भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

F/No. AAI/Tariff/Raipur/2025-26 Date: 18.11.2025

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

Subject: - Submission of response to consultation paper no. 04-2025-26 in the matter of determination of Aeronautical tariff for Swami Vivekananda Airport, Raipur, for 2nd control period (01.04.2025-31.03.2030)

Reference: -Submission of AAI's response to Consultation Paper no. 04-2025-26.

Sir,

This has reference to consultation paper no. 04-2025-26 in the matter of determination of Aeronautical tariff for Swami Vivekananda Airport, Raipur, for 2nd control period (01.04.2025-31.03.2030)

In this regard, AAI's comments to consultation paper are enclosed herewith for your kind perusal.

This issues with the approval of the Competent Authority.

Thanking You.

Yours sincerely,

(Rajesh Khanna)
General Manager-Fin (JVC/Tariff)

Encl.:-
1. AAI's comments in response to consultation paper no. 04-2025-26.
2. Annexure 1: AA&ES of re-configuration of Terminal Building
3. Annexure 2: Estimate of two conveyor Belt
4. Annexure 3: Cost estimate of Revamping of Terminal Building

SWAMI VIVEKANANDA AIRPORT, RAIPUR

Response to Airports Economic Regulatory Authority of India (AERA)'s Consultation Paper No. 08/2025-26 dated 30th October, 2025 Determination of Aeronautical Tariff for Swami Vivekananda Airport, Raipur for the 2nd Control Period (01.04.2025 - 31.03.2030)

Contents

1. Introduction

Airports Economic Regulatory Authority of India ('AERA') has released Consultation Paper ("CP") No. 04/2025-26 for Tariff Determination of Aeronautical services in respect of Swami Vivekananda Airport, Raipur for the 2nd Control Period (01.04.2025 to 31.03.2030) with True up of First Control Period (01.04.2020 to 31.03.2025) on 30th October 2025.

We hereby present our observations, suggestions, and request in respect of determination of Aeronautical Tariffs for the 2nd Control Period – from 1st April 2025 to 31st March 2030 and True Up of 1st Control Period from 1st April 2020 to 31st March 2025 for Raipur Airport.

2. First Control Period (01.04.2020 to 31.03.2025)

i. CAPEX : Augmentation of Parking Area and Covering of Walkway (Para 4.4.3 (Point No. 3) of CP)

AERA's Contention:

AAI has incurred Rs. 3.10 Crores towards Augmentation of Parking Area and Covering of Walkway in FY 2023- 24 – It is noted that the scope of this project covered both the passenger walkway (aeronautical use) and the car park area (non-aeronautical use). Since the works benefit both categories of users and the exact area is not known for both the works, the expenditure has been apportioned in the ratio of 50:50 (Aeronautical: Non-Aeronautical).

AAI's Submission

AAI incurred Rs.3.10 Crores towards Augmentation of Parking Area and Covering of Walkway in FY 2023- 24. The scope of this project covered both the passenger walkway (aeronautical use) and the car park area (non-aeronautical use). Brief of the work executed is as under:

- Construction of a walkway between the Terminal Building and the Car Parking area. The work involved providing and laying paver blocks, kerbstones, and 20mm thick chequered tiles, along with the installation of a tensile canopy structure using PVC translucent fabric over the walkway. In terms of costing it constitute **92.80% of the total cost.**
- A small part of total work, i.e. removal and re-fixing of existing paver blocks and kerbstones, along with additional tensile canopy work using PVC translucent fabric over the Premium/VIP parking area, including a minor extension of **the car park constitute 7.20% of the total cost.**

It is worthwhile to mention here that in similar cases like Veer Savarkar International Airport, Port Blair Airport and Lal Bahadur Shastri International Airport, Varanasi, AERA has considered following views. References from orders are as under:

Order No. 13/2025-26, Veer Savarkar International Airport, Port Blair Airport: (Para 6.2.5)

Cost of Airside canopy for domestic remote arrival, vehicle gate canopy and city side canopy and city side canopy over **pathways from new terminal building to car parking area** has been constructed to provide protection to passengers from rain and sun has been allocated in the Terminal building ratio.

Order No. 16/2025-26, Lal Bahadur Shastri International Airport, Varanasi: (Para 6.7.2)
Cost of Skywalk (approach walkway from MLCP to Terminal Building) has been allocated in the Terminal building ratio, though AAI has considered it to be 100% aeronautical as it for passenger facilitation.

In the view of above, AERA is requested to reconsider it view.

ii. **CAPEX: Flats from Chhattisgarh Housing Board (CGHB)**
(Para 4.4.5 (point No. 5) of CP)

AERA's Contentions:

AAI has incurred Rs. 0.83 Crores incurred in FY 2023-24 on the allotment of 4 nos. Flats by CGHB for residential purposes, the AERA proposes to apply quarter ratio i.e., 75:25 (Aeronautical: Non-Aeronautical) in respect of above residential flats.

AAI's Submission

AAI has capitalized the four flats in the books of accounts at Rs. 1.11 crores (Rs. 2762884/- each flat). The present status of Four Flats (allotted by Chhattisgarh Housing Board) is as under:

- One flat is allotted to employee of operation department.
- Two flats are allotted to employee of Airport Terminal management.
- One flat is lying vacant.

No employee, to whom the flats have been allotted, pertains to non-aero department or ANS department.

Further it is submitted that the quarter ratio for FY 2024-25 is 83%:17%:0% (AERO: ANS: Non aero). Same may please be considered for the apportionment of the capex pertains to Flats from Chhattisgarh Housing Board, instead of 75:25(Aeronautical : Non Aeronautical).

iii. **Terminal Building Ratio**
(Para 4.4.8 of CP)

AERA's Contentions

The CAPEX of Rs. 102.23 Crores has been arrived, after factoring the Terminal Building ratio of 91.03:8.97 (in respect of common assets within the Terminal Building) as approved by the AERA in the Tariff Order No. 54/2020-21 dated 18.12.2020 for the First Control Period, which is in line with the submission by AAI.

AAI's Submission

The Terminal Building Ratio of 91.03:8.97, as approved by the AERA in the order of determination of aeronautical tariff for the first control period, was based on the actual terminal building ratio of FY 2019-20 (latest available on that time).

For the true up of the first control period AAI has submitted the Terminal building ratio based on actual utilization of space as under:

Table 2: Terminal building ratio submitted by AAI

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
AERO%	92.04%	98.85%	97.51%	97.07%	94.56%
Non Aero %*	7.96%	1.15%	2.49%	2.93%	5.44%

*Reason for fall in area pertains to non aero in the Terminal Building is due to termination of Master Concession contracts for retail and food and beverages on the request of Master Concessionaire as a aftermath of Pandemic, Covid 19, which is beyond the control of AAI.

AERA is requested to consider the Actual terminal building ratio as per table 2 above, which is based on actuals, for allocation in aeronautical and non-aeronautical for Capital Expenditure.

iv. **Fair Rate of Return**
[Para 4.5.5 of CP]

AERA's Contention

Based on the debt schedule provided by AAI, the AERA has derived the FRoR for the First Control Period by considering the following factors:

i. **Cost of Equity:** The AERA acknowledges the debt availed by AAI for Raipur Airport in the First Control Period and its impact on FRoR. The AERA proposes to consider the cost of equity across all tariff years of First Control Period as 14% as claimed by AAI for Raipur Airport.

ii. **Cost of Debt:** Based on the details of rate of interest in respect of debt availed by AAI shared by the Airport operator vide email dated August 25, 2025, the AERA notes that the average rate of interest on debt, availed during the FY 2021-22, 2022-23 and FY 2023-24 works out to be 7.83%, 7.85% and 8.35% respectively. Therefore, the AERA proposes to consider the same for determining FRoR for the First Control Period.

c. **Debt and Repayment schedule:** Based on the details of Debt Schedule shared by AAI (refer Table 12 of CP), the AERA has derived the amount of Debt considering the total fund requirement as per the capitalization for the First Control Period and the same is presented in the table below:

Table 13: Fair Rate of Return proposed to be considered by the AERA for the First Control Period

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Closing Debt	4.70	7.20	11.95	11.95	11.95
Equity	131.55	126.59	122.44	142.18	158.23
Debt+ Equity	136.25	133.79	134.39	154.13	170.18
Cost of Debt	7.85%	7.85%	8.35%	8.35%	8.35%
Cost of Equity	14%	14%	14%	14%	14%
Individual Gearing	3%	5%	9%	8%	7%
Weighted Average Gearing	6.62%				
Weighted Average cost of debt	8.20%				
Cost of equity	14%				
FRoR	13.62%				

Based on the above factors, the AERA proposes to consider FRoR at 13.62% as per Table 13 of CP.

AAI's Submission

It is submitted that AAI has repaid the Loan taken in FY 2020-21 from Axis Bank in April 2023. Hence AERA is requested to consider the closing debt for FY 2023-24 and FY 2024-25 after exclusion of Rs. 4.70 crores being loan taken 2020-21 from Axis Bank which was repaid in April 2023. AERA is requested to consider its impact on gearing and FRoR.

Further, it is further submitted that AAI has claimed the FRoR at 14% across all the years of first control period, not the cost of equity.

Accordingly, FRoR is worked out as under:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Closing Debt	4.7	7.2	11.95	7.25	7.25
Equity	131.55	126.59	122.44	147.08	162.93
Debt+Equity	136.25	133.79	134.39	154.33	170.18
Cost of debt	7.85%	7.85%	8.35%	8.35%	8.35%
Cost of equity	15.18%	15.18%	15.18%	15.18%	15.18%
Individual gearing	3%	6%	9%	5%	4%
Weighted average Gearing	5.41%				
weighted average cost of debt	8.22%				
Cost of equity	15.18%				
FRoR	14.80%				

Accordingly, AERA is requested to consider the cost of equity at 15.18% which has been considered in PPP airports and port Blair Tariff Order for first control period 01/04/2025 to 31/03/2026 Vide Order

No 11/2025-26 . Further it is requested to consider actual gearing ratio and accordingly determine FROR.

v. **Non Aeronautical Revenue- Rent from Hangar**

(Para 6.6.4 of CP)

AERA's Contentions:

The AERA notes that the actual Non-aeronautical revenue (Rs. 55.37 Crores) submitted by AAI for Raipur Airport for the First Control Period is lower than that approved by AERA in the tariff order for the First Control Period (Rs. 95.04 Crores). The AERA examined variances between projected and actual revenue of Restaurants and Snack bar, T.R stalls, Hoardings and displays, Car parking, admission tickets and observes that the same is on account of decline in passenger traffic due to the adverse effects of COVID 19 pandemic. Several concessionaire agreements were terminated during the COVID-19 period, leading to a significant decline in NAR. However, from FY 2021-22 onwards, NAR has shown an upward trend due to the introduction of new concessionaire contracts in the retail and food & beverage segments.

Table no. 16: Non-Aeronautical Revenue decided by the AERA for the first control period.

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Restaurant/Snack Bar	1.72	-	1.55	2.11	5.71	11.08
T.R Stall	2.30	1.10	0.98	1.67	3.71	9.68
Hoarding & Display	1.13	1.42	3.35	4.22	5.20	15.12
Land Lease	0.14	0.12	0.47	0.18	0.17	0.97
Land Leases-Hangar	0.60	0.52	0.16	0.73	0.73	2.74
Building(Residential)	0.01	0.01	0.01	0.01	0.01	0.04
Building(Non-Residential)	0.95	1.16	0.65	0.63	0.28	3.76
Duty Free Shops	-	-	-	-	-	-
Car Rentals	0.09	0.34	0.93	0.21	0.43	1.99
Car Parking	0.29	0.41	0.82	0.91	1.76	4.19
Admission Tickets	0.01	0.03	0.13	0.19	0.14	0.50
Other Income	1.70	1.31	1.86	1.73	1.62	8.22
TOTAL	**8.84**	**6.62**	**10.61**	**12.17**	**19.87**	**58.11**
Less: Land Leases-Hangar*	0.60	0.52	0.16	0.73	0.73	2.74
Total Non-Aeronautical Revenue proposed by the AERA	**8.24**	**6.10**	**10.45**	**11.44**	**19.14**	**55.37**

*Excluded from Non-Aeronautical Revenue and reclassified under Aeronautical Revenue

The AERA reviewed the Non-aeronautical revenue submitted by AAI with the Audited figures for the Financial Years (FY 2020-21 to FY 2023-24) and Actuals (Unaudited) approved by the AAI Board for FY 2024-25 and noted no deviations. Further, it has been observed that AAI had included the revenue from Land Lease (Hangar) as a part of Non-aeronautical Revenue. As the Hangar facility is primarily used for aircraft parking, etc. which is an aeronautical activity, accordingly, it has been excluded from Non-aeronautical Revenue and added under the Aeronautical Revenue.
AERA proposes to consider the Non aeronautical Revenue as per Table 16 OF CP for true up of the First Control Period.

