

फा. सं. ऐरा/20010/एमवाईटीपी/एएआई-रायपुर/सीपी-II/2025-26
F. No. AERA/20010/MYTP/AAI-Raipur /CP-II/2025-26

परामर्श पत्र संख्या 04/2025-26
Consultation Paper No. 04/2025-26



भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

स्वामी विवेकानन्द अंतर्राष्ट्रीय हवाईअड्डा, रायपुर (आरपीआर) के लिए द्वितीय नियंत्रण अवधि (01.04.2025 से 31.03.2030) के लिए वैमानिक टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF
DETERMINATION OF AERONAUTICAL TARIFF FOR
SWAMI VIVEKANANDA INTERNATIONAL AIRPORT, RAIPUR (RPR)
FOR THE SECOND CONTROL PERIOD
(01.04.2025 - 31.03.2030)

जारी करने की तारीख/ Date of issue:
30.10.2025

तृतीय तल/3rd Floor,
उड़ान भवन/Udaan Bhawan
सफ्दरजंग हवाईअड्डा/Safdarjung Airport,
नई दिल्ली/New Delhi - 110003.

PREFACE

Swami Vivekananda International Airport, Raipur is owned and operated by Airports Authority of India. It is the primary airport serving the State of Chhattisgarh, India, located at Mana between Raipur and Naya Raipur.

Raipur Airport was shortlisted for leasing to private airport operator by AAI on PPP mode. Considering that, the Ministry of Civil Aviation (MoCA) vide notification no AV 24011/141/2015-AD (Vol. V) dated October 1, 2019 had notified Raipur Airport as a “Major Airport”.

As per the actual traffic of FY 2024-25, Raipur Airport has achieved the passenger throughput of 2.57 MPPA.

For this Consultation Paper, the Authority has considered the audited financial results (being the audited Trial Balance for Raipur Airport) for first 4 tariff years of the First Control Period (FY 2020 - FY 2024), actuals for FY 2024-25 (Unaudited, based on Board approval) and projections for the Second Control Period (FY 2026 to FY 2030).

The Authority has released this Consultation Paper putting forward its proposals in the background of the Authority’s analysis and observations on the Multi Year Tariff Proposal (MYTP) submitted by the Airport Operator.

The Authority shall consider written evidence-based feedback, comments and suggestions from all the stakeholders on the proposals made in the Consultation Paper and pass a suitable Order determining the Tariff for aeronautical services. The Authority would like to emphasize that the consultation process timelines are sacrosanct and hereby requests the stakeholders to provide their comments/ inputs within the timelines specified in this Consultation Paper, beyond which the same will not be considered by the Authority.

As per the provisions of Section 13(2) of the AERA Act, 2008, the tariff determination under the Tariff Order can be reviewed and revised.

Thus, in accordance with the provisions of Section 13(4) of the AERA Act, the written comments on Consultation Paper No. 04/2025-26 dated 30.10.2025 are invited from the stakeholders, preferably in electronic form, at the following address:

Director (P&S, Tariff)

Airports Economic Regulatory Authority of India (AERA),

3rd Floor, Udaan Bhawan

Safdarjung Airport, New Delhi – 110003, India

Email: director-ps@aera.gov.in, satish.kr@aera.gov.in, copy to: secretary@aera.gov.in

Stakeholders’ Consultation Meeting:	14.11.2025
Last Date for Submission of comments:	29.11.2025
Last Date for Submission of counter comments:	09.12.2025

Comments and Counter-comments will be posted on AERA’s website: www.aera.gov.in.

For any clarification/ information, Director (P&S, Tariff) may be contacted at Telephone Number: Tel: 011-24695043

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GLOSSARY

Abbreviation	Full Form
AA&ES	Administrative Approval and Expenditure Sanction
AAI	Airports Authority of India
AAICLAS	AAI Cargo Logistics and Allied Services
AC	Air Conditioning
ACFT	Airfield Crash Fire Tender
ACI	Airports Council International
AERA/ The Authority	Airports Economic Regulatory Authority of India
AGL	Airfield Ground Lighting
AIASL	Air India Airport Services Limited
AIC	Aeronautical Information Circular
ALCMS	Airfield Lighting Control and Monitoring System
AMC	Annual Maintenance Contract
AMHS	Aeronautical Message Handling System
ANS	Air Navigation Services
AOCC	Airport Operations Control Centre
ARR	Aggregate Revenue Requirement
ASF	Aviation Security Fee
ASMGCS	Advanced Surface Movement Guidance and Control System
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
ATM	Air Traffic Management
ATRS	Automatic Tray Retrieval System
AUCC	Airport Users Consultative Committee
AVDGS	Advanced Visual Docking Guidance System
BCAS	Bureau of Civil Aviation Security
BDDS	Bomb Detection and Disposal Squad
BIAL	Bangalore International Airport Ltd
BPCL	Bharat Petroleum Corporation Limited
BSF	Border Security Force
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CAPM	Capital Asset Pricing Model
CAR	Civil Aviation Requirement
CAT	Category
CCEA	Cabinet Committee on Economic Affairs
CCR	Central Control Room / Constant Current Regulator
CCTV	Closed Circuit Television
CFT	Crash Fire Tender
CG	Chhattisgarh Government
CHQ	Corporate Headquarters
CIAL	Cochin International Airport Limited

Abbreviation	Full Form
CIDS	Common Intergrated Display System
CISF	Central Industrial Security Force
CMC	Comprehensive Maintenance Contract
CNS	Communication, Navigation & Surveillance
CPWD	Central Public Works Department
CRPF	Central Reserve Police Force
CSR	Corporate Social Responsibility
CUTE	Common User Terminal Equipment
CY	Calendar Year
DCP	Dry Chemical Powder
DFMD	Door Frame Metal Detector
DG	Diesel Generator
DGCA	Directorate General of Civil Aviation
DIAL	Delhi International Airport Limited
DSITC	Design, Supply, Installation, Testing & Commissioning
DV	Dual View
E&M	Electrical and Mechanical
EDTS	Explosive Detection Trace System
ESI	Employee State Insurance
ESS	Essential Supply System
ETD	Explosive Trace Detector
FA	Financing Allowance
FAR	Fixed Asset Register
FBS	Full Body Scanners
FIA	Federation of Indian Airlines
FIDS	Flight Information Display System
FRoR	Fair Rate of Return
GA	General Aviation
GCCM	Grass Cutting and Collecting Machine.
GHIAL	GMR Hyderabad International Airport Ltd
GLF	Ground Lights Facility
GNSS	Global Navigation Satellite System
GoI	Government of India
GSE	Ground Support Equipment
GSR	Ground Safety Report
GST	Goods and Services Tax
HB	High Bay
HHMD	Hand Held Metal Detector
HIAL	Hyderabad International Airport Ltd
HPCL	Hindustan Petroleum Corporation Limited
HR	Human Resources
HRA	House Rent Allowance
HT	High Tension

Abbreviation	Full Form
HVAC	Heating, Ventilation and Air Conditioning
IAF	Indian Air Force
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICMAI	The Institute of Cost Accountants of India
IDC	Interest During Construction
IIM	Indian Institute of Management
ILBS	Inline Baggage Handling System
ILCMS	Individual Lamp Control and Monitoring System
ILS	Instrument Landing System
IMG	Inter-Ministerial Group
IOCL	Indian Oil Corporation Limited
IP	Internet Protocol
IT	Information Technology
LAN	Local Area Network
LED	Liquid Explosive Detector
LLP	Limited Liability Partnership
LOA	Letter of Award
LT	Low Tension
MARF	Management Accounting Research Foundation
MCLR	Marginal Cost of Funds-Based Lending Rate
MCP	Mobile Command Post
MIAL	Mumbai International Airport Ltd
MoCA	Ministry of Civil Aviation
MPPA	Million Passengers Per Annum
MT	Metric Ton
MW	Megawatt
MYTP	Multi-Year Tariff Proposal
NAR	Non-Aeronautical Revenue
NCAP	National Civil Aviation Policy
NDT	New Domestic Terminal
NITB	New Integrated Terminal Building
NPV	Net Present Value
NTB	New Terminal Building
OH	Overhead
OTB	Old Terminal Building
PA	Public Address
PAX	Passengers
PBB	Passenger Boarding Bridge
PC	Personal Computer
PDC	Probable Date of Completion
PERT	Program Evaluation and Review Technique
PF	Provident Fund
PIB	Public Investment Board
PLF	Passenger Load Factor
PMC	Project Management Consultancy

Abbreviation	Full Form
PPP	Public Private Partnership
PSF	Passenger Service Fee
PTB	Passenger Terminal Building
PTT	Parallel Taxi Track
PV	Present Value
RAB	Regulatory Asset Base
RB	Runway Beacon
RBI	Reserve Bank of India
RCC	Reinforced Cement Concrete
RCS	Regional Connectivity Scheme
RESA	Runway End Safety Area
RET	Rapid Exit Taxiway
RHQ	Regional Headquarters
RPK	Revenue Passenger Kilometre
RPR	Raipur Airport
RWS	Runway Strip
SBI	State Bank of India
SCCTV	Surveillance Closed-Circuit Television.
SH	Sub Head
SHA	Security Hold Area
SIP	System Integration Project
SITC	Supply, Installation, Testing and Commissioning
SMGCS	Surface Movement Guidance and Control System
Sq.m.	Square Metre
TB	Terminal Building
TR	Tons of Refrigeration
UDF	User Development Fee
UG	Underground
UPS	Uninterruptible Power Supply
UVGI	Ultraviolet Germicidal Irradiation
VAT	Value Added Tax
VDA	Variable Dearness Allowance
WDV	Written-Down Value
WPI	Wholesale Price Index
XBIS	X-Ray Baggage Inspection System
YPP`	Yield Per Passenger
YTD	Year to Date

1 INTRODUCTION

1.1 Background

- 1.1.1 Swami Vivekananda Airport, Raipur ('Raipur Airport' or RPR), owned and operated by Airports Authority of India, is currently, the 28th busiest Airport¹ in India by passengers handled. It is located at Mana, 15 km southeast of Raipur.
- 1.1.2 The total land area of Raipur Airport is 1,080.79 Acres. The existing Terminal Building has an area of 18,500 square meters, which currently handles only domestic operations.
- 1.1.3 AERA Act, 2008 was amended in 2019 and definition of "Major Airport" has been changed. As per section 2(i) of the AERA Act, 2008 read with AERA (Amendment) Act 2019, Major Airport means any airport which has or is designated to have, passenger throughput in excess of 3.5 MPPA or any other airport or any other group of airports as the Central Government may by notification, specify as such.
- 1.1.4 Raipur Airport was shortlisted for leasing to private airport operator on PPP mode by AAI. Considering that, Ministry of Civil Aviation vide letter no. AV 24011/141/2015-AD (Vol. V) dated October 1,2019 notified Raipur as a "Major Airport".
- 1.1.5 As per the actual traffic of FY 2024-25, Raipur Airport has achieved a passenger throughput of 2.57 MPPA, which comprised of only domestic passengers.

The Authority determined tariff for the First Control Period (starting from FY 2020-21 to FY 2024-25) vide Order Number 54/2020-21 dated December 18, 2020.

Further, the Authority vide Order No. 18/ 2024-25 dated March 24, 2025 had extended the levy of existing tariff rates, prevailing as on March 31, 2025 up to September 30, 2025.

Furthermore, AERA vide Order No. 16/ 2025-26 dated September 18, 2025 had extended the levy of existing tariff rates up to March 31, 2026.

1.2 Profile of Raipur Airport

- 1.2.1 Technical and Terminal Building details of Raipur Airport submitted by the Airport Operator are provided in the table below:

Table 1: Technical and Terminal Building details of Raipur Airport

Technical details	
Particulars	Details
Total airport land area	1,080.79 Acres
Runway orientation and length	06/24 and 3,250 m
No. of Parking Bays	13 Nos.
No. of Taxi Tracks	06 nos.
Operational hours	1:15 am to 5 pm UTC
Terminal Building details	
Terminal Building Area	18,500 Sqm
Designed Passenger handling Capacity	3.2 MPPA
Peak Hour Passengers Handling capacity	810 (405 Departure + 405 Arrival)

¹ As per data on top 50 busiest airports for FY 2023-24, published by AAI

Technical details	
Conveyor Belts in Arrival Area	03 nos.
No. of check-in counters	15 nos.
Aircraft Code	Code 4C

1.3 Cargo Facility, Ground Handling and supply of Fuel to Aircraft

Cargo Handling

- 1.3.1 M/s AAI Cargo Logistics and Allied Services (AAICLAS) is a 100% subsidiary company of Airports Authority of India (AAI) providing Cargo Handling Services at Raipur Airport. AAI has considered a revenue share of 30% from AAICLAS as part of the Aeronautical revenues as per AAI's agreement with AAICLAS.

Ground Handling

- 1.3.2 Currently, there are two Service Providers at the Airport viz., AI Airport Services Limited (AIASL) and Global Flight Handling Services (Raipur) Pvt. Ltd, providing Ground Handling services at Raipur Airport.
- AERA vide Order No. 15/2023-24 dated September 05, 2023 determined tariff for Ground Handling Services for Global Flight Handling Services (Raipur) Pvt. Ltd from FY 2023-24 to FY 2027-28.
 - In respect of AIASL, AERA, vide interim Order no. 20/2025-26 dated September 25, 2025 had extended the applicability of prevailing tariff as on September 30, 2025 to March 31, 2026.

Supply of Fuel to Aircraft

- 1.3.3 Oil Marketing Companies (OMCs) such as M/s Reliance BP Mobility Limited (Jio-BP), M/s IOCL M/s BPCL, and M/s HPCL are providing Aviation Fuel Facility at Raipur Airport. M/s HPCL has set up its fuel storage facility with 30 KL storage capacity, M/s BPCL has fuel storage capacity of 975 KL. M/s IOCL has a fuel storage capacity of 70 KL and M/s Reliance BP Mobility Limited has fuel storage capacity totaling to 125 KL. The current total fuel capacity at the Raipur Airport is 1,200 KL.

2 TARIFF DETERMINATION OF RAIPUR AIRPORT

2.1. Introduction

2.1.1 AERA was established by the Government of India as per AERA Act, 2008, vide notification No. GSR 317(E) dated 12th May 2009. The functions of AERA, in respect of Major Airports, are specified in section 13(1) of The Airports Economic Regulatory Authority of India Act, 2008 ('AERA Act' or 'the Act') which are as below:

- a) To determine the tariff for Aeronautical services taking into consideration –
 - i. the capital expenditure incurred and timely investment in the improvement of airport facilities.
 - ii. the service provided, its quality and other relevant factors
 - iii. the cost for improving efficiency.
 - iv. economic and viable operation of Major Airports
 - v. revenue received from services other than the Aeronautical services
 - vi. the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise; and
 - vii. any other factor which may be relevant for the purpose of this Act:

Provided that different tariff structures may be determined for different airports having regard to all or any of the above considerations specified at sub-clauses (i) to (vii).
- b) To determine the amount of the development fees in respect of Major Airports.
- c) To determine the amount of the passenger service fee levied under Rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934.
- d) To monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorized by it in this behalf.
- e) To call for any such information as may be necessary to determine the tariff for Aeronautical services; and
- f) To perform such other functions relating to tariff, as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of the Act.

2.1.2 The terms "aeronautical services" and "Major Airports" are defined in Sections 2(a) and 2(i) of the Act, respectively.

2.1.3 As per the AERA Act, 2008 the following are the Aeronautical services:

- i. for navigation, surveillance and supportive communication thereto for air traffic management;
- ii. for the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at any airport;
- iii. for ground safety services at an airport;
- iv. for ground handling services relating to aircraft, passengers and cargo at an airport;
- v. for the cargo facility at an airport;

- vi. for supplying fuel to the aircraft at an airport; and
- vii. for a stakeholder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority.

Tariff determination for Air Navigation Services is carried out by the Ministry of Civil Aviation (MoCA) across all airports to maintain uniformity.

2.1.4 AERA, in order to fulfil the mandate given in the AERA Act, 2008 regarding determination of aeronautical tariff at Major airports, has issued detailed Guidelines laying down information requirements, periodicity and procedure for the Tariff determination. The details of Orders and Guidelines issued in this behalf are as under:

- i. Order No. 13 dated 12.01.2011 (Regulatory philosophy and approach in Economic Regulation of Airport Operators) and Direction No. 5 dated 28.02.2011 (Terms and conditions for determination of tariff for Airport Operators); and
- ii. Order No. 07/2018-19 dated 13.06.2016 (Normative Approach to Building Blocks in Economic Regulation of Major Airports).
- iii. Order No. 14/2018-19 dated 23.01.2017 in the matter of aligning certain aspects of AERA's Regulatory Approach (Adoption of Regulatory Till) with the provisions of the National Civil Aviation Policy – 2016 (NCAP-2016) approved by the Government of India.
- iv. Order No. 35/2019-20 dated 12.01.2018 and Amendment No. 01 to Order No. 35/2019-20 dated 09.04.2018 in the matter of determination of useful life of Airport assets.
- v. Order No. 42/2020-21 dated 05.03.2019 (Determination of FRoR to be provided on the cost of Land incurred by various Airport Operators in India).

2.1.5 AAI submitted Multi Year Tariff Proposal (MYTP) for the First Control Period from April 1, 2020, till March 31, 2025 and AERA vide its Order No. 54/2020-21 dated December 18, 2020, had determined tariffs for Aeronautical services for Raipur Airport for the First Control Period (FY 2020-21 to FY 2024-25) including FY 2019-20, which is considered a regulated year, in line with that approved in the Tariff Order.

AERA vide Order No. 18/ 2024-25 dated March 24, 2025 extended the levy of existing tariff for a further period of 6 months i.e. up to September 30, 2025.

Subsequently, Authority vide Order. 16/ 2025-26 dated September 18, 2025 extended the existing tariff up to March 31, 2026 or till the date of determination of tariff whichever is earlier.

2.1.6 The Airport Operator(s) are required to submit to the Authority for its consideration, a Multi-Year Tariff Proposal (MYTP) for the respective Control Periods, six months in advance, from the start of the Control Period. However, AAI has submitted the initial MYTP for the Second Control Period commencing from FY 2025-26 to FY 2029-30 for Raipur Airport on June 11, 2025, after a gap of 8 months from the aforementioned due date communicated by the Authority and the revised MYTP (by making revisions to certain regulatory building blocks) on July 18, 2025. The MYTP document is available on the AERA's website. Further, the date wise chronology of events is given in Table 2 below.

2.1.7 The Authority had appointed an Independent Consultant, M/s R. Subramanian and Company LLP to assess the MYTP submitted by AAI for the Second Control Period. Accordingly, M/s R. Subramanian and Company LLP has assisted the Authority in examining the true up submission by AAI by comparing

each regulatory building block with the Tariff Order for the First Control period. The Independent Consultant has examined the MYTP of AAI for the current Control Period, by verifying the data from various supporting documents submitted by AAI such as audited financials, Fixed Asset Register (FAR), documentary evidence of the process of approval of Capital expenses, Operation and Maintenance expenses, examining the building blocks in tariff determination and ensuring that the treatment given to it is consistent with the Authority's methodology, approach, etc.

The Authority obtained clarifications for the information shared by the AAI from time to time, to review the appropriateness of the classification of assets, the reasonableness of the proposed Capital Expenditure (through its independent consultant and their visit at the Airport site), Operation & Maintenance expenditure, for finalizing this Consultation Paper. The sequential timeline of the above events has been presented in the table below:

Table 2 : Timelines for submission of MYTP and other information by AAI

Dates	Event
June 11, 2025	MYTP Submission by AAI
June 16, 2025	Clarifications sought on passenger capacity, CAPEX, Operation and Maintenance expenses, Non-aeronautical revenue etc. of Raipur Airport
June 17, 2025	Clarifications sought on CAPEX of Raipur Airport based on the Independent Consultants' analysis
July 18, 2025	Revised MYTP Submission by AAI, with actual figures for FY 2024-25
July 30, 2025	Follow-up for Data requirement regarding CAPEX, OPEX and request for debt schedule for FRoR calculation
July 31, 2025	Follow up on cost of debt details
August 13, 2025	Clarification sought on Return on Land
August 25, 2025	Received Debt schedule for Raipur
August 26, 2025	Clarifications sought on repayment of debt, if any.
August 27, 2025	Clarifications sought regarding Repair & Maintenance expenses
August 28, 2025	Clarifications sought regarding CAPEX
August 28, 2025	requested AUCC minutes and sought queries for O&M expenses
September 15, 2025	Follow up for providing the responses on the queries regarding CAPEX
September 16, 2025	Follow up for all the pending queries regarding Operating and Maintenance expenses, CAPEX, AUCC minutes and rate card for Second Control Period

2.1.8 AAI has informed that accounts of AAI are audited by the Comptroller and Auditor General of India ('CAG') as mandated by the AAI Act. The CAG audits the financial records and statements of AAI airports, regional and corporate headquarters. However, since the accounts of AAI as a whole are centralized at corporate headquarters (CHQ), the CAG issues the final audit certificate for AAI as a whole. The Authority has examined the audited trial balance (FY 2019-20 to FY 2023-24) submitted by AAI for determination of tariff.

2.1.9 All the figures presented in this Consultation Paper, have been rounded off up to two decimals.

2.2 Construct of the Consultation Paper

2.2.1 This Consultation Paper has been developed/ constructed in the following sequence of Chapters:

- The background of the Authority's tariff determination process is explained in this Chapter (Chapter 2) and in Chapter 3, wherein the framework for determination of tariff is discussed.

- ii. Chapter 4 lists out the submissions of AAI for true up of the First Control Period which is from FY 2020-21 to FY 2024-25. This is followed by the Authority's examination and proposals on the specific issues regarding the true up of the First Control Period.
- iii. Chapter 5 presents the submissions of AAI regarding Traffic Projections and the Authority's examination and proposals on the same.
- iv. Chapter 6 includes the submissions of AAI regarding Capital Expenditure (CAPEX), Depreciation and RAB for the Second Control Period along with the Authority's detailed examination, adjustments, rationalisation and proposals on the Aeronautical capital expenditure, Depreciation and RAB for the Second Control Period.
- v. Chapter 7-12 includes the submissions of AAI regarding various building blocks pertaining to the Second Control Period including Fair Rate of Return, Inflation, Operation and Maintenance Expenses, Non-aeronautical Revenue, Taxation, Quality of Service along with Authority's examination and proposals on each matter.
- vi. Chapter 13 presents the Aggregate Revenue Requirement as determined by the Authority based on the proposals for the Second Control Period.
- vii. Chapter 14 presents the Aeronautical Revenue proposed by the Authority for Raipur Airport for the Second Control Period.
- viii. Chapter 15 summarizes the Authority's proposals put forward for consultation.
- ix. In Chapter 16, the Authority invites views of all the stakeholders regarding proposals put forward for tariff determination for the Second Control Period in the Consultation Paper.
- x. Chapter 17 contains Annexures:
 - Annexure I: Annual Tariff proposal submitted by AAI for Raipur Airport for the Second Control Period.
 - Annexure II: Annual Tariff proposed by the Authority for Consultation process.

3 FRAMEWORK FOR DETERMINATION OF TARIFF FOR RAIPUR AIRPORT

3.1 Methodology

- 3.1.1 The methodology adopted by the Authority to determine Aggregate Revenue Requirement (ARR) is based on AERA Act, 2008 and the Airport Guidelines issued by AERA.
- 3.1.2 The Authority had adopted the Hybrid-Till mechanism for tariff determination for the First Control Period, wherein, only 30% of the Non-aeronautical revenue is to be used for cross-subsidising the Aeronautical charges. The Authority has considered the same methodology in the true up of the First Control Period and for tariff determination in the Second Control Period.
- 3.1.3 The ARR under hybrid till for the Control Period (ARR) shall be expressed as under:

$$ARR = \sum_{t=1}^5 ARR_t$$

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

Where,

- t is the tariff year in the control period, ranging from 1 to 5
- ARR_t is the Aggregate Revenue Requirement for tariff year 't'
- FRoR is the Fair Rate of Return for the Control Period
- RAB_t is the Aeronautical Regulatory Asset Base for tariff year 't'
- D_t is the Depreciation corresponding to the Regulatory Asset Base for tariff year 't'
- O_t is the Aeronautical Operation and Maintenance expenditure for the tariff year 't'
- T_t is the Aeronautical taxation expense for the tariff year 't'
- s is the cross-subsidy factor for revenue from services other than Aeronautical services. Under the Hybrid Till methodology followed by the Authority, $s = 30\%$.
- NAR_t is the Non-aeronautical revenue in tariff year 't'.

- 3.1.4 Based on ARR, Yield per passenger (Y) is calculated as per the formula given below:

$$Yield\ per\ passenger(Y) = \frac{\sum_{t=1}^5 PV(ARR_t)}{\sum_{t=1}^5 VE_t}$$

- Where, $PV(ARR_t)$ is the Present Value of ARR for all the tariff years. All cash flows are assumed to occur at the end of the year. The Authority has considered discounting cash flows, one year from the start of the Control Period.
- VE_t is the passenger traffic in year 't'.

- 3.1.5 As per the provisions of Section 13(2) of the AERA Act, 2008, the tariff determination under the Tariff Order can be reviewed and revised.

3.2 Control Period

- 3.2.1 In terms of Direction No. 5 issued on 28 February 2011, Control Period means “a period of five Tariff Years during which the Multi Year Tariff Order and Tariff(s) as determined by the Authority pursuant to such order shall subsist”. The First Control Period for Raipur Airport commenced from April 1, 2020 and

the Second Control Period has commenced from April 1, 2025.

3.3 Revenues from Air Navigation Services (ANS) and Cargo

- 3.3.1 AAI provides Air Navigation Services (ANS) in addition to Aeronautical services at Raipur Airport. AAI has submitted that the tariff proposal does not consider assets, expenses and revenues relating to ANS. This Consultation Paper discusses the determination of tariffs for Aeronautical services at the airport excluding ANS, as tariff for ANS is presently approved by the Ministry of Civil Aviation for all the airports. The tariff for ANS services is determined at the Central level by the Ministry of Civil Aviation to ensure uniformity across all the Airports in the Country. Hence, AERA determines tariff for Aeronautical services of the Airport Operator, by excluding the assets, expenses and revenues in respect of ANS.
- 3.3.2 AAI has further submitted that all Cargo Operations have been transferred to AAI Cargo Logistics and Allied Services (AAICLAS), a wholly owned subsidiary of AAI and the tariff proposal does not consider expenditure and assets on account of cargo operations. AAI has considered a revenue share of 30% from AAICLAS as part of the Aeronautical revenues as per AAI's internal agreement with AAICLAS.
- 3.3.3 This Consultation Paper discusses the determination of tariff for Aeronautical services at Raipur Airport excluding Cargo Operations. The tariff related to Cargo Operations of Raipur Airport will be determined separately since its operations are carried out by AAICLAS.

