYTP submission after considering asset depreciation as applicable under Income Tax laws and tax rate considered are as follows:

Table 23: Applicable tax rates as per Income Tax Act, 1961

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Tax rates adopted for 2 nd Control Period	34.61%	34.61%	34.94%	25.17%	25.17%	25.17%

4.8.2. Based on the above consideration, the Airports Authority of India submits tax expenditure for 2nd Control Period as follows:

Table 24: Calculation of Corporate tax as per Income Tax Act, 1961

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto COD)	Total
AERO REV	89.34	127.28	172.84	165.10	63.52	34.25	652.34
OPEX	66.12	87.93	112.54	124.83	111.01	93.05	595.50
INTEREST ON WORKING CAPITAL	0.00	0.00	0.00	0.00	0.00	2.28	2.28
DEP. As WDV AS PER INCOME TAX	22.62	30.55	24.66	28.27	31.67	40.44	178.22
TOTAL EXP.	88.74	118.49	137.21	153.10	142.69	135.78	776.00
PBT	0.61	8.79	35.64	12.00	-79.17	-101.52	-123.66
set-off of prior period tax losses	-	-	-	-	-	-	-
PBT after set-off of prior period tax losses	0.61	8.79	35.64	12.00	-79.17	-101.52	-123.66
Tax rate	34.61%	34.61%	34.94%	25.17%	25.17%	25.17%	
TAX	0.21	3.04	12.45	3.02	-	-	18.73

4.9. Non-Aeronautical revenue (NAR)

4.9.1. Airport Authority of India submits non-Aeronautical revenue as follows:

Table 25: Non-Aeronautical revenue as per Authority for 2nd Control Period as per Order No. 10/2017-18

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Up to COD)	Total
Non-Aeronautical revenue	19.7	21.6	23.7	26.0	29.5	-	120.5

Table 26: True Up of Non-Aeronautical revenue for 2nd Control Period

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Up to COD)	Total
Restaurants/Snack Bar	0.57	1.49	4.44	4.56	0.64	0.14	11.84
TR Stall/others	3.43	3.33	4.97	5.56	1.22	1.61	20.11
Hoardings & Displays	2.55	4.34	4.85	5.30	1.50	0.68	19.22
Land Leases	0.00	0.28	-0.10	0.00	0.01	0.01	0.20
Buildings (Residential)	0.02	0.04	0.03	0.03	0.02	0.01	0.15
Buildings (Non-Residential)	1.92	2.44	3.20	2.99	6.23	0.36	17.13
Hanger Rent	0.00	0.11	0.00	0.00	0.00	0.00	0.11
Duty Free shop	1.06	1.39	2.08	2.23	0.63	0.58	7.97
Car Rentals	0.58	0.11	0.11	0.63	0.00	0.00	1.44
Car Parking	2.00	2.50	2.44	1.36	0.58	0.39	9.26
Admission Tickets	0.27	0.27	0.29	0.20	0.11	0.04	1.16
Other Misc. Income	1.11	1.52	2.54	2.66	4.12	0.90	12.85
Total	13.51	17.81	24.84	25.52	15.05	4.71	101.44

- From the above tables it can be concluded that there has been a shortfall of in Non-Aeronautical Revenue amounting to INR 14.45 Crores during FY 2020-21 owing to Covid-19 pandemic.

4.10. Aeronautical revenue

4.10.1. Airport Authority of India submits Aeronautical revenue as follows:

Table 27: Aeronautical revenue as per Authority for 2nd Control Period as per Order No. 10/2017-18

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto COD)	Total
Aeronautical revenue	115.0	134.1	156.3	182.2	212.4	-	800.0

Table 28: True Up of Aeronautical revenue for 2nd Control Period

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto COD)	Total
Landing (Dom)	15.98	22.38	28.26	27.49	15.84	9.56	119.52
Landing (int)	5.41	6.79	9.26	8.51	2.36	1.14	33.48
Landing (Total)	21.40	29.18	37.53	36.00	18.20	10.70	153.00
Parking & Housing	0.13	0.38	0.68	1.40	4.11	0.72	7.41
P S F (Fc) (Dom)	12.40	7.19	0.00	0.00	0.00	0.00	19.58
P S F (Fc) (Int)	2.56	1.01	0.00	0.00	0.00	0.00	3.57
P S F (Fc) Total	14.95	8.19	0.00	0.00	0.00	0.00	23.15
Through Put Charges	1.05	1.16	1.59	1.24	0.05	0.01	5.11
Ground Handling Services	2.91	3.54	3.98	3.80	1.04	0.27	15.53
Cute Counter Charges	2.54	1.99	4.76	4.36	1.53	0.76	15.95
UDF (INTL)	21.65	65.06	88.42	112.21	35.26	20.45	343.05
UDF (Dom)	20.15	14.75	33.67	3.87	1.11	0.10	73.65
Royalty from AAICLAS	0.00	0.73	0.97	1.02	1.41	1.17	5.30
Land Lease Revenue							