AAI's Submission

There are four hangers available at Raipur station. Out of which three were constructed by Directorate of Aviation, Chhattisgarh Government and BSF. AAI is only receiving lease rent charges for land. Further, fourth one is AAI's hanger and same is given to Directorate of Aviation, Chhattisgarh Govt.

In view of above, no hanger has been allotted to any schedule airlines and hence, not liked to passenger or aeronautical services.

In the order of First Control Tariff determination for Raipur Airport, land rent from hangers has been considered as non-aeronautical revenue by AERA.

Further, also, in the tariff determination for third control period and true up of second control period, vide order no. 41/2021-22 of Netaji Subhas Chandra Bose International Airport, Kolkata and vide order no. 38/2021-22 for Chennai International Airport, revenue from Hanger has been considered as non-aeronautical revenue.

In view of above facts, AERA is requested to consider the Revenue from hanger as non-aeronautical revenue on the basis of the facts explained above.

vi. **Administration & General expenditure (other than CHQ/RHQ)**

(Para 4.7.6 of CP)

AERA's Contentions

Administration expenses (Other than CHQ/ RHQ): - The Administration Expenses (other than CHQ/ RHQ) claimed by AAI (Rs. 25.75 Crores) is broadly in line with the approved expenditure in the Tariff Order (Rs. 24.84 Crores) of the First Control Period. The major components of the actual Administration expenses (other than CHQ/ RHQ), include:

- Upkeep expenses amounting to Rs. 12.54 Crores,
- Outsourced manpower expenses amounting to Rs. 2.28 Crores,
- Bird Chasing expenses amounting to Rs. 2.00 Crores and,
- 'May I Help You' counter expenses amounting to Rs.2.22 Crores.

Further, it is noted that AAI has included Rs. 1.79 Crores as Interest Charges on Borrowings under Admin. & General Expenses (other than CHQ/RHQ). The claim for interest charges on borrowings under the Admin. & General Expenses is not admissible as the Cost of Debt has already been factored in by AERA while calculating Fair Rate of Return (FRoR) on the RAB for AAI. Allowing separate recovery of interest charges under Admin. & General Expenses would amount to double recovery of cost of debt (interest on borrowings). Therefore, the interest charges have been excluded from the Admin. & General Expenses (other than CHQ/RHQ). The cost incurred by AAI on above heads is reasonable based on review of similar cost incurred at other Airports. Therefore, the AERA proposes to consider Administration expenses (other than CHQ/ RHQ) claimed by AAI for the true up of the First Control Period amounting to Rs. 23.96 Crores.

AAI's Submission

It is submitted that Rs. 1.79 crores, interest on borrowing is the actual cost of servicing the debt involves cash outflow as well and the same is post capitalisation and accordingly has been charged off in books of accounts under head Administrative and general expenses. It has no relevance with calculation of FROR.

Please refer AERA order no. 17/2024-25, in respect of Sri Guru Ram Dass Jee International airport, Amritsar, (para 13.5.2), interest on term loan has been considered by AERA while calculating the ARR for the second control period.

In view of the above facts, AERA is requested to consider the Rs. 1.79 crores while calculating the ARR for the First control period.

vii. **Under-recovery of Pre-control Period**

(Para 4.10.1 and 4.10.2 of CP & Table No.29 of CP)

AERA's Contentions

The AERA has re-computed the under-recovery of Rs. 53.60 Crores in the First Control Period as against Rs. 55.43 crores claimed by AAI.

Table 29: ARR proposed by the AERA for True up of the Pre-Control Period (Rs. Crores)

Particulars	Ref.	FY 2024-25
Average RAB (refer Table 11)	a	134.26
FRoR (Table 12)	b	14%
Return on Average RAB	(c) = (a)*(b)	18.80
Depreciation (refer Table 10)	(d)	14.35
O&M expenses (refer Table 16)	(e)	41.88
Tax	(f)	
Interest on working capital	(g)	-
Gross ARR	(h) = (c+ d+ e+ f+ g)	75.03
NAR (refer Table 13)		21.59
Less: 30% NAR	(i)	6.48

Net ARR	(J = (H - I))	**69.61**
Actual Aeronautical Revenue (refer Table 21)	(K)	**24.17**
Under / (Over) recovery of Pre-Control Period	(L = (J - K))	45.44
Compound factor	(M)	1.14
Under recovery for FY 2019-20	(N=(L*M))	51.80

AAI's Submission

AERA is requested to consider the revenue from land Leasing for hangers to be non-aeronautical revenue, instead of aeronautical revenue for FY 2019-20 as well. Detailed explanation already given para 7.(v) of this document.

Regarding Allocation of Administration &general Expenses of CHQ and RHQ, AERA has deducted 20% of pay and allowances of CHQ and RHQ towards the following:

i) Support services provided by CHQ/RHQs to ANS, Cargo and commercial department at various airports.

ii) Official of Directorate of commercial.

Balance 80% of pay and allowances of CHQ and RHQ to be allocated to Airports.

The above deduction of 20% is on very higher side, AAI has already made a deduction of 5% of allocated administration and general expenses of CHQ and RHQ , which covers all expenditure of support services departments.

Hence, AERA is requested to consider the apportionment of Administration and general expenses expenditure of CHQ/RHQ at Rs. 17.82 crores as submitted by AAI, instead of Rs. 14.46 crores.

AERA has considered the Terminal Building Ratio of 91.03:8.97 for FY 2019-20. AERA is requested to consider the Actual terminal building ratio for FY 2019-20 (considering space given to Airlines as aero) as per below table for allocation in aeronautical and non-aeronautical for Capital expenses as well as for operating expenses in FY 2019-20. Detailed explanation has been given in Para 2.(F) of this document.

Table 2: Terminal building ratio submitted by AAI for FY 2019-20

Particulars	**FY 2019-20**
AERO%	91.86%
Non Aero %	8.14%

In the view of the above facts, AERA is requested to carry forward of Shortfall of Rs. 48.63 cr. for the pre-control period (FY2019-20) after compounding amounting to Rs.55.43 cr to first year of First Control Period.

3. Second Control Period (01.04.2025 - 31.03.2030)

i. Terminal Building Ratio

[Para 5.2, 5.2.7 and 5.2.8 of CP]

AERA's Contentions:

AERA has applied the Terminal building ratio of 90:10 while arriving at the aeronautical capex.

AAI's Submission:

AAI has submitted the Terminal building ratio as per the actual utilization of terminal building in the FY 2024-25 considering space to airlines as aero in line with the recent AERA orders as under:

Terminal building ratio submitted by AAI for FY 2024-25

Particulars	FY 2024-25
AERO%	94.56%
Non aero %	5.44%

For the purpose of determination of aeronautical capex and operating (repair and maintenance expenses and upkeep expenses) for second control period, AERA is requested to consider the actual terminal building ratio of FY 2024-25, subject to true up.

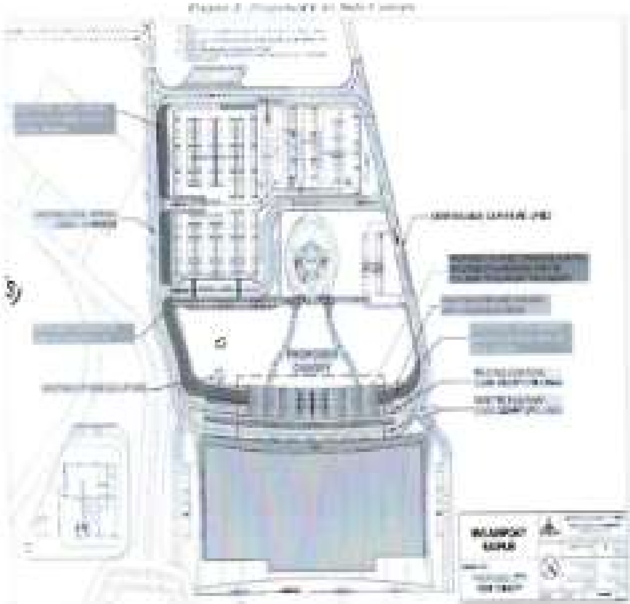
Further, Since AERA is considering the Space rent from Airlines as Aeronautical revenue for the purpose of revenue, but same thing is considered as non aero while determining the terminal building ratio. There are separate treatment for single facility. AERA is requested to apply the same treatment to the space provided to the Airlines in the terminal building while calculating the terminal building ratio.

ii. CAPEX- Purely Aeronautical in Nature:
(Para 6.2.4 A2(i) A2(ii), A3(i) of CP)

AERA's Contentions:

A2(i) Roads, Bridges & Culverts - Improvisation of traffic lanes in front of Terminal Building:

AAI has proposed the CAPEX of Rs.5.83 Crores towards the improvisation of traffic lanes at the city side of the airport in FY 2025-26 to ease congestion during peak hours and to provide shelter to passengers during the rainy seasons. The scope of work of the above CAPEX project includes construction of a canopy, addition of two lanes to the arrival road, and provision of a footpath, as per the approved layout plan as shown in the figure below:



The AERA notes that AAI has sanctioned Rs.3.82 crores for this project vide A/A & E/S and the same is expected to be commissioned by FY 2025-26. Considering that the facility caters to common usage by passengers accessing the Terminal Building, the project cost is proposed to be apportioned in the Terminal Building ratio of 90:10 (Aeronautical : Non-Aeronautical). The AERA, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and verified the tendering for the above works by the Airport Operator. Further, based on the reasonableness of cost, in line with CPWD norms and operational requirement, the AERA, proposes to consider capitalisation of the improvisation of traffic lanes amounting to Rs 5.25 Crores (Aeronautical portion after application of TB ratio of 90:10) in FY 2025-26 as per capitalisation schedule submitted by AAI.

A2(iii) Roads, Bridges & Culverts - Provision of kerb stone and foot path along roads on city side of airport at city side:

AAI has projected CAPEX of Rs 1.20 crores towards provision of kerb stone and construction of a footpath along the city side roads of the airport, for capitalisation in FY 2025-26. The AERA notes that the work is already in progress and nearing completion. The AERA, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works. The cost estimate has been found to be reasonable, as the same is in line with CPWD norms. Since the facility lies at the city side of the Terminal Building and serves all passengers and visitors approaching the Terminal, the AERA proposes to apportion the project cost in Terminal Building ratio of 90:10

(Aeronautical: Non-Aeronautical). Accordingly, the AERA proposes to consider the cost of this project as Rs.1.08 Crores for capitalisation in FY 2025-26.

A(iii) Terminal Building – Renovation of Toilets in NITB

AAI has proposed renovation of toilets at an estimated cost of Rs. 4.78 crores, for capitalization in FY 2025-26. Administrative Approval and Expenditure Sanction (AA&ES) has been granted on February 25, 2025 for Rs.4.78 Crores, covering both civil and electrical works. The AERA, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works and the contracts has been awarded for both civil and electrical works by the Airport Operator. The AERA, is of the view that in order to avoid inconvenience to passengers during the construction period, the above project requires to be executed in phases. Accordingly, the AERA has considered the capitalization of this project in FY 2026-27. The AERA notes that the cost estimate is reasonable considering CPWD norms and prevailing market rates. Since the facility caters to common passenger usage, this project is proposed to be apportioned in the Terminal Building ratio of 90:10 (Aeronautical: Non-Aeronautical). Therefore, the AERA proposes to consider capitalization of renovation of Toilets amounting to Rs.4.31 crores in FY 2026-27.