4 TRUE UP OF THE FIRST CONTROL PERIOD

4.1 AAI's submission on True up of the First Control Period for Raipur Airport

4.1.1 AAI has submitted a shortfall of ₹ 263.86 Crores in Aeronautical revenue recovery for Raipur Airport for the First Control Period, as part of its MYTP submission for the Second Control Period:

Table 3: True up for First Control Period submitted by AAI

(₹ Crores)

Particulars	Ref.	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB	a	134.47	134.26	132.58	132.55	154.82	170.27	
FRoR	b	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	
Return on Average RAB	c= (a) * (b)	18.83	18.80	18.56	18.56	21.68	23.84	101.43
Depreciation	(d)	14.46	15.01	12.82	12.39	14.46	16.20	70.88
O&M expenses	(e)	44.46	33.90	45.10	49.18	51.78	57.67	237.62
Tax	(f)	-	-	-	-	-	-	-
Interest on Working Capital	(g)	1.11	1.07	0.69	-	-	-	1.76
Return on Land	(h)	-	-	-	-	0.00	0.00	0.00
Gross ARR	(i) = (c+ d+ e+ f+ g+ h)	78.86	68.78	77.17	80.12	87.91	97.71	411.69
NAR		22.17	8.84	6.62	10.61	12.17	19.87	58.11
Less 30% NAR	(j)	6.65	2.65	1.99	3.18	3.65	5.96	17.43
Net ARR	(k) = (i- j)	72.21	66.12	75.19	76.94	84.26	91.75	394.26
Add: Shortfall of Regulated year FY 2019-20	(l)		55.43					55.43
ARR after considering shortfall for FY 2019-20	(m)= (k+l)		121.56	75.19	76.94	84.26	91.75	449.69
Actual Aeronautical Revenue	(n)	23.58	12.10	46.93	75.80	83.21	89.71	307.75
Under/ (Over) recovery of First Control Period	(o)=(m -n)	48.63	109.46	28.26	1.14	1.05	2.04	141.95
Discount Factor (@14.00%)	(p)	1.14	1.93	1.69	1.48	1.30	1.14	7.54
Under/ (Over) recovery of First Control Period as on March 31, 2024	(o*p)	55.43	210.75	47.73	1.70	1.36	2.32	263.86
True up of Under Recovery of First Control Period as on March 31, 2025		263.86						

4.2 Authority's examination of True up of the First Control Period

4.2.1 The decisions taken at the time of determination of tariff for Aeronautical services for the First

Control Period vide Order No. 54/2020-21 dated December 18, 2020 have been reproduced below:

Decision No. 1. Regarding tariff Setting Principles

- (i) *The Authority decides to determine the Aeronautical tariffs for Raipur Airport for the First Control Period on “hybrid till” basis.*

Decision No. 2. Regarding Cargo revenue and revenue from ANS

- (i) *The Authority decides not to consider the revenues from AAICLAS and ANS while determining Aeronautical tariffs for the Raipur Airport.*

Decision No. 3. Regarding traffic forecast

- (i) *The Authority decides to consider the passenger traffic and ATM for First control period for Raipur Airport as per Table 5.*
- (ii) *The Authority decides that subject to the terms and conditions of the privatization of Raipur Airport, it will consider to 'true-up' the traffic volume (passenger and ATM) based on the actual traffic in First Control Period while determining tariffs for the Second Control Period.*

Decision No. 4. Regarding allocation of assets

- (i) *The Authority decides to consider the allocation of gross block of assets as on April 1, 2019 between aeronautical and non-aeronautical assets as detailed in Table 10.*

Decision No. 5. Regarding Initial RAB

- (i) *The Authority decides to consider the Initial Regulatory Asset Base (RAB) for the First Control Period for Raipur Airport as ₹ 128.86 crores in accordance with Table 13.*

Decision No. 6. Regarding capital expenditures.

- (i) *The Authority decides to adopt the Aeronautical Capitalization for the First Control Period in accordance with Table 17.*
- (ii) *The Authority has decided that subject to the terms and conditions of privatization of Raipur Airport, it will consider to 'true-up' the Capital expenditure incurred based on actual costs subject to the normative approach at the time of determination of tariffs for the Second Control Period.*

Decision No. 7. Regarding depreciation.

- (i) *The Authority decides to adopt depreciation rates for Raipur airport as per Table 21 for the First Control Period.*
- (ii) *The Authority decides to consider the depreciation amounts for the First Control Period as per Table 22.*

Decision No. 8. Regarding RAB.

- (i) *The Authority decides to consider the average RAB for the First Control Period for Raipur Airport as per Table 24.*

Decision No. 9. Regarding Fair Rate of Return (FROR).

- (i) *The Authority decides to consider the FRoR for Raipur Airport for the First Control Period as per Table 25.*

Decision No. 10. Regarding non-aeronautical revenues

(i) The Authority decides to consider the Non-Aeronautical Revenues for the First Control Period for Raipur Airport in accordance with Table 28.

Decision No. 11. Regarding O&M expenses

(i) The Authority decides to consider the Operation and Maintenance expenses for the First Control Period for Airport as per Table 35.

(ii) The Authority decides to consider a growth rate of 5% in payroll expenses for the First Control period beginning from FY 2020-21.

Decision No. 12. Regarding Aeronautical Revenue

(i) The Authority decides to consider the Aeronautical revenue for the First Control Period for Raipur Airport as per Table 38.

Decision No. 13. Regarding tax expense

(i) The Authority decides to consider the tax expense for the First Control Period for Raipur Airport as per Table 42.

(ii) It is noted that AAI pays tax based on profits of all the airports taken together. The Authority decides to true up the tax based on actual payment during the next Control Period.

Decision No. 14. Regarding Aggregate Revenue Requirement.

(i) The Authority decides to consider the ARR and Yield for the First Control Period for Raipur Airport in accordance with Table 45.

Decision No. 15. Regarding Annual Tariff Proposal.

(i) The Authority decides to approve the tariffs for the First Control Period for Raipur Airport as given in the Tariff Card annexed as Annexure-I.

(ii) The Authority decides that the tariff for International Operations during the First Control Period, if any, at Raipur Airport will be the same as applicable to the Domestic Operations.

4.3 True up of Traffic

4.3.1 AAI has submitted Passenger Traffic and ATM for Raipur Airport for the First Control Period which is as follows:

Table 4: AAI's submission for True up of traffic for the First Control Period for Raipur Airport

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Passenger (In Millions)						
Domestic	1.04	1.41	2.25	2.43	2.57	9.70
International	-	-	-	-	-	-
Total	1.04	1.41	2.25	2.43	2.57	9.70
ATM (In No's)						
Domestic	10,635	15,107	20,635	18,890	20,006	85,273
International	-	-	-	-	-	-
Total	10,635	15,107	20,635	18,890	20,006	85,273

Authority's examination and proposal regarding true up of traffic of the First Control Period:

4.3.2 The traffic approved by the Authority in the Tariff Order No. 54/ 2020-21 for the First Control Period is shown in Table 5 below:

Table 5: Passenger traffic and ATM approved by the Authority in the Tariff Order for the First Control Period

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Passenger (In millions)						
Domestic	1.48	1.92	2.31	2.66	3.06	11.43
International	-	-	-	-	-	-
Total	1.48	1.92	2.31	2.66	3.06	11.43
ATM (In No's)						
Domestic	12,094	15,722	18,866	21,696	24,951	93,329
International	-	-	-	-	-	-
Total	12,094	15,722	18,866	21,696	24,951	93,329

4.3.3 The Authority notes that the major variation between the passenger traffic and ATM for the First Control Period (actual traffic vis-à-vis the projections approved in the Tariff Order for the First Control Period) is attributable to the adverse impact of COVID-19 pandemic. After the outbreak of COVID-19 pandemic in December 2019, chartered flights were cancelled, due to which the domestic and international passenger traffic have been showing a decreasing trend. Further, In FY 2023-24, Vistara was merged with Air India and therefore, 2 Vistara flights were withdrawn by Air India, leading to lower ATM in FY 2023-24.

4.3.4 The Authority verified the actual Passenger traffic and ATM from FY 2020-21 to FY 2024-25 (as per Table 4) for the First Control Period based on the details available on AAI's website and noted no variances.

4.3.5 Based on the above analysis, the Authority proposes to consider the actual traffic submitted by AAI for the First Control Period, as shown in Table 4, in line with its Decision No. 3 (ii) of the Tariff Order No. 54/ 2020-21 dated December 18, 2020, which states "The Authority decides that subject to the terms and conditions of the privatization of Raipur Airport, it will consider to 'true-up' the traffic volume (passenger and ATM) based on the actual traffic in First Control Period while determining tariffs for the Second Control Period."

4.4 True up of Capital Expenditure (CAPEX), Depreciation and RAB

4.4.1 The actual CAPEX submitted by AAI for true up of the First Control Period for Raipur Airport is as follows:

Table 6: Capital additions during the First Control Period submitted by AAI for Raipur Airport

(₹ Crores)

S. No	Asset category	Approved Capex as per Tariff Order (1)	Actual Aero CAPEX incurred in 1st Control Period (2)	Variance (2)-(1)
1	Taxiway & Aprons	6.12	32.21	26.09
2	Road, Bridges & Culverts	2.95	4.23	1.28
3	Terminal building	3.24	4.42	1.18
4	Building Residential	0.05	0.06	0.01

S. No	Asset category	Approved Capex as per Tariff Order (1)	Actual Aero CAPEX incurred in 1st Control Period (2)	Variance (2)-(1)
5	Other Building	13.11	10.42	(2.69)
6	Boundary wall -operational	2.97	4.04	1.07
7	Computer end user	-	0.33	0.33
8	Computer Servers and Networks	-	0.77	0.77
9	Computer Software	-	0.14	0.14
10	Plant & Machinery	2.64	2.96	0.32
11	Tools and equipment	13.81	10.08	(3.73)
12	Electrical Installation	7.48	20.42	12.94
13	Furniture & Fixtures- Trolley	0.45	0.36	(0.09)
14	Furniture & Fixtures- Other than Trolley	-	1.85	1.85
15	Other office appliances	-	2.26	2.26
16	Solar Plant	-	7.08	7.08
17	CFT/ Fire Fighting Equipment	-	0.03	0.03
18	Vehicles	0.44	0.97	0.53
19	XBIS	1.02	1.43	0.41
	Total CAPEX incurred (A+B)	54.28	104.05	49.77

4.4.2 The CAPEX approved by the Authority in the Tariff Order for the First Control Period was ₹ 54.28 Crores. Year- wise details of the CAPEX (capitalization of assets) approved by the Authority have been provided as follows:

Table 7: Capital expenditure approved in the Tariff Order for the First Control Period

(₹ Crores)

S. No	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
1	Taxiway & Apron	6.12	-	-	-	-	6.12
2	Road, Bridges & culverts	2.95	-	-	-	-	2.95
3	Building- Terminal	3.24	-	-	-	-	3.24
4	Building- Residential	0.05	-	-	-	-	0.05
5	Boundary Wall- Operational	2.97	-	-	-	-	2.97
6	Other Building- Unclassified	13.06	0.05	-	-	-	13.11
7	Plant& Machinery	2.64	-	-	-	-	2.64
8	Tools& Equipment	13.72	0.09	-	-	-	13.81
9	Vehicles	0.44	-	-	-	-	0.44
10	Electrical Installations	7.42	0.06	-	-	-	7.48
11	Furniture & Fixtures- Trolley	0.45	-	-	-	-	0.45
12	X Ray Baggage System	1.02	-	-	-	-	1.02
	Total	54.08	0.20	-	-	-	54.28

4.4.3 The Authority notes a variance of ₹ 49.77 Crores (92%) between CAPEX approved by the Authority and that incurred by AAI against the approved CAPEX for the First Control Period, as per Table 6.

4.4.4 AAI has submitted the following depreciation for the First Control Period for Raipur Airport:

Table 8: Depreciation for the First Control Period submitted by AAI for Raipur Airport

(₹ Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Land	-	-	-	-	-	0.00
Taxiway & Aprons	2.05	2.09	2.11	2.61	3.09	11.95
Road, Bridges & Culverts	0.36	0.36	0.49	0.61	0.70	2.52
Building- Terminal	2.57	2.59	2.60	2.65	2.70	13.10
Building - Temporary	0.07	0.07	0.03	-	-	0.16
Building - Residential	0.10	0.10	0.10	0.10	0.10	0.51
Security Fencing - Temporary	-	-	-	-	-	0.00
Boundary Wall -Operational	1.11	1.09	1.20	1.37	1.44	6.21
Boundary Wall - Residential	0.02	0.02	0.02	0.02	-	0.07
Other Buildings-Unclassified	0.19	0.34	0.34	0.36	0.39	1.62
COMPUTER - END USER	0.04	0.03	0.07	0.11	0.10	0.36
COMPUTER SERVER AND NETWORK	0.13	0.18	0.19	0.20	0.20	0.89
Intangible Assets- Software	0.02	0.02	0.02	0.03	0.03	0.13
Plant & Machinery	0.60	0.70	0.62	0.57	0.57	3.05
Tools & Equipment	1.02	1.18	1.32	1.38	1.55	6.43
Office Furniture	-	-	-	-	-	0.00
Vehicles	0.23	0.26	0.27	0.27	0.26	1.29
Vehicle- Cars & Jeeps	-	-	-	-	-	0.00
Electrical Installations	4.86	2.14	1.08	1.97	2.74	12.79
Solar Plant	0.00	0.00	0.14	0.28	0.28	0.72
Other Office equipment	0.02	0.03	0.23	0.44	0.44	1.16
Furniture & Fixtures-Other than Trolley	0.14	0.24	0.24	0.23	0.26	1.11
Furniture & Fixtures- Trolley	0.22	0.17	0.07	-	0.06	0.52
X Ray Baggage System	0.20	0.22	0.23	0.25	0.27	1.17
CFT/Fire Fighting Equipment	1.08	1.01	1.01	1.01	1.01	5.11
Total	15.01	12.82	12.39	14.46	16.19	70.88

Authority's examination and proposal regarding true up of Capital expenditure (CAPEX), Depreciation and RAB of the First Control Period:

- 4.4.5 The Authority notes that there are variances between the CAPEX approved by the Authority in the Tariff Order for the First Control Period and the actual cost incurred by the Airport Operator. The Authority, through its Independent Consultant has examined the actual CAPEX incurred by AAI for the First Control Period. The independent consultant as part of due-diligence of Capex has reviewed the Fixed Assets Register, bidding process & BOQs, Letter of Award (LOA), Work Orders etc. and also assessed the status of completion of project work as on March 31, 2025. The Aviation Expert of Independent Consultant has also reviewed various technical details of projects, assessed the reasonability of actual CAPEX incurred at Raipur Airport, based on CPWD norms/ market rates, cost incurred by other similar airports etc. Further, the Independent Consultant during his site visit to the airport has reviewed all the major capital works executed at the airport from the perspective of its essentiality & reasonability of costs incurred.

The major variances between approved CAPEX and actual CAPEX have been presented asset-wise in the paragraphs below.

1) Taxiways and Apron:

The Authority had approved ₹6.12 Crores under Taxiway and Apron in the Tariff Order for the First Control Period. Against this, AAI has incurred ₹32.21 Crores towards the following CAPEX:

- ₹18.33 Crores for Expansion of Apron for 4 Nos. of Bays including Link Taxiway
- ₹8.59 Crores for Expansion of Turn pad and Fillets
- ₹1.41 Crores for Covering of open drain with RCC slab at Operational area
- ₹ 2.25 Crores for Construction of one additional parking bay
- ₹1.64 Crores for Improvement of Ground Profile for new Glide Path, Construction of paved area and Directional Elevated End-Threshold Runway Light

The Authority, through its Independent Consultant has further examined the above assets as follows:

- i. ₹18.33 Crores had been incurred towards expansion of Apron for 4 Nos. Parking Bays including a Link Taxiway in FY 2023-24. The Authority notes that IndiGo had requested AAI to allot 4 Nos. of night parking stands suitable for A-321 type of aircraft as part of its fleet induction plan and had remitted the requisite fee for the same. In response, AAI undertook the expansion of the existing apron to accommodate these additional parking bays along with the associated link taxiway amounting ₹18.33 Crores in FY 2023-24.
- ii. ₹8.59 Crores had been incurred towards Expansion of Turning Pad and Fillets for B777-300ER aircraft in FY 2023-24. The Authority notes that the Ministry of Civil Aviation had identified Raipur Airport among 14 airports of AAI to be upgraded for handling VVIP aircraft B777-300ER. As the size of turning pad required for B777-300ER is much larger than that needed for A-321 (the design aircraft for Raipur), the scope of work included expansion of the turning pad, associated shoulders, lighting, and marking. The Authority notes that the additional parking bay was essential to accommodate increasing traffic at the airport and was developed in line with the operational requirements.
- iii. ₹1.41 Crores had been incurred towards covering Open Drain with RCC Slabs in the operational area in FY 2023-24. The Authority notes that as per DGCA guidelines, all open drains located within declared pavement strips are required to be covered with RCC slabs capable of withstanding aircraft wheel load. In compliance with this requirement, AAI undertook the covering of identified open drains in the operational area.
- iv. ₹ 2.25 Crores had been incurred towards construction of one additional parking bay in FY 2020-21 and the same is within the approved limits in the Tariff Order for the First Control Period.
- v. ₹1.64 Crores had been incurred towards improvement of Ground Profile for new Glide Path, Construction of paved area and Directional Elevated End-Threshold Runway Light was required to facilitate safe movement of Ground Service Equipment (GSE) and other operational vehicles.

The above works were undertaken to enhance operational capacity and safety, particularly for handling wide-body aircraft and addressing airside deficiencies.

Considering the essentiality of the above CAPEX, for operational requirements and the reasonableness of costs, based on the review of CPWD norms, the Authority finds the same to be

justifiable. The Authority, through its Independent Consultant, has verified the capitalization of the above assets in the Fixed Assets Register.

Accordingly, the Authority proposes to consider ₹32.21 Crores for true up of the capital expenditure of the First Control Period.

2) Roads, Bridges and Culverts:

AAI has incurred a total capital expenditure of ₹4.23 Crores towards the following works, as against an approved CAPEX of ₹2.95 Crores in the Tariff Order for the First Control Period. Details of the major CAPEX have been provided hereunder:

- ₹2.49 Crores towards Construction of Perimeter Road along the new Boundary Wall in FY 2022-23.
- ₹1.66 Crores towards Widening of Perimeter Road and ₹0.08 Crores towards Construction of Bomb Cooling Pit at Raipur in FY 2024-25.

The Authority, through its Independent Consultant, notes that the perimeter road construction and widening works were necessitated due to expansion of the airport boundary and to ensure adequate access for security and operational vehicles. The works are essential from airport safety and operational readiness perspective. The Authority through its Independent Consultant had reviewed the reasonableness of costs incurred towards these works, based on CPWD norms and found the same to be justifiable.

Further, the Independent Consultant had also verified the capitalization of the above assets in the Fixed Assets Register. Accordingly, considering the essentiality of the assets and the reasonableness of the cost, the Authority proposes to consider ₹4.23 Crores for true up of the capital expenditure of the First Control Period.

3) Terminal Building

AAI has incurred ₹4.42 Crores towards the following planned works, as against approved CAPEX of ₹3.24 Crores under the Terminal Building in the Tariff Order for the First Control Period. Details of the major CAPEX incurred are as follows:

- ₹1.20 Crores towards Construction of Fixed Finger Rotunda in FY 2021-22 and ₹0.12 Crores towards SITC of Bi-Level Drinking Water Fountain in FY 2024-25.
- ₹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).

The above works were aimed at improving passenger facilitation and circulation. The Authority, through its Independent Consultant, has reviewed the scope of work and the reasonableness of costs in line with CPWD norms. The Authority, through its Independent Consultant, has verified the actual capitalization of these assets from the Fixed Asset Register in the respective years.

Therefore, considering the essentiality of the capex and the reasonableness of the cost, the Authority proposes to consider ₹2.87 Crores for true-up of the capital expenditure of the First Control Period.

4) Building Residential

AAI has incurred CAPEX of ₹0.06 Crores against the approved CAPEX of ₹0.05 Crores as per the Tariff Order for the First Control Period, towards civil work of an underground water pump at the residential colony in FY 2020-21.

It is noted that AAI has derived the amount of ₹0.06 Crores after applying a Residential Staff Quarter ratio of 75:25 (Airport employees : CNS employees), based on the actual usage of the quarters. It is noted that the work was essential to ensure adequate water supply at the residential quarters and is in line with the approved CAPEX, and the same has been found reasonable. Further, the Independent Consultant has verified the capitalization of the assets in the Fixed Asset Register.

Accordingly, considering the essentiality of the work and the reasonableness of the cost, the Authority proposes to consider ₹0.06 Crores in FY 2020-21 for true up of the capital expenditure of the First Control Period.

5) Other Building

AAI has incurred ₹10.42 Crores, against the approved CAPEX of ₹ 13.11 Crores as per the Tariff Order for the First Control Period towards the following major works:

- ₹ 8.67 Crores for Construction of Fire Station, Fire Drill, OH & UG Tank (Electrical & Civil) in FY 2020-21 and ₹0.41 Crores for Construction of Security Watch Tower Extension (Runway 24 Side) in FY 2023-24 and other work related to CISF.
- ₹0.83 Crores incurred in FY 2023-24 on the allotment of 4 nos. Flats by CGHB for residential purposes. The Authority proposes to apply quarter ratio i.e., 75:25 (Aeronautical: Non-Aeronautical) in respect of above residential flats and ₹ 0.23 Crores for Construction of Rainwater Harvesting System in FY 2024-25.

The Authority, through its Independent Consultant has verified the capitalisation of the above assets from the Fixed Asset Register and notes that the same are integral for security enhancement, emergency response, etc. Further, the cost of the above works was found to be reasonable based on CPWD norms.

Accordingly, considering the essentiality of the capex incurred from the perspective of airport operations, fire safety & airport security and reasonableness of the costs, the Authority proposes to consider ₹10.15 Crores for true up of the capital expenditure of the First Control Period.

6) Boundary Wall – operational

AAI has incurred ₹4.04 Crores towards the Construction of Boundary Wall against approved CAPEX of ₹2.97 Crores in the Tariff Order for the First Control Period. The details of the major CAPEX are given below:

- ₹ 2.33 Crores towards construction of Boundary Wall on land in FY 2022-23.
- ₹1.15 Crores towards construction of Boundary Wall and Perimeter Road around BSF Area in FY 2023-24.
- ₹0.56 Crores towards Property Boundary Wall on acquired land in FY 2024-25.

These works were necessitated due to operational requirements and acquisition of additional land parcels. The Authority, through its Independent Consultant, has reviewed the justification,

capitalisation of the assets in the Fixed Assets register and found the costs to be reasonable, based on CPWD norms.

Accordingly, considering the essentiality of the capex and the reasonableness of the cost, the Authority proposes to consider ₹4.04 Crores towards true up of the capital expenditure of the First Control Period.

7) Computer End-User

AAI has incurred ₹0.33 Crores towards procurement of various end-user computer hardware which includes HP laptop models in FY 2021-22 and other accessories such as External Hard Disks and GNSS Receiver with PC & UPS for Ionospheric Monitoring in FY 2022-23.

The above items were procured to support operational readiness, airport communications and IT infrastructure enhancement. The Authority, through its Independent Consultant, has reviewed the reasonableness of the costs, by benchmarking with other similar airports and has also verified the capitalisation of the assets in the Fixed Asset Register of AAI in the respective years.

Accordingly, considering the essentiality of the assets and the reasonableness of the cost, the Authority proposes to consider ₹0.33 Crores for true up of the capital expenditure of the First Control Period.

8) Computer Server and Networks

AAI has incurred ₹0.77 Crores CAPEX towards the major works mentioned below:

- ₹0.52 Crores towards Provision of LAN connections in FY 2020-21.
- ₹0.25 Crores towards SITC of IT Network Components and other communication server software.

These IT infrastructure items were essential for expanding digital connectivity, network security, and airport-wide communications. The Authority, through its Independent Consultant, has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost incurred to be reasonable, as compared to that incurred by other similar airports.

Accordingly, considering the essentiality of the assets and the reasonableness of the cost, the Authority proposes to consider ₹0.77 Crores for true up of the capital expenditure of the First Control Period.

9) Computer Software

AAI has incurred a total expenditure of ₹0.13 Crores towards office automation works at Raipur Airport, comprising the following:

- ₹0.09 Crores – Procurement of MS Office licences in FY 2023-24
- ₹0.04 Crores – Procurement of 11 Nos. MS Office licences at Raipur and Media Gateway to configure 10 Channel SIP Trunk.

The Authority notes that the above procurements were undertaken to strengthen IT infrastructure and support smooth functioning of administrative and operational activities at the airport. The Independent Consultant has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost to be reasonable, as compared to that incurred in other similar airports.

Accordingly, considering the operational requirement of these systems and the reasonableness of cost, the Authority proposes to consider ₹0.13 Crores for true up of the capital expenditure of the First Control Period.

10) Plant & Machinery

The Authority had approved CAPEX of ₹2.64 Crores towards Plant and Machinery in the Tariff Order for the First Control Period. Against the approved CAPEX of ₹2.64 Crores, AAI has incurred ₹2.96 Crores towards the following:

- SITC of PBB (Passenger Boarding Bridge) and AVDGS (Advance Visual Docking Guidance System) for ₹ 2.85 Crores (which was a part of approved CAPEX) in FY 2020-21, and
- ₹0.11 Crores towards procurement of Earthing Material and Ancillary Items for New ILS (Instrument Landing System) in FY 2022-23 during the First Control Period. The Authority notes that the procurement was necessary to support the installation and functioning of navigational aids, ensuring compliance with safety standards for aircraft operations.

The Authority, through its Independent Consultant has assessed the cost as reasonable based on prevailing market rates and verified the capitalisation of the asset in the Fixed Asset Register.

Accordingly, considering the essentiality of the work and the reasonableness of the cost, the Authority proposes to consider ₹2.96 Crores for true up of the capital expenditure of the First Control Period.

11) Tools and Equipment

AAI has incurred ₹10.08 Crores towards approved CAPEX of ₹ 13.81 Crores under Tools and Equipment during the First Control Period. The key projects included:

- ₹2.55 Crores towards SITC of ILBS System in FY 2020-21.
- ₹1.88 Crores towards Trans-installation of existing EDTS Machine in FY 2021-22.
- ₹2.11 Crores towards implementation of Digi Yatra facilities at S.V. Airport in FY 2024-25.
- ₹0.91 Crores towards SITC of CCTV & Access Control System for NTB and SITC of LED (Liquid Explosive Detector)
- ₹ 2.63 Crores towards other minor works including SITC of Door Frame Metal Detectors (95 Nos.), Expansion of Existing CCTV System with 40 New Cameras, SITC of 45 CIDS Screens, BMW Rotary Grass Cutter – 3 Blades etc.