from Oil Companies	2.35	2.56	2.21	2.21	2.22	1.25	12.79
from GHA	0.00	0.48	0.00	0.00	0.00	0.00	0.48
For Cargo activities	2.22	0.00	0.00	0.00	0.00	0.00	2.22
Total Revenues	89.34	127.28	172.84	165.10	63.52	34.25	652.34

- From the above tables it can be concluded that there has been a shortfall of in Aeronautical Revenue amounting to INR 165.98 Crores during FY 2019-20 and FY 2020-21 owing to Covid-19 pandemic.

4.11. True up for 2nd control Period

4.11.1. ARR (Aggregate Revenue Requirement) is submitted for the purpose of true up for 2nd Control Period:

Table 29: Projected ARR and Yield for 2nd Control Period as per Order No. 10/2017-18 is as follows:

Particulars (₹ Crores)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Average Aeronautical RAB	195.5	263.5	267.0	293.1	315.4	1334.5
Return on Average Aeronautical RAB @ 14%	27.4	36.9	37.4	41.0	44.2	186.9
Aeronautical Operating Expenditure	47.3	54.8	58.6	62.6	66.9	290.2
Depreciation on Aeronautical RAB	14.7	17.5	17.8	18.4	17.3	85.7
Aeronautical Corporate Tax @ 34.6%	7.9	11.5	22.0	27.8	34.9	104.1
Less: 30% of Non-Aeronautical Revenues	5.9	6.5	7.1	7.8	8.9	36.2
True up shortfall in 1 st Control Period as on 01.04.2016	123.9					123.9
ARR as per Authority	215.2	114.2	128.6	142.0	154.4	
Total ARR as per Authority						754.4
Discounted ARR	215.2	100.2	98.9	95.8	91.4	
PV for ARR for the Control Period as on 01.04.2016						601.6
No. of passengers (projected)	3783458	4232174	4734873	5298114	5929255	
Total passengers during Control Period						23977874
Yield per passenger for the Control Period						250.9
Target Yield per pax	304.0	316.8	330.0	343.9	358.3	1653
Target Aeronautical Revenue	115.0	134.1	156.3	182.2	212.4	
PV of Target Aeronautical Revenues for the Control Period as on 01.04.2016						601.6

Table 30: True Up for ARR and Yield for 2nd Control Period is as follows:

Particulars	Ref	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Up to COD)	Total
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Average RAB		197.39	254.28	258.12	289.86	323.72	422.94	
Average RAB-Financing Allowance		0.05	0.25	0.76	2.96	5.31	11.50	
Fair Rate of Return		14%	14%	14%	14%	14%	14%	
Return on Average RAB @ 14%	A	27.64	35.63	36.24	40.99	46.06	32.16	218.74
Depreciation	B	16.41	18.00	20.80	22.55	23.51	12.87	114.15
Depreciation on Financing Allowance	C	0.00	0.01	0.07	0.10	0.32	0.22	0.72
Operating Expenditure	D	66.12	87.94	112.54	124.84	111.01	93.05	595.50
Interest on Working Capital	E	-	-	-	-	-	2.28	2.28
Return on Land	F	-	-	-	-	-	-	-
Corporate Tax	G	0.21	3.04	12.45	3.02	-	-	18.73
Corporate tax on Shortfall (under recovery) to be collected from Concessionaire							115.90	115.90
1st CP Shortfall	H	123.90						123.90
ARR (Sum A:H)	I	234.28	144.62	182.04	191.40	180.59	256.49	1,189.91
Non-Aeronautical Revenue	J	13.51	17.81	24.84	25.52	15.05	4.71	101.44
Less: 30% of NAR	K	4.05	5.34	7.45	7.66	4.52	1.41	30.43
Net ARR (I-K)	L	230.23	139.27	174.59	183.75	176.07	255.07	1,159.48
Revenue from Aeronautical services	M	89.34	127.28	172.84	165.10	63.52	34.25	652.34
Over/ Under Recovery (L-M)	N	140.88	11.99	1.75	18.65	112.56	220.82	507.14
Discounting Factor @ 14% as on 11-Oct-21	O	1.81	1.59	1.39	1.22	1.07	1.00	
PV of Over/ under recovery as on 11-Oct-21 (N*O)	P	254.93	19.04	2.43	22.78	120.59	220.82	641.15
Discounting Factor @ 14% as on 31-Mar-22	Q							1.066
PV of Over/ under recovery as on 31-Mar-22 (P*Q)	R							683.45
Discounting Factor @ 14% as on 31-Mar-23	S							1.14
PV of Over/ under recovery as on 31-Mar-23 (R*S)	T							779.13