<u>AAI's Submission</u>

AERA has applied the terminal building ratio of 90:10 in the following works in order to arrive at aeronautical capex.

1. Improvisation of traffic lanes in Front of Terminal Building
2. Provision of kerb stone and foot path along roads on city side of airport at city side
3. Renovation of Toilets in NITB

Pointwise Reasoning is as under:

1. Improvisation of traffic lanes in front of Terminal Building in the city side of the airport in FY 2025-26 to ease congestion during peak hours and to provide shelter to passengers during the rainy seasons. The scope of work of the above CAPEX project includes construction of a canopy, addition of two lanes to the arrival road, and provision of a footpath. This work is purely for the passenger facilitation and does not involve any non aero activity. AERA is therefore, requested to consider it as 100% aeronautical.

2. Provision of kerb stone and foot path along roads on city side of airport, this facility lies at the city side of the Terminal Building and serves all passengers and visitors approaching the Terminal building. Approaching roads are for the passenger facilitation only. AERA is requested to consider it as 100% aeronautical.

3. Renovation of Toilets in NITB, this facility is for the passenger facilitation only. AERA is requested to consider it 100% aeronautical.

In view of the above, AERA is requested to consider the above works purely Aeronautical in nature and requested not to apply terminal building ratio.

III. CAPEX: to be considered in second control period tariff determination.
(Para 6.2.4, [illegible] of CP)

AERA's Contentions

Reconfiguration of Existing Terminal Building: AAI has proposed reconfiguration of the existing Terminal Building to optimize passenger flow and enhance handling capacity, at an estimated costs of Rs.18.27 crores (Civil – Rs.2.33 crores, Electrical – Rs.15.33 crores, Additional Counters – Rs.0.62 crore) for capitalization in FY 2025-26. It is noted that the work is in planning stage and A/A & E/S is yet to be obtained. The AERA observes that even though, the proposal was initially designed to accommodate both domestic and international operations and the corresponding floor plans & estimates were prepared, AAI is now reconsidering the implementation of this project to be restricted to only domestic passengers. This may result in alteration of the entire scope of work and would entail preparation of revised floor plans, fresh cost estimates and obtaining approval from BCAS. While the necessity for reconfiguration is justified to streamline passenger movement, there seems to be uncertainty around scope of work and cost estimates. Accordingly, the AERA proposes to consider the reconfiguration of Existing Terminal Building on actual incurrence basis, at the time of true up of the Second Control Period, subject to reasonableness of completion costs, while determining tariff for the Third Control Period for Raipur Airport.

Construction of Residential Colony: AAI has projected Rs.18.74 Crores for Construction of Residential Colony, which includes the base cost of Rs.16.25 Crores and Financing Allowance of Rs.2.49 crores, for capitalization in FY 2029-30. It was noted that the existing residential quarters are very old and inadequate in terms of standard housing for officers. Although, the demand from staff is presently limited, quarters are required to accommodate essential personnel. The AERA, through its Independent Consultant, observed that AAI has not prepared a conceptual plan for the proposed colony. Considering the standard timelines required for design, approvals and construction, it is unlikely that the project can be completed and commissioned within the current Control Period. Therefore, the AERA proposes to consider the above project cost on actual incurrence basis, at the time of true up of the next Control Period, subject to efficiency and reasonableness of completion cost, while determining tariff for the Third Control Period for Raipur Airport.

Construction of AAI Admin Block: AAI has proposed construction of a new Administrative Block at an estimated cost of Rs.11.18 crore (which includes the base cost of Rs. 10 Crores and Financing Allowance of Rs. Rs.1.18 crores), for capitalization in FY 2028-29. The facility is intended to house administrative and engineering offices, as AAI plans to convert the old Terminal Building fully into a Cargo Complex. The AERA notes that while the requirement for a new Admin Block is justified, AAI has not yet prepared a conceptual plan. Considering the standard timelines needed for execution of such projects, it is doubtful whether the work can be completed in the current Control Period. Accordingly, based on the essentiality of this project, the AERA proposes to consider the Construction of AAI Admin Block on an actual incurrence basis, at the time of true up of the Second Control Period, subject to reasonableness of completion cost, while determining tariff for the Third Control Period for Raipur Airport.

BDDS Equipment: AAI has proposed Rs.1.50 crore in the MYTP for replacement of Priority-1 BDDS equipment during the Control Period, in line with replacement norms. However, AAI has not furnished either the list of equipment to be replaced or the detailed estimates for the same. In the absence of such details, the AERA is unable to examine the reasonableness of the proposed cost. Accordingly, the AERA proposes to consider the BDDS equipment replacement cost of Rs.1.50 crore on actual incurrence basis, at the time of true up of the Second Control Period, subject to reasonableness of completion cost, while determining tariff for the Third Control Period for Raipur Airport.

Body Scanner: AAI has projected Rs.17.50 crore towards procurement of 7 numbers of Full Body Scanners (FBS). The AERA notes that FBS installation in India is still at a nascent stage and the reconfiguration plan of the Terminal Building submitted by AAI does not incorporate FBS. Therefore, feasibility of installing 7 numbers FBS in the existing Security Hold Area is doubtful. Considering operational necessity, it is assessed that procurement of 2 numbers of FBS at an estimated cost of Rs.5 crore is reasonable, as compared to the cost incurred by other similar airports. Hence, the AERA proposes to consider the procurement of 2 numbers Body Scanners at a cost of Rs.5 crore for capitalization in FY 2027-28.

SCCTV: AAI has projected Rs.2.00 crore in the MYTP towards replacement/augmentation of Security CCTV (SCCTV) systems for capitalization in FY 2027-28. The AERA notes that AAI has not submitted detailed estimates. However, considering the criticality of SCCTV in strengthening airport security systems and the reasonableness of costs, as compared with that of other similar airports, the AERA proposes to consider the SCCTV system at a cost of Rs.2.00 crore for capitalization in FY 2027-28.

FIDS and PA System: AAI has projected Rs.1.50 crore towards Flight Information Display System (FIDS) and Rs.1.00 crore towards Public Address (PA) system for capitalization during the Control Period. As AAI informed that these works are linked with the reconfiguration of the Terminal Building, which is yet to be finalized. Accordingly, the AERA proposes to consider the procurement of FIDS (Rs.1.50 crore) and PA system (Rs.1.00 crore) on actual incurrence basis, at the time of true up of the Second Control Period, subject to reasonableness of completion cost, while determining tariff for the Third Control Period for Raipur Airport.

Replacement of arrival of conveyor system: AAI initially projected Rs.6.00 crore in the MYTP for replacement of three conveyor belts (arrival area) over FY 2027-28 to FY 2029-30. The AERA notes that the belts, commissioned in 2011, have completed their useful life of ten years as per AAI's Material Management policy. Subsequently, AAI revised the proposal to replace only two conveyor belts during this Control Period — one each in FY 2028-29 and FY 2029-30 — at a revised outlay of Rs.4.94 crore. The revised cost is reasonable with respect to market rates. Accordingly, the AERA proposes to approve replacement of two conveyor belts at a total cost of Rs.4.94 crore over FY 2028-29 and FY 2029-30.

Special repair/ replacement of fire-fighting equipment and fire alarming system: AAI has proposed Rs.2.50 crores towards special repair/replacement of certain firefighting installations and fire alarm systems, for capitalisation in FY 2029-30. The AERA notes that while replacement is justified on operational grounds, AAI has not provided detailed equipment lists or estimates. In the absence of supporting details, the AERA proposes to consider the special repair/replacement of firefighting equipment and fire alarm system on actual incurrence basis, at the time of true up of the Second Control Period, subject to efficiency and reasonableness, while determining tariff for the Third Control Period for Raipur Airport.

Inline XBIS: AAI has projected Rs.10 crore towards the realignment and upgrading of the existing XBIS in line with the reconfiguration of the Check in Counters. The AERA notes that as the scheme, drawings, and estimates have not yet been prepared due to non finalisation of the reconfiguration of the Terminal Building, the projected CAPEX is only a provisional estimate. Considering the essentiality and uncertainties involved in its execution, the AERA proposes to consider this CAPEX on actual incurrence basis, at the time of true up of the Second Control Period, subject to efficiency and reasonableness, while determining tariff for the Third Control Period for Raipur Airport.

<u>AAI's Submission:</u>

Reconfiguration of Existing Terminal Building: AAI has proposed reconfiguration of the existing Terminal Building to optimize passenger flow and enhance handling capacity, at an estimated costs of Rs.18.29 crores (Civil + electrical) for capitalization in FY 2025-26. AA & E/S has been obtained dated 11.08.2024 (copy enclosed as Annexure 1). The peak hour capacity of Terminal Building will increase after reconfiguration of terminal building due to following:

a) Increase number of entry gates from 2/4 to 4/8.
b) Increase in check in counters from 15 to 16.
c) Increase in security check machines from 3 to 6
d) Increase in boarding gates in contract from 3 to 4
e) Increase in boarding gates remote from 4 to 5

Reconfiguration of terminal Building will meet the growing demand of passenger traffic at airports and will result in convenience of the passengers. Proposed reconfiguration will result into efficient flow of passengers and removal of bottlenecks.

The AERA itself acknowledge the fact that reconfiguration is justified to streamline passenger movement.

According, AAI request AERA to consider the proposal in the tariff determination of second control period, instead of considering it on actual incurrence basis, at the time of true up of the Second Control Period, while determining tariff for the Third Control Period for Raipur. AAI requests AERA to consider the Probable date of completion from FY 2025-26 to FY 2026-27.

Construction of Residential Colony: AAI has projected 20 crores (total cost) Rs.18.74 Crores (aeronautical cost) for Construction of Residential Colony, which includes the base cost of Rs.16.25 Crores and Financing Allowance of Rs.2.49 crores, for capitalization in FY 2029-30. The existing residential colony of Raipur Airport comprises of only 25 quarters. With the passage of time, these structures have not only become obsolete in terms of design and amenities but are also in a deteriorated condition. Most of the quarters have reached a stage where repair would not be economically viable. Raipur Airport is situated 15 Km away from the city and there are no residential accommodation available near by airport, moreover there is likelihood of H-24 hrs. operations at Raipur Airport due to which the employees needs to stay close to airport. The residential Colony nearby Airport, will help in better operations and increase efficiency of workforce deployed at Airport.
Considering the standard timelines required for design, approvals and construction, it is projected in FY 2029-30. Accordingly, AAI requests AERA to consider the proposal in the tariff determination of second control period.

Construction of AAI Admin Block- AAI has proposed construction of a new Administrative Block at an estimated cost of Rs.11.18 crore (which includes the base cost of Rs. 10 Crores and Financing Allowance of Rs. Rs.1.18 crore), for capitalization in FY 2028-29. Presently old Terminal Building is partly used as Administration Block (Offices of APD, HR, Finance, Commercial, Security and Tech departments) and partly for cargo operation. Since the cargo expansion work is planned in the old terminal Building, the AAI Admin Block is required to house administrative and engineering offices, as AAI plans to convert the old Terminal Building fully into a Cargo Complex. Therefore, it is inevitable to shift all the above offices to a suitable location for which separate Admin Building is required. The AERA itself acknowledges the requirement for a new Admin Block is justified. Considering the standard timelines required for design, approvals and construction and the urgent requirement of Admin Block, it is projected in FY 2028-29. Accordingly, AAI requests AERA to consider the proposal in the tariff determination of second control period.

BDDS Equipment: AAI has proposed Rs.1.50 crore in the MYTP for replacement of Priority-1 BDDS equipment in FY 2026-27, towards replacement. Accordingly, AAI requests AERA to consider the proposal in the tariff determination of second control period.

Body Scanner: AAI has projected Rs 17.50 crore towards procurement of 7 numbers of Full Body Scanners (FBS) to be installed by FY 2027-28. As per BCAS AVSEC CIRCULAR 05/2019 all airport operator has to install Body Scanner for frisking of Pax at PESC point. DFMD is able to detect ferrous/non-ferrous and alloy metals whereas Body-scanner will detect both metallic and non-metallic concealed on the body under clothing. It helps in Fast & accurate screening. AERA has considered only 2 body scanner at 5 cr. against the above work, however, AAI requests AERA to consider 7 no. of body scanner as proposed by AAI for second control period.