The Authority, through its Independent Consultant, notes that the above-mentioned procurements (such as EDTS Machine, CCTV, Access Control System, etc) were necessitated by evolving operational and security needs, including biometric passenger processing (Digi-yatra), enhanced surveillance, and explosive detection infrastructure. The Authority, through its Independent Consultant has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost incurred as reasonable, as compared to the market prices and CPWD norms. The above assets have also been capitalised in the Fixed Asset Register.

Accordingly, considering the operational necessity and reasonableness of the cost, the Authority proposes to consider ₹10.08 Crores for true up of the capital expenditure of the First Control Period.

12) Electrical Installations

The First Control Period commenced from FY 2020-21 to FY 2024-25. As FY 2019-20 is a regulated year, prior to the commencement of the Control Period, the Independent Consultant of AERA, as part of the site visit conducted on August 5th and 6th, 2025, had reviewed the works

undertaken and executed by AAI for Raipur Airport in FY 2019-20. Accordingly, certain assets pertaining to FY 2019-20 were identified and re-allocated for consideration under the true up exercise.

- i. AAI has incurred ₹1.90 Crores towards supply & laying of HT/LT Cables and associated works in FY 2019-20. The Authority notes that the commissioning of the new ATC Block was held up due to non-availability of power supply. Accordingly, cables were laid from the existing substation to the new substation to energize the facility. Considering the urgent operational requirement, the Authority finds the work to be justifiable.

The Authority further observes that the power supply from the new substation caters to both ANS-related and aeronautical purposes. Based on assessment of the Aviation Expert of AERA, 30% of the power supply is attributable to ANS-related assets and the balance 70% to aeronautical assets. The Independent Consultant has reviewed the expenditure and found the costs reasonable as compared to CPWD norms and prevailing market benchmarks. The assets have been capitalized in the Fixed Asset Register in FY 2019-20.

Accordingly, considering the essentiality of the work and the reasonableness of the cost, the Authority proposes to consider ₹1.90 Crores for true up of the capital expenditure of the First Control Period, with allocation of 30% towards ANS assets and 70% towards aeronautical assets.

- ii. The Authority approved a sum of ₹ 7.48 Crores under Electrical Installations, AAI has incurred ₹20.42 Crores against approved CAPEX comprising the following major works:

- ₹12.07 Crores – Providing CAT-II Lighting System instead of originally planned CAT-I Lighting System in FY 2023-24 and ₹1.21 Crores – Replacement of Perimeter Lighting Equipment and other electrical installations
- ₹3.93 Crores –Procurement of 2 Nos. 320 kVA DG Sets for GLF and numerous other works: UPS procurement, lighting system modification, signage, AC units, CCTV, digital signage, air/water dispensers, etc
- ₹1.77 Crores – Perimeter Lighting and Allied Works in FY 2023-24.
- ₹1.44 Crores – Construction of CCR Hall on 1st floor of existing New ESS in FY 2023-24.

These works were undertaken to enhance aviation safety, improve passenger experience, and enhance security infrastructure. The Independent Consultant has reviewed the capitalisation of the assets in the Fixed Assets Register in respective years and found the costs to be reasonable, in line with CPWD norms/ market rates.

Accordingly, considering the operational necessity and reasonableness of cost, the Authority proposes to consider ₹20.42 Crores for true-up of the capital expenditure of the First Control Period.

13) Furniture and Fixtures: Trolley

AAI has incurred ₹0.36 Crore towards procurement of 127 Nos. of Passenger Baggage Trolley in FY 2024-25, against the approved CAPEX of ₹0.45 Crore.

The Authority notes that these were procured to manage increased passenger movement and ensure efficient baggage handling at the airport. The Independent Consultant has reviewed the capitalisation of the assets in the Fixed Assets Register and found the costs to be reasonable, as compared to other similar airports.

Accordingly, based on the above factors, the Authority proposes to consider ₹0.36 Crores in FY 2024-25 for true up of the capital expenditure of the First Control Period.

14) Furniture and Fixtures: Other than Trolley

AAI has incurred ₹1.85 Crores CAPEX towards supply of 200 Airport Terminal chairs (three seater) in FY 2024-25 and other furniture such as table and chairs for CISF and operational area for the First Control Period.

The Authority, through its Independent Consultant, has reviewed the Fixed Asset Register for capitalisation of assets.

Based on the essentiality of the assets (needed for passenger facilitation) and the reasonableness of the cost, as compared with prevailing market rates, the Authority proposes to consider ₹1.85 Crores for true up of the capital expenditure of the First Control Period.

15) Other Office Appliances

AAI has incurred ₹2.26 Crores towards the following:

- Biometric Access Control Systems and other assets costing ₹1.93 Crores in FY 2022-23
- 100 Nos. IP Phones (CORAL brand), Printers (LaserJet, Multi-function, Smart Card, etc.), mobile handsets, etc. costing ₹ 0.33 Crores.

These office appliances were procured to support digitisation, improve security and access controls, and facilitate document processing at the airport. The Authority, through its Independent Consultant, has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost incurred to be reasonable, when benchmarked with other comparable airports.

Accordingly, considering the operational importance of the systems and the reasonableness of the cost, the Authority proposes to consider ₹2.26 Crores for true up of the capital expenditure of the First Control Period.

16) Solar Power Plant

AAI has incurred ₹7.08 Crores towards the Design, Supply, Installation, Testing, and Commissioning (DSITC) of a 1.5 MW On-Grid Ground mounted Solar Power Plant at Raipur Airport in FY 2024-25.

The solar plant was installed in line with MoCA's and AAI's green energy initiatives. The plant is expected to significantly reduce the airport's dependency on grid electricity and contribute to long-term cost savings. The Authority, through its Independent Consultant, has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost incurred by AAI to be reasonable, as compared to similar installations at other airports. Therefore, the Authority proposes to consider the CAPEX of ₹ 7.08 Crores towards Solar Power for true up of the capital expenditure of the First Control Period.

17) CFT/Fire Fighting equipment

AAI has incurred CAPEX of ₹ 0.03 Crore towards fire retardant sheet and procurement of 27 litres of nitrogen cylinders majorly in FY 2022-23.

The Authority notes that these materials were essential for maintaining fire safety readiness at the airport and are necessary as per safety standards. The above assets have been capitalised in AAI's books.

The Authority, through its Independent Consultant, has reviewed the capitalisation of the assets in the Fixed Assets Register and notes the cost to be reasonable, as per prevailing market rates.

Based on the above, the Authority proposes to consider ₹ 0.03 Crores for the true up of CAPEX for the First Control Period.

18) Vehicles

AAI has incurred ₹0.97 Crores towards procurement of Mahindra vehicle, TVS sport and a Mobile Command Post (MCP) for Raipur Airport against approved CAPEX of ₹ 0.44 Crores for the First Control Period.

The above vehicles are required for the travelling in the operational area and the MCP is a critical emergency support vehicle used for airside monitoring and quick-response coordination. The Authority, through its Independent Consultant, has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost incurred by AAI to be reasonable, in with the prevailing market rates.

Accordingly, considering the operational necessity and reasonableness of cost, the Authority proposes to consider ₹0.97 Crores for true-up of the capital expenditure of the First Control Period.

19) X-Ray Baggage System

AAI had incurred the CAPEX of ₹ 1.43 Crores as against approved expenditure of ₹ 1.02 Crores towards Dual View RB (Registered Baggage) and HB (Hand Baggage) along with Accessories. These machines were deployed to expand screening capacity and meet enhanced security requirements. The Authority, through its Independent Consultant, has reviewed the capitalisation of the assets in the Fixed Assets Register and found the cost incurred by AAI to be reasonable, based on CPWD rates.

Accordingly, considering the essentiality of the equipment and the reasonableness of the cost, the Authority proposes to consider ₹1.43 Crores for true up of the capital expenditure of the First Control Period.

4.4.6 Upon analysis of the above actual capital expenditure incurred by AAI, the Authority is of the view that the above CAPEX had been incurred by Raipur Airport either for Passenger facilitation or Security purposes or to improve operational efficiencies. Therefore, the Authority proposes to consider the same for true up of the capital expenditure of the First Control Period.

4.4.7 Based on the above, the Authority proposes to consider the actual CAPEX amounting to ₹ 102.23 Crores for the purpose of true up for the First Control Period. The same is detailed as follows:

Table 9: Capital additions proposed by the Authority for True up of the First Control Period
(₹ Crores)

S. No	Asset category	FY	FY	FY	FY	FY	Total
		2020-21	2021-22	2022-23	2023-24	2024-25	
1	Taxiway & Aprons	2.31	-	0.95	28.95	-	32.21
2	Road, Bridges & Culverts	-	0.08	2.49	-	1.66	4.23
3	Building- Terminal	-	1.20	-	1.55	0.12	2.87

S. No	Asset category	FY	FY	FY	FY	FY	Total
		2020-21	2021-22	2022-23	2023-24	2024-25	
4	Building - Residential	0.06	-	-	-	-	0.06
5	Boundary Wall -Operational	-	-	2.33	1.15	0.56	4.04
6	Other Buildings-Unclassified	8.76	-	0.17	0.98	0.23	10.15
7	Computers: End Users	0.00	0.02	0.30	-	-	0.33
8	Computers: Servers and Networks	0.68	-	0.09	-	-	0.77
9	Intangible Assets- Software	-	0.03	0.01	0.09	-	0.13
10	Plant & Machinery	2.85	-	0.11	-	-	2.96
11	Tools & Equipment	0.12	4.67	0.13	1.68	3.48	10.08
12	Vehicles	0.51	0.12	-	0.35	-	0.97
13	Electrical Installations	0.27	0.48	2.30	16.19	1.17	20.42
14	Solar Plant	-	-	7.08	-	-	7.08
15	Other office equipment	-	0.05	2.04	0.02	0.16	2.26
16	Furniture & Fixtures-Other than Trolley	1.33	0.05	0.02	-	0.46	1.85
17	Furniture & Fixtures- Trolley	-	-	-	-	0.36	0.36
18	X Ray Baggage System	0.46	0.42	-	0.56	-	1.43
19	CFT/Fire Fighting Equipment	-	-	0.01	0.01	-	0.03
	TOTAL	17.34	7.12	18.03	51.53	8.20	102.23

4.4.8 The Authority proposes to consider CAPEX of ₹ 102.23 Crores as against CAPEX of ₹ 104.05 Crores submitted by AAI for True up of the First Control Period. The variance of ₹ 1.82 Crores is on account of re-allocation of the cost of Augmentation of Parking Area and Covering of Walkway from 100% Aeronautical to 50:50 (Aeronautical: Non-Aeronautical) as mentioned in Para 4.4.5 (3). The CAPEX of ₹ 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 Authority 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

True up of Depreciation for the First Control Period

4.4.9 The Authority notes that while submitting the True up for the First Control Period, AAI has taken cognizance of the rates of depreciation as per Order No. 35/ 2017-18 dated January 12, 2018 read with Amendment No. 01 to Order No. 35/ 2017-18 on ‘Determination of Useful Life on Airport Assets’). Accordingly, the rates of depreciation approved by AERA have been applied by AAI from FY 2018-19 onwards.

4.4.10 The Authority observed that AAI has depreciated assets @ 50% of depreciation rates in the year of capitalization of assets. However, the Authority proposes to consider the depreciation based on the date of capitalization of the asset and compute the depreciation accordingly, instead of considering 50% of the depreciation in the year of capitalization of the assets. As per the consistent approach of the Authority being followed for all major airports, depreciation in the year of capitalisation (for True up purpose) is calculated considering the actual date of capitalisation of assets as reflected in the Fixed Assets Register maintained by the Airport Operator. Therefore, the Authority proposes to consider depreciation on capital additions for the First Control Period for Raipur Airport, based on the date of capitalization/ date of asset being “put to use” by the Airport Operator.

4.4.11 Based on the above factors, the Authority has re-computed the depreciation as ₹ 68.42 Crores and the same is presented below:

*Table 10 : Depreciation proposed by the Authority for True up of the First Control Period**(in ₹ Crores)*

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Runways, Taxiway & Aprons	2.02	2.02	2.02	2.02	2.02	10.08
Road, Bridges & Culverts	0.36	0.36	0.53	0.61	0.77	2.63
Building- Terminal	2.57	2.59	2.60	2.62	2.65	13.03
Building - Temporary	0.07	0.07	0.03	-	-	0.16
Building - Residential	0.10	0.10	0.10	0.10	0.10	0.50
Security Fencing - Temporary	-	-	-	-	-	-
Boundary Wall -Operational	1.11	1.09	1.27	1.39	1.46	6.32
Boundary Wall - Residential	0.02	0.02	0.02	0.02	-	0.07
Other Buildings-Unclassified	0.25	0.34	0.34	0.36	0.38	1.67
Computers: End Users	0.04	0.03	0.07	0.11	0.11	0.36
Computers: Servers and Networks	0.12	0.18	0.19	0.20	0.20	0.89
Intangible Assets- Software	0.02	0.02	0.02	0.03	0.04	0.12
Plant & Machinery	0.54	0.70	0.62	0.57	0.57	2.98
Tools & Equipment	1.02	1.23	1.32	1.38	1.57	6.51
Office Furniture	-	-	-	-	-	-
Vehicles	0.22	0.26	0.27	0.26	0.26	1.28
Vehicle- Cars & Jeeps	-	-	-	-	-	-
Electrical Installations	4.79	2.08	1.05	1.39	2.70	12.01
Solar Plant	0.00	0.00	0.01	0.28	0.28	0.59
Other Office equipment	0.02	0.02	0.40	0.44	0.43	1.32
Furniture & Fixtures-Other than Trolley	0.16	0.24	0.24	0.23	0.23	1.10
Furniture & Fixtures- Trolley	0.22	0.19	0.11	-	0.02	0.55
X Ray Baggage System	0.19	0.23	0.23	0.23	0.27	1.16
CFT/Fire Fighting Equipment	1.08	1.01	1.01	1.01	1.01	5.11
TOTAL	14.90	12.77	12.45	13.25	15.04	68.42

4.4.12 Variance in the depreciation proposed by the Authority (₹ 68.42 Crores) and that claimed by AAI (₹ 70.88 Crores as per Table 8) is on account of following factors:

- Computation of depreciation based on the date of capitalization of the asset, instead of 50%, as claimed by AAI as part of its true up submission for the First Control Period.
- Reallocation of assets between aeronautical and non-aeronautical as mentioned in para 4.4.5.

4.4.13 The RAB for the First Control Period is provided in the Table below:

*Table 11: RAB proposed by the Authority for True up of the First Control Period**(in ₹ Crores)*

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Opening RAB (A)	132.68	135.12	129.47	135.05	173.33	
Additions (B) (refer Table 9)	17.34	7.12	18.03	51.53	8.20	102.23
Disposal/Transfers (C)	-	-	-	-	-	-

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Depreciation (D) (Refer Table 10)	14.90	12.77	12.45	13.25	15.04	68.42
Closing RAB (E) = [(A) +(B) – (C) – (D)]	135.12	129.47	135.05	173.33	166.49	
Average RAB = [(A) + (E)]/2	133.90	132.29	132.26	154.19	169.91	

4.5 True up of Fair Rate of Return

- 4.5.1 The Authority notes that AAI has claimed 14% as Fair Rate of Return as part of its submission for True up of the First Control Period for Raipur Airport.
- 4.5.2 AAI vide its e-mail dated August 25, 2025 has stated that it has availed debts for all its airports during FY 2020-21, FY 2021-22 and FY 2022-23 and has apportioned some debts to Raipur Airport. The details of the quantum of debt and the actual cost of debt shared by AAI below:

Table 12: Debt computation/or the First Control Period submitted by AAI

Particular	2020-21	2021-22	2022-23	2023-24	2024-25
Opening RAB(A)	133	135	130	135	174
Assets capitalized during the year (Aero) (B)	17	7	18	53	8
Fund utilized by Raipur station out of the loan taken by CHQ (C)	4.7	3	4.25	0	0
Total (D=A+B)	150	142	148	188	182
% of loan to opening RAB plus capitalized assets during the year) C/D	3%	2%	3%	0%	0%
Average debt equity ratio	2%:98%				

- 4.5.3 Based on the debt schedule provided by AAI, the Authority has derived the FRoR for the First Control Period by considering the following factors:
- Cost of Equity:** The Authority acknowledges the debt availed by AAI for Raipur Airport in the First Control Period and its impact on FRoR. The Authority proposes to consider the cost of equity across all tariff years of First Control Period as 14% as claimed by AAI for Raipur Airport.
 - 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 Authority 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 7.85%, 7.85% and 8.35% respectively. Therefore, the Authority proposes to consider the same for determining FRoR for the First Control Period.
 - Debt and Repayment schedule:** Based on the details of Debt Schedule shared by AAI (refer Table 12), the Authority 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 Authority 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	7.70	11.95	11.95	11.95

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Equity	131.55	126.09	122.44	142.38	158.23
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	14%	14%	14%	14%	14%
Individual gearing	3%	6%	9%	8%	7%
Weighted average Gearing	6.62%				
Weighted Average cost of debt	8.22%				
cost of equity	14%				
FRoR	13.62%				

- d. Based on the above factors, the Authority proposes to consider FRoR at 13.62% as per Table 13.

4.6 True up of Non-aeronautical revenues

- 4.6.1 The Authority notes that the actual Non-aeronautical revenue submitted by AAI for Raipur Airport for true up of the First Control Period is ₹ 58.11 Crores and the same has been presented in the table below:

Table 14: Actual Non-aeronautical revenue for the First Control Period submitted by AAI for Raipur Airport
(₹ Crores)

Revenue Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL
Restaurant / Snack Bars	1.72	-	1.55	2.11	5.71	11.09
T.R. Stall	2.30	1.10	0.90	1.67	3.71	9.68
Hoarding & Display	1.13	1.42	3.15	4.22	5.20	15.12
Land Leases	0.04	0.12	0.47	0.18	0.17	0.97
Land Leases- Hanger	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	0.63	0.63	0.39	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	1.51	1.86	1.33	1.62	8.02
TOTAL	8.84	6.62	10.61	12.17	19.87	58.11

- 4.6.2 The Non-aeronautical revenue approved by the Authority in the Tariff Order for First Control Period was ₹ 95.94 Crores. Component wise details of the Non-aeronautical revenue approved by the Authority in the Tariff Order for the First Control Period is as follows:

Table 15: Non-aeronautical revenue approved in the Tariff Order by the Authority for the First Control Period

Revenue Category	FY	FY	FY	FY	FY	TOTAL
	2020-21	2021-22	2022-23	2023-24	2024-25	
Trading Concession						
Restaurant / snack bars	3.13	4.39	6.27	7.21	7.92	28.92
T.R. stall	2.91	4.08	5.83	6.70	7.37	26.89

Revenue Category	FY	FY	FY	FY	FY	TOTAL
	2020-21	2021-22	2022-23	2023-24	2024-25	
Hoarding& display	1.54	2.15	3.07	3.53	3.89	14.18
Rent and services						
Land leases	0.01	0.01	0.02	0.02	0.02	0.08
Land leases-Hanger	0.29	0.41	0.58	0.63	0.67	2.58
Building (residential)	0.01	0.01	0.01	0.01	0.01	0.05
Building (non-residential)	0.67	0.93	1.33	1.46	1.61	6.00
Miscellaneous						
Duty Free	0.00	0.00	0.00	0.00	0.00	0.00
Car rentals	1.00	1.41	2.01	2.31	2.54	9.27
Car parking	0.39	0.55	0.79	0.90	1.00	3.63
Admission tickets	0.22	0.31	0.44	0.51	0.56	2.04
Other income/ sale of scrap, etc.	0.41	0.43	0.45	0.47	0.50	2.26
Total	10.59	14.68	20.80	23.77	26.10	95.94

Authority's examination and proposal regarding true up of Non-aeronautical revenues of the First Control Period:

- 4.6.3 The Authority notes that the actual Non-aeronautical revenue (₹ 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 (₹ 95.94 Crores). The Authority 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 16: Non-aeronautical Revenue proposed by the Authority for the First Control Period

(in ₹ Crores)

Revenue Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL
Restaurant / Snack Bars	1.72	-	1.55	2.11	5.71	11.09
T.R. Stall	2.30	1.10	0.90	1.67	3.71	9.68
Hoarding & Display	1.13	1.42	3.15	4.22	5.20	15.12
Land Leases	0.04	0.12	0.47	0.18	0.17	0.97
Land Leases- Hanger	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	0.63	0.63	0.39	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	1.51	1.86	1.33	1.62	8.02
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 Authority	8.24	6.10	10.45	11.44	19.14	55.37

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

- 4.6.4 The Authority 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.

The Authority proposes to consider the Non-aeronautical Revenue as per Table 16 for true up of the First Control Period.

4.7 True up of Operation and Maintenance (O&M) expenses

- 4.7.1 The Authority notes that the actual O&M expenses submitted by AAI for Raipur Airport for true up of the First Control Period is ₹ 237.62 Crores and the same has been presented in the table below:

Table 17: Actual O&M expenses submitted by AAI for Raipur Airport for the First Control Period

(₹ Crores)

S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
1	Payroll expenses	8.98	10.51	12.32	14.62	16.77	63.19
2	Retirement Benefits of employees at Raipur Airport	0.43	1.19	0.37	1.11	0.87	3.96
A	Total Payroll Expenditure(A)	9.40	11.70	12.69	15.73	17.63	67.15
3	Admin & Gen - Non CHQ /RHQ	3.45	3.84	5.96	5.57	6.93	25.75
4	Admin & Gen CHQ/ RHQ	11.43	17.94	17.09	12.91	13.56	72.93
B	Total Administration & General Expenditure (B)	14.88	21.78	23.05	18.48	20.48	98.68
C	Total R&M Expenses (C)	5.60	7.22	8.33	12.63	13.43	47.21
5	Power	3.19	3.77	3.65	3.64	4.38	18.64
6	Water	-	-	-	-	-	-
7	Consumption of Stores and Spares	0.39	0.06	0.03	0.02	0.03	0.54
8	Other charges	0.41	0.53	0.61	0.73	1.09	3.36
D	Utilities & outsourcing (D)	3.99	4.36	4.29	4.39	5.51	22.54
9	Collection Charges on PSF (F)	0.02	0.03	0.42	-	-	0.48
10	Collection Charges on UDF	-	-	0.39	0.55	0.62	1.56
E	Other Outflow- Collection charges on UDF (E)	0.02	0.03	0.81	0.55	0.62	2.04
	TOTAL (A+B+C+D+E)	33.90	45.10	49.18	51.78	57.67	237.62

- 4.7.2 The O&M expenses approved by the Authority in the Tariff Order for First Control Period was ₹ 182.50 Crores. Component wise details of the O&M expenses approved by the Authority in the Tariff Order for the First Control Period are as follows:

Table 18: O&M expenses as per the Tariff Order for the First Control Period

(₹ Crores)

Particulars	FY	FY	FY	FY	FY	Total
	2020-21	2021-22	2022-23	2023-24	2024-25	
Payroll expenses	7.36	7.73	8.12	8.53	8.95	40.69
Retirement Benefits of employees at Raipur Airport	3.13	3.29	3.45	3.63	3.81	17.31
Total Payroll expenses (A)	10.49	11.02	11.57	12.16	12.76	58.00
Admin & Gen -Non CHQ /RHQ	4.2	4.56	4.95	5.38	5.85	24.94
Admin & Gen CHQ/ RHQ	6.24	6.55	6.88	7.23	7.59	34.49
Total Admin and General expenses (B)	10.44	11.11	11.83	12.61	13.44	59.43
Repair and Maintenance Expenses (C)	7.67	8.31	9.14	10.09	11.14	46.35
Utilities & outsourcing (D)	3.19	3.57	3.62	3.67	3.73	17.78
Other Outflow- Collection charges on UDF (E)	0.12	0.16	0.19	0.22	0.25	0.94
TOTAL (A+BC+D+E)	31.91	34.17	36.35	38.75	41.32	182.50

Authority's examination and proposal regarding true up of O&M expenses of the First Control Period:

4.7.3 There is a variance ₹ 55.12 Crores (30.20%) between the actual O&M expenses incurred by the Raipur Airport and that approved by the Authority in the Tariff Order for the First Control Period. The Authority has examined the variances and the same has been explained in the below-mentioned paragraphs:

4.7.4 **Payroll expenses:** The Authority notes that the total payroll expenses submitted by AAI for true up of First Control Period for Raipur Airport amounting to ₹ 67.15 Crores are higher than the total payroll expense approved by the Authority in the Tariff Order of the First Control Period, which was ₹ 58 Crores.

It is noted that the year-on-year increase in the various components of the payroll expenses such as salaries & wages, other staff expenses, medical expenses, overtime etc are not uniform and there are significant variation on Y-o-Y basis. For instance, the Y-o-Y increase in Salaries & Wages (which is the major component constituting 58% of total Payroll expenses) is about 1% in 2020-21, 15% in 2021-22, 5% in 2022-23, 11% in 2023-24, and 4% in 2024-25 etc. Upon detailed analysis of the above variances in Y-o-Y expenses, the Authority notes the following:

- The VDA (Variable Dearness Allowance) component has registered a sharper rise, as the Dearness Allowance was frozen during FY 2020-21 due to COVID-19 and subsequently revised upwards in the later years.
- Overtime expenses rose sharply in FY 2021-22 and FY 2022-23 by 16% and 21% respectively, largely attributable to fire station staff and non-executive personnel, which were in line with the increase in traffic growth in Raipur Airport.
- Medical expenditure also rose in FY 2021-22, on account of the lifting of the austere measures earlier adopted by AAI during the pandemic period.
- Further, it was also noted that some variations in the payroll expenses were also on account of transfer of positions within AAI from one airport to another. Such transfers, depending on the grade and pay

structure of the transferred personnel, results in either an upward or downward shift in the payroll costs.

- For retirement benefit expenses, it was noted that a policy change in FY 2020-21 permitting encashment of half-pay leaves at retirement, had resulted in incurrence of lower actuarial expenses.

Accordingly, the variations noted in Payroll expenses on Y-o-Y basis were mainly operational in nature and do not represent systemic changes in the overall pay structure. Therefore, the Authority proposes to consider the actual payroll expenses submitted by AAI, for true up of the First Control Period.

4.7.5 **Apportionment of Administration & General expenditure of CHQ/RHQ:**

AAI had allocated ₹ 72.93 Crores towards CHQ/RHQ (Administrative and General) expenses for Raipur Airport for First Control Period (FY 2020-21 to FY 2024-25). For FY 2020-21, the allocation submitted by AAI was based on the earlier revenue-based methodology, while for the other tariff years such as FY 2021-22 to FY 2023-24, the allocation was based on the methodology recommended in the revised study report of ICMAI dated May 7, 2025.