*PV factor for FY 2021-22 (Up to COD i.e. 11-oct-2021) has been calculated based on the number of days.

Significant reasons for variations in ARR and yield are as follows:

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- There are variances in Aeronautical revenue for 2nd Control Period on account of COVID-19 pandemic. There were no air traffic movement due to imposition of lockdown across country leading to fall in revenue in FY 2020-21. Adverse impacts of COVID-19 pandemic can be seen in revenue of FY-2021-22 also.
- Major downfall in Aeronautical revenue is under Landing and UDF charges in FY 2020-21 due to the adverse impact of COVID-19 pandemic.
- ARR for the 2nd Control Period was up to FY 2020-21 but we have included FY 2021-22 up to COD, hence, the ARR is comparatively more.
- ARR for the FY 2021-22 includes the interest on working capital amounting to INR 2.28 Crores.
- Shortfall for 1st Control Period amounting to INR 123.90 Crores compounded annually to INR 224.19 Crores has been included in the Shortfall for 2nd Control Period.
- Also, shortfall of 2nd Control Period is on higher side due to shortfall in Aeronautical Revenue amounting to INR 165.98 Crores during FY 2019-20 and FY 2020-21 owing to Covid-19 pandemic.
- Further, Shortfall for FY 2021-22 (up to COD) has also been included in total leading to increased shortfall for 2nd Control Period.

Summary of Aeronautical, Non-Aeronautical and ANS assets handed over to Adani and retained by AAI is as follows:

Table 31: Aeronautical, Non-Aeronautical and ANS assets are as follows:

Sr. No.	Particulars	Handed over to AJIAL	Retained by AAI	Total
A	Regulatory Asset Base as on COD	515.36	1.56	516.92
B	Non-Aeronautical Assets	0.06	0.25	0.31
C	ANS Assets	4.34	26.65	30.99
Total		519.76	28.46	548.22

Table 32: Summary of final amount payable by AJIAL to AAI

Particulars	Formula	Amount (INR Cr.)
Deemed Initial RAB (Aeronautical + ANS)*	A	519.70
Estimated Deemed Initial RAB	B	253
Difference	C = A - B	266.70
PV of Under-recovery as on COD	D	641.15
Adjusted Deemed Initial RAB as on COD	C + D	907.85

**Includes Rs. 1.05 Cr. Towards payment of vacation of Quarters from CPWD taken into RAB as Aeronautical Asset as on COD.*

Table 33: Summary of final amount payable by AJIAL to AAI as on future date of payment

Particulars (in INR Cr)	As on COD	31st March 2022	31st March 2023	31 st September 2023
PVF @ 14%		1.066	1.140	1.07
Adjusted Deemed Initial RAB	907.85	967.75	1103.23	1180.67

SEGREGATION OF ASSETS BETWEEN AIRPORTS AUTHORITY OF INDIA (AAI) AND JAIPUR INTERNATIONAL AIRPORT LIMITED (JIAL)

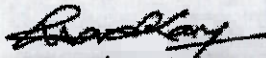
Location: Jaipur
Transferee: Jaipur International Airport Limited (JIAL)
Transferor: Airports Authority of India (AAI)

Particulars	Net Asset Value as on 10th Oct 2011 (In Crores)			
	AERO	Non AERO	AMS	Total
Handed over to JIAL	514.31	0.06	4.34	518.71
Retained by AAI	1.56	0.25	26.65	28.46
Total	515.87	0.31	30.99	547.17


Total Assets transferred to JIAL, except Land

₹ 518.71 Crore

* Subject to be agreed between AAI and JIAL regulatory team


Co-ordination In-charge
Airports Authority of India, Jaipur Airport

सहसंचालक प्रभारी
जयपुर एअरपोर्ट, जयपुर


Chief Airport Officer
Jaipur International Airport Limited

VISHNU MOHAN JHA
Chief Airport Officer
Jaipur International Airport Limited