SCCTV: AAI has projected Rs.2.00 crore in the MYTP towards replacement/augmentation of Security CCTV (SCCTV) systems for capitalisation in FY 2027-28. AA & ES Estimate under progress for Replacement of existing CCTV as it has outlived its Useful Lifespan. Also included additional CCTV Requirement as per latest survey. AAI requests AERA to consider SCCTV as proposed by AAI for second control period.

FIDS and PA system: AAI has projected Rs.1.50 crore towards Flight Information Display System (FIDS) and Rs.1.00 crore towards Public Address (PA) system for capitalisation during the Control Period. AA & ES Estimate under progress for Replacement of existing system as Models have become obsolete and also outlived their useful lifespan. AAI requests AERA to consider FIDS and PA system as proposed by AAI for second control period.

Replacement of arrival of conveyor system: Earlier it was proposed to replace only 2 conveyor belts during the 2nd Control Period. As the 3rd conveyor belt has also outlived its useful life as per AAI's material management policy, it is proposed to replace the 3rd conveyor belts also in this control period i.e. over FY 2027-28 to FY 2029-30 (one each year). The estimate of replacement of two conveyor belt is is Rs. 8.07 crores (estimate enclosed as Annexure 2), and 3rd no. Arrival Conveyor belt estimate taken on prorate basis at Rs. 4.04 cr. AAI requests AERA to consider replacement of 3 conveyor belt at an estimated cost of Rs. 12.11 crores over FY 2027-28 to FY 2029-30.

Special repair/ replacement of fire-fighting equipment and fire alarming system: AAI has proposed Rs.2.50 crores towards special repair/replacement of certain firefighting installations and fire alarm systems, for capitalisation in FY 2029-30. The AERA itself acknowledges the fact that replacement is justified on operational grounds. Since this is proposed to procure and capitalize in FY 2029-30. At this point of time only the requirement for capex can be justified, the process of AA&ES and preparing the estimate cannot be initiated so early. A ball park estimate of 2.5 crores can only be given at this juncture of time.

AAI requests AERA to consider Special repair/ replacement of fire-fighting equipment and fire alarming system at Rs. 2.5crores, for FY 2029-30, subject to true up.

Inline XBIS - AAI has projected Rs.10 crore towards the realignment and upgrading of the existing ILBS in line with the reconfiguration of the Check-in Counters. Also, Throughput capacity of existing ILBHS system is 450 baggage per hour which has crossed its baggage screening capacity limit. Accordingly, AAI requests AERA to consider Rs. 10 crores in the FY 2026-27 in order to replace the existing ILBHS system with advance and upgraded version of ILBHS.

New Capex work: Not in the Original MYTP

Revamping of Passenger Terminal Building :

Work of "Revamping of Passenger Terminal Building including provision of additional facilities for passengers" which was not part of original MYTP, but was deliberated during the stakeholder meeting held on 14.11.2025 as New proposal. Existing passenger terminal building of Raipur Airport was commissioned & put on operation in 2012. Since, then i.e. in last 13 years no major face-lifting / upgradation works were done. Raipur is now connected by Air to all major cities of our country including Mumbai, Delhi, Hyderabad, Bangalore & Ahmedabad. These major Airports are now have private operators & they have revamped their terminal buildings as per latest technology and facilities. Passenger traveling from Raipur to these private Airports compare facilities & ambience of two Airports. As there is no proposal of construction of New Terminal Building in near future. Hence, it is proposed to revamp passenger terminal building of Raipur Airport with latest technology and facilities to the standard of Private Airports at Raipur Airport in near future. The work is in planning stage with the estimated cost of Rs. 8.5 crores including GST with PDC 2026-27 (copy enclosed as Annexure 3). AERA is requested to consider this work also while determining the tariff of second control period after application of terminal building ratio.

Hence, AAI would like to once again request AERA to consider the above capex, in the tariff determination of the second control period.

iv. Financing allowance

(Para 6.2.7 of CP)

AERA's Contentions

The AERA notes that AAI has claimed Financing allowance of Rs. 25.67 Crores for Raipur Airport, as part of the CAPEX proposed for the Second Control Period. Considering the nature of Raipur Airport as brownfield airport, the AERA has examined AAI's claim towards Financing Allowance and has the following views:

The AERA has been reiterating in all its Tariff Orders that Financing Allowance is applicable only to Greenfield airports in its initial stage.

Developments at greenfield airports inherently take longer durations to commission and operationalize. Thus, airport operators would have to wait for a considerable duration before getting returns on large capital projects. Keeping this in view, the AERA had earlier provisioned for financing allowance in initial stages to such airports. It may be further noted that the AERA has never provided financing allowance in the case of brownfield airports and any airport of AAI, in its any of the Tariff Orders. Further, financing allowance for greenfield airports of BIAL, HIAL, CIAL etc. was allowed only for the initial stages of their development, after which IDC was permitted on the debt portion of the proposed capital expenditure.

It is pertinent to note that in case of a greenfield airport, investment in regulatory blocks by the Airport Operator would not make the airport facilities available to the passengers. Brownfield and Greenfield airports can't be equated on this issue. In greenfield airports, the tariff is not applicable and no revenue is available to the Airport Operator till the aeronautical services have been created and put to use. However, in the case of brownfield airports, in a scenario where the AO brings in additional investments, the airport facilities are mobilized and enabled to other functional parts of the airport, which remain functional and the AO keeps on enjoying the charges from the users. In the case of Raipur Airport, since new projects have included mobilization of existing operations, the said Airport ought to be considered as a brownfield airport, which would not be eligible for Financing Allowance on the equity portion of newly funded capital projects.

Financing Allowance is a notional allowance and different from interest during construction. Therefore, the provision of Financing Allowance on the entire capital work in progress would lead to a difference between the projected capitalization and actual cost incurred, especially when the Airport Operator funds the projects through a mix of equity and debt. Further, the AERA opines that only IDC should be provided on the debt borrowings availed for execution of a project.

The AERA considers that providing return on capital expenditure from the very beginning of construction will significantly lower the risks for an airport operator and may require revisiting the return on equity allowed to airport operators as the investment in the asset class will then be equated to risk free rate of return.

Further, provision of Financing Allowance will disincentivize the Airport Operators from ensuring timely completion of projects and delivery of services to the users. Therefore, the AERA is of the view that a return should be provided only when the assets are made available to the airport users except in the case of certain costs like IDC that will have to be incurred in case debt is used for funding of projects.

Furthermore, the future returns from the project should generate adequate returns to cover the cost of equity during the construction stage. The AO is adequately compensated for the risks associated with the equity investments in a construction project once the project is capitalized by means of a reasonable cost of equity.

Therefore, based on the above analysis, the AERA proposes not to allow the Financing allowance of Rs. 25.07 Crores claimed by AAI for the Second Control Period.

AAI's Submission

- Direction 5 of 2010-11 of AERA, which entails the methodology of aeronautical tariff determination, allows Airport operators to be eligible for Financing Allowance as a return on the value invested in construction phase of an asset including the Equity portion, before the Asset is put to use.
- The concept of Financing Allowance, its computation and how the Work in Progress Asset includes the Financing Allowance is provided in Paragraph 5.2.7 of the Direction No.05-2010-11. Extract of the same is provided below:

  "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:

  WIPAt = WIPAt-1 + Capital expenditure + Financing allowance – Capital receipts of the nature of contributions from stakeholders (SC) - Commissioned Assets (CA)

  Where:
  WIPAt = Work in progress Assets at the end of Tariff Year t
  WIPAt-1 = Work in progress Assets at the end of the 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:

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

Where
Rd is the cost of debt determined by AERA according to Clause 5.1.4.
SC are capital receipts of the nature of contribution from stakeholders (including capital grants and subsidies) pertaining to the capital expenditure incurred in Tariff year t.
CA are Commissioned Assets which pertain to the accumulated value of the WIPA attributable to all assets that have been put into effective operation during Tariff Year t.

- AERA has further provided an illustration on Page 28 of the Guidelines detailing the working. The extract of the illustration is as follows:

Illustration 3: The following example illustrates the approach for calculation of Work in progress assets, financing allowance and commissioned assets. The numbers in the illustration have been rounded to the nearest integers.

Forecast Work in Progress Assets

		Base (t)	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
Opening WIP balance	[illegible]	-	-	-	[illegible]	[illegible]	-
Capital Expenditure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Financing allowance	[illegible]	-	-	[illegible]	[illegible]	[illegible]	
Capital Receipts	[illegible]						
Commissioned Assets	CA	-	[illegible]	-	-	[illegible]	-
Closing WIP balance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		

- *The cost of debt, R_d, used for calculation of financing allowance, is the cost of debt determined by the Authority under Clause 5.1.4.*
- *The example illustrates that those assets, which have been acquired & commissioned within the same Tariff Year (i.e. Tariff Year 1), have been included both in* ***Capital Expenditure*** *and Commissioned Assets.*
- *The value of commissioned assets, as calculated, shall be used for forecasting RAB for the Control Period.*

- Further, Para 5.2.5 of Direction No. 05 details the forecasting of RAB wherein the commissioned assets (including the Financing Allowance on the assets, when it was in Work in Progress stage) has been added to RAB and form part of the closing and average RAB workings. The Illustration 4 in Page 23 is given below:

Forecast RAB

		Base (t)	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
Opening RAB	OR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commissioned Assets	CA	[illegible]	[illegible]	-	-	[illegible]	-
Depreciation	DR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Disposals	DI	-	-	-	[illegible]	-	-
Incentive Adjustments	IA	-	-	-	-	-	-
Closing RAB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RAB for calculating ARR	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

- The Clause (d) of Para 5.2.6 defines Commissioned Assets as below:
  "Commissioned Assets: Represents investments brought into use during Tariff Year t, consistent with Clause 5.2.7 herein below."
- Thus, from the above clauses it is clear that the Financing Allowance is computed on the Work in Progress balance based on Capital Expenditure incurred which is funded by Equity/Internal accruals and is capitalized as part of Commissioned assets for RAB Computation. In the case of AAI, financing allowance is computed on the equity portion and IDC is computed on the debt portion of the capital spend.

- Thus, Direction 5 provides an explicit, detailed elaboration of Financing allowance. Manner and formulae of computation and addition of the "commissioned assets" into RAB including the financing allowance are elucidated in detail with examples is contained in the same Direction.
- The regulatory principles laid down by AERA and based on which the tariff orders are determined, provide a fundamental foundation of the regulatory clarity to the stakeholders on the manner in which different components of costs and revenues are treated. Following are the examples and extracts of inclusion of financing allowance in RAB by AERA in various Orders:

- <u>**CIAL 3rd CP Order:**</u> Vide para 4.4.52 of CIAL order for third control period, for true up of SCP, AERA noted that, in the tariff order for the SCP, it was decided that FA would be trued up based on the final costs. In its MYTP submission, CIAL had proposed an addition of Rs. 11.9 Crore in FY 2020-21 as Financing Allowance for true up of 2nd CP. Accordingly, AERA recomputed FA based on actual WIP capitalized and allowed for inclusion in the true up amount.

- <u>**BIAL 3rd CP Order:**</u> Vide para 3.3.78 of BIAL Order for the third control period, AERA has agreed to allow the financing allowance for the SCP.

- Financing allowance was approved and given by AERA in the First and SCP for BIAL and in SCP order of CIAL.
- The principle that allows a level playing field for all airports. Also, AAI airports would be denied of revenues that they are rightfully entitled to.

- <u>**MIAL and DIAL:**</u> It is further to be noted that MIAL and DIAL are governed by tariff determination principles set forth in SSA and OMDA. SSA and OMDA do not contain the concept of financing allowance. Hence, AAI submits that these 2 airports are not comparable with AAI airports.