Also, for FY 2019-20, being a regulated year, the allocation of CHQ & RHQ expenses submitted by AAI, is based on revenue (being the erstwhile methodology followed by AAI, prior to the ICMAI study report).

The Authority reviewed the basis adopted by AAI for allocation of CHQ and RHQ expenses for FY 2019-20 and FY 2020-21 to Raipur Airport and other airports of AAI and notes the following:

- All expenses incurred by CHQ and RHQ (like staff costs, Admin and Gen. expenses, Repairs and Maintenance, utilities, outsourcing expenses etc.) were allocated to all the AAI airports, in the ratio of revenues earned by each Airport.
- Expenses such as legal costs, interest/ penalties are related to some specific airports. However, these had been allocated to the common pool and apportioned to all the AAI airports.

Determination of allocable Administrative & General CHQ/ RHQ expenses for FY 2019-20 and FY 2020-21

The Authority notes that the above process followed by AAI for allocating the expenses is on a higher side and necessitates adoption of a scientific/ rational approach for justifiable allocation of expenses to the Airports. Accordingly, the Authority proposes the following methodology towards allocation of CHQ and RHQ expenses for **FY 2019-20 and FY 2020-21**.

a. Allocation of Pay and Allowances of CHQ and RHQ to airports:

- AAI had considered pay and allowances of Commercial department at CHQ and RHQ as Aeronautical expenses, whereas such expenses were non-aeronautical in nature.
- AAI had excluded pay and allowances of employees involved in ATM, CNS and Cargo departments at CHQ and RHQ while working out the allocation to the airport. However, no exclusion had been done for support services of the departments of HR, Finance, Civil, Terminal Management (Housekeeping), etc. pertaining to the aforesaid departments (ANS and Cargo).
- Manpower of CHQ and RHQ also provides services to non-aeronautical activities, ATC, and CNS cadres at respective airports. Hence, pay and allowances needed to be adjusted accordingly.

Considering all the facts and figures as stated above, the Authority is of the view that 20% of pay and allowances of CHQ and RHQ has to be excluded towards the following:

- i. Support services provided by CHQ/ RHQs to ANS, Cargo and Commercial departments at various airports.
- ii. Officials of Directorate of Commercial.

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

b. Allocation of Administration & General Expenses of CHQ and RHQ to airports:

- AAI had incurred Legal & Arbitration Expenses at both CHQ and RHQ level. The Authority is of the view that this expense should be analyzed and distributed to stations on a case-to-case basis. As the above details has not been provided by AAI, the same has not been allocated to the stations.
- AAI had paid interest/penalties to Government of India at both CHQ and RHQ levels. The Authority is of the view that the stakeholders should not be burdened with interest/penalties paid to Government of India, due to various lapses/delays on the part of the Airport Operator. Hence, the Authority proposes not to consider interest/penalties appearing in AAI's submission.

Based on the above principles, the Authority has analysed the CHQ/ RHQ expenses to be allocated to Raipur Airport for FY 2019-20 (regulated year) and FY 2020-21.

The Authority has derived the revised allocation of CHQ and RHQ expenses, based on the methodology, explained in the above-mentioned paragraphs and the same is presented in the table below:

Table 19: Re-allocation of CHQ/ RHQ – Admin and Gen expenses proposed by the Authority for the FY 2019-20 and FY 2020-21

(₹ Crores)

Particulars	FY 2019-20	FY 2020-21	Total
CHQ/ RHQ – Admin & General expenses (allocation done by AAI) = A	17.02	11.43	28.46
Revised allocation of CHQ/ RHQ derived = B	14.44	15.16	29.60
Allocation of CHQ/ RHQ expenses proposed by the Authority = A/B (whichever is lower)	14.44	11.43	25.87

The Authority acknowledges the unique challenges posed by the COVID-19 pandemic and the subsequent impact on airport operations and financial allocations. The Authority proposes to consider the allocation for CHQ/ RHQ expenses for FY 2020-21 by applying 5% increase on the amount rationalized by the Authority for FY 2019-20. Further, 5% increase is subject to allocable amount by the Authority or the amount submitted by AAI, whichever is lower.

Determination of allocable Administrative & General CHQ/ RHQ expenses for FY 2021-22 and FY 2023-24

The Authority in its tariff orders for various AAI airports had suggested that AAI should adopt a scientific/ rational approach for justifiable allocation of CHQ/ RHQ expenses to all its airports. Towards this end, AAI had commissioned a study for appropriate allocation of CHQ and RHQ expenses, through its Independent Consultant, ICAI Management Accounting Research Foundation (ICMAI MARF) of the Institute of Cost Accountants of India. The study was performed by the above consultant using AAI's

data for the period from FY 2016-17 to FY 2020-21 and an initial study report detailing the allocation of CHQ and RHQ expenses for FY 2021-22, was submitted by AAI to AERA on August 21, 2024.

AERA, after preliminary review of study report received from AAI, sought various clarification and detailed workings to support the assumptions used/ recommendations made in the above Study report. This matter was further deliberated by the Authority with the AAI team and the representatives of ICMAI MARF, during a meeting held at AERA office on February 18, 2025. Thereafter, the Authority, vide letter dated April 9, 2025 asked AAI to submit the CHQ/RHQ expenses allocation along with its workings for the FY 2022-23 & FY 2023-24. Further clarifications were sought from AAI on the aspects such as treatment of non-operational & RCS airports, CSR Expenses, etc. while allocating CHQ/RHQ cost allocation to airports, approach followed for allocation of expenses of common departments such as Finance, HR, Eng.

In response to the AERA's letter dated April 9, 2025, AAI had submitted a revised ICMAI study report on allocation of CHQ/ RHQ expenses to AERA on May 7, 2025, providing CHQ/ RHQ expenses allocations for FY 2022-23 and FY 2023-24, along with necessary clarifications/ details.

Upon review of the above revised study report, the Authority notes the following:

- i. Application of **weighted average** method as a cost driver, owing to various factors that impact Airport operations. The following weightage have been assigned, as part of the study, for allocation of CHQ and RHQ expenses to the airports:

Table 20: Weightage assignment for CHQ/ RHQ expense allocation to Airports

Item/ Parameter	Weightage
Airport wise revenue	40%
Airport wise Employee cost	20%
Airport wise ATM	20%
Airport wise Passenger traffic	20%

As can be seen from the above table, revenue has been assigned maximum weightage (40%), while other factors such as Employee cost, PAX and ATM, that are also pertinent to airport operations have also been considered and assigned a comparatively lower weightage. This methodology enables fair allocation of CHQ and RHQ expenses to all airports (major, non-major, civil enclave etc.), relative to the size and scale of airport operations, as compared to the earlier methodology followed by AAI, wherein the allocation was made solely on the basis of revenue.

- ii. As part of the Study, the following have been excluded, while allocating the CHQ/ RHQ expenses to the airports:
 - Any interest paid on the delayed payments, fines & penalties incurred for violating the laws of the land or due to lapses/ delays, have been considered as abnormal in nature and have been excluded from the allocation to the airports.
 - Legal costs, including arbitration costs, pertaining to cases filed by Airports have been excluded from the allocation to the Airports. Only expenses incurred on routine legal cases relating to employees, vendors and contractors have been apportioned between ANS and Airport in the ratio of 50:50.
 - Bad debts and Provision for bad and doubtful debts have been excluded from the allocation

to the Airports.

- Prior period adjustments comprising of prior period incomes and expenses have not been considered, while allocating expenses to the Airports.
 - Corporate Social Responsibility (CSR) expenses have been excluded from the allocation, as the same is regarded as an element of appropriation of net profits and not as part of operating expenditure.
 - Operating expenditure of RCS (Regional Connectivity Scheme) Airports have not been considered, while allocating CHQ/ RHQ expenses to the Airports, as RCS Airports are a separate entity being managed and controlled by the Ministry of Civil Aviation.
- iii. Direct expenses relating to ANS and Airport operations have been identified and allocated to respective cost centers. However, common/ indirect expenses have been apportioned to ANS and Airport, based on relevant ratios such as ratio of Assets, employee headcount, revenue etc.

Based on the review of the Independent Study conducted by ICMAI MRF on the AAI's CHQ/RHQ cost allocations to airports, the Authority proposes to consider the recommendations of the revised study report of ICMAI submitted by AAI on May 7, 2025, for allocation of CHQ and RHQ expenses to AAI airports.

Table 21: Allocation of CHQ/ RHQ – Admin and Gen expenses proposed by the Authority for the First Control Period

(₹ Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
CHQ/ RHQ – Admin & General expenses (allocation done by AAI) as per ICMAI report for FY 2021-22 to FY 2024-25	11.43	17.94	17.09	12.91	13.56	72.93

As shown in the above table, the CHQ and RHQ expense allocation submitted by AAI for the FY 2021-22 to FY 2024-25 is in line with the revised study report of ICMAI dated May 7, 2025. Accordingly, the Authority proposes to consider the CHQ and RHQ expenses allocation for the First Control Period (FY 2020-21 to FY 2024-25) for Raipur airport as per Table 21.

4.7.6 Administration expenses (Other than CHQ/ RHQ): - The Administration Expenses (other than CHQ/ RHQ) claimed by AAI (₹ 25.75 Crores) is broadly in line with the approved expenditure in the Tariff Order (₹ 24.94 Crores) of the First Control Period. The major components of the actual Administration expenses (other than CHQ/ RHQ), include:

- Upkeep expenses amounting to ₹ 12.54 Crores,
- Outsourced manpower expenses amounting to ₹ 2.28 Crores,
- Bird Chasing expenses amounting to ₹ 2.00 Crores and,
- 'May I Help You' counter expenses amounting to ₹ 2.20 Crores.

Further, it is noted that AAI has included ₹ 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 Authority proposes to consider Administration expenses (other than CHQ/ RHQ) claimed by AAI for the true up of the First Control Period amounting to ₹ 23.96 Crores.

- 4.7.7 **Repair and Maintenance (R&M) expenses:** The Authority notes that the Repair and Maintenance cost for the First Control Period submitted by AAI amounting to ₹ 47.21 Crores is broadly in line with the that approved by AERA in the Tariff Order for the First Control Period, which was ₹ 46.35 Crores.

The Authority notes that the said Repairs & Maintenance had been incurred by Raipur Airport to cater to various operational requirements, which is explained as follows:

- i. R&M Civil (₹ 11.22 Crores) - Expenditure towards R&M -Civil mainly pertains to Annual Maintenance Contracts relating to Airport Infrastructure, including air-side areas, etc. It also includes expenses relating to special civil repairs for Operational/ Non-operational area.

It is noted that an expenditure of ₹1.45 crore has been charged off to Repairs and Maintenance (R&M) expenses towards leveling and grading of land acquired during FY 2023-24. Further, an amount of ₹0.23 lacs was included under leveling and grading work in the CAPEX proposal submitted by AAI.

Upon enquiry regarding the purpose of incurring the expenditure of ₹0.23 lakh, AAI, vide its email dated 18 August 2025, clarified that *“the work was carried out since the land was undulated and to operationalize the runway, the land around the runway (basic strip of 300m width) needed to be graded as per DGCA CAR standards.”*

The Authority further notes that the expenditure of ₹0.23 lacs, submitted by AAI, pertains to soil inspection activities, which form an integral part of the leveling and grading work itself. As the above work relates to leveling and grading activities, the Authority proposes to consider the above expenditure of ₹0.23 lacs under R&M (Civil) expenses, as part of the True-up for the First Control Period.

- ii. R&M Electrical (₹ 25.98 Crores): It majorly accounts for Annual Maintenance Contract (AMC) of passenger boarding bridge, AVDGS, annual operation contract of apron drive glass wall, supply of electrical spares for day-to-day maintenance charges and LED light fittings. Simultaneously, new work was awarded for the AMC of the Fire-Fighting System, leading to an expenditure of ₹0.22 Crores during the year.

Additional expenditure was also incurred towards provision of Ultraviolet Germicidal Irradiation (UVGI) units in AHUs for air purification at an approximate cost of ₹0.20 crores, and replacement of FRP fans of cooling towers at an approximate cost of ₹0.06 Crores.

- iii. R&M Vehicles (₹ 2.66 Cores): The primary reason for the variation in R&M (Vehicles) during FY 2021-22 and FY 2023-24 is the cost of Foam and DCP. Further, Bhartiya Vehicles is undertaking AMC work for CFT, wherein the cost of spares is paid on a requirement basis, which differs from year to year, resulting in expenditure variation during FY 2021-22 and FY 2023-24.

For FY 2024-25, as the CFT maintenance is being carried out directly by AAI instead of under AMC, there is an increase in the expenditure towards R&M (Vehicles). It is further noted that the expenditure is booked on incurrence basis.

The Authority observes that AAI had initially submitted an amount of ₹45.10 Crores towards Repair and Maintenance expenses for the First Control Period. Subsequently, AAI vide email dated September

02, 2025 conveyed that there were segment classifications errors in respect of R&M Expenses in their earlier submission:

- (i) R&M Expenses- Electrical amounting to Rs. 2.17 crores pertaining to AMC of PBB, Apron Drive Glass wall, AVDGS etc. (FY 2023-24) was wrongly considered under ANS instead of Airport segment.
- (ii) R&M Expenses – Furniture & Fixtures amounting to Rs. 0.06 crore (FY 2021-22) in respect of ANS was wrongly shown as Airport costs. This has resulted in a net increase of ₹2.11 Crores in the R&M expenses totaling to Rs 47.21 crores. The Authority has taken note of the clarification submitted by AAI and has considered the same while truing up the O&M expenses for the First Control Period.

Based on the above factors, the Authority proposes to consider the actual R&M expenses as ₹ 47.21 Crores for True up of the First Control Period of Raipur Airport.

4.7.8 Utilities & Outsourcing Expenses: These expenses include Power charges, Fees paid to outsiders, water charges, hire charges of Car/Jeep & Consumption of Stores & Spares. AAI has incurred actual Utilities & Outsourcing Expenses of ₹ 22.54 Crores during First Control Period which is higher than the expense of ₹ 17.78 Crores approved in the Tariff Order for the First Control Period.

Component wise analysis of the above expense is provided hereunder:

Power Expenses: AAI has incurred actual power charges of ₹ 22.28 Crores during the First Control Period, out of which ₹ 3.65 Crores has been recovered from the Concessionaires and has claimed the net power charges of ₹ 18.64 Crores (Actual power charges less recoveries from Concessionaires) as a part of true up for the First Control Period.

The total power costs incurred, recoveries made from Concessionaires and the net power costs have been summarized in the table below.

Table 22: Details of power costs incurred and recoveries made from Concessionaires

(₹ Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Electricity Consumed (in 000')	3,599.47	4,259.23	4,120.06	4,110.54	4,948.98	
Rate per Unit	8.86	8.86	8.86	8.86	8.86	
Total power costs (A)	3.83	4.22	4.34	4.40	5.49	22.28
Recoveries from Concessionaires (B)	0.65	0.44	0.69	0.76	1.11	3.65
Recoveries (%) = (B/A%)	16.84%	10.53%	15.99%	17.22%	20.15%	
Net power costs (A-B)	3.19	3.77	3.65	3.64	4.38	18.64

Based on the above factors, the Authority proposes to consider the actual power costs incurred by AAI for Raipur Airport for true up of the First Control Period.

Consumption of Stores and Spares and other charges: The Authority notes that AAI has claimed the expenses amounting to ₹ 0.54 Crore for the consumption of Stores & Spares expenses which include petrol expenses for Jeep/ Car and other consumables. The expenses towards consumption of stores and spares has not been separately approved in the Tariff Order for the First Control Period.

However, the Authority notes the actual expenses towards consumption of Stores and spares to be reasonable, as compared to other similar airports and therefore proposes to consider the same for true up of the First Control Period.

Other charges: The Other charges include Consultancy/ Advisory fees paid for the Consultancy services availed for Land/ Terminal Management services, conducting ASQ surveys and hire charges-car/jeep incurred by AAI for Raipur Airport. The Authority notes that AAI has claimed the expenses amounting to ₹ 3.36 Crores towards above expenses, which were not separately approved in the Tariff Order for the First Control Period. Based on the nature and essentiality of services, the Authority proposes to consider these expenses for true up of the First Control Period.

4.7.9 Other Outflows: These expenses include collection charges on PSF and UDF submitted by AAI for true up of Raipur Airport amounting to ₹ 2.04 Crores as against the ₹ 0.94 Crore approved by the Authority in the Tariff Order for the First Control Period. Therefore, the Authority proposes to consider the above expenses for true up of the First Control Period.

4.7.10 Based on the above review and analysis, the Operation and Maintenance expenses proposed to be considered by the Authority for the First Control Period is provided in the table below:

Table 23: O&M expenses as proposed by the Authority for True up of the First Control Period

(₹ Crores)

S. No	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Payroll Expenditure							
1	Payroll exp- Non CHQ/RHQ	8.98	10.51	12.32	14.62	16.77	63.19
2	Retirement Benefits of employees at Raipur Airport	0.43	1.19	0.37	1.11	0.87	3.96
A	Total Payroll Expenditure(A)	9.40	11.70	12.69	15.73	17.63	67.15
Administrative & Other General Expenses							
3	Admin & Other Gen Expenses - Non CHQ /RHQ	3.40	3.60	5.42	5.16	6.37	23.96
4	Admin & Other Gen Expenses -CHQ/ RHQ	11.43	17.94	17.09	12.91	13.56	72.93
B	Total Administration & General Expenditure (B)	14.84	21.54	22.51	18.07	19.93	96.89
Repair & Maintenance Expenses							
C	Total R&M Expenses (C)	5.60	7.22	8.33	12.63	13.43	47.21
Utilities & outsourcing expenses							
5	Power Expenses	3.19	3.77	3.65	3.64	4.38	18.64
6	Water Expenses	-	-	-	-	-	-
7	Consumption of Stores and Spares	0.39	0.06	0.03	0.02	0.03	0.54
8	Other charges	0.41	0.53	0.61	0.73	1.09	3.36
D	Total Utilities & outsourcing Expenses (D)	3.99	4.36	4.29	4.39	5.51	22.54
Other Outflow							

S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
E	Other Outflow- Collection charges on UDF (E)	0.02	0.03	0.81	0.55	0.62	2.04
	TOTAL (A+B+C+D+E)	33.85	44.86	48.64	51.36	57.11	235.83

Note: The Variance in O&M Expenses as per AAI's proposal of ₹237.62 Crores and that of the Authority's is ₹1.79 Crores due to exclusion of Interest on borrowing from Administration expenses (other than CHQ/RHQ expenses).

4.7.11 The Authority reviewed the O&M expenses submitted by AAI with the Audited figures for the Financial Years (FY 2020-21 to FY 2023-24) and Actuals (Unaudited) for FY 2024-25 and noted no deviations. Therefore, the Authority proposes to consider the O&M expenses as per Table 23 for True up of the First Control Period

4.8 True up of Taxation

4.8.1 AAI has submitted taxation for the First Control Period as follows:

Table 24: Taxation submitted by AAI for Raipur Airport

(₹ Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
REVENUE						
Aeronautical Revenue	12.10	46.93	75.80	83.21	89.71	307.75
Total Revenue (A)	12.10	46.93	75.80	83.21	89.71	307.75
EXPENSES						
O&M expenses	33.90	45.10	49.18	51.78	57.67	237.62
Dep. As WDV As Per Income Tax	17.06	16.51	16.05	17.90	19.08	86.60
Total Expenses (B)	50.96	61.61	65.22	69.68	76.74	324.22
Profit /Loss (C=A-B)	(38.86)	(14.68)	10.57	13.53	12.97	
Set off of losses	-	-	(10.57)	(13.53)	(12.97)	(37.07)
PBT after set off of losses	(38.86)	(14.68)	-	-	-	-
Tax Rates (D)	25.17%	25.17%	25.17%	25.17%	25.17%	
TAX (C*D)	-	-	-	-	-	-

4.8.2 The Authority has re-computed Aeronautical Taxation based on Regulatory Building Blocks as discussed in the previous paragraphs and the same is as follows:

Table 25 : Taxation proposed to be considered by the Authority

(in ₹ Crores)

Particulars	Prior period losses	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Revenue (A)							
Aeronautical Revenue (Refer Table 26)		12.71	47.44	75.96	83.94	90.44	310.49
Total (A)		12.71	47.44	75.96	83.94	90.44	310.49
Expenses (B)							
O&M expenses (refer Table 23)		33.85	44.86	48.64	51.36	57.11	235.83
Depreciation (as per Income Tax Act, 1961)		17.01	16.46	16.00	17.77	18.87	86.11
Interest on Working capital		1.04	0.65	-	-	-	1.69

Particulars	Prior period losses	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Total (B)		51.90	61.97	64.65	69.13	75.98	323.63
Profit /Loss (C=A-B)		(39.19)	(14.53)	11.31	14.79	14.44	
Prior period losses (including FY 2019-20)	(35.96)	(75.15)	(89.68)	(78.37)	(63.57)	(49.11)	
Set off of prior period tax losses (D)		-	-	(11.31)	(14.80)	(14.46)	(40.58)
Profit/ Loss after set off of prior period tax losses (E)		-	-	-	-	-	-
Tax Rates (F)		25.17%	25.17%	25.17%	25.17%	25.17%	
Tax (E*F)		-	-	-	-	-	-

4.8.3 The Authority notes that AAI has incurred losses during the First Control Period i.e., during FY 2020-21 and FY 2021-22 and the same has been set off against the profit earned in FY 2022-23, FY 2023-24 and FY 2024-25. Therefore, The Authority proposes to consider Aeronautical Tax of Nil Crores for true up of the First Control Period, as shown in Table 25.

4.9 True up of Aeronautical Revenue

4.9.1 AAI has submitted the actual Aeronautical revenue for the First Control Period for Raipur Airport, which is as follows:

Table 26: Aeronautical revenue submitted by AAI for Raipur Airport

(₹ Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Parking & Housing Charges Revenue						
Landing (Dom)	5.64	11.94	17.15	17.68	20.71	73.11
Parking & Housing (Dom)	0.02	0.02	0.01	0.04	0.03	0.13
PSF and UDF Charges						
PSF(Facilitation)-Domestic	3.86	0.09	-	-	-	3.95
UDF Domestic	-	32.03	53.83	59.59	63.04	208.48
Other Revenue						
Throughput Charges	-	-	-	-	-	-
Land Lease	0.84	0.84	0.95	1.17	1.02	4.83
Ground Handling Charges	0.26	0.24	0.39	0.55	0.39	1.84
Royalty from Cute Charges	0.91	1.26	2.45	2.96	3.04	10.61
Revenue share from AAICLAS (30%)	0.36	0.21	0.49	0.35	0.36	1.77
Space Rent from Airlines	0.15	0.13	0.24	0.24	0.36	1.12
Extension of Watch Hours	0.06	0.17	0.29	0.63	0.76	1.91
Total	12.10	46.93	75.80	83.21	89.71	307.75

4.9.2 The Authority compared the actual Aeronautical Revenue submitted by AAI with the Aeronautical Revenues as per the Tariff Order for the First Control Period and the same is detailed below:

Table 27: Comparison of Aeronautical Revenue as submitted by AAI with Tariff Order of the First Control Period

(₹ Crores)

Particulars	Reference	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
As per Tariff Order	A	16.24	66.32	81.47	94.90	110.63	369.56

Particulars	Reference	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
As per True up of AAI	B	12.10	46.93	75.80	83.21	89.71	307.75
Difference	C=B-A	(4.14)	(19.39)	(5.67)	(11.69)	(20.92)	(61.81)
Change %	D=C/A	-25.48%	-29.24%	-6.96%	-12.32%	-18.91%	-16.73%

4.9.3 The Authority notes that there is a significant variance between actual Aeronautical Revenues and Aeronautical Revenues approved by the Authority in the Tariff Order, for the initial tariff years in the First Control Period, which is attributable to lower passenger traffic and ATMs, due to the adverse impact of the COVID-19 pandemic on the aviation sector.

Table 28: Aeronautical Revenue proposed by the Authority for the First Control Period

(in ₹ Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Parking & Housing Charges Revenue						
Landing (Dom)	5.64	11.94	17.15	17.68	20.71	73.11
Parking & Housing (Dom)	0.02	0.02	0.01	0.04	0.03	0.13
PSF and UDF Charges						
PSF(Facilitation)-Domestic	3.86	0.09	-	-	-	3.95
UDF Domestic	-	32.03	53.83	59.59	63.04	208.48
Other Revenue						
Throughput Charges	-	-	-	-	-	-
Land Lease	0.84	0.84	0.95	1.17	1.02	4.83
Ground Handling Charges	0.26	0.24	0.39	0.55	0.39	1.84
Royalty from Cute Charges	0.91	1.26	2.45	2.96	3.04	10.61
Revenue share from AAICLAS (30%)	0.36	0.21	0.49	0.35	0.36	1.77
Space Rent from Airlines	0.15	0.13	0.24	0.24	0.36	1.12
Extension of Watch Hours	0.06	0.17	0.29	0.63	0.76	1.91
Total	12.10	46.93	75.80	83.21	89.71	307.75
Add: Land Lease (Hangar)	0.60	0.52	0.16	0.73	0.73	2.74
Total Aeronautical Revenue proposed by the Authority	12.71	47.44	75.96	83.94	90.44	310.49

4.9.4 The Authority reviewed the Aeronautical revenue submitted by AAI with the Audited figures for the Financial Years (FY 2020-21 to FY 2023-24) and Actuals (Unaudited) for FY 2024-25 and noted no deviations. Therefore, the Authority proposes to consider the Aeronautical revenue as per Table 28 for True up of the First Control Period.

4.10 True up of Aggregate Revenue Requirement (ARR) for the First Control Period

4.10.1 Based on the above factors and the regulatory building blocks discussed under the above sections, the Authority has derived the ARR for true up of the First Control Period which is enumerated in the table below:

Table 29: ARR proposed by the Authority for True up of the First Control Period

(₹ Crores)

Particulars	Ref.	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB (refer Table 11)	a	134.26	133.90	132.29	132.26	154.19	169.90	

Particulars	Ref.	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
FRoR (refer Table 13)	b	14.00%	13.62%	13.62%	13.62%	13.62%	13.62%	
Return on Average RAB	c = (a) * (b)	18.80	18.23	18.01	18.01	21.00	23.14	98.39
Depreciation (refer Table 10)	(d)	14.31	14.90	12.77	12.45	13.25	15.04	68.42
O&M expenses (refer Table 23)	(e)	41.88	33.85	44.86	48.64	51.36	57.11	235.83
Tax (refer Table 25)	(f)	-	-	-	-	-	-	-
Interest on Working Capital	(g)	1.10	1.04	0.65	-	-	-	1.69
Gross ARR	(h) = (c+ d+ e+ f+ g)	76.08	68.03	76.30	79.11	85.61	95.29	404.33
NAR (refer Table 16)		21.59	8.24	6.11	10.45	11.44	19.14	55.37
Less 30% NAR	(i)	6.48	2.47	1.83	3.13	3.43	5.74	16.61
Net ARR	(j) = (h- i)	69.61	65.56	74.47	75.97	82.18	89.55	387.72
Add: Shortfall of Regulated year FY 2019-20	(k)		51.80					51.80
ARR after considering the shortfall of Regulated year FY 2019-20	l=(j+k)		117.36	74.47	75.97	82.18	89.55	439.52
Actual Aeronautical Revenue (refer Table 28)	(m)	24.17	12.71	47.44	75.96	83.94	90.44	310.49
Under/ (Over) recovery of First Control Period	n=(l-m)	45.44	104.65	27.02	0.02	(1.76)	(0.89)	129.04
Compound Factor	(o)	1.14	1.89	1.67	1.47	1.29	1.14	
Under/ (Over) recovery of First Control Period as on March 31, 2025	(n*o)	51.80	198.14	45.03	0.02	(2.27)	(1.01)	239.91
True up of Under Recovery of First Control Period as on March 31, 2025					239.91			

4.10.2 The Authority has re-computed the under-recovery of ₹ 239.91 Crores in the First Control Period as against ₹ 263.86 crores claimed by AAI and proposes to readjust the same in the ARR computation of the Second Control Period.

4.10.3 The variation between the ARR proposed by the Authority and that claimed by AAI are attributable to following factors:

- Rationalization of O&M expenses such as CHQ/ RHQ expenses for FY 2019-20 for ₹2.58 Crores and interest on borrowing for ₹1.79 Crores for Administration expenses (Other than CHQ/RHQ).
- Rationalization of FRoR, wherein the Authority has derived the same as 13.62% as against 14% claimed by AAI.
- Re-allocation of assets, thereby resulting in reduction of RAB by ₹ 1.82 Crores, leading to reduction in Return on RAB and depreciation.
- Reclassification of Lease land for Hangar from Non-aeronautical to Aeronautical Revenue.

4.11 Authority's proposal regarding True up of the First Control Period

Based on the material before it and its analysis, the Authority proposes the following with respect to true up of the First Control Period for Raipur Airport:

- 4.11.1 To consider capital additions as detailed in Table 9 for true up of the First Control Period.
- 4.11.2 To consider Aeronautical depreciation as mentioned in Table 10 for true up of the First Control Period.
- 4.11.3 To consider RAB as per Table 11 for true up for the First Control Period.
- 4.11.4 To consider FRoR as 13.62% for true up of the First Control Period as per Table 13.
- 4.11.5 To consider the Non-aeronautical revenues as presented in Table 16 for true up of the First Control Period.
- 4.11.6 To consider the O&M expenses as detailed in Table 23 for true up of the First Control Period.
- 4.11.7 To consider actual Aeronautical revenue as per Table 28 for true up of the First Control Period for Raipur Airport.
- 4.11.8 To consider ARR and the Under-recovery as detailed in Table 29 for true up of the First Control Period for Raipur Airport and adjust the shortfall of the First-Control Period in the ARR for the Second Control Period.

EVALUATION OF MYTP FOR THE SECOND CONTROL PERIOD

5 TRAFFIC FOR THE SECOND CONTROL PERIOD

5.1 AAI's Submission on Traffic forecast for the Second Control Period for Raipur Airport

5.1.1 The historical passenger traffic² and ATM at the airport has been shown in the table below:

Table 30: Historical passenger and ATM traffic at Raipur Airport (in numbers)

Year	Domestic Passengers	International Passengers	Total Passenger traffic	Domestic ATM	International ATM	Total ATM
2016-17	13,96,179	-	13,96,179	11,280	-	11,280
2017-18	16,28,134	-	16,28,134	12,802	-	12,802
2018-19	20,28,548	-	20,28,548	16,901	-	16,901
2019-20	21,19,417	-	21,19,417	17,277	-	17,277
2020-21	10,41,070	-	10,41,070	10,635	-	10,635
2021-22	14,07,157	-	14,07,157	15,107	-	15,107
2022-23	22,51,998	-	22,51,998	20,635	-	20,635
2023-24	24,32,118	-	24,32,118	18,890	-	18,890
2024-25	25,72,031	-	25,72,031	20,006	-	20,006

5.1.2 The traffic growth rates (Y-o-Y) and traffic as submitted by AAI for the Second Control Period are as follows:

Table 31: Traffic growth rates and traffic proposed by AAI

Year	Passenger			ATM		
	Domestic	International	Combined	Domestic	International	Combined
Growth rates (based on FY 24-25)						
2025-26	10.00%	-	10.00%	8.00%	-	8.00%
2026-27	10.00%	-	10.00%	8.00%	-	8.00%
2027-28	9.50%	-	9.50%	7.50%	-	7.50%
2028-29	9.50%	-	9.50%	7.50%	-	7.50%
2029-30	9.50%	-	9.50%	7.50%	-	7.50%
Traffic						
2025-26	28,29,234	-	28,29,234	21,606	-	21,606
2026-27	31,12,158	-	31,12,158	23,335	-	23,335
2027-28	34,07,812	-	34,07,812	25,085	-	25,085
2028-29	37,31,555	-	37,31,555	26,967	-	26,967
2029-30	40,86,052	-	40,86,052	28,989	-	28,989

5.1.3 AAI has submitted that the passenger traffic and aircraft movement projections are based on past trends, econometric and regression analysis, and various economic factors including policy framework.

² Source: Traffic News from AAI website

5.2 Authority's examination regarding Traffic for the Second Control Period of Raipur Airport

5.2.1 As part of its examination of AAI's forecast of traffic at Raipur Airport, the Authority calculated Compounded Annual Growth Rate, or CAGR, for passenger traffic and ATM from FY 2020-21 to FY 2024-25 (5-year CAGR) and FY 2022-23 to FY 2024-25 (3-year CAGR).

5.2.2 The CAGR details so computed have been provided in the table below:

Table 32: CAGR for passenger traffic and ATM

Particulars	5-year CAGR	3-year CAGR
Passengers:		
Domestic	25%	7%
International	-	-
ATM:		
Domestic	17%	-2%
International	-	-

5.2.3 The Authority notes that the wide variation in traffic in the recent past, has caused the 5-year CAGR to be the higher for Domestic Passenger Traffic and ATM.

5.2.4 The Authority notes that at Raipur Airport, domestic passenger and ATM traffic have grown at the rate of 5.80% and 5.90% respectively in FY 2024-25 (over previous financial year) and there are no international operations at Raipur Airport.

Traffic forecasts by the Authority

The traffic forecasts have been computed by the Authority, after considering the study and analysis by the following agencies regarding future air traffic demand and same is as follows:

5.2.5 International Air Transport Association (IATA)

IATA in its report on August 29, 2025 had enumerated that:

- *Total demand, measured in revenue passenger kilometers (RPK), was up 4.0% compared to July 2024. Total capacity, measured in available seat kilometers (ASK), was up 4.4% year-on-year. The July load factor was 85.5% (-0.4 ppt compared to July 2024).*
- *International demand rose 5.3% compared to July 2024. Capacity was up 5.8% year-on-year, and the load factor was 85.6% (-0.4 ppt compared to July 2024).*
- *Domestic demand increased 1.8% compared to July 2024. Capacity was up 2.3% year-on-year. The load factor was 85.2% (-0.4 ppt compared to July 2024)..*
- *Asia-Pacific airlines achieved an 8.7% year-on-year increase in demand. Capacity increased 9.0% year-on-year, and the load factor was 83.8% (-0.2 ppt compared to July 2024).*
- *India's domestic market was the sole large market to fall, down 1.3% YoY in July. Yet seat supply rose 1.2% YoY, driving load factor down 2.1 percentage points YoY to 83.0%*
- *Traffic on the Southwest Pacific – Asia corridor was up 5.1% YoY in July, slightly below the industry-wide international RPK increase of 5.3% YoY. Traffic gains between North America and Asia were the lowest among all Asia Pacific corridors in July at 4.0% YoY. Traffic from India, which is the largest origin market from Asia to North America, grew by only 3.0% YoY.*
- *Brazil was once again the strongest performer. Japan's 81.4% load factor is a record high for*

July since at least the year 2000.

Conclusion on traffic forecasts based on the above assumptions

5.2.6 The Authority has taken into consideration the forecast/data published by IATA cited in para 5.2.5 above, which indicate stable domestic passenger growth for India. As per the traffic data for July 2025, the positive outlook has been taken into consideration for determining traffic projections for Raipur Airport, as the Airport had been witnessing steady growth in passenger traffic from FY 2022-23, in the aftermath of COVID-19 pandemic (refer Table 30).

5.2.7 The Authority notes that AAI has projected the following growth rates in traffic

- 9.50%-10% growth for domestic passenger traffic
- 8%-10% growth for domestic ATM

The Authority takes cognizance of the rebounding of domestic passenger traffic in FY 2022-23, where it has reached the pre-COVID levels of FY 2019-20 and the steady growth in the passenger traffic thereafter.

5.2.8 Considering the historical traffic growth trend witnessed at Raipur Airport and the anticipated increase in business activities in the city, the Authority proposes to consider the traffic projections submitted by AAI for the Second Control Period as reasonable. The traffic growth rates and the corresponding traffic for passengers and ATM as considered by the Authority for the Second Control Period have been given in the table below:

Table 33: Traffic proposed to be considered by the Authority for the Second Control Period

Domestic Passengers (in Millions)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI for Raipur Airport	2.83	3.11	3.41	3.73	4.09	17.17
As proposed by the Authority	2.83	3.11	3.41	3.73	4.09	17.17
Y-o-Y growth of Domestic PAX submitted by AAI for Raipur Airport	10.00%	10.00%	9.50%	9.50%	9.50%	
Y-o-Y growth of Domestic PAX proposed by the Authority	10.00%	10.00%	9.50%	9.50%	9.50%	
Domestic ATM (in '000)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Domestic ATM submitted by AAI for Raipur Airport	21.61	23.33	25.09	26.97	28.99	125.98
Domestic ATM proposed by the Authority	21.61	23.33	25.09	26.97	28.99	125.98
Y-o-Y growth of Domestic ATM submitted by AAI for Raipur Airport	8.00%	8.00%	7.50%	7.50%	7.50%	
Y-o-Y growth of Domestic ATM proposed by the Authority	8.00%	8.00%	7.50%	7.50%	7.50%	

Note: Raipur Airport has only Domestic Traffic.

5.2.9 The Authority proposes to true up the traffic as per actuals during the Second Control Period at the time of determination of tariff for the Third Control Period.

5.3 Authority's Proposal regarding Traffic for the Second Control Period

Based on the available facts and analysis thereupon, the Authority proposes the following with regards to traffic forecast for the Second Control Period:

- 5.3.1 To consider the passenger and ATM traffic for the Second Control Period for Raipur Airport as per Table 33.
- 5.3.2 To true up the traffic volume (passenger and ATM) on the basis of actual traffic in the Second Control Period while determining tariff for the Third Control Period.

6 CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE SECOND CONTROL PERIOD

6.1 Background

6.1.1 RAB is one of the fundamental elements in the process of tariff determination. The return to be provided on the RAB constitutes a considerable portion of the Aggregate Revenue Requirement for an Airport Operator. To encourage investment in the airport development and operations, the Airport Operator must be fairly compensated for the capital outlays involved. At the same time, to safeguard the interests of the airport users, it must be ensured that the capital additions are efficient, their needs justified, and the return on investment provided solely on the assets related to the core operations (i.e., Aeronautical services) of the airport.

6.1.2 The Authority while analyzing the Aeronautical Expenditure proposed by AAI for the Second Control Period, has appropriately rationalized the proposed CAPEX taking into cognizance of the essentiality and necessity of the CAPEX which is absolutely required to cater current and future traffic demand for the smooth operations of the Airport, as explained in the following paragraphs.

The Independent Consultant appointed by the Authority has performed an analysis of the submissions made by AAI for Raipur Airport towards Aeronautical Capital Additions, Depreciation and RAB. In this respect, the Independent Consultant has performed the following functions:

- Reviewed construction plan submitted by AAI for Raipur Airport in view of various technical details, Airport Master Plans, BOQs, Letter of Award (LOA), Work Orders etc. of new projects. The Independent Consultant also considered the responses of AAI to the clarification sought in relation with CAPEX plan from time to time.
- Sought documentary evidence and the process of approval of capital addition projects including process for award of various work orders to the contractors, wherever applicable.
- The consultants also made a site visit to Raipur Airport on August 5th and 6th, 2025 focusing specifically on review of current airport operations and proposed airport development plans.

The Authority has carefully reviewed and rationalized capital expenditure projects, ensuring only essential and efficient investments were included in the RAB for the Second Control Period. By examining project details, optimizing capacity, and adjusting capitalization timelines, the Authority aimed to balance sustainable airport operations with the fair aeronautical charges for the Airport users.

AAI's Submission on Capital Expenditure (CAPEX), Depreciation and RAB for the Second Control Period

6.2 Capital expenditure for the Second Control Period

6.2.1 AAI has proposed capital expenditure of ₹ 323.22 Crores (including Financing Allowance) for the Second Control Period for Raipur Airport, which has been summarized in the table below:

Table 34: Summary of Capital Expenditure projects submitted by AAI for Raipur Airport for Second Control Period

(₹ Crores)

Project/ Group	No.	Particulars	Amount
	1	Taxiway / Aprons	101.04

CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE SECOND CONTROL PERIOD

Project/ Group	No.	Particulars	Amount
Capital expenditure proposed for the Second Control Period	2	Roads, Bridges & Culverts	8.58
	3	Building- Terminal	7.11
	4	Building- Residential	16.25
	5	Boundary Wall- Operational	4.04
	6	Other Buildings- Unclassified	31.85
	7	Tools & Equipment	49.47
	8	Electrical Installations	54.61
	9	Furniture & Fixtures- Other than trolley	1.02
	10	X Ray Baggage System	12.10
	11	CFT	11.47
		Capital Expenditure Proposed for the Second Control Period	297.55
IDC			-
Financing allowance (FA)			25.67
Total (including FA)			323.22

Authority's examination of Capital Expenditure (CAPEX) for the Second Control Period

6.2.2 The Authority notes that AAI convened an Airport Users Consultative Committee (AUCC) meeting on August 7, 2025, at Swami Vivekananda Airport, Raipur, for the determination of the Multi Year Tariff Proposal (MYTP) for the Second Control Period (FY 2025-26 to FY 2029-30), with a specific focus on major capital expenditure such as reconfiguration of Terminal Building, construction of AAI Administrative block, Parallel Taxi Track etc. The meeting was attended by representatives from various stakeholders including FIA (Federation of Indian Airlines), Air India, Indigo, CG State Aviation Department, Oil companies (BPCL, HPCL, IOCL), and other airport users. As per the minutes of the meeting dated August 12, 2025, the Authority observes that the Airport Operator had broadly discussed the following points with the stakeholders:

- i. Reconfiguration of the Terminal Building including associated electrical, civil, and airport system works (estimated cost: ₹18.27 Cr)
- ii. Construction of Parallel Taxi Track, Rapid Exit Taxi Track (RET), and Apron for four Code-B type aircraft (estimated cost: ₹114 Cr)
- iii. Construction of AAI Administrative Block (estimated cost: ₹10 Cr).
- iv. Construction of AAI Residential Colony (estimated cost: ₹20 Cr).
- v. Construction of GSE Area inside operational area and traffic lanes in front of Terminal Building

(estimated cost: ₹5.00 Cr).

- vi. Improvisation of Traffic Lanes in front of Terminal Building (estimated cost: ₹5.83 Cr)
- vii. Replacement of ILBS system (estimated cost: ₹10 Cr).
- viii. Construction of Community Centre (estimated cost: ₹8.57 Cr).
- ix. Replacement of Transformer (estimated cost: ₹5.00 Cr).
- x. Provision of A-SMGCS (Advanced Surface Movement Guidance and Control System) (estimated cost: ₹25 Cr).
- xi. Procurement of Airfield Crash Fire Tender (ACFT) (estimated cost: ₹8.64 Cr).
- xii. Procurement of seven Body Scanners (estimated cost: ₹17.50 Cr).
- xiii. Replacement of three Arrival Conveyor Systems (estimated cost: ₹12.00 Cr).

The Authority also notes that observations were made by certain stakeholders during the AUCC meeting. In particular, FIA expressed its support and emphasized the need to work collectively towards strengthening the aviation sector.

6.2.3 The capital additions proposed by AAI for the Second Control Period have been segregated into the following categories, have been presented project wise in the table below:

Table 35: Project wise Capital Expenditure submitted by AAI for Raipur Airport for Second Control Period
(₹ Crores)

S. No	Capital Expenditure Project	Financial Year of Commissioning	Project cost	Financing Allowance	Total Cost
			(includes design, PMC, Pre- operative expenses etc)		
A. Capital Addition projects proposed by AAI for the Second Control Period					
A1	Taxiway/ Apron				
i)	Construction of Parallel Taxi Track (PTT), Rapid-Exit Taxi Track (RET) and Apron for 4 Nos. Code-B type aircraft parking	2028-29	96.04	18.86	114.90
ii)	Construction of GSE area inside Operational Area	2027-28	5.00	0.49	5.49
A2	Roads, Bridges & Culverts				
i)	Improvisation of traffic lanes in front of Terminal Building at S.V. Airport, Raipur.	2025-26	5.83	-	5.83
ii)	Construction of balance portion of new fire approach road at S.V. Airport, Raipur.	2025-26	1.55	-	1.55
iii)	Provision of Kerb stone and foot path along roads on city side of airport at city side of S.V. Airport, Raipur.	2025-26	1.20	-	1.20
A3	Terminal Building				
i)	Renovation of Toilets in NITB at S.V. Airport, Raipur	2025-26	4.78	-	4.78

CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE SECOND
CONTROL PERIOD

S. No	Capital Expenditure Project	Financial Year of Commissioning	Project cost	Financing Allowance	Total Cost
			(includes design, PMC, Pre-operative expenses etc)		
ii)	Reconfiguration of Existing Terminal Building at S.V. Airport, Raipur. SH: Civil Works	2025-26	2.33	-	2.33
A4	Building- Residential				
i)	Construction of AAI residential colony	2029-30	16.67	2.07	18.74
A5	Boundary Wall- Operational				
i)	Property boundary wall on acquired land	2026-27	3.21	-	3.21
ii)	Construction of RCC framed Operational Boundary wall from OTB to Gate no. 04 along with other miscellaneous civil works	2025-26	0.83	-	0.83
A6	Other Buildings- Unclassified				
(i)	Construction of fixed finger & rotunda including associated electrical work for bay no. 06 (Civil Work)	2025-26	1.36	0.14	1.50
(ii)	Passenger boarding bridge to be installed in Rotunda	2025-26	4.50	-	4.50
(iii)	Construction of E&M work shop at S.V. Airport, Raipur	2025-26	3.19	-	3.19
(iv)	Construction of Community Centre at S.V. Airport Raipur. (civil)	2025-26	7.11	0.42	7.53
(v)	Construction of office space adjacent to NITB at S.V. Airport, Raipur.	2025-26	1.45	-	1.45
(vi)	Construction of Emergency Medical Centre at S.V. Airport, Raipur.: CIVIL	2025-26	2.55	-	2.55
(vii)	Mis. Civil work at city side and AAI residential colony.	2025-26	0.88	-	0.88
(viii)	Provision of covered parking (for AAI Staff)	2025-26	0.81	-	0.81
(ix)	Construction of AAI Admin Block	2028-29	10.00	1.18	11.18
A7	Tools & Equipment				
(i)	ETD, DFMD & supply of 10 Nos Hand Held Metal Detector (HHMD)	2025-26	0.97	-	0.97
(ii)	BDDS Equipments	2026-27	1.50	-	1.50
(iii)	Body Scanner	2027-28	17.50	-	17.50
(iv)	SCCTV	2027-28	2.00	-	2.00
(v)	FIDS and PA system	2027-28	2.50	-	2.50

CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE SECOND
CONTROL PERIOD

S. No	Capital Expenditure Project	Financial Year of Commissioning	Project cost	Financing Allowance	Total Cost
			(includes design, PMC, Pre- operative expenses etc)		
(vi)	ASMGCS	2029-30	25.00	-	25.00
A8	Electrical Installations				-
(i)	Reconfiguration of Existing Terminal Building at S.V. Airport, Raipur. SH: electrical work	2025-26	15.33	-	15.33
(ii)	Provision of Runway Turn pad Lights and other associated works at S.V. Airport, Raipur.	2025-26/ 2026-27	4.78	-	4.78
(iii)	Provision of Standby HT Cable for Solar system	2026-27	1.00	-	1.00
(iv)	Construction of Parallel Taxi Track & 4 B Code Apron. SH: Electrical Work	2028-29	10.59	2.09	12.69
(v)	Construction of Community Center at S.V. Airport, Raipur (SH: Electrical Work).	2025-26	1.06	-	1.06
(vi)	Replacement of HT Panel	2027-28	1.50	-	1.50
(vii)	Replacement of Transformer	2028-29	5.00	-	5.00
(viii)	Replacement of Cooling Towers of HVAC System.	2027-28	1.00	-	1.00
(ix)	Replacement of AHU's at S.V. Airport Raipur	2028-29	1.89	-	1.89
(x)	Replacement of Tools and Plants (scissor Lift/ boom lift)	2029-30	1.50	-	1.50
(xi)	Replacement of arrival of conveyor system (03 Nos) total 6 crore for 3 belts	from FY 2027-28 to FY 2029-30 one each year	6.00	-	6.00
(xii)	SITC of 300TR Screw Chiller at S. V. Airport Raipur.	2029-30	2.00	-	2.00
(xiii)	Other Electrical works and replacements	FY 2025-26 to FY 2029-30	2.96	-	2.96
A9	Furniture and Fixtures				
(i)	Construction of Community Centre at S.V. Airport Raipur. Furniture	2025-26	0.40	-	0.40
(ii)	Providing and placing Check-in Counters, Immigration counters, Custom counters etc.	2025-26	0.62	-	0.62
A10	Fire Fighting equipment/ CFT				
(i)	1 ACFT	2027-28	8.64	-	8.64
(ii)	SITC of fire hydrant at NITB parking area and New ATC Tower of S. V. Airport, Raipur.	2025-26	0.33	-	0.33
(iii)	Special repair/ replacement of fire-fighting equipment and fire alarming system at S.V. Airport	2029-30	2.50	-	2.50
A11	X-Ray Baggage System				
(i)	DV XBIS	2025-26	2.10	-	2.10

S. No	Capital Expenditure Project	Financial Year of Commissioning	Project cost	Financing Allowance	Total Cost
			(includes design, PMC, Pre-operative expenses etc)		
(ii)	Inline XBIS	2026-27	10.00	-	10.00
	Capital expenditure proposed for the Second Control Period	TOTAL (A)	297.55	25.67	323.22
Year-wise Capitalisation of Assets is as follows (₹ Crores)					
FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL
63.85	18.69	40.63	147.96	52.09	323.22

6.2.4 The Authority has examined the CAPEX projects submitted by AAI, which is as follows:

A. Capital Addition projects proposed by AAI for the Second Control Period

A1 – Taxiway/ Apron

- i **Construction of Parallel Taxi Track (PTT), Rapid-Exit Taxi Track (RET) and Apron for 4 Nos. Code-B type aircraft parking:** AAI has proposed construction of a PTT along the full length of the runway (3,455 m) with 2 RETs and a new Apron for 4 Code-B aircraft, at an estimated cost of ₹127.59 crore. The project cost includes civil work for ₹ 114.90 Crores (base cost for ₹96.04 Crores and ₹18.86 Crores for Financing allowance) and electrical work of ₹12.69 Crores (base cost ₹10.59 Crores and ₹ 2.09 Crores for Financing Allowance).

Initially, an abstract estimate was provided for this project by the Engineering team, during the site visit conducted by AERA's Independent Consultant. Later, AAI vide its email dated September 19, 2025, had provided a detailed project estimate, which worked out to be ₹115.19 crores (civil work of ₹ 104.05 Crores and electrical work of ₹ 11.14 Crores). The Authority notes that the above estimates include various ancillary works such as drains, perimeter roads, boundary walls, grading, dismantling, electrical works etc., which are presented as follows:

Table 36: Ancillary works included in PTT work for the Second Control Period

Ancillary works included in PTT works	Amount (in ₹ Crores)
Drain	13.25
Perimeter Road	3.34
Security Watch Tower	0.60
Boundary Wall	2.79
Grading Work	9.29
Dismantling	1.61
Electrical	11.14
Total	42.02

The Authority also notes that after excluding the above ancillary works (amounting to ₹42.02 Crores), the balance works amounting to ₹ 73.17 Crores (₹115.19 Crores less ₹42.02 Crores) includes pavement and subgrade works pertaining to PTT, RET and Apron.

The total area of PTT, RET and Apron is 1,56,026 sq m. The Authority, through its Independent Consultant has analyzed the various works included as part of the project cost and has derived the normative cost of pavements for PTT, RET and Apron, based on AERA Guidelines. The same is explained as follows:

Table 37: WPI Inflation adjusted Normative rate (per Sq.m.) considered by the Authority for PTT

Financial Year	Inflation Rate [#]	Inflation adjusted normative rate (in ₹ per sqm)	Inflation adjusted Normative rate (in ₹ per sqm.) incl. GST
FY 2015-16		4,700	4,952
FY 2016-17	1.73%	4,781	5,037
FY 2017-18	2.96%	4,923	5,187
FY 2018-19	4.26%	5,133	5,408
FY 2019-20	1.67%	5,218	5,498
FY 2020-21	1.31%	5,287	5,570
FY 2021-22	7.14%	5,664	5,968
FY 2022-23	9.42%	6,198	6,530
FY 2023-24	0.30%	6,216	6,549
FY 2024-25	2.40%	6,365	6,706
FY 2025-26	1.10%	6,435	6,780
FY 2026-27	2.60%	6,603	6,956
FY 2027-28	2.60%	6,774	7,137
FY 2028-29	2.60%	6,951	7,323
FY 2029-30	2.60%	7,131	7,513

[#] Considered inflation rates as per Results of the Survey of Professional Forecasters on Macroeconomic Indicators – Round 95, published by RBI.