<u>**AAI's Request**</u>

- The AERA Act requires AERA to consider *"timely investment in improvement of airport facilities"*; and *"economic and viable operation of major airports"*. The statement of objects and reasons of the AERA Act requires AERA to encourage investment in airport facilities, create a level playing field and foster healthy competition. The Airports Infrastructure Policy of 1997 and NCAP 2016 also emphasize the need to provide a commercial orientation and encourage private sector participation in the airport sector.
- Financing allowance computation is fully in compliance with Direction 5, affirmed by AERA in its various Orders in the past.
- Based on the above submissions, AAI submits that non-consideration of Financing allowance amounts to contradiction of AERA's own guidelines Further, by treating the Financing Allowance proposed by private airports and AAI airports differently vitiates the services expected to be provided by the airport and violates the principle that allows a level playing field for all airports. Also, AAI airports would be denied of revenues that they are rightfully entitled to.
- AAI therefore requests AERA to consider the financing allowance of Rs. 25.67 Crore as proposed by AAI.

a. Fair Rate of Return
(Para 7.2 of CP)

AERA's Contentions

The AERA notes that AAI has submitted that the capital expenditure proposed for the Second Control Period will be funded through internal accruals and hence no debts have been proposed by AAI in its MYTP submitted for the Second Control Period.

The AERA, in its past Tariff Orders in respect of other AAI airports noted that the capital structure of AAI is not efficient due to heavy reliance on equity component and accordingly advised AAI to gradually move towards adopting efficient capital structure by raising debt funds for its airport projects.

The AERA, during the tariff determination for AAI airports observed that generally the equity portion is significantly higher (above 90%) and the debt portion is quite nominal (below 10%). Therefore, allowing a return on equity @ 14% on this high equity portion does not bring in efficiency, as compared to the option of funding the project through an optimal mix of debt: equity, as per the normative gearing ratio for the airport projects.

The AERA also notes the recommendations made by the Public Investment Board (PIB) in their Minutes of Meeting dated February 20, 2024 (No. 27/103/PPC-1/2024), wherein, the PIB has stated that "the AERA would also consider other factors while assessing fair rate of return in cases where there is a low level of gearing with the underlying objective of protecting the reasonable interests of Users". The above recommendation emphasizes the need to balance financial considerations, with a view to protect the Airport Users' interests.

Considering the above, particularly the observations of PIB regarding funding of AAI Airport projects, mainly through equity with nominal debt, the AERA had taken a considered decision for AAI airports, while finalising the tariffs for Indore and Varanasi Airports, that the AERA will apply Normative Gearing Ratio of 48:52 (Debt: Equity) for determining the FRoR for AAI Airports.

The Cost of Debt, Cost of Equity considered by the AERA for determination of FRoR for Raipur Airport has been explained as follows:

Cost of Debt

The AERA has considered the notional Cost of Debt for the Second Control Period, based on one-year Marginal Cost of Fund Based Lending Rate (MCLR) of the State Bank of India (SBI) as on September 15, 2025, which stood at 8.75%. The AERA had also taken into consideration the increasing trend in the MCLR rates (for one/ two/ three years) and based on the same, the AERA proposed to consider an average 8.75% as the Cost of Debt for the Second Control Period.

Cost of Equity

The AERA proposes to consider the Cost of Equity for Raipur Airport at 15.18%, as being considered by AERA for PPP Airports, i.e., the average Cost of Equity determined based on the independent studies, commissioned by the AERA, for the evaluation of cost of capital separately, in case of each PPP Airport, namely DIAL, MIAL, GHIAL, BIAL and CIAL through a premier institute, namely IIM Bangalore.

The above independent study reports have used the Capital Asset Pricing Model (CAPM) and a notional gearing (Debt: Equity) ratio of 48:52 to determine the levered Equity beta and accordingly, derive the Cost of Equity.

The above study report applies a methodology that factors in sovereign and business risks through components like the risk-free rate and business volatility, establishing a fair cost of equity within the FRoR calculation. This provides a relevant benchmark for estimating Raipur Airport's cost of equity in the Second Control Period, given the similar business environment, risk profile and policy framework applicable for major airports, including Raipur Airport.

Based on the above reports, the AERA proposes to consider the Cost of Equity as 15.18% for Raipur Airport for the Second Control Period. Fair Rate of Return (FRoR)

Based on the above, the AERA proposes to consider FRoR as per table below for Raipur Airport for the Second Control Period:

Table 45: Fair Rate of Return proposed to be considered by the AERA for the Second Control Period

Parameter	%
Normative Debt Equity Ratio	48:52
Cost of Equity	15.18%
Cost of Notional Debt	8.75%
Fair Rate of Return for the Second Control Period	12.08%

To consider FRoR of 12.08% for Raipur Airport in respect of the Second Control Period as per Table 45.

AAI's Submission

It is submitted that the capital expenditure proposed for the Second Control Period will be funded through internal accruals and hence no debts have been proposed in the MYTP for capex for the Second Control Period.

AAI request AERA not to consider the notional debt Mix and consider the actual debt equity mix as considered for True up of First control period by the AERA.

Accordingly, FRoR will be as under:

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Closing Debt	7.25	7.25	7.25	7.25	7.25

Equity	181.1	207.92	230.96	320.82	325.33
Debt+Equity	188.35	215.17	238.21	328.07	332.58
Cost of debt	8.75%	8.75%	8.75%	8.75%	8.75%
Cost of equity	15.18%	15.18%	15.18%	15.18%	15.18%
Individual gearing	3.8%	3.4%	3.0%	2.2%	2.2%
Average Gearing	2.9%				
FRoR	15%				

Accordingly, we request AERA to consider actual gearing ratio as considered by the AERA for the true up of first control period and allow FRoR at 15% as per the table.

vi. Repair and Maintenance (R&M) expenses (Para 9.2.14 to 9.2.17 of CP)

AERA's Contentions

AAI has proposed an increase of 23% towards Repair and Maintenance for FY 2025-26, 46% for FY 2026-27, 20% for FY 2027-28 and 3% for FY 2028-29 and FY 2029-30 for the Second Control Period.

It is noted that the proposed increase of 23% in FY 2025-26 is primarily on account of the inclusion of additional Digi Yatra manpower (Buddy contracts) awarded on 3 December 2024, along with service charges for availing the Digi Yatra ecosystem. Further, another significant increase of 46% in FY 2026-27 is mainly on account of runway re-carpeting expenses, amounting to Rs.31.56 crore, which also includes the return on re-carpeting of the runway.

The AERA notes that AAI has claimed the total Repairs & Maintenance expenses of Rs. 131.61 Crores (including amortisation of runway re-carpeting expenses of Rs. 31.56 Crores) for the Second Control Period. However, even after excluding such expense on re-carpeting of Runway, the Repairs & Maintenance expenses projected for the Second Control Period by AAI are substantial.

Further, the R&M expenses proposed by AAI for the Second Control Period (after excluding the runway re-carpeting expenses), are higher than the cap of 6% of the Opening RAB (net block of that year) generally considered by the AERA, for capping of R&M Expenses to the ceiling limit. Accordingly, the AERA, at this stage proposes to cap R&M Expenses at 6% of opening RAB (Net Block) as per Table 51. However, AERA is in the process of revision of Tariff guidelines, the aspect of rationalisation of R&M expenses, based on reasonable parameters will be appropriately considered. Accordingly, at the time of determination of Tariff of Second Control Period, R&M expenses will be trued up as per the revised guidelines.

The AERA considering the FRoR as 12.09% has recomputed the return on re-carpeting of Runway expenditure as given in the table below:

Table 50: Runway re-carpeting expenses proposed by the AERA for the Second Control Period

(Rs. Crores)

Particulars	Ref.	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Opening Balance (Runway Re-carpeting)	A	-	-	24.00	18.00	12.00	54.00
Expense on (Re-Carpeting of Runway)	B	-	30.00				
Amortisation during the Year	C	-	6.00	6.00	6.00	6.00	
Closing Balance	D=A+B-C	-	24.00	18.00	12.00	6.00	
FRoR	E	-	12.00%	12.00%	12.00%	12.00%	
Return on the unamortised portion of the Runway	F=A*E	-	-	2.90	2.18	1.45	6.53
Total Runway Re-carpeting Expenses	G=C+F	-	6.00	8.90	8.18	7.45	30.53

Table 51: Repairs and Maintenance on operating Net Block of Assets claimed by AAI and Proposed by the AERA for the Second Control Period

(Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
R& M Expenses claimed by AAI(Other than Runway Re-carpeting)(A*)	13.47	14.88	16.77	17.79	19.47	83.87
Runway Re-carpeting claimed by AAI (B)	-	6.00	9.36	8.52	7.68	31.56
Total R&M expenses claimed by AAI(C=A+B)	13.47	20.88	26.13	26.31	27.15	118.43
Opening RAB(D)	166.49	169.36	180.62	187.70	263.12	
6% of Opening RAB (E=D*6%)	9.99	10.16	10.84	11.26	15.79	58.04
Revised Runway Recarpeting Expenses (F)	-	6.00	8.90	8.18	7.45	30.53
Allowable expenses (G=6% of Opening RAB or A, whichever is lesser)	9.99	10.16	10.84	11.26	15.79	58.04
Total R&M Expenses allowed by the AERA (H=F+G)	9.99	16.16	19.74	19.44	23.24	88.57

Difference (I=C-H)	5.48	4.72	5.89	6.87	3.91	26.86

In-line baggage manpower cost amounting to Rs 17.18 crore has been excluded from Repairs and Maintenance (R&M) expenses while deriving the total R&M expenses, as the same pertains to manpower cost. Accordingly, this amount has been reclassified under the head of Administrative and General expenses (Other than CHQ/RHQ and Upkeep Expenses)

AAI's Submission

It is submitted that expenses in the nature of operating expenses i.e. DIGI Yatra manpower (Buddy contracts) along with service charges for availing the Digi Yatra ecosystem has been included in repair and maintenance expenses. AERA is requested to exclude the same from repair and maintenance as per the table given below and consider these expenses as operating expenses.

in crores

Particular	2025-26	2026-27	2027-28	2028-29	2029-30	Total
DIGI Buddies Manpower	0.72	0.76	0.79	0.83	0.88	3.98
Service charges for availing Digi Yatra eco system	0.46	0.46	0.46	0.46	0.46	2.30

Further, it is also submitted that applying the cap @6% of opening RAB means as the time passes, allowable Repair and maintenance will decrease for that asset, however in reality as the asset become old, more repair and maintenance is required. So, applying capping of 6% on opening RAB is not justified. AERA is requested not to cap R&M @6% on opening RAB, as it is required for upkeep of assets for maintaining world class facility.

viii. Administration & other expenses (Other than CHQ/ RHQ expenses)-Interest on borrowings (Para 9.2.13 of CP)

AERA's Contentions

The AERA notes that AAI has projected an average increase of 7.5% Y-o-Y from FY 2026-27 onwards in Administration and General expense (other than CHQ/RHQ and Upkeep expenses) for the Second Control Period. It is further noted that AAI has included interest on borrowed funds, which has not been considered as it has already been factored in while calculating FRoR on the RAB (as explained in para 4.7.6 of consultation paper)

The AERA has excluded interest on Borrowing expenses amounting to Rs.1.59 Crores from Administration & other expenses (Other than CHQ/ RHQ expenses).

AAI's Submission

It is submitted that Rs. 1.59 crores, interest on borrowing is the actual cost of servicing the debt involves cash outflow as well and the same is post capitalisation and accordingly has been charged off in books of accounts under head Administrative and general expenses . It has no relevance with calculation of FROR.

Please refer AERA order no. 17/2024-25, in respect of Sri Guru Ram Dass Jee International airport, Amritsar, (para 13.5.2). Interest on term loan has been considered by AERA while calculating the ARR for the second control period.

In view of the above facts, AERA is requested to consider the Rs. 1.39 crores while calculating the ARR for the second control period.

viii. Payroll expenses and Retirement Benefits of employees of Raipur Airport: (Para 9.2.12 of CP)

AERA's Contentions

AAI considered a growth rate of 7% in payroll expenses for the period 2026-27 to 2029-30. AAI has proposed an additional increase of 1.5% in FY 2025-26 due to increase in HRA. Further, AAI has proposed an additional growth rate of 18% in FY 2027-28 taking into consideration, the implementation of increase in payroll on account of recommendations of the 8th Pay Commission. However, the AERA proposes to consider a growth rate of 6% year on year from FY 2024-25 to FY 2028-29 in the payroll expenses and retirement benefits of employees of Raipur Airport. Growth rate of 6% Y-o-Y in payroll expenses is uniformly followed by the AERA in all AAI airports. Further, the AERA proposes not to consider the additional increase of 1.5% in FY 2025-26 due to increase in HRA and 18% in payroll expenses submitted by AAI for FY 2027-28 on account of 8th pay commission for determining tariff for the Second Control Period for Raipur Airport and proposes to consider the same on actual incurrence basis.

AAI's Submission

AERA has proposed to reduce growth rate of Payroll expenses from 7% y-o-y to 6% y-o-y for the second control period resulting lower tariff rate, lower recovery of pay roll, increase in shortfall to be carry forward for the next control period and impact steep hike in tariff for the next control period. 7% is the average increase in the payroll due to annual increment of 3% in salary, increase in HRA, quarterly increase in DA and Employer contribution to PF. In the recent past orders of AAI Major Airports, AERA has considered 7% increase.

The following illustration clearly shows that there is an average 7.2% increase in the Payroll expenditure of one employee, considering DA rate as issued by Ministry of Finance.

Illustration

FY 2022-23													Total
Basic	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000
DA Rate	30.0%	30.0%	30.0%	32.5%	32.5%	32.5%	34.8%	34.8%	34.8%	37.2%	37.2%	37.2%	
DA	15000	15000	15000	16250	16250	16250	17400	17400	17400	18600	18600	18600	201750
HRA @27 % of Basic													162000
Perk @35% of Basic													210000
Employer contribution @ 12% of Basic+DA													96210
Total pay													1269960
FY 2023-24													Total

Basic	51500	51500	51500	51500	51500	51500	51500	51500	51500	51500	51500	51500	618000
DA Rate	37.7%	37.7%	37.7%	39.2%	39.2%	39.2%	43.8%	43.8%	43.8%	43.7%	42.7%	42.7%	
DA	19413	19416	19416	20188	20188	20188	22557	22557	22557	22506	21906	21906	[illegible]
HRA @27% of Basic													166860
Perk @35% of Basic													216300
Employer contribution @ 12% of Basic+DA													104640
Total (B)													1256798
Increase													85928
%Increase													7.3%

Basic Pay – Rs. 50000 in FY 2022-23

3% yearly increase considered in Basic pay for FY 2023-24

Dearness Allowance - Quarterly DA rates as issued by Ministry of Finance vide following order nos.

1. W-02/0039/2017-DPE (WC)-GL-VI/2022 dated 8.4.2022
2. W-02/0039/2017-DPE (WC)-GL-XII/2022 dated 6.7.2022
3. W-02/0039/2017-DPE (WC)-GL-XVII/2022 dated 6.10.2022
4. W-02/0039/2017-DPE (WC)-GL-I/2023 dated 4.1.2023
5. W-02/0039/2017-DPE (WC)-GL-VI/2023 dated 13.04.2023
6. W-02/0039/2017-DPE (WC)-GL-XIII/2023 dated 7.07.2023
7. W-02/0039/2017-DPE (WC)-GL-XVIII/2023 dated 6.10.2023
8. W-02/0039/2017-DPE (WC)-GL-I/2024 dated 11.01.2024.

It is worth noting that, despite a decrease in DA during the last quarter of FY 2023-24, still annual increase comes out to be 7.3%.

Further, if Earned leaves are also considered, the YOY increase stands at 7.2% as under:

FY 2022-23													Total
Basic	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000
DA Rate	30.0%	30.0%	30.0%	32.1%	32.1%	32.1%	34.8%	34.8%	34.8%	37.2%	37.2%	31.1%	
DA	15000	15000	15000	16050	16050	16050	17400	17400	17400	18600	18600	[illegible]	[illegible]
HRA @27% of Basic													162000
Perk @35% of Basic													210000
Employer contribution @ 12% of Basic+DA													[illegible]
Earned leaves, 20days (Basic and DA)													[illegible]
Total (A)													1316772
FY 2023-24													Total
Basic	51500	51500	51500	51500	51500	51500	51500	51500	51500	51500	51500	51500	618000
DA Rate	37.7%	37.7%	37.7%	39.2%	39.2%	39.2%	43.8%	43.8%	43.8%	43.7%	43.7%	42.7%	
DA	19416	19416	19416	20188	20188	20188	22557	22557	22557	22506	22506	22506	[illegible]
HRA @27% of Basic													166860
Perk @35% of Basic													216300
Employer contribution @ 12% of Basic+DA													104640
Earned leaves, 20days (Basic and DA)													[illegible]
Total (B)													[illegible]
Increase													[illegible]
%Increase													7.2%

Hence, AERA is requested to consider the 7% YoY increase for the Second Control Period as proposed by AAI.

Further, it is requested that Additional 30% increase proposed by AAI in in FY 27-28 considering the implementation of 8th Pay commission may also considered by AERA to avoid carry forward of shortfall to the third control period which will impact steep hike in tariff for the next control period.

It is also worth mentioning that w.e.f. 1.10.2025, DA has crossed 50%, and it results in increase in HRA by 3% as per the recommendation of 3rd Pay revision committee. AERA is requested to consider the impact of this increase for FY 25-26 and onwards.

iv. Administration and General expenses (other than CHQ/ RHQ) Upkeep, Utilities and Outsourcing expense -Other than Power charges
(Para 9.2.18, 9.2.19, 9.2.20 and 9.2.21 of CP)

AERA's Contention:

Administration and General expenses (other than CHQ/ RHQ and upkeep expenses) includes expenditure such as office expenses, travelling expenses, watch and ward expenses, hiring of manpower expenses related to help desk, etc.
The AERA notes that AAI has projected an average increase of 7.5% Y-o-Y from FY 2026-27 onwards in Administration and General expense (other than CHQ/RHQ and Upkeep expenses) for the Second Control Period. It is further noted that AAI has included interest on borrowed funds, which has not been considered as it has already been factored in while calculating FROR on the RAB (as explained in para 4.7.6 of CP). The AERA proposes to consider the same for the Second Control Period, in line with the practice followed in other similar airports.

Utilities and Outsourcing expenses - Other than Power charges: AAI has projected outsourcing expenses towards consumption of stores and spares, manpower and vehicle hiring charges, after considering 10% Y-o-Y increase on the actual expenses incurred in FY 2024-25. The AERA is of the view all outsourcing expenses may not increase by 10% Y-o-Y, as proposed by AAI. Accordingly, the AERA proposes to consider a 5% increase Y-o-Y, as followed in other similar airports.

Upkeep expenses: The AERA observes that for upkeep expenses, AAI has proposed 10% increase year-on-year for Raipur Airport, for the Second Control Period. The AERA notes that these are contractual expenses, wherein the rates have been finalized for the entire contract period (which is 3 years), and it includes the cost of materials, equipment and labour (including statutory benefits such as PF, ESI, Bonus etc) and increase in minimum wages is being reimbursed to the contractors on actual basis. As manpower expense is a significant component and the revision of Minimum wages is based on statutory requirements, the AERA proposes to consider a 5% year-on-year increase towards Upkeep expenses across the Second Control Period, for Raipur Airport.

AAI's Submission

It is submitted that Administration and General expenses (other than CHQ/ RHQ), upkeep, Utilities and outsourcing expense includes expenditure may be approved as submitted by AAI as it includes contracts involving man power such as mess contract/Hiring of Vehicles/hiring of consultant/ watch and ward expenses/hiring of manpower /may I help you etc. AAI requests AERA to consider the 10% YoY increase.

c. Non Aeronautical Revenue: Rent from Hanger
(Para 10.3.3 of CP)

AERA's Contentions

AERA has consider the non-aeronautical revenue of Rs. 133.85 crores against AAI submission of Rs. 138.30 crores as projection of Non aeronautical revenue for second control period. AERA after excluding Rs. 4.45 crores from the projection of non aeronautical submitted by AAI considering land lease from hanger as aeronautical revenue, instead of Non aeronautical.

AAI's Submission

There are four hangers available at Raipur station. Out of which three were constructed by Directorate of Aviation, Chhattisgarh Government and BSF. AAI is only receiving lease rent charges for land. Further, fourth one is AAI's hanger and same is given to Directorate of Aviation, Chhattisgarh Govt.

In view of above, no hanger has been allotted to any schedule airlines and hence, not liked to passenger or aeronautical services.

In the order of First Control Tariff determination for Raipur Airport, land rent from hangers has been considered as non-aeronautical revenue by AERA.

Further, also, in the tariff determination for third control period and true up of second control period, vide order no. 45/2021-22 of Netaji Subhas Chandra Bose International Airport, Kolkata and vide order no. 38/2021-22 for Chennai International Airport, revenue from hanger has been considered as non-aeronautical revenue.

In view of above facts, AERA is requested to consider the Revenue from hanger as non-aeronautical revenue on the basis of the facts explained above.

d. Rate card- Landing charges.
(Para 17.3.2 and 17.7.3 of CP)

AERA's Contentions

Notes to Landing charges proposed by the AERA for Raipur Airport for the Second Control Period is as follows:

Note

1. No Landing Charges shall be payable in respect of a) aircraft with a maximum certified capacity of less than 80 seats, being operated by domestic schedule operators at airport, b) helicopters of all types, and c) DGCA approved Flying school/flying training institute aircrafts.
2. All domestic legs of international routes flown by Indian operators will be treated as domestic flights as far as landing charges are concerned irrespective of flight number assigned to such flights.
3. Domestic leg of international routes of foreign carriers shall be treated as international flights.

4. Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg).
5. A minimum landing charge of Rs.4000/- per Flight in respect of Domestic Non-Scheduled Operators/GA operators or the applicable landing charges whichever is higher will be applicable.

AAI's Submission

AAI had submitted the following Notes in Landing Charges in the proposed rate card vide email dated 28/10/2025 however AERA has not considered the same in tariff card.

AERA is again requested to consider the following in tariff card.

Note

1. No Landing charges shall be payable in respect of the following:
   a) aircraft with a maximum certified Capacity of less than 80 seats, being operated by domestic schedule operators at airport and
   b) helicopters of all types (not applicable to non-schedule operators)
   c) DGCA approved flying school/flying training institute aircrafts.
2. All domestic legs of international routes flown by Indian operators will be treated as domestic flights as far as landing charges are concerned irrespective of flight number assigned to such flights.
3. Domestic leg of international routes of foreign carriers shall be treated as international flights.
4. Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg)
5. Non schedule Flight: "a minimum fee of Rs. 4000/- per flight or applicable landing charges whichever is higher shall be charged as per landing for all types of aircraft flights including but not limited to domestic, international and general aviation landing."

AERA is requested to consider the Notes above in respect of landing charges as submitted by AAI

vii. Rate card- General Condition
(Para 17.1.2 and 17.2.4 of CP)

AERA's Contentions

AERA considered the general conditions to rate proposed as under:

a) All the above Charges are excluding GST. GST at the applicable rates is payable in addition to above charges.
b) Flight operating under Regional Connectivity Scheme will be completely exempted from charges as per Order No. 20/2018-19 dated 31/01/2017 of the AERA from the date the scheme is operationalised by GoI.
c) Above charges are applicable for domestic and international both

AAI's Submission

AAI had submitted the following Notes in General Charges in the proposed rate card vide email dated 28/10/2025 however AERA has not considered the same in tariff card.

AERA is again requested to consider the following in tariff card.

a) All the above Charges are excluding GST. GST at the applicable rates are payable in addition to above charges.
b) Exemption for Flight operating under Regional Connectivity Scheme will be completely governed by the rules and regulations as issued by Government of India from time to time.
c) Above charges are applicable for domestic and international.

AERA is requested to consider the general conditions as submitted by AAI.