Note:

Inflation adjusted base amount (inclusive of 12% GST) (A) = Rs. 4,700 per sqm

Inflation adjusted base amount (exclusive of 12% GST) (B=A*100/112) = Rs. 4,196 per sqm

Add GST @ 18% (C=B*18%) = Rs. 756 per sqm

Normative cost for FY 2016 including GST (D = B+C) = Rs. 4,952 per sqm

Table 38: Normative cost of pavements considered by the Authority for Raipur Airport

Normative Cost	Details	Estimated Cost (₹ in Crores)
Total Area of PTT, RET and Apron(A)	1,56,026 sq. m	
Normative cost per Sq.m (B) [FY 2028-29]	7,323.00	
Normative cost for PTT, RET and Apron (C)= (A)*(B)		114.26
Cost proposed for Subgrade work (D)		4.62
Total cost for PTT, RET and Apron including Subgrade works (E= C+D)		118.88

Based on the above analysis, the Authority notes that the AAI's estimated pavement cost of ₹73.19 crores is lower than normative cost worked out above as per AERA's order on Normative Cost and same is considered as reasonable.

During the site visit, the AERA's Independent Consultant observed that a small village is

obstructing the alignment of the proposed Parallel Taxi Track (PTT) on the North-East side of the main runway. It is inferred that unless the village is re-located, it would not be feasible to construct or commission the PTT (approx. 1500 m in length), the Rapid Exit Taxiway (RET) at Runway 24 and the associated ancillary works (Refer figure 2 for Master Plan). Normally, to avoid infructuous expenditure, it is essential to ensure availability of the land (without any hinderance), prior to the commencement of the project work. The Authority understands that the State Government had agreed to acquire the required land (approx. 6 acres) and rehabilitate the affected villagers. While the land acquisition process has been completed, the rehabilitation work has not progressed. Due to the above factors, it has been assessed that the implementation of approximately 30% of the planned works would be affected.

Figure 1: Proposed Apron Layout of Raipur Airport

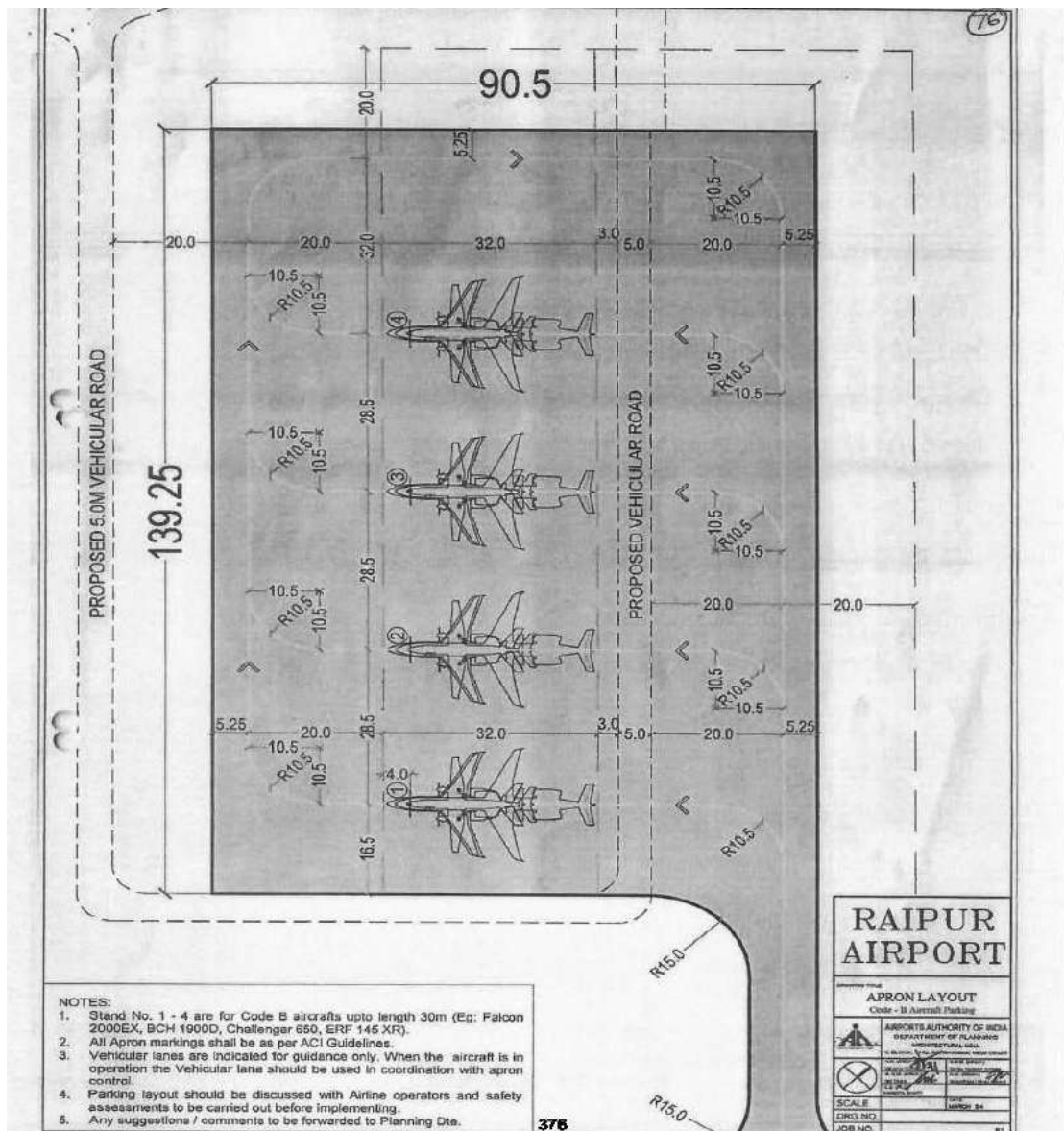


Figure 2: Master Plan of Raipur Airport



Due to the constraints in executing the project on PTT at the North-East side of the main Apron, as mentioned above, it is assessed that the execution of the following works would also be impacted. The costs, as derived from the detailed estimate, are as follows:

Table 39: Cost derived for the PTT work under execution limitations as per the Authority

Particulars	Amount (in ₹ Crores)
PTT of approx. 1500 m length and one RET	24.66
Grading for the basic strip	5.36
Perimeter road in the affected area	0.65
Perimeter wall in the affected area	0.76
Dismantling of existing wall	0.13
Electrical works for part PTT and one RET*	3.34*
Total	34.90

*Cost of hindered electrical works has been worked out as 30% of the cost of total electrical works i.e 30% of Rs 11.14cr = Rs 3.34cr.

Considering the reasonableness of the costs with reference to CPWD and market rates, and taking cognizance of the constraints highlighted above, the Authority proposes to consider capitalization of works amounting to ₹80.29 crores (₹115.19 Crores - ₹34.90 Crores) in FY 2028-29. However, if the works pertaining to the balance CAPEX of ₹ 34.90 Crores are undertaken and executed by AAI in the current Control Period, then the same would be considered by the Authority on incurrence basis, at the time of true up of the Second Control Period, while determining tariff for the Third Control Period, subject to reasonableness of cost.

- ii **Construction of GSE area inside Operational Area:** AAI has proposed ₹5.49 crore, inclusive of ₹0.49 crore Financing Allowance, for development of a GSE parking area of approximately 9,070 sqm near the new apron bays, proposed for capitalisation in FY 2027-28. The Authority notes that the land is low lying, requiring earth filling and retaining walls, and that proper GSE parking is essential for smooth operations of Code C aircraft. Even though no detailed estimate has been submitted by AAI, but considering the terrain and area, the projected cost of ₹5 crores is found to be reasonable; while comparing with similar installations at other airports and therefore, the Authority proposes to consider the CAPEX of ₹ 5 Crores towards construction of GSE area inside operational area for FY 2027-28.

A2- Roads, Bridges & Culverts

- i **Improvisation of traffic lanes in front of Terminal Building:** AAI has proposed the CAPEX of ₹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 Authority notes that AAI has sanctioned ₹5.83 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 Authority, 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 Authority, proposes to consider capitalization of the improvisation of traffic lanes amounting to ₹5.25 Crores (Aeronautical portion after application of TB ratio of 90:10) in FY 2025-26 as per capitalisation schedule submitted by AAI.

- ii **Construction of balance portion of new fire approach road:** AAI had initiated the project of constructing an approach road for connecting fire station to the runway, in the First Control Period. However, the same got foreclosed due to contractual issues and due to absence of the connectivity through the approach road, the newly constructed Fire Station could not be operationalised. Therefore, AAI has now proposed the construction of the approach road, connecting the Fire Station to the runway at an estimated cost of ₹1.55 crores for capitalisation in FY 2025-26.

The Authority, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works carried out by the Airport Operator.

Considering its criticality for aircraft rescue and firefighting operations, the Authority proposes to consider capitalization of construction of balance portion of new fire approach road for ₹1.55 crores in FY 2025-26.

- iii **Provision of kerb stone and foot path along roads on city side of airport at city side:** AAI has projected CAPEX of ₹1.20 crores towards provision of kerb stone and construction of a footpath along the city side roads of the airport, for capitalization in FY 2025-26. The Authority notes that the work is already in progress and nearing completion.

The Authority, 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 Authority proposes to apportion the project cost in Terminal Building ratio of 90:10 (Aeronautical: Non-Aeronautical). Accordingly, the Authority proposes to consider the cost of this project as ₹1.08 Crores for capitalisation in FY 2025-26.

A3- Terminal Building

- i **Renovation of Toilets in NITB-** AAI has proposed renovation of toilets at an estimated cost of ₹4.78 crores, for capitalization in FY 2025-26. Administrative Approval and Expenditure Sanction (AA&ES) has been granted on February 25, 2025 for ₹4.78 Crores, covering both civil and electrical works.

The Authority, 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 Authority, 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 Authority has considered the

capitalization of this project in FY 2026-27. The Authority 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 Authority proposes to consider capitalization of renovation of Toilets amounting to ₹4.31 crores in FY 2026-27.

- ii **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 ₹18.27 crores (Civil – ₹2.33 crores, Electrical – ₹15.33 crores, Additional Counters – ₹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 Authority 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 Authority 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.

A4- Building- Residential

i Construction of Residential Colony

AAI has projected ₹18.74 Crores for Construction of Residential Colony, which includes the base cost of ₹16.25 Crores and Financing Allowance of ₹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.

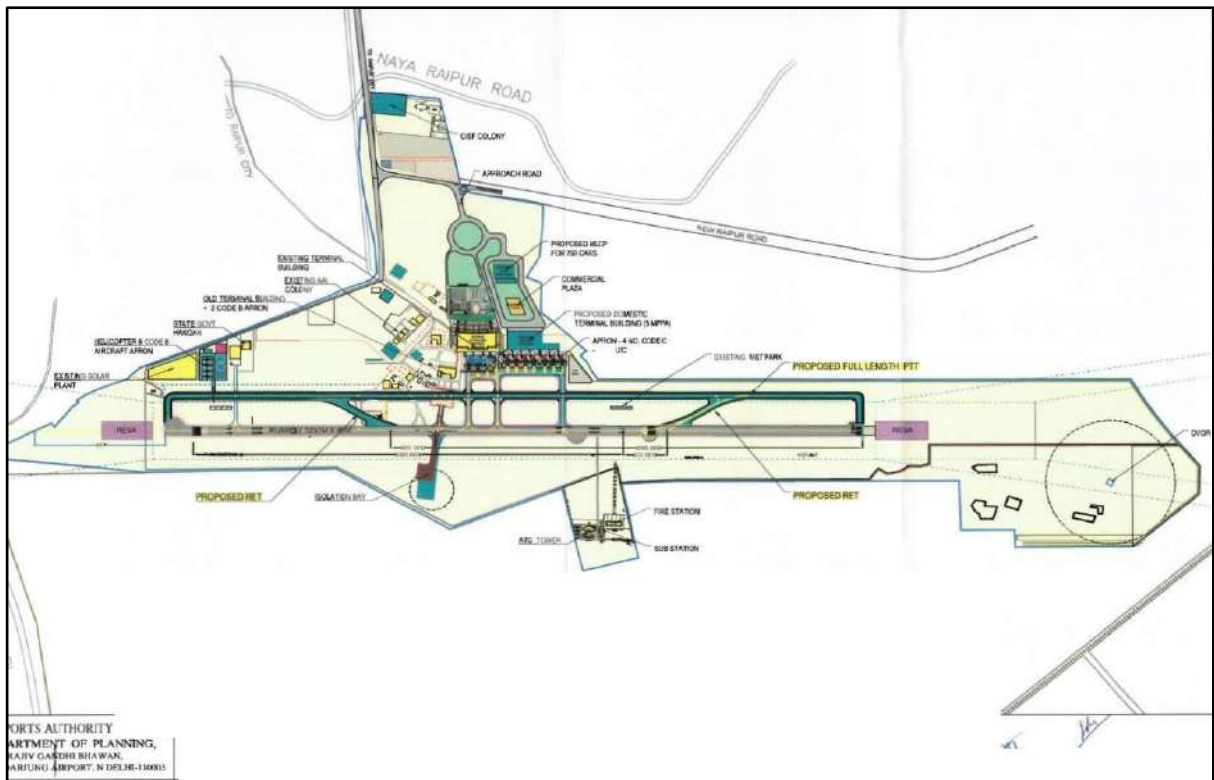
The Authority, through its Independent Consultant, observed that AAI has not prepared a conceptual plan for the proposed colony. Considering the standard timelines required for design, approvals and construction, it is unlikely that the project can be completed and commissioned within the current Control Period. Therefore, the Authority 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.

A5- Boundary Wall- Operational

- i **Property boundary wall on acquired land-** AAI has projected an expenditure of ₹3.21 crores on this project for capitalization in FY 2026-27. The work was awarded in September 2024 and land demarcation has been completed in coordination with the State Government officials, though the physical work is yet to be commenced.

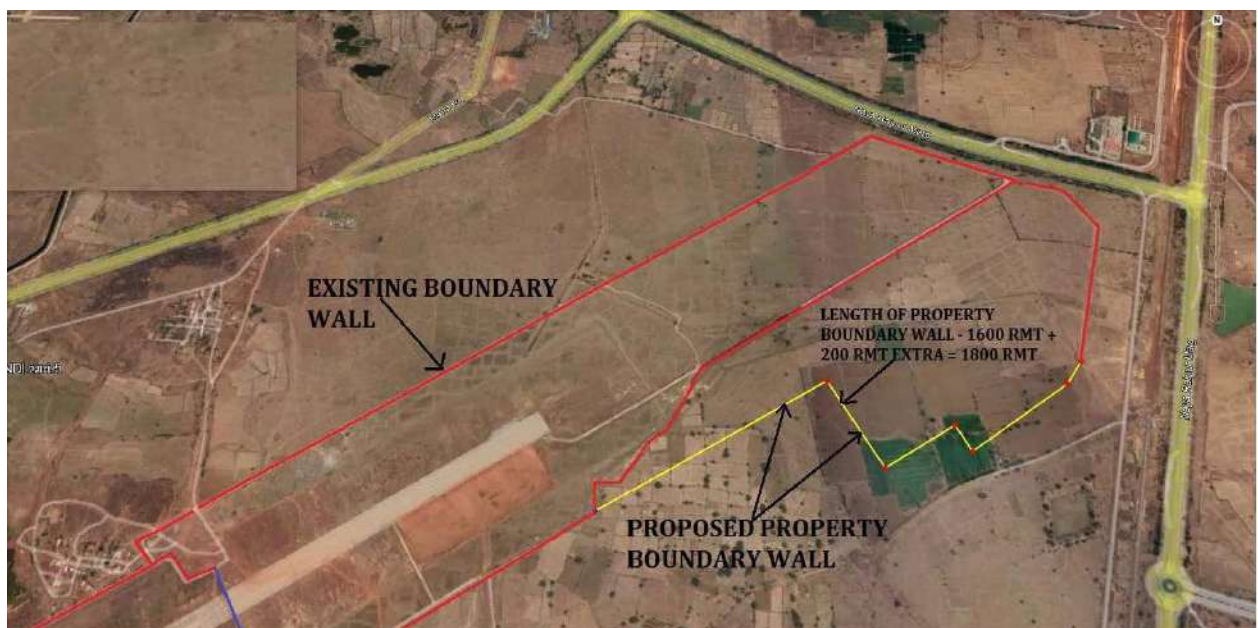
It is noted that although the runway extension from 2,286 m to 3,250 m was completed in 2020, the operationalisation was delayed due to the absence of an operational wall around the extension area as shown in the figure below.

Figure 4: Operational Boundary Wall



Construction of the wall could not be undertaken earlier as some pockets of land on the north-east side were not handed over by the State Government due to disputes with landowners/villagers. To operationalise the extended runway, an operational wall was constructed in August 2024, enabling installation of the Approach Light System (ALS) and RESA, thereby facilitating the commissioning of the extended runway.

Figure 5 Proposed Boundary wall



Subsequently, the State Government has handed over the remaining land parcels. AAI now proposes to construct a boundary wall of approximately 1,800 m length at the north-east corner (marked in yellow in the part plan) with operational wall specifications. Once completed, the portion of the existing operational wall within the operational area (adjacent to the proposed DVOR location) would be dismantled, and the land would be merged into the operational area.

The Authority, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and the tendering for the above works have been verified. Further, considering that this work is essential from an operational perspective, the expenditure is classified as aeronautical. The projected cost of ₹3.21 crore is found to be reasonable with reference to CPWD rates and therefore, the Authority proposes to consider capitalization of property boundary wall amounting to ₹3.21 crores in FY 2026-27.

- ii Construction of RCC framed Operational Boundary wall from OTB to Gate no. 04 along with other miscellaneous civil works-** AAI has projected ₹0.83 crores towards construction of RCC framed operational boundary wall, for capitalisation in FY 2025-26. The scope of work includes construction of a 90 m operational boundary wall, a loader's toilet near Bay no. 03, paving of approximately 700 sqm area along the boundary wall near Bay no. 03, and laying of 100 m RCC hume pipe (450 mm dia) for drainage along the boundary wall.

Further, the Authority, through its Independent Consultant, has conducted a site visit and notes that the project work, which is currently under progress is nearing completion.

The estimated cost is found to be reasonable with respect to CPWD norms and prevailing market rates. Since the works are directly related to airport operations, the expenditure is classified as aeronautical and therefore, the Authority proposes to consider the capitalization of RCC framed Operational Boundary wall amounting to ₹0.83 crore, in FY 2025-26.

A6- Other Buildings- Unclassified

- i Construction of fixed finger & rotunda including associated electrical work for bay no. 06 (Civil Work)** - AAI has proposed construction of a fixed finger and rotunda for installation of a Passenger Boarding Bridge (PBB) at Bay No. 06, at an estimated cost of ₹1.67 crore (which includes Civil work of ₹1.50 crore and electrical work for ₹0.17 crore), with capitalization in FY 2025-26.

The Authority notes that AAI has proposed a sum of ₹ 1.50 Crores for civil works, which includes the base cost of ₹ 1.36 Crores and financing allowance of ₹0.14 crores. At present, two PBBs are functional and one more is ready for commissioning. Considering the traffic growth at Raipur Airport, provision of an additional PBB at Bay No. 06 is feasible and necessary for passenger facilitation. The Authority further notes that the base cost of ₹1.53 Crores is reasonable, as compared to prevailing market rates and also in line with the AA&ES. Further, the Aviation Expert of the Independent Consultant has verified the above aspects, as part of the Airport site visit and observed the work has already been completed and has noted that Airport Operator has followed tendering process for awarding the work.

Accordingly, the Authority proposes to consider the Construction of Fixed Finger & Rotunda including Associated Works for Bay No. 06 at a cost of ₹1.36 crore for Civil work and ₹ 0.17 Crores for Electrical works for capitalization in FY 2025-26.

- ii Passenger boarding bridge to be installed in Rotunda** – AAI has proposed installation of a Passenger Boarding Bridge (PBB) connecting to the rotunda at an estimated cost of ₹4.50 crores

for capitalization in FY 2025-26.

The Authority, through its Independent Consultant, has verified the reasonableness of the estimated cost of this project i.e., ₹4.25 Crores as per prevailing market rates. While the fabrication of the PBB is still under progress, the civil and electrical works for the rotunda have almost been completed. The Independent Consultant has verified the tendering process and reviewed the award letters issued for these works. Considering the current progress of the based on review by the Aviation Expert of the Independent Consultant, the Authority proposes to consider the capitalisation of Passenger Boarding Bridge to Rotunda amounting to ₹4.25 crores, in FY 2026-27.

iii Construction of E&M workshop- AAI has proposed construction of an Electrical & Mechanical (E&M) Workshop at an estimated cost of ₹3.19 crores, for capitalization in FY 2025-26.

The Authority notes that at present, there is no standard E&M workshop at the airport. With the projected growth in traffic, the number of ACFT and other essential vehicles, equipment is expected to increase, thereby necessitating a dedicated E&M workshop. It is observed that while civil work has been awarded, the electrical work is yet to be awarded. Considering the project timelines, the Authority is of the view that the work can be completed only in FY 2026-27.

The Authority, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and notes that the tendering process for the above works have been completed by the Airport Operator and the estimated cost of ₹3.19 Crores appears to be reasonable with reference to CPWD norms and prevailing market rates.

Accordingly, the Authority proposes to consider the construction of E&M Workshop at a cost of ₹3.19 crore for capitalization in FY 2026-27.

iv Construction of Community Centre

AAI has proposed construction of a three-storeyed Community Centre with facilities such as retiring rooms, a function hall and badminton court, at an estimated cost of ₹8.99 crore (inclusive of Financing Allowance of ₹0.42 crore) for capitalization in FY 2025-26. Out of the above total cost of ₹ 8.99 Crores, the civil works amounts to ₹ 7.53 Crores (which includes Financing Allowance of ₹0.42 Crore) and ₹0.40 Crores for Furniture, and ₹ 1.06 Crores for Electrical works for community centre.

The Authority notes that at present there is no Community Centre at the airport for AAI staff. However, the facility is primarily intended for employee welfare and not directly linked to aeronautical operations. Further, considering the current progress, the Authority is of the view that the work can be completed only in FY 2026-27. AAI has proposed to treat the entire cost as Aeronautical, however, as the facility caters to all AAI staff including ANS personnel, the Authority proposes to apportion the project cost in the Employee ratio of 57.94:42.06 (Aeronautical: Non-Aeronautical), after excluding the personnel.

The Authority, after excluding the Financing Allowance of ₹0.42 Crores and apportioning the cost in the employee ratio, proposes to consider ₹4.97 Crores towards the Construction of the Community Centre for capitalization in FY 2026-27. Out of the above total costs, ₹4.12 Crores is allocated to Civil Works, ₹0.23 Crores to Furniture, and ₹0.61 Crores to Electrical Works.

v Construction of office space adjacent to NITB -

AAI has proposed the project on reconfiguration of terminal building, due to which the office

space for airlines and some AAI departments would get disrupted. To address these concerns, AAI proposed construction of an Annex building (approx. 240 sqm) adjacent to the NITB, at an estimated cost of ₹1.59 crore (which includes ₹1.45 crore for civil work and ₹0.14 crore for electrical works) for capitalization in FY 2025-26.

The Independent Consultant of the Authority has examined the above CAPEX after reviewing the award letters issued for these works and tendering process undertaken by the Airport Operator. Further, the Independent Consultant as part of site visit, has noted that both civil and electrical works are in progress and expected to be completed within the proposed timeline. The cost estimate is found to be reasonable with reference to CPWD norms and prevailing market rates.

It is observed that AAI has considered the cost of the said asset as fully Aeronautical. However, since the office space is functionally linked to the Terminal Building, the Authority proposes to re-allocate the project cost, in the Terminal Building ratio of 90:10 (refer Para 6.2.6). Accordingly, the Authority proposes to consider the construction of Office Space adjacent to NITB at a cost of ₹1.43 Crores (includes ₹1.30 Crores for civil and ₹0.13 Crores for electrical) for capitalization in FY 2025-26.

vi Construction of Emergency Medical Centre -

AAI has proposed construction of an Emergency Medical Centre at an estimated cost of ₹2.95 crore (which includes Civil work of ₹2.55 Crores and electrical cost of ₹0.40 Crore), for capitalization in FY 2025-26.

The Authority notes that establishment of a Medical Centre is an operational requirement for passengers. However, the work is yet to be awarded and considering the nature of work and the current status of the project, based on the site visit undertaken by the Aviation Expert, it is assessed that the work can be completed only in FY 2026-27. The cost estimate for the project is found to be reasonable as per CPWD norms. Accordingly, the Authority proposes to consider the Construction of Emergency Medical Centre at a cost of ₹2.95 crore for capitalization in FY 2026-27.

vii Miscellaneous Civil work at city side and AAI residential colony.

AAI has proposed miscellaneous civil works such as concrete pavement (approx. 720 sqm), cattle catchers, movable Mild Steel barricades, and retro-reflective signages at an estimated cost of ₹0.88 crores, for capitalization in FY 2025-26.

The Authority, through its Independent Consultant, has verified the status of the work along with the tendering process undertaken by AAI and the cost estimate is found to be reasonable with reference to CPWD norms. As these works are undertaken on the city side of the Terminal Building, for catering to the passengers and other stakeholders, the Authority considers this project as a common facility and proposes to apportion the project cost, in the Terminal Building ratio of 90:10.

Accordingly, the Authority proposes to consider the Miscellaneous Civil Works at City Side and AAI Residential Colony at a cost of ₹0.79 crore for capitalization in FY 2025-26.

viii Provision of covered parking for AAI Staff

AAI has proposed provision of covered parking facilities near the new ATC Tower, Old Terminal Building, and Electrical Office at an estimated cost of ₹0.81 crore, for capitalization in FY 2025-26.

The Authority notes that the said project addresses genuine operational and welfare requirements, particularly for staff posted at the ATC Tower and administrative offices. It is observed that the newly constructed ATC Tower and Technical Block, commissioned in 2021, does not have a covered parking facility, while the existing car parking facility is located around 5 km away from the new ATC Tower. This has caused significant hardship, especially for lady staff, owing to security concerns and extreme weather conditions. From the layout, it is further observed that approximately 40% of the facility caters to ANS staff. Accordingly, only 60% of the expenditure is attributable to aeronautical purposes.

The Authority through its Independent Consultant, during the site visit has observed that about 50% of the work has been completed and the balance is expected to be completed within FY 2025-26 itself. Therefore, the Authority proposes to consider the Provision of Covered Parking Area at a cost of ₹0.49 crore for capitalization in FY 2025-26.

Figure 6: Proposed Covered Parking for New ATC Tower

PROPOSED COVERED PARKING: NEW ATC TOWER



Figure 7: Proposed Covered Parking for near Staff canteen

PROPOSED COVERED PARKING: NEAR STAFF CANTEEN



Figure 8: Proposed Parking Area near Electrical office

PROPOSED COVERED PARKING: NEAR ELECTRICAL OFFICE



- ix **Construction of AAI Admin Block-** AAI has proposed construction of a new Administrative Block at an estimated cost of ₹11.18 crore (which includes the base cost of ₹ 10 Crores and Financing Allowance of ₹ ₹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 Authority 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 Authority 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.