Annexure-1

AIRPORTS AUTHORITY OF INDIA
ENGINEERING WING

A/A & E/S Sanction Memo

Ref: AAI/RPR/AGM(E-C)/ Re-configuration of Terminal Building /2024/393-490 dated 11.03.2024

विषय : स्वामी विवेकानन्द हवाई अड्डा, रायपुर में टर्मिनल भवन का री-कॉन्फ़िगरेशन | (सिविल कार्य)
Sub : Re-configuration of Terminal Building at S.V. Airport, Raipur. SH: Civil Works

1. The Administrative Approval and Expenditure Sanction of the above Capital works, AAI is hereby conveyed for an amount of Rs. 19,29,00,000/- (Civil Rs. 2,46,00,000/-, Electrical Rs. 16,21,00,000/- & CNS Rs. 62,00,000/- for the above mentioned works as detailed in Annexure-I.

2. The expenditure shall be debited to the Head of Account A2-AS – CL20201990109.

3. The work shall be executed by the Manager (E-C).

4. The work has been assigned Job No. AAI/RP/AGM(E-C)/Re-configuration of Terminal Building/2024, which shall be quoted in all future correspondence on the subject.

5. This issue with the approval of RED, ER vide e-office File no. AAI-12012/160/2023-APD-ER-RAIPUR, Note No. #61 dated 29.02.2024.

Encl. : Annexure-A

विनय कुमार ताम्रकार / Vinay Kumar Tamrakar
सहायक महाप्रबंधक (अभि.-सि.)/ AGM(E-C)

प्रतिलिपि -

1. क्षेत्रीय कार्यपालक निदेशक, पूर्वी क्षेत्र, भा.वि.प्रा., ने.सु.च.बो.अं. हवाई अड्डा, - 700052
2. महाप्रबंधक (अभि-सि.), भा.वि.प्रा., ने.सु.च.बो.अं. हवाई अड्डा, - 700052
3. महाप्रबंधक (वित्त), भा.वि.प्रा., ने.सु.च.बो.अं. हवाई अड्डा, - 700052

आंतरिक वितरण -

1. विमानपत्तन निदेशक, भा.वि.प्रा., एस. व्ही. एयरपोर्ट, रायपुर- 492015
2. संयुक्त महाप्रबंधक(वित्त), भा.वि.प्रा., एस. व्ही. एयरपोर्ट, रायपुर- 492015
3. उपमहाप्रबंधक(अभि-सि.), भा.वि.प्रा., एस. व्ही. एयरपोर्ट, रायपुर- 492015
4. सहायक महाप्रबंधक(अभि. वि.), भा.वि.प्रा., एस. व्ही. एयरपोर्ट, रायपुर- 492015
5. प्रबंधक(अभि.-वि.), भा.वि.प्रा., एस. व्ही. एयरपोर्ट, रायपुर- 492015

Annexure-A

Abstract of Cost

Name of Work: Re-configuration of Terminal Building at S.V. Airport, Raipur.
SH: Civil Works

SL. No.	Description	Amount	
1	**Civil Work**		
	a) SH: Civil Works (i/c Operational Area 4%, 18% GST, EPF @ 13% & ESI @ 3.25% & 3% Contingencies)	Rs. 1,84,00,000.00	
	b) SH: Providing and placing check-in counters, Immigration counters, Custom counters etc. (i/c Operational Area 4%, 18% GST, EPF @ 13% & ESI @ 3.25% & 3% Contingencies)	Rs. 62,00,000.00	
2	**Electrical Work** (i/c Operational Area 4%, 18% GST, EPF @ 13% & ESI @ 3.25% & 3% Contingencies)	Rs. 16,21,00,000.00	
3	**CNS Work**	Rs. 62,00,000.00	
	Grand Total	Rs. 19,29,00,000.00	

Vinay Kumar Tamrakar
AGM (Engg.-Civil)
AAI, S.V. Airport, Raipur

Annexure-2

AIRPORTS AUTHORITY OF INDIA

ENGINEERING ELECTRICAL WING

SWAMI VIVEKANANDA AIRPORT, RAIPUR

Preliminary Estimate

Name of Work: Design, Supply, Installation, Testing and Commissioning of 02 nos. conveyor belt to arrival area at S. V. Airport, Raipur

S. No.	Item Description	Unit	Qty	Rate (Rs.)	Amount (Rs.)	Remarks
1	2	3	4	5	6	7
1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	[illegible]	[illegible]	2	[illegible]	[illegible]	[illegible]
3	[illegible]	[illegible]	1	[illegible]	[illegible]	[illegible]

S. No.	Item Description	Unit	Qty	Rate (Rs.)	Amount (Rs.)	Remarks
1	2	3	4	5	6	7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Rs.	[illegible]
Discount Given by Agency	[illegible]
Total Amount Rs.	[illegible]
Add Contingency @ 3%	[illegible]
Total Rs.	[illegible]
Add Operational Charge @ [illegible]	[illegible]
Total Rs.	[illegible]
Add GST @ 18%	[illegible]
Say Rs. (Including GST)	[illegible]

Manager (E-E)
AAI, S.V. Airport, Raipur

Sr. Manager (E-E)
AAI, S.V. Airport, Raipur

Dy. Gen. Manager (E-E)
AAI, S.V. Airport, Raipur

Annexure-3

PROJECT NAME : SWAMI VIVEKANAND AIRPORT RAIPUR, CHHATTISGARH

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]			
	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]			
	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]			
	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]			
	[illegible]	[illegible]	[illegible]	[illegible]
	OTHER CHANGES			
	[illegible]	[illegible]		[illegible]
				[illegible]

SWAMI VIVEKANAND AIRPORT
RAIPUR CHHATTISGARH

REDEVELOPMENT BUDGET PROPOSAL

PLACEKENESIS ASSOCIATES

GROUND FLOOR AND PORCH AREA
(DEPARTURE AND ARRIVAL)

EXISTING SPACE

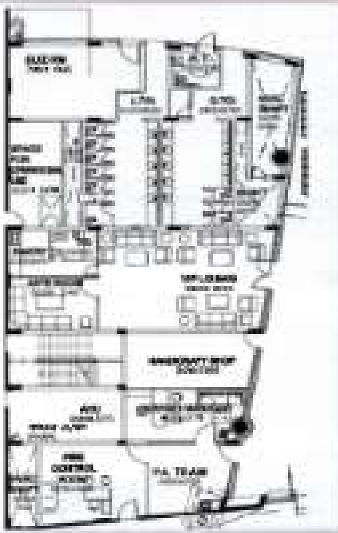
In the first image, the airport façade appears plain and industrial, with a largely unadorned grey wall that blends into the glass structure behind it. The surface is clean and functional but offers no cultural expression, texture or visual interest. This creates a very neutral arrival experience, where the architecture feels more mechanical and less connected to the identity of the region.

PROPOSED SPACE

The second image transforms the same area through the introduction of detailed cultural wall panelling and a beautifully integrated water body. The new paneling incorporates intricate carvings, sculptural reliefs and motifs inspired by Chhattisgarh's tribal and artistic heritage. These elements add warmth, depth and storytelling to the space, making the façade feel more inviting and representative of the region. The addition of greenery and sculptural installations further enriches the environment, creating a curated visual experience rather than a blank surface.

The water body significantly enhances the aesthetic quality of the façade. Its reflective surface, combined with the cultural sculptures placed around it, introduces movement, serenity and a sense of [illegible]. This softens the previously harsh architectural lines and elevates the entire entrance into a more welcoming, immersive and memorable space.

AREA (SQFT) : 2200 SQFT (FOR BOTH ARRIVAL AND DEPARTURE)
APPROX. SPEND : 1 CRORE



AREA (SQFT) : 4500SQFT
APPROX. SPEND : 50 LAKHS

EXISTING SPACE

The existing grey wall cladding is redesigned with inspiration drawn from the rich art and craft heritage of Chhattisgarh. The entire wall is reimagined using locally sourced bamboo, creating a warm and culturally rooted paneling system. Subtle indirect lighting is integrated within the bamboo panels to enhance the natural texture and highlight the crafted details.

PROPOSED SPACE

CNC-cut patterns inspired by traditional Chhattisgarh motifs are incorporated to add depth and authenticity, celebrating the region's cultural identity. Select planter pockets and handcrafted artifacts are placed strategically along the wall to introduce greenery and reinforce the artisanal character. A modern digital display screen is seamlessly embedded into the design, balancing tradition with contemporary finish, materiality, and modern expression, [illegible]. Additionally, Dhokra metal art elements are included to bring a refined tribal craft touch, completing the wall paneling with a unique blend of craft

PROPOSED SPACE

A DIGITAL GLASS FOUNTAIN WALL WOULD INSTALLED BESIDE THE CHECK IN COUNTERS WHICH WOULD BE AN TOURIST ATTRACTION

AREA (SQFT) :
500SQFT X 2
SPEND: 2CRORE

EXISTING SPACE

The wall above the check-in counters is plain, metallic, and utilitarian, with exposed circular service openings.

The overall look is functional but cold, dominated by grey panels and industrial finishes.

There is no reference to Chhattisgarh's bamboo craft traditions, making the space feel culturally neutral and more generic.
The visual identity of the terminal appears incomplete, with the upper gallery and check-in area visually disconnected.

PROPOSED SPACE

The once-plain wall is now covered with bamboo-patterned panels, adding warmth and texture.

The design incorporates CNC-carved motifs and geometric patterns inspired by Chhattisgarh's traditional bamboo weavers, such as basketry and mat-weaving textures.

Tribal and cultural engravings mimic the interlaced rhythm of hand-woven bamboo items, creating an authentic regional character.

Soft linear lighting highlights the textures, making the facade feel welcoming, handcrafted, and rooted in local identity.

The check-in counters integrate smoothly with the cladding, transforming the entire zone into a culturally expressive gateway that celebrates local artisans.

AREA (SQFT) : 1200SQFT
APPROX. SPEND :15 LACH

AREA (SQFT) : 300SQFT
APPROX. SPEND : 10 LAKH

EXISTING SPACE

The first play area is not ideal because it feels cramped, with very limited space for children to move around safely. The bright primary colors and plastic fencing make the environment visually overwhelming and less aesthetically pleasing for both kids and parents. The equipment itself is made of hard plastic and offers only very basic activities, which limits both play variety and developmental benefit. Safety is also weaker because only the floor is padded while the structures, fences, and edges are not cushioned, increasing the risk of bumps or falls. Overall, the first play area looks temporary, crowded, overstimulating, and less safe, making it a poorer choice compared to a modern soft-play environment.

PROPOSED SPACE

The second kids' play area is better than the first because it is visually calmer, more modern, and blends naturally with the surrounding space, unlike the first one which looks loud and temporary. It offers a larger, open layout that allows children to move freely, whereas the first is cramped and fenced in. Safety is significantly higher in the second area because all surfaces and structures are soft-padded, reducing injury risk, while the first uses hard plastic elements with limited cushioning. The second play area also provides more developmental value through climbing, crawling, and sensory features, compared to the basic plastic slide and swing in the first. Overall, the second space feels safer, more comfortable, more engaging, and better designed for both children and parents.

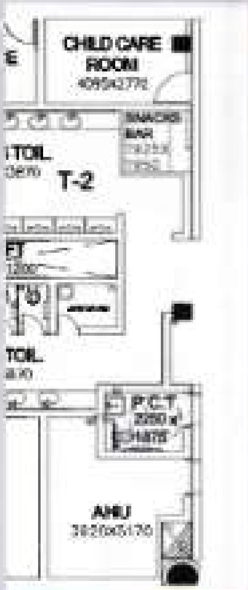
EXISTING SPACE

The existing image shows a very plain and functional space, with minimal wall panelling and a simple, flat ceiling design. The walls are mostly bare, painted white, and lack any cultural character or visual identity. The ceiling uses basic square tiles with standard white lighting, giving the area a typical institutional look. There is no reflection of Chhattisgarh's rich tribal art, crafts traditions, or natural motifs. Overall, the space feels utilitarian and disconnected from the cultural heritage of the region.

PROPOSED SPACE

The proposed image presents a far more expressive and culturally rooted environment. The wall panelling is decorated with intricate patterns inspired by Chhattisgarh's tribal art, such as motifs resembling Gond, Bastar, or tribal wood-carving styles, which are central to the region's artistic identity. The warm wooden texture and carved-like panels bring a sense of authenticity, craftsmanship, and local pride into the space. The ceiling also enhances the cultural atmosphere through artistic, sculptural light fixtures that mimic natural flowing forms, possibly inspired by local forest landscapes, tribal ornaments, or traditional weaving patterns. The soft ambient lighting adds warmth and complements the earthy tones of the wall panelling, creating a cohesive, culturally immersive environment.

AREA (SQFT) : 780SQFT
APPROX. SPEND : 20 LAKH



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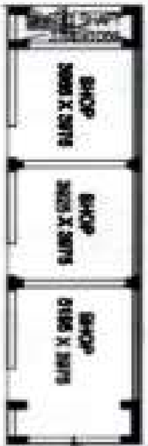
AREA (SQFT) : 7805QFT
APPROX SPEND : 20 LAKH



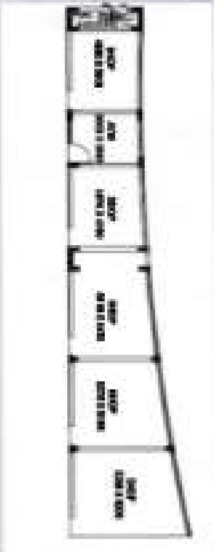
EXISTING SPACE

The first wall appears simpler and less connected to the region's heritage. Its minimal treatment makes it feel plain and somewhat generic, offering little insight into local tradition or craft. For an airport—where the goal is to create a strong sense of place and leave a memorable impression

PROPOSED SPACE

The wall is adorned with traditional motifs, tribal figures and earthy textures that immediately communicate the artistic identity of Chhattisgarh. These elements feel purposeful and well-integrated, creating a warm and inviting atmosphere. The addition of greenery, sculptures and layered materials further enhances the sense of depth and cultural storytelling.

AREA(SQ FT) : 2500 SQFT
APPROX. SPEND : 10 LAKH



AREA (SQFT) : 4500SQFT
APPROX. SPEND : 15 LAKH

EXISTING SPACE

The first wall appears simpler and less connected to the region's heritage. Its minimal treatment makes it feel plain and somewhat generic, offering little insight into local tradition or craft. For an airport—where the goal is to create a strong sense of place and leave a memorable impression

PROPOSED SPACE

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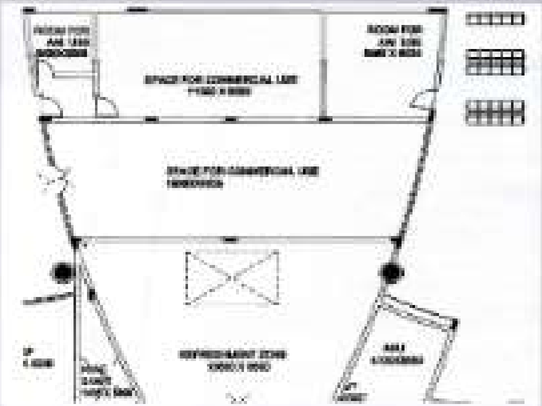
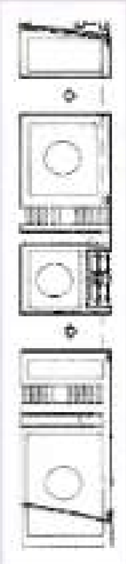


We have proposed a texture paint on the walls showing different motifs showing Raipur's traditional art, culture.
To enhance the area, extra seating area with new furniture has been provided.

AREA (SQFT) : 1800SQFT
APPROX. SPEND : 10 LAKH



EXISTING SPACE

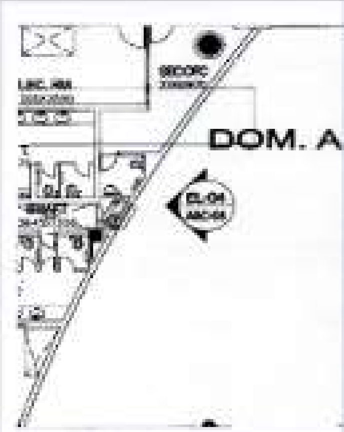
In the existing picture , The plain pebble beds and simple metal figurines seem randomly placed without a thoughtful design that connects to Chhattisgarh's traditional aesthetics or storytelling. Unlike the vibrant and intricate tribal art and crafts the state is known for, this installation feels stark and disconnected, missing the opportunity to reflect the organic forms, natural materials, and spiritual symbolism deeply rooted in the local culture. The absence of warm, natural textures or culturally meaningful patterns results in a cold, functional space that neither engages visitors nor celebrates the cultural identity of Chhattisgarh architecturally.

PROPOSED SPACE

The second water body is a far more immersive cultural representation. It incorporates detailed metalwork inspired by the famous Bastar Dhokra craft, along with abundant greenery and bamboo structures that echo the natural forest environment of Chhattisgarh. The use of natural materials and traditional design elements creates a vibrant and authentic atmosphere, celebrating the region's tribal artistry, connection to nature, and spiritual heritage.

The second installation is better because it not only showcases Chhattisgarh's craftsmanship but also creates a sensory experience that reflects the state's identity in a holistic way, making the space feel alive, welcoming, and culturally meaningful.

AREA (SQFT) : 650SQFT
APPROX. SPEND : 40 LAKH



EXISTING SPACE

The second wall is not very effective because it lacks character, cultural relevance and architectural depth. Its plain, grid-textured surface feels generic and could belong to almost any modern building, which means it does not contribute to creating a sense of place or identity for Chhattisgarh. Architecturally, the wall is flat, uniform and visually monotonous, offering no variation in depth, texture or materiality. This minimal approach may be clean, but it comes across as underwhelming and forgettable when compared to designs that integrate cultural cues or crafted details.

PROPOSED SPACE

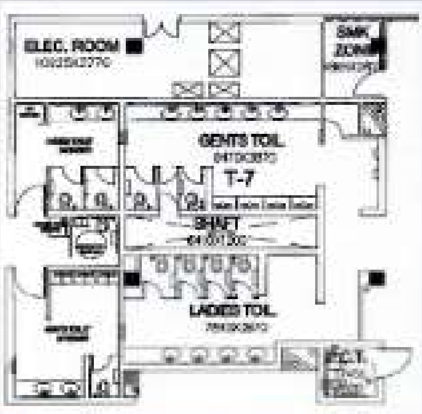
The proposed wall creates a strong cultural identity, while still offering visual richness and storytelling something the second wall does not provide.
It stands out because it incorporates authentic elements of Chhattisgarh's heritage, such as tribal motifs, Bastar-style woodwork and metal craft, which immediately connect travelers to the region. These handcrafted textures, patterns and motifs make the space feel warm, rooted and memorable. They also reflect the artistic pride of Chhattisgarh, turning the wall into a cultural showcase rather than just a backdrop. The model shows the architectural spaces of raipur.
Beyond aesthetics, the first wall adds depth, character and a sense of place, whereas the second wall is more generic, modern and neutral. The first wall celebrates local culture, enhances the environment and leaves a lasting impression—making it the better design choice.

AREA (SQFT) : 410SQFT
APPROX. SPEND: 15 LAKH

FIRST FLOOR (DEPARTURE)

PROPOSED SPACE

The proposed image presents a far more expressive and culturally rooted environment. The wall panelling is decorated with intricate patterns inspired by Chhattisgarh's tribal art. The ceiling also enhances the cultural atmosphere through artistic, sculptural light fixtures that mimic natural flowing forms, possibly inspired by local forest landscapes, tribal ornaments, or traditional weaving patterns. The soft ambient lighting adds warmth and complements the earthy tones of the wall panelling, creating a cohesive, culturally immersive environment. The chandeliers also adds upto the space.



AREA (SQFT) : 1400 SQFT
APPROX. SPEND : 30 LAKH

AREA (SQFT) | 1000SQFT
APPROX. SPEND - 15 LAKH

EXISTING SPACE

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FIRST FLOOR (ARRIVAL)

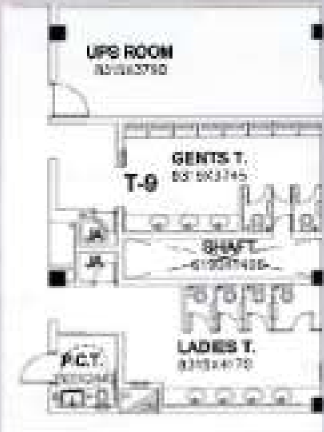
AREA (SQFT) : 910 SQFT
APPROX. SPEND : 20 LAKH

EXISTING SPACE

The second wall is not very effective because it lacks character, cultural relevance and architectural depth. Its plain, grid-textured surface feels generic and could belong to almost any modern building, which means it does not contribute in creating a sense of place or identity for Chhattisgarh. Architecturally, the wall is flat, uniform and visually monotonous, offering no variation in depth, texture or materiality. This minimal approach may be clean, but it comes across as underwhelming and forgettable when compared to designs that integrate cultural cues or crafted details.

PROPOSED SPACE

The proposed wall creates a strong cultural identity while still offering visual richness and storytelling—something the second wall does not provide.
It stands out because it incorporates authentic elements of Chhattisgarh's heritage, such as tribal motifs, Bastar-style woodwork and metal craft, which immediately connect travelers to the region. These handcrafted textures, patterns and motifs make the space feel more rooted and memorable. They also reflect the artistic pride of Chhattisgarh, turning the wall into a cultural showcase rather than just a backdrop.
Beyond aesthetics, the first wall adds depth, character and a sense of place, whereas the second wall is more generic, modern and neutral. The first wall celebrates local culture, enhances the environment and leaves a lasting impression—making it the better design choice.



EXISTING SPACE

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It stands out because it incorporates authentic elements of Chhattisgarh's heritage, such as tribal motifs, Bastar-style woodwork and metal craft, which immediately connect travelers to the region. These handcrafted textures, patterns and motifs make the space feel warm, rooted and memorable.

AREA (SQFT) : 900 SQFT
APPROX. SPEND : 20 LAKH

PLANTER OPTIONS

APPROX SPEND : 40 LAKH







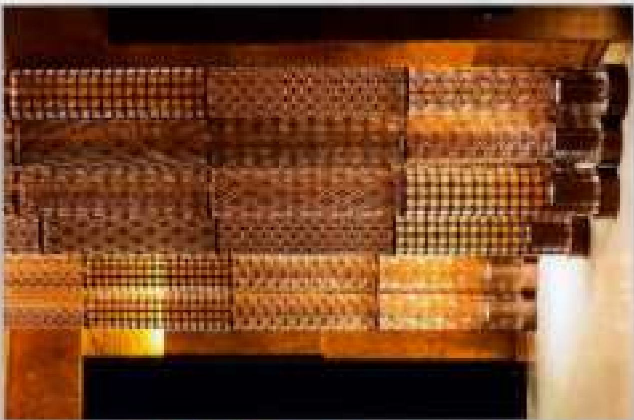
SEATING REFERENCES

APPROX SPEND : 75 LAKH



CHANDELIER'S REFERENCES

APPROX SPEND : 25 LAKH







OTHER DECORATIVE ELEMENTS REFERENCES

APPROX SPEND : 50 LAKH

4 ARCHITECTURAL MODELS WOULD BE KEPT AT BOTH - THE ARRIVAL AND DEPARTURE AREA'S . THEY WOULD REPRESENT THE MAJOR HISTORICAL SIGHTS OF CHHATISGARH WHICH WOULD BE A GREAT TOURIST ATTRACTION .

APPROX SPEND : 15 LAKH

TOTAL ESTIMATE

In conclusion, the overall redevelopment will involve a comprehensive visual and spatial upgrade—ranging from new wall colours and enhanced wall panelling to refreshed ceilings and COLOUR TREATED RAFTERS. The design will be further elevated through the addition ofCHANDELIERS, PLANTERS, METAL ARTIFACTS, NEW FURNITURE and WALL MOTIFS, ensuring that the space not only feels cohesive and contemporary but also reflects the cultural essence of Raipur in a refined and welcoming manner .

THE APPROXIMATE SPEND ON THIS PROJECT WOULD BE 8.5 CRORES.