A7- Tools & Equipment

- i ETD, DFMD & supply of 10 Nos Handheld Metal Detector (HHMD)-** AAI has projected procurement of Explosive Trace Detectors (ETDs), Door Frame Metal Detectors (DFMDs) and Hand-Held Metal Detectors (HHMDs), with an estimated outlay of ₹ 0.97 Crores and the same is as follows:

- ₹0.60 crore in FY 2025-26 for 4 nos. ETDs
- ₹0.30 crore in FY 2028-29 for 2 nos. ETDs
- ₹0.04 crore for 2 nos. DFMD and ₹0.03 Crores for 10 nos. HHMDs

The Authority notes that the above assets are essential security equipment required at the pre-embarkation security check, access gates and alongside X-BIS. The Independent Consultant of the Authority has examined the proposed CAPEX by reviewing the award letters issued for these works and the tendering process undertaken by the Airport Operator.

The projected cost is found to be reasonable with respect to prevailing market rates. Accordingly, the Authority proposes to consider CAPEX of ₹ 0.97 Crores towards the procurement of ETDs, DFMDs and HHMDs, as proposed by AAI.

ii BDDS Equipment:

AAI has proposed ₹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 Authority is unable to examine the reasonableness of the proposed cost. Accordingly, the Authority proposes to consider the BDDS equipment replacement cost of ₹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.

iii Body Scanner-

AAI has projected ₹17.50 crore towards procurement of 7 numbers of Full Body Scanners (FBS). The Authority 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 ₹5 crore is reasonable, as compared to the cost incurred by other similar airports. Hence, the Authority proposes to consider the procurement of 2 numbers. Body Scanners at a cost of ₹5 crore for capitalisation in FY 2027-28.

iv SCCTV-

AAI has projected ₹2.00 crore in the MYTP towards replacement/augmentation of Security CCTV (SCCTV) systems for capitalisation in FY 2027-28. The Authority 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 Authority proposes to consider the SCCTV system at a cost of ₹2.00 crore for capitalisation in FY 2027-28.

v FIDS and PA system

AAI has projected ₹1.50 crore towards Flight Information Display System (FIDS) and ₹1.00 crore towards Public Address (PA) system for capitalisation during the Control Period. As AAI informed that these works are linked with the reconfiguration of the Terminal Building, which is yet to be finalised. Accordingly, the Authority proposes to consider the procurement of FIDS (₹1.50 crore) and PA system (₹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.

vi ASMGCS (Advanced Surface Movement Guidance and Control System)

AAI has proposed implementation of Advanced Surface Movement Guidance and Control System (ASMGCS) for ₹ 25 Crores in FY 2029-30. The Authority notes that ASMGCS provides routing, guidance and surveillance for the safe control of aircraft and vehicles on the manoeuvring operational area and is generally required at airports with high traffic volume, multiple runways/taxiways or frequent low-visibility conditions. The system is under the operational control of ANS/CNS services, though some infrastructure overlaps with airport systems. It is further noted that in MYTP submissions of other airports (e.g., Amritsar, Lucknow), ASMGCS cost was not considered as part of RAB for determination of aeronautical tariff. Upon enquiry, AAI vide e-mail dated September 18, 2025 has confirmed that the same approach will be followed here. Accordingly, the Authority does not propose to include ASMGCS for ₹ 25 Crores in the CAPEX for the Second Control Period.

A8- Electrical Installation

- i Provision of Runway Turn pad Lights and other associated works** - AAI has projected ₹4.78 crore in the MYTP towards provision of Runway Turn Pad Lights and associated works as follows:
 - a) Provision of Runway Turn pad Lights and other associated works** - AAI has projected ₹2.38 crore towards provision of Runway Turn Pad Lights and associated works. The Authority notes that DGCA, in its surveillance inspection of Raipur Airport in 2023, has pointed out non-compliance with CAR requirements, stating specifically that Runway Turn Pad Lights should be provided on turning pads intended for night operations. To comply with the DGCA's directive and to resolve the non-compliance, AAI prepared an estimate and obtained AA & ES approval for ₹2.38 crore while the actual completion cost is ₹1.84 Crores. Based on the statutory requirement and actual cost incurrence, the Authority proposes to consider this CAPEX as ₹1.84 Crores for capitalisation in FY 2025-26.
 - b) Replacement of Conventional Halogen Type Runway Lights with LED Lights-** AAI has projected ₹1.00 crore in the MYTP and proposed to capitalise the same in FY 2026-27. Considering the operational and energy efficiency benefits and reasonableness of the cost based on prevailing market rates, the Authority proposes to consider the cost estimate for this

work, which is ₹ 1.00 Crores for capitalisation in FY 2026-27 as per AAI's proposal.

- c) **Replacement of Runway Cable (Edge Lights)-** AAI has proposed ₹1.00 crore towards replacement of existing runway cables, for capitalisation in FY 2026-27. The replacement has been recommended from a safety perspective. The Authority, therefore, proposes to consider the projected cost of ₹1.00 crore for capitalisation in FY 2026-27.
- d) **Replacement of PAPI for Runway 06-** AAI has projected ₹0.10 crore in the MYTP for replacement of the existing PAPI system and proposed to capitalize it in FY 2025-26. However, it is noted that AA&ES has not been granted as on date and considering the complexities involved in operationalizing the PAPI system, the Authority proposes to shift the year of capitalisation of this project (amounting to ₹ 0.10 Crores) to FY 2026-27.
- e) **Provision of Simple Approach Lighting System (SAPL) for Runway 06-** In compliance with DGCA's Civil Aviation Requirements, one approach lighting system is required to be available at both runway ends for night operations. While CAT II Approach Lighting System has been provided for Runway 24, Runway 06 did not have such provision earlier due to obstacles in the approach path. With the removal of these obstacles, AAI has proposed to install SAPL for Runway 06 at a projected cost of ₹0.30 crore in the MYTP, for capitalisation in FY 2026-27. A detailed estimate of ₹0.20 crore has since been prepared, which is found to be reasonable. The Authority, therefore, proposes to consider capitalisation of ₹0.20 crore in FY 2026-27.

Based on the above and considering the statutory requirement and the actual completion cost of the work, the Authority proposes to consider the provision of Runway Turn Pad Lights and associated works at a cost of ₹4.14 crores (₹1.84 Cr.+₹1 Cr.+ ₹1 Cr.+₹0.10 Cr. + ₹0.20 Cr.) as mentioned above.

- ii **Provision of Standby HT Cable for Solar system -** AAI has proposed ₹1.00 crore in the MYTP towards provision of a standby HT cable for the Solar Power System, for capitalisation in FY 2026-27. The Authority notes that the existing main HT cable has been damaged, and its failure results in loss of electricity generated by the solar plant. Provision of a standby cable will enhance reliability in utilisation of solar power, and the work is justified from an environmental management perspective. The Independent Consultant has reviewed the detailed estimate for this work, which amounts to ₹0.82 crore and the same is found to be reasonable, with reference to market rates. Accordingly, the Authority proposes to consider ₹0.82 crores for provision of standby HT cable, for capitalisation in FY 2026-27.
- iii **Replacement of HT Panel-** AAI has proposed replacement of the existing HT Panel (commissioned in 2011) at a cost of ₹1.50 crore, for capitalisation in FY 2027-28. The Authority notes that the existing panel, equipped with SF6 Circuit Breaker, has outlived its useful life. Replacement with the latest upgraded system will improve power supply reliability and reduce breakdowns. The proposed cost of ₹1.50 crore is considered to be reasonable, in line with prevailing market rates. Accordingly, the Authority proposes to approve the replacement of HT Panel at a cost of ₹1.50 crore for capitalisation in FY 2027-28.
- iv **Replacement of Transformer -** AAI has proposed replacement of the existing 1500 KVA transformer (commissioned in 2011) with a 2000 KVA transformer at a cost of ₹5.00 crore, for capitalisation in FY 2028-29. The Authority notes that the useful life of the existing transformer is over and capacity augmentation is required due to increased contract demand arising from facilities such as international cargo, domestic cargo, and community centre. The proposed cost

of ₹5.00 crore is found to be reasonable, when compared with prevailing market rates. Accordingly, the Authority proposes to approve the replacement of transformer at ₹5.00 crore for capitalisation in FY 2028-29.

- v **Replacement of Cooling Towers of HVAC System-** AAI has proposed replacement of the existing cooling towers of the HVAC system at a cost of ₹1.00 crore, with capitalisation in FY 2027-28. The Authority notes that the existing cooling towers have completed their useful life, and additional capacity is also required to improve cooling efficiency in the terminal building. The estimated cost for the above work proposed by AAI is considered reasonable, in line with market rates. However, the Authority proposes to apportion the estimated cost in respect of Replacement of Cooling Towers of HVAC in Terminal Building Ratio of 90:10.

Accordingly, the Authority proposes to consider the replacement of HVAC cooling towers at an estimated cost of ₹ 0.90 crore (Aeronautical portion) for capitalisation in FY 2027-28.

- vi **Replacement of AHU -** AAI has projected ₹1.89 crore (Aeronautical portion) for replacement of Air Handling Units (AHUs), for capitalisation in FY 2028-29, which is apportioned in ratio of 94.56:5.44(Aeronautical: Non-Aeronautical) by AAI. The Authority notes that the existing AHUs, installed in 2011, have already outlived their life span of seven years. Replacement with energy-efficient AHUs of latest technology will enhance cooling efficiency in the terminal building. The estimated cost is found to be reasonable, in line with prevailing market rates. Accordingly, the Authority proposes to approve the replacement of AHUs at ₹1.80 crore (Aeronautical portion), after re-allocating the CAPEX in Terminal Building ratio of 90:10 (Aeronautical: Non-Aeronautical) for capitalisation in FY 2028-29.
- vii **Replacement of Tools and Plants (scissor Lift/ boom lift) -** AAI has projected ₹1.50 crore for procurement of a new boom lift, for capitalisation in FY 2029-30. The Authority notes that the existing boom lift, procured in 2015, has become obsolete and spare parts are no longer available, rendering it as unsafe for operations. The proposed cost of ₹1.50 crore is found to be reasonable with respect to market rates. Accordingly, the Authority proposes to approve procurement of a new boom lift at ₹1.50 crore for capitalisation in FY 2029-30.
- viii **Replacement of arrival of conveyor system -** AAI initially projected ₹6.00 crore in the MYTP for replacement of three conveyor belts (arrival area) over FY 2027-28 to FY 2029-30. The Authority 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 ₹4.94 crore. The revised cost is reasonable with respect to market rates. Accordingly, the Authority proposes to approve replacement of two conveyor belts at a total cost of ₹4.94 crore over FY 2028-29 and FY 2029-30.
- ix **SITC of 300TR Screw Chiller-** AAI has projected ₹2.00 crore in the MYTP for installation of a 300 TR Screw Chiller, for capitalisation in FY 2029-30. The Authority notes that the proposal has been revised recently, with a detailed estimate being prepared by AAI for ₹0.60 crore. The requirement arises from increased passenger occupancy in the terminal building and the need to maintain optimal cooling during peak summer. Since the chiller serves the terminal building, the CAPEX is further apportioned in the Terminal Building ratio of 90:10. Considering that the revised cost as reasonable with reference to market rates, the Authority proposes to approve installation of a 300 TR Screw Chiller at ₹0.54 crore (Aeronautical portion) for capitalisation in FY 2029-30.

x Other Electrical works and replacements –

- (a) **SITC of K4 crash rated blocking bollard, Boom Barrier and hydraulic Tyre Killer-** AAI has proposed SITC of one bollard, one tyre killer and one boom barrier at Gate No. 04 of Raipur Airport at an estimated cost of ₹0.61 crore for capitalisation in FY 2025-26. The Authority notes that BCAS, vide addendum dated 28 Feb 2024, has included crash-rated boom barriers in the minimum standards for civil aviation security equipment. Considering this requirement, the Security Department raised the necessity for installation of K4 rated bollards (capable of stopping 15,000 lb vehicles at 30 mph within one metre penetration), boom barrier and tyre killer.

The Authority, through its Independent Consultant has examined the proposed CAPEX, by reviewing the award letters and the tendering process undertaken by the Airport Operator. The work is in progress and expected to be completed in FY 2025-26. The estimated cost of ₹0.61 crore is found to be reasonable, in line with market rates. Accordingly, the Authority proposes to approve SITC of K4 crash-rated bollard, boom barrier and hydraulic tyre killer at a cost of ₹0.61 crore for capitalisation in FY 2025-26.

- (b) **Replacement of Insulating Mat of substation-** AAI has projected ₹0.10 crore, towards replacement of insulating mat of the substation, for capitalisation in FY 2026-27. The Authority notes that the work is an essential safety requirement and fully aeronautical. The estimated cost of ₹0.10 crore is reasonable, in line with the market rates. Accordingly, the Authority proposes to approve replacement of insulating mat at a cost of ₹0.10 crore for capitalisation in FY 2026-27.
- (c) **Provision of Aerosol Fire Fighting Works in LT Panel -** AAI has projected ₹0.46 crore towards provision of aerosol-based fire suppression system in LT Panels at CNS/ATM installations. The Authority notes that as per AAI's CNS Circular 03/2023, unmanned CNS/ATM equipment sites are required to be equipped with gaseous fire suppression systems suitable for electronic equipment, to prevent residue and damage. The work has already been taken up in ILS and DVOR buildings. Since the proposal pertains to ANS installations, the Authority proposes not to consider the same as part of Aeronautical CAPEX.
- (d) **Provision of Surge Arrester in New CCR Room-** AAI has projected ₹0.10 crore towards provision of a surge arrester in the new CCR room, for capitalisation in FY 2026-27. The Authority notes that installation of surge arrester is essential to safeguard the costly CCR unit and airfield lighting systems from sudden voltage spikes. The Authority, through its Independent Consultant has examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above work undertaken by the Airport Operator. Accordingly, the Authority proposes to approve provision of surge arrester in CCR room at a cost of ₹0.10 crore for capitalisation in FY 2026-27.
- (e) **Provision of Remote Cable for High Mast -** AAI has projected ₹0.15 crore towards provision of remote cable connection to apron high mast lights, for capitalisation in FY 2025-26. The Authority notes that the work is essential for enabling remote operations from the control tower and the projected cost is reasonable with reference CPWD norms. However, it is noted that currently AA&ES has not been granted for this project and therefore the Authority, proposes to shift the year of capitalisation to FY 2026-27. Accordingly, the Authority proposes to consider provision of remote cable for high mast at a cost of ₹0.15 crore for capitalisation in FY 2026-27.

- (f) **Individual LT connection in AAI residential staff Quarters-** AAI has projected ₹0.55 crore in the MYTP towards provision of individual LT connections to AAI residential staff quarters, for capitalisation in FY 2026-27. The Authority notes that the work is justified, as individual LT connections reduce maintenance burden, ensure independent billing per household and shift responsibility for equipment upkeep to the utility provider.

Since ANS staff are also accommodated in the colony, the Authority proposes to apply Quarters ratio for determining the Aeronautical CAPEX. Accordingly, out of ₹0.55 crore, an amount of ₹0.46 crore has been apportioned towards aeronautical activities. The Authority proposes to consider provision of individual LT connections in residential staff quarters amounting to ₹0.46 crores, for capitalisation in FY 2026-27.

- (g) **Replacement of Split AC's Tower AC's / Cassette Ac etc-** AAI has projected ₹0.35 crore towards replacement of individual AC units, proposed for capitalisation in FY 2029-30. The Authority notes that while replacement of AC units is required once they outlive their useful life, AAI has not provided details such as location and type of ACs to be replaced. Accordingly, the Authority proposes to consider this CAPEX on actual incurrence basis, at the time of true up of Second Control Period, subject to efficiency and reasonableness, while determining tariff for the Third Control Period.
- (h) **Replacement of Fans and Fixtures in CISF Barrack-** AAI has projected ₹0.02 crore for replacement of fans and fixtures in the CISF barrack. The Authority notes that the work is minor but necessary for welfare of security personnel. Accordingly, the Authority proposes to approve the replacement of fans and fixtures in CISF barrack at a cost of ₹0.02 crore as projected.

A9 Fire Fighting equipment/ CFT

- i **ACFT** - AAI has proposed procurement of one Aircraft Crash Fire Tender (ACFT) of 10,000-litre water capacity at a projected cost of ₹8.64 crore, for capitalisation in FY 2027-28. The Authority notes that the Ministry of Civil Aviation has identified Raipur Airport among airports to be upgraded for handling VVIP Aircraft B-777-300 ER. To ensure safe operations of such aircraft, augmentation of firefighting capabilities through an additional ACFT is essential. The Independent Consultant has verified the tender floated by AAI on March 28, 2025 and the proposed CAPEX cost amounting to ₹8.64 crores, is found to be reasonable, with reference to prevailing market rates. Accordingly, the Authority proposes to consider the procurement of one ACFT at a cost of ₹8.64 crore for capitalisation in FY 2027-28.
- ii **SITC of fire hydrant at NITB parking area and New ATC Tower-** AAI has projected ₹0.33 crore in the MYTP for provision of a Fire Hydrant system at the NITB parking area and the New ATC Tower, for capitalisation in FY 2025-26.

The Authority notes that this CAPEX is necessary as Fire Department of Chhattisgarh, while issuing the Fire Safety Certificate, recommended installation of hydrants at these locations. Further, it is noted AAI has reduced 10% of the estimated cost of ₹0.37 crore towards the New ATC Tower, since it falls under ANS, thereby projecting ₹0.33 crore. The Authority notes that this project does not fall under aeronautical CAPEX, as the parking area of the Terminal Building is considered as non-aeronautical and proposes to disallow the same and proposes to not consider SITC of fire hydrant at NITB parking area and New ATC Tower as part of Aeronautical CAPEX for the Second Control Period.

- iii **Special repair/ replacement of fire-fighting equipment and fire alarming system-** AAI has proposed ₹2.50 crores towards special repair/replacement of certain firefighting installations and fire alarm systems, for capitalisation in FY 2029-30. The Authority 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 Authority 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.

A10 X-Ray Baggage System

- i **DV XBIS** - AAI has proposed ₹2.10 crore towards SITC of 4 RB and 2 HB Dual View XBIS to replace the existing Single View XBIS, for capitalisation in FY 2025-26. The Authority notes that replacement is necessary to comply with Aviation Security orders and the estimated cost is reasonable with respect to prevailing market rates.

The Authority, through its Independent Consultant has examined the proposed CAPEX, including review of award letters and verified the tendering process for the above works by the Airport Operator. Accordingly, the Authority proposes to consider capitalisation of DV XBIS amounting to ₹2.10 crores, in FY 2025-26.

- ii **Inline XBIS** - AAI has projected ₹10 crore towards the realignment and upgrading of the existing ILBS in line with the reconfiguration of the Check-in Counters. The Authority 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 Authority 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.

6.2.5 The Authority notes that AAI has submitted the Terminal Building ratio of 94.56%: 5.44% (Aeronautical: Non-Aeronautical) for apportionment of common assets within the Terminal Building at Raipur Airport for the Second Control Period. The Authority proposes to consider the Terminal Building ratio of 90%:10% (Aeronautical: Non-Aeronautical), as recommended by IMG norms (for airports having passenger traffic of less than 10 MPPA), in line with the optimum non-aeronautical area allocation of 8% to 12%. This proposal has been made considering the steady growth in passenger traffic, witnessed by the Airport in the past few years and the fact that tariff is being determined for the Second Control Period for Raipur Airport. Further, it is noted that the Airport Operator had submitted Terminal Building ratio of 91.03%:8.97% for the First Control Period. Based on the above factors, the Authority proposes to consider Terminal Building ratio of 90%:10% for Raipur Airport for the Second Control Period, in line with IMG norms and that followed for other similar airports.

6.2.6 The Authority is aware that AAI would be eligible to claim GST input credit on procurement of certain moveable property. Therefore, the Authority expects AO to properly account for such credit, in accordance with Chapter V of Central Goods and Services Tax, 2017 and capitalize assets net of GST Input Tax Credit, wherever applicable. The Authority may examine the accounting of Input Tax credit and make necessary adjustments in this regard, at the time of determination of tariffs for the Third Control Period.

6.2.7 The Authority notes that AAI has claimed Financing allowance of ₹ 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 Authority has examined AAI's claim towards Financing Allowance and has the following views:

- The Authority 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 Authority had earlier provisioned for financing allowance in initial stages to such airports. It may be further noted that the Authority 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 Authority opines that only IDC should be provided on the debt borrowings availed for execution of a project.
- The Authority 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 Authority 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 Authority proposes not to allow the Financing allowance of ₹ 25.67 Crores claimed by AAI for the Second Control Period.

6.2.8 The Authority proposes to readjust (reduce) 1% of the uncanceled project cost from the ARR / target

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revenue as re-adjustment in case any particular capital project is not completed/ capitalized as per the approved Capitalisation schedule. It is further proposed that if the delay in completion of the project is beyond the timeline given in the capitalization schedule, due to any reason beyond the control of Airport Operator or its contracting agency and is properly justified, the same would be considered by the Authority while truing up the actual cost at the time of determination of tariff for the next Control Period. The readjustment in the ARR/ Target Revenue is to protect the interest of the stakeholders who are paying for proposed services provided by Raipur Airport and is also encouragement for Raipur Airport to commission/ capitalize the proposed assets as per the approved CAPEX plan/schedule

6.2.9 In accordance with above, the Authority proposes the capital expenditure for the Second Control Period as per the table below:

Table 40: Capital Expenditure (Project-wise) proposed by the Authority for Second Control Period

(₹ Crores)

S. No.	Description of Project	Year of Capitalisation		Capitalisation		
		Submitted by AAI	Proposed by the Authority	Submitted by AAI	Proposed by the Authority	Difference (3)=(2)- (1)
A. Capital Addition projects proposed by AAI for the Second Control Period						
A1	Taxiway/ Apron					
i)	Construction of Parallel Taxi Track (PTT), Rapid-Exit Taxi Track (RET) and Apron for 4 Nos. Code-B type aircraft parking	2028-29	2028-29	114.90	72.87	42.03
ii)	Construction of GSE area inside Operational Area	2027-28	2027-28	5.49	5.00	0.49
A2	Roads, Bridges & Culverts			-		-
i)	Improvisation of traffic lanes in front of Terminal Building	2025-26	2025-26	5.83	5.25	0.58
ii)	Construction of balance portion of new fire approach road	2025-26	2025-26	1.55	1.55	-
iii)	Provision of Kerb stone and foot path along roads on city side of airport at city side	2025-26	2025-26	1.20	1.08	0.12
A3	Terminal Building					-
i)	Renovation of Toilets in NITB	2025-26	2026-27	4.78	4.31	0.48
ii)	Reconfiguration of Existing Terminal Building SH: Civil Works	2025-26	-	2.33	-	2.33
A4	Building- Residential					-
i)	Construction of AAI residential colony	2029-30	-	18.74	-	18.74
A5	Boundary Wall- Operational					-
i)	Property boundary wall on acquired land	2026-27	2026-27	3.21	3.21	-
ii)	Construction of RCC framed Operational Boundary wall from OTB to Gate no. 04	2025-26	2025-26	0.83	0.83	-

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S. No.	Description of Project	Year of Capitalisation		Capitalisation		
		Submitted by AAI	Proposed by the Authority	Submitted by AAI	Proposed by the Authority	Difference (3)=(2)- (1)
	along with other miscellaneous civil works					
A6	Other Buildings-Unclassified					-
(i)	Construction of fixed finger & rotunda including associated electrical work for bay no. 06 (Civil Work)	2025-26	2025-26	1.50	1.36	0.14
(ii)	Passenger boarding bridge to be installed in Rotunda	2025-26	2026-27	4.50	4.25	0.25
(iii)	Construction of E&M work shop	2025-26	2026-27	3.19	3.19	-
(iv)	Construction of Community Centre (civil)	2025-26	2026-27	7.53	4.12	3.41
(v)	Construction of office space adjacent to NITB	2025-26	2025-26	1.45	1.31	0.15
(vi)	Construction of Emergency Medical Centre civil	2025-26	2026-27	2.55	2.55	-
(vii)	Miscellaneous. Civil work at city side and AAI residential colony.	2025-26	2025-26	0.88	0.79	0.09
(viii)	Provision of covered parking (for AAI staff)	2025-26	2025-26	0.81	0.49	0.32
(ix)	Construction of AAI Admin Block	2028-29	-	11.18	-	11.18
A7	Tools & Equipment					-
(i)	ETD, DFMD & supply of 10 Nos Hand Held Metal Detector (HHMD)	2025-26 /2028-29	2025-26 /2028-29	0.97	0.97	-
(ii)	BDDS Equipments	2026-27	-	1.50	-	1.50
(iii)	Body Scanner	2027-28	2027-28	17.50	5.00	12.50
(iv)	SCCTV	2027-28	2027-28	2.00	2.00	-
(v)	FIDS and PA system	2027-28	-	2.50	-	2.50
(vi)	ASMGCS	2029-30	-	25.00	-	25.00
A8	Electrical Installations			-		-
(i)	Reconfiguration of Existing Terminal Building SH: electrical work	2025-26	-	15.33	-	15.33
(ii)	Provision of Runway Turn pad Lights and other associated works	2025-26/ 2026-27	2025-26/ 2026-27	4.78	4.14	0.64
(iii)	Provision of Standby HT Cable for Solar system	2026-27	2026-27	1.00	0.82	0.18
(iv)	Construction of Parallel Taxi Track & 4 B Code Apron. SH: Electrical Work.	2028-29	2028-29	12.69	7.42	5.27
(v)	Construction of Community Center (SH: Electrical Work).	2025-26	2026-27	1.06	0.61	0.44
(vi)	Replacement of HT Panel	2027-28	2027-28	1.50	1.50	-
(vii)	Replacement of Transformer	2028-29	2028-29	5.00	5.00	-

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S. No.	Description of Project	Year of Capitalisation		Capitalisation		
		Submitted by AAI	Proposed by the Authority	Submitted by AAI	Proposed by the Authority	Difference (3)=(2)- (1)
(viii)	Replacement of Cooling Towers of HVAC System.	2027-28	2027-28	1.00	0.90	0.10
(ix)	Replacement of AHU's at S.V. Airport Raipur	2028-29	2028-29	1.89	1.80	0.09
(x)	Replacement of Tools and Plants (scissor Lift/ boom lift)	2029-30	2029-30	1.50	1.50	-
(xi)	Replacement of arrival of conveyor system (03 Nos) () total 6 crore for 3 belts	from FY 202-28 to Fy 2029-30 one each year	from FY 2028-29 to Fy 2029-30 one each year	6.00	4.94	1.06
(xii)	SITC of 300TR Screw Chiller	2029-30	2029-30	2.00	0.54	1.46
(xiii)	Other Electrical works and replacements	FY 2025-26	2025-26	2.96	2.13	0.82
A9	Furniture and Fixtures					-
(i)	Construction of Community Centre (Furniture)	2025-26	2026-27	0.40	0.23	0.17
(ii)	Providing and placing Check-in Counters, Immigration counters, Custom counters etc.	2025-26	-	0.62	-	0.62
A10	Fire Fighting equipment/ CFT					-
(i)	1 ACFT	2027-28	2027-28	8.64	8.64	-
(ii)	SITC of fire hydrant at NITB parking area and New ATC Tower	2025-26	-	0.33	-	0.33
(iii)	Special repair/ replacement of fire-fighting equipment and fire alarming system	2029-30	-	2.50	-	2.50
A9	X-Ray Baggage System					-
(i)	DV XBIS	2025-26	2025-26	2.10	2.10	-
(ii)	Inline XBIS	2026-27	-	10.00	-	10.00
	Capital expenditure proposed for the Second Control Period	TOTAL (A)		323.22	162.40	160.82
Year-wise Capitalisation of Assets is as follows (₹ Crores)						
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL
	18.17	26.82	23.04	89.86	4.51	162.40

Note: The Authority proposes to consider capitalization schedule of Aeronautical expenditure for Raipur Airport for the Second Control Period as ₹ 162.40 Crores, against proposed ₹ 323.22 Crores of AAI mainly due to:

- Non consideration of Financing Allowance of ₹25.67 Crores.
- Non consideration of CAPEX on ASMGCS amounting to ₹25 Crores, as same is generally considered as part of ANS/CNS.
- Application of Terminal Building ratio of 90:10 for deriving the Aeronautical cost of Terminal Building

project works.

- Rationalization of Parallel Taxi Track, due to constraints & hindrance in execution of portion of PTT on North-eastern side, resulting in reduction of CAPEX by ₹ 47.30 Crores.
- Rationalisation of CAPEX on Body Scanner by ₹12.50 Crores.
- Consideration of CAPEX for various projects on actual incurrence basis due to uncertainty of CAPEX/ Completion of execution of projects within the current Control Period and non-availability of a detailed estimate provided by AAI.

The Authority proposes to consider capitalization of Aeronautical expenditure for Raipur Airport for the Second Control Period as ₹ 162.40 Crores.

6.3 Depreciation for the Second Control Period

AAI's Submission on Depreciation for the Second Control Period for Raipur Airport

- 6.3.1 Raipur Airport follows its approved rates of depreciation for different asset classes. While submitting the Multi-Year Tariff proposal for the Second Control Period for Raipur Airport, AAI has taken cognizance of the rates of depreciation approved by the Authority in previous tariff orders (Order No. 35 dated January 12, 2018, and Amendment No. 01 to Order No. 35/ 2017-18 on 'Determination of Useful Life on Airport Assets'). Accordingly, the rates of depreciation approved by the Authority have been applied by Raipur Airport from FY 2019-20 onwards.
- 6.3.2 Depreciation has been computed separately on opening block of assets and on the proposed additions.
- 6.3.3 The depreciation amount proposed by Raipur Airport for the Second Control Period has been presented in the table below:

Table 41: Depreciation proposed by AAI for Raipur Airport for the Second Control Period

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL
Land	0.00	0.00	0.00	0.00	0.00	0.00
Runways, Taxiway & Aprons	3.09	3.09	3.18	5.18	7.09	21.63
Road, Bridges & Culverts	1.16	1.47	1.40	1.40	1.34	6.78
Building- Terminal	2.82	2.94	2.94	2.94	2.94	14.57
Building - Temporary	0.00	0.00	0.00	0.00	0.00	0.00
Building - Residential	0.10	0.10	0.10	0.09	0.40	0.80
Security Fencing - Temporary	0.00	0.00	0.00	0.00	0.00	0.00
Boundary Wall -Operational	1.51	1.35	0.97	0.97	0.89	5.68
Boundary Wall - Residential	0.00	0.00	0.00	0.00	0.00	0.00
Other Buildings-Unclassified	0.76	1.14	1.14	1.32	1.51	5.87
Computer : End Users	0.05	0.00	0.00	0.00	0.00	0.05
Computer: Servers and Networks	0.16	0.07	0.02	0.01	0.00	0.26
Intangible Assets- Software	0.03	0.02	0.02	0.01	0.00	0.08
Plant & Machinery	0.47	0.20	0.20	0.20	0.20	1.26
Tools & Equipments	1.66	1.73	2.52	3.21	4.05	13.18
Office Furniture	0.00	0.00	0.00	0.00	0.00	0.00
Vehicles	0.26	0.26	0.18	0.09	0.05	0.84
Vehicle- Cars & Jeeps	0.00	0.00	0.00	0.00	0.00	0.00

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Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL
Electrical Installations	3.62	4.66	5.09	6.35	7.55	27.26
Solar Plant	0.28	0.28	0.28	0.28	0.28	1.42
Other Office equipment	0.45	0.45	0.24	0.03	0.02	1.18
Furniture & Fixtures-Other than Trolley	0.36	0.42	0.32	0.22	0.21	1.53
Furniture & Fixtures- Trolley	0.12	0.12	0.06	0.00	0.00	0.30
X Ray Baggage System	0.34	0.74	1.08	1.08	1.02	4.25
CFT/Fire Fighting Equipment	1.02	1.02	1.31	1.06	1.05	5.47
TOTAL	18.27	20.08	21.03	24.44	28.59	112.42

Authority's examination of Depreciation for the Second Control Period

- 6.3.4 The Authority notes that Raipur Airport has calculated the depreciation for the Second Control Period based on the useful life of the asset with the Order No. 35/ 2017-18 dated January 12, 2018. The Authority has reviewed the depreciation submitted by AAI for the Second Control Period with the rates as per the Order No.35/ 2017-18 dated January 12, 2018.
- 6.3.5 Based on changes in the proposed capital expenditure and the capitalisation schedule, the Authority proposes the following depreciation for the Second Control Period.

Table 42: Depreciation proposed by the Authority for the Second Control Period

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL
Land	0.00	0.00	0.00	0.00	0.00	0.00
Runways, Taxiway & Aprons	3.09	3.09	3.00	2.04	5.68	16.90
Road, Bridges & Culverts	0.34	1.40	1.33	1.33	1.33	5.72
Building- Terminal	2.65	2.58	2.79	2.79	2.79	13.61
Building - Temporary	-	-	-	-	-	-
Building - Residential	0.10	0.10	0.10	0.09	0.09	0.48
Security Fencing - Temporary	-	-	-	-	-	-
Boundary Wall -Operational	1.42	1.03	0.97	0.97	0.85	5.24
Boundary Wall - Residential	-	-	-	-	-	-
Other Buildings-Unclassified	0.31	0.28	0.99	0.99	0.98	3.55
Computer: End Users	0.05	-	-	-	-	0.05
Computer: Servers and Networks	0.20	0.08	0.02	0.00	-	0.29
Intangible Assets- Software	0.03	0.03	0.02	0.02	-	0.09
Plant & Machinery	0.47	0.20	0.20	0.20	0.20	1.26
Tools & Equipment	1.64	1.64	1.64	1.59	1.59	8.09
Office Furniture	-	-	-	-	-	-
Vehicles	0.26	0.26	0.16	0.09	0.05	0.82
Vehicle- Cars & Jeeps	-	-	-	-	-	-
Electrical Installations	2.39	2.35	2.97	2.46	4.65	14.83
Solar Plant	0.28	0.28	0.28	0.28	0.28	1.42
Other Office equipment	0.45	0.45	0.07	0.03	0.03	1.03
Furniture & Fixtures-Other than Trolley	0.29	0.26	0.19	0.10	0.10	0.94
Furniture & Fixtures- Trolley	0.12	0.12	0.10	-	-	0.34
X Ray Baggage System	0.20	0.41	0.41	0.41	0.35	1.78
CFT/Fire Fighting Equipment	1.01	1.00	0.71	1.04	0.95	4.71

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL
TOTAL	15.30	15.56	15.96	14.44	19.90	81.15

Note: The Authority proposes to consider depreciation for Raipur Airport for the Second Control Period as ₹ 81.15 Crores. The above depreciation is lesser than that proposed by AAI, which is ₹ 112.42 Crores, due to the following reasons:

- Reduction of CAPEX by ₹ 160.82 Crores due to rationalization of project cost and consideration of the capitalization of certain projects 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 Airport.

6.4 Regulatory Asset Base (RAB) for the Second Control Period

AAI's Submission on RAB for Raipur Airport for the Second Control Period

6.4.1 AAI's Submission on RAB for the Second Control Period for Raipur Airport is as follows:

Table 43: RAB submitted by AAI for Raipur Airport for the Second Control Period

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Opening RAB	166.27	211.85	210.46	230.05	353.58	
Additions	63.85	18.69	40.63	147.96	52.09	323.22
Disposal/Transfers	-	-	-	-	-	
Depreciation	18.27	20.08	21.03	24.44	28.59	112.42
Closing RAB	211.85	210.46	230.05	353.58	377.08	
Average RAB	189.06	211.15	220.26	291.82	365.33	

Authority's examination of RAB for Raipur Airport for the Second Control Period

6.4.2 The Authority proposes to adopt the capitalization of Aeronautical Expenditure in accordance with Table 40 and the depreciation amounts in accordance with Table 42.

6.4.3 Based on the above factors, the RAB proposed to be considered by the Authority for determination of Aeronautical tariff for the Second Control Period is as follows:

Table 44: RAB proposed to be considered by the Authority for the Second Control Period

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Opening RAB (A) (refer Table 11)	166.49	169.36	180.62	187.70	263.12	
Additions (B) (refer Table 40)	18.17	26.82	23.04	89.86	4.51	162.40
Disposal/Transfers (C)						-
Depreciation (D) (refer Table 42)	15.30	15.56	15.96	14.44	19.90	81.15
Closing RAB (E) = [(A) + (B) – (C) – (D)]	169.36	180.62	187.70	263.12	247.73	
Average RAB = [(A) + (E)]/2	167.92	174.99	184.16	225.41	255.43	

The Authority proposes to consider Average RAB for the Raipur Airport for the Second Control Period as detailed in Table 44.

6.5 Authority's proposal regarding Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to Capital Expenditure, Depreciation and Regulatory Asset Base for the Second Control Period.

- 6.5.1 To adopt the capitalization of Aeronautical Capital Expenditure for the Second Control Period in accordance with Table 40.
- 6.5.2 To true up the Capital expenditure based on actuals, cost efficiency and reasonableness, at the time of determination of tariff for Third Control Period.
- 6.5.3 To reduce (adjust) 1% of the uncapitalized project cost from the ARR in case any particular capital project is not completed/capitalized as per the approved capitalization schedule. Further, if the delay in completion of the project is due to any reason beyond the control of AAI or its contracting agency and the justification is acceptable to the Authority, the same would be considered by the Authority while truing up the actual cost at the time of determination of tariff for the Third Control Period.
- 6.5.4 To consider depreciation as per Table 42 for the Second Control Period.
- 6.5.5 To true up Depreciation of the Second Control Period based on the actual asset additions and actual date of capitalization during the tariff determination of the Third Control Period.
- 6.5.6 To consider average RAB for the Second Control Period for Raipur Airport as per Table 44.
- 6.5.7 To true up the RAB based on actuals at the time of tariff determination for the Third Control Period.

7 FAIR RATE OF RETURN (FRoR) FOR THE SECOND CONTROL PERIOD

7.1 AAI's Submission on Fair Return of Return for the Second Control Period for Raipur Airport

- 7.1.1 AAI has submitted that Raipur Airport would primarily utilize internally accrued funds to fund the capital expenditure that have been projected for the Second Control Period.
- 7.1.2 AAI has considered Fair rate of Return (FRoR) as 14% based on the Authority's decision for the First Control Period.

7.2 Authority's examination of FRoR for the Second Control Period

- 7.2.1 The Authority 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.
- 7.2.2 The Authority, 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.
- 7.2.3 The Authority, during the tariff determination for AAI airports observed that generally the equity portion is significant 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.
- 7.2.4 The Authority also notes the recommendations made by the Public Investment Board (PIB) in their Minutes of Meeting dated February 20, 2024 (No. 27 (03)/ PFC-I/ 2024), wherein, the PIB has stated that *"the Authority 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.
- 7.2.5 Considering the above, particularly the observations of PIB regarding funding of AAI Airport projects, mainly through equity with nominal debt, the Authority had taken a considered decision for AAI airports, while finalizing the tariffs for Indore and Varanasi Airports, that the Authority 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 Authority for determination of FRoR for Raipur Airport has been explained as follows:

Cost of Debt

- 7.2.6 The Authority 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 Authority had also taken into consideration the increasing trend in the MCLR-rates (for one/ two/ three years) and based on the same, the Authority proposed to consider an average 8.75% as the Cost of Debt for the Second Control Period.

Cost of Equity

- 7.2.7 The Authority 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 Authority, 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.

- 7.2.8 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.
- 7.2.9 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.
- 7.2.10 Based on the above reports, the Authority proposes to consider the Cost of Equity as 15.18% for Raipur Airport for the Second Control Period.

Fair Rate of Return (FRoR)

- 7.2.11 Based on the above, the Authority 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 Authority 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	12.09%

7.3 Authority's proposal regarding Fair Rate of Return (FRoR) for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to FRoR for the Second Control Period.

- 7.3.1 To consider FRoR of 12.09 % for Raipur Airport in respect of the Second Control Period as per Table 45.

8 INFLATION FOR THE SECOND CONTROL PERIOD

8.1 AAI's Submission on Inflation for the Second Control Period for Raipur Airport

8.1.1 AAI has not made any submission related to inflation as part of its MYTP submission for Raipur Airport for the Second Control Period.

8.2 Authority's examination on inflation for the Second Control Period

8.2.1 The Authority proposes to consider the recent "Results of the Survey of Professional Forecasters on Macroeconomic Indicators – Round 95" released on September 15, 2025 published by the Reserve Bank of India (RBI). Accordingly, the Authority proposes to consider the mean of WPI inflation forecasts (All Commodities) for FY 2026 till FY 2030 as given in the 95th round of survey of professional forecasters on macroeconomic indicators of RBI.

8.2.2 The Authority has assumed that the inflation rate would be stable and remain constant from FY 2027 till FY 2030. Accordingly, the following table shows the inflation rates, proposed by the Authority for the Second Control Period.

Table 46: Inflation rates proposed by the Authority for the Second Control Period for Raipur Airport

Particulars	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
WPI inflation	1.10%	2.60%	2.60%	2.60%	2.60%

8.3 Authority's proposal regarding inflation for the Second Control Period

Based on the material before it and its analysis, the Authority proposes the following with regard to Inflation for the Second Control Period:

8.3.1 To consider WPI Inflation for the Second Control Period for Raipur Airport as detailed in Table 46.

9 OPERATION AND MAINTENANCE EXPENSES FOR THE SECOND CONTROL PERIOD

9.1 AAI's Submission on Operation and Maintenance expenses for the Second Control Period for Raipur Airport

9.1.1 Operation and Maintenance (O&M) expenses submitted by AAI are segregated into the following:

- Payroll Expenses,
- Admin and General Expenditure,
- Repair and Maintenance Expenditure,
- Utilities and Outsourcing Expenditure, and
- Other outflows, i.e., Collection Charges on UDF

9.1.2 The expenses related to AAICLAS, ANS, and CISF Security, have not been considered by AAI.

9.1.3 AAI has segregated the expenses into Aeronautical expenses, non-aeronautical expenses, and Common Expenses. The Common Expenses have been further segregated into Aeronautical and Non-aeronautical based on the relevant Ratios.

9.1.4 AAI submitted that the allocation of CHQ/RHQ expenses among individual airports has been done based on the revenue of each Airport.

9.1.5 The summary of Aeronautical O&M expenses proposed by Raipur Airport for the Second Control Period has been presented in the table below:

Table 47: Operation and Maintenance (O&M) expenditure submitted by AAI for Raipur Airport

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Payroll Costs	18.20	19.47	23.94	25.61	27.40	114.62
Retirement benefits of employees of Raipur Airport	0.94	1.01	1.27	1.36	1.46	6.04
Repair & Maintenance	16.58	24.14	29.05	29.91	30.93	130.61
Utilities & Outsourcing Expenses	5.46	5.58	5.82	6.06	6.32	29.24
Admin. & Other Expenses - Excluding CHQ/RHQ	7.48	8.11	8.85	9.57	10.42	44.43
Admin. & Other Expenses - CHQ/RHQ	14.23	14.94	15.69	16.48	17.30	78.65
Other Outflows	0.68	0.75	0.82	0.90	0.99	4.15
Total O&M Expenditure	63.57	74.00	85.45	89.89	94.82	407.73

9.1.6 The summary of growth rates assumed by AAI for the O&M expenses have been presented in the table below:

Table 48: Growth rates in O&M expenditure submitted by Raipur Airport

Particulars	FY	FY	FY	FY	FY
	2025-26	2026-27	2027-28	2028-29	2029-30
Payroll Costs	9%	7%	23%	7%	7%
Retirement benefits of employees of Raipur Airport	9%	7%	26%	7%	7%

Particulars	FY	FY	FY	FY	FY
	2025-26	2026-27	2027-28	2028-29	2029-30
Repair and Maintenance	23%	46%	20%	3%	3%
Utilities & Outsourcing Expenses	-1%	2%	4%	4%	4%
Admin. & Other Expenses - Excluding CHQ/RHQ	8%	8%	9%	8%	9%
Admin. & Other Expenses - CHQ/RHQ	5%	5%	5%	5%	5%
Other outflows	10%	10%	10%	10%	10%

9.2 Authority's examination of Operation and Maintenance expenses for the Second Control Period

9.2.1 AAI had proposed ₹ 407.73 Crores towards Operation and Maintenance expenses for the Second Control Period.

9.2.2 The Authority observes that the actual O&M expenses submitted by AAI for Raipur Airport for true up of the First Control Period is for ₹ 237.62 Crores (refer Table 17). The Authority examined the above actual O&M expenses and has proposed ₹ 235.83 Crores (refer Table 23) to be trued up for the First Control Period. However, AAI has submitted its O&M expenses for Raipur Airport for the Second Control Period for ₹ 407.73 Crores, which is 72% higher than the O&M expenses approved by the Authority for true up of the First Control Period (which is for ₹ 235.83 Crores).

Allocation of O&M expenses to Aeronautical and Non-aeronautical activities

9.2.3 The Authority examined the allocation of Operational and Maintenance expenses by AAI between Aeronautical and Non-aeronautical activities for Raipur Airport. The same is explained in the following paragraphs.

9.2.4 The Authority notes that AAI has derived the apportionment ratios for various cost heads based on the functional usage of the respective facilities. AAI has computed these ratios by without accounting for ANS-related staff and activities.

9.2.5 AAI has segregated the payroll expenses excluding CHQ/RHQ between Aeronautical and Non-Aeronautical in the employee ratio of 96.83: 3.17 for FY 2024-25, which was derived based on the headcount of Aeronautical and Non-Aeronautical employees within the airport. Based on the review of the above assumptions, the Authority considers the basis of apportionment by AAI to be appropriate.

9.2.6 AAI has segregated the expenses towards utilities between Aeronautical and Non-aeronautical after considering the recoveries made from the Concessionaires. Based on the review of the above assumptions, the Authority considers the basis of apportionment by AAI to be appropriate.

9.2.7 Upkeep expenses (included under Administrative and General Expenses) and Repairs & Maintenance (Electrical) have been apportioned in the ratio of Terminal Building by AAI which is 94.56: 5.44. However, the Authority proposes to re-allocate the above expenses in the Terminal Building ratio of 90:10, as followed in other similar airports.

9.2.8 Repair and Maintenance (Civil) expenses pertaining to Terminal Building have been apportioned by AAI, by applying in the Terminal Building ratio of 94.56: 5.44. However, the Authority proposes to reallocate the above expenses in the Terminal Building Ratio of 90:10, as followed in other similar airports.

9.2.9 Repair and Maintenance expenses –Electronics includes Surveillance equipment, security equipment has been apportioned in the Employee ratio of 96.61: 3.39 as per AAI. The Authority's analysis

shows that these expenses pertain to passenger facilitation. Further, the Authority notes that it also includes hardware maintenance expenses of computers and other electronic items, which has been apportioned based on the headcount of IT Department engaged for Aeronautical purposes. As most of these equipment are located in the Terminal Building, the Authority proposes to re-allocate the above expenses in the Terminal Building ratio of 90:10.

9.2.10 Administration expenses of CHQ/ RHQ have been allocated based on methodology defined in para 4.7.35 (a) and (b).

9.2.11 Based on the above factors, the Authority has determined the following basis for allocation of expenses, which is as follows:

Table 49: Allocation of O&M expenses proposed to be considered by Authority for Raipur Airport

Particulars	Allocation proposed by AAI	Allocation considered by the Authority
Payroll Costs	96.61% : 3.39%	96.61% : 3.39%
Retirement Benefits of Employees at Raipur Airport	96.61% : 3.39%	96.61% : 3.39%
Repair & Maintenance – Civil and Electrical (on the airside)	100.00%	100.00%
Repair & Maintenance – Civil (pertaining to Terminal Building)	94.56% : 5.44%	90.00% : 10.00%
Repair & Maintenance – Electrical Works (pertaining to Terminal Building)	94.56% : 5.44%	90.00% : 10.00%
Repair & Maintenance – Electronics	96.61% : 3.39%	90.00% : 10.00%
Utilities	100.00%	100.00%
Upkeep Expenses	94.56% : 5.44%	90.00% : 10.00%
Admin. & Other Expenses – CHQ/RHQ	95.00% : 5.00%	95.00% : 5.00%
Other Outflows	100.00%	100.00%

Payroll expenses and Retirement Benefits of employees of Raipur Airport:

9.2.12 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 Authority 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 Authority in all AAI airports. Further, the Authority 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.

Administration and General expenses- CHQ/ RHQ allocation:

9.2.13 The Authority reviewed the basis for allocation of CHQ and RHQ expenses to Raipur Airport for the Second Control Period. As per the reasoning provided in para 4.7.4, the Authority proposes to consider the amount allocated by AAI towards CHQ/RHQ expenses for FY 2024-25 for Raipur Airport (as submitted by AAI in its MYTP) as the base and consider a 5% Y-o-Y increase for deriving the allocable CHQ/RHQ expenses for the Second Control Period for Raipur Airport. The same is presented in Table 53.

Repairs and Maintenance (R&M) expenses:

9.2.14 AAI has proposed an increase of 23% towards Repairs 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 9 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 recarpeting expenses, amounting to ₹31.56 crore, which also includes the return on recarpeting of the runway.

9.2.15 The Authority notes that AAI has claimed the total Repairs & Maintenance expenses of ₹ 130.61 Crores (including amortization of runway recarpeting expenses of ₹ 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.

9.2.16 Further, the R&M expenses proposed by AAI for the Second Control Period (after excluding the runway recarpeting expenses), are higher than the cap of 6% of the Opening RAB (net block of that year) generally considered by the Authority, for capping of R&M Expenses to the ceiling limit. Accordingly, the Authority, 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.

9.2.17 The Authority 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 Authority for the Second Control Period
(₹ 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				
Amortization 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 (refer Table 45)	E	-	12.09%	12.09%	12.09%	12.09%	
Return on the unamortized 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 Opening Net block of Assets claimed by AAI and Proposed by the Authority for the Second Control Period

(₹ 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 Recarpeting) (A)*	13.47	14.88	16.27	17.79	19.47	81.87
Runway Recarpeting claimed by AAI (B)	-	6.00	9.36	8.52	7.68	31.56
Total R&M expense claimed by AAI (C= A+B)	13.47	20.88	25.63	26.31	27.15	113.43
Opening RAB (D) (Refer Table 44)	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 Authority (H= F + G)	9.99	16.16	19.74	19.44	23.24	88.57
Difference (I= C-H)	3.48	4.72	5.89	6.87	3.91	24.86

**In-line baggage manpower cost amounting to ₹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).*

Administration and General expenses (other than CHQ/ RHQ and upkeep expenses):

9.2.18 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.

9.2.19 The Authority 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).

The Authority proposes to consider the same for the Second Control Period, in line with the practice followed in other similar airports.

Expenses towards Utilities and Outsourcing Expenses:

9.2.20 The Authority examined the expenses towards utilities and noted the expenditure under this head mainly comprises of expenses related to power, consumption of store and spares, consultancy & advisory services and hiring charges for cars/ jeeps:

Power expenses: AAI has projected an increase of 3% per year after, netting off the recoveries made from the Concessionaires. The Authority notes that AAI has increased the net power costs of FY 2024-25 (₹4.38 Crores) by 3% year-on-year for the Second Control Period, which the Authority proposes to consider for determining O&M expenses for the Second Control Period.

Outsourcing expenses: 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 Authority is of the view all outsourcing expenses may not increase by 10% Y-o-Y, as proposed by AAI. Accordingly, the Authority proposes to consider a 5% increase Y-o-Y, as followed in other similar airports.

Upkeep expenses:

9.2.21 The Authority observes that for upkeep expenses, AAI has proposed 10% increase year-on-year for Raipur Airport, for the Second Control Period. The Authority 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 Authority proposes to consider a 5% year-on-year increase towards Upkeep expenses across the Second Control Period, for Raipur Airport.

Other Outflows- Collection charges on UDF:

9.2.22 For other outflows, i.e., Collection Charges on UDF, AAI has considered the growth rate to be the same as that of passenger traffic. The Authority proposes to use the same fundamental approach, as it finds the same to be a reasonable driver.

9.2.23 Based on the above observations, the Authority has determined the O&M expenses, which it proposes to consider in the Second Control Period. The same has been presented as follows:

Table 52: Operation and Maintenance (O&M) expenses proposed to be considered by the Authority for the Second Control Period

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Payroll Costs	17.77	18.84	19.97	21.17	22.44	100.18
Retirement benefits of Employees at Raipur Airport	0.92	0.97	1.03	1.09	1.16	5.18
Repair & Maintenance (refer Table 51)	9.99	16.16	19.74	19.44	23.24	88.57
Power Expenses	4.52	4.65	4.79	4.93	5.08	23.97
Utilities & Outsourcing Expenses (excluding Power Expenses)	0.93	0.91	1.00	1.09	1.19	5.12
Upkeep Expenses	3.14	3.29	3.46	3.63	3.81	17.34
Admin. & Other Expenses - Excluding CHQ/RHQ and Upkeep expenses	6.83	7.36	7.98	8.55	9.23	39.95
Admin. & Other Expenses - CHQ/RHQ	14.23	14.94	15.69	16.48	17.30	78.65
Other Outflows	0.68	0.75	0.82	0.90	0.99	4.15
Total O&M Expenses	59.01	67.89	74.49	77.28	84.43	363.09

Note: The variance between O&M expenses proposed by the Authority for the Second Control Period (₹ 363.09 Cr.) and that claimed by AAI (₹ 407.73 Cr.) is majorly on account of the following:

- Rationalization of payroll expenses amounting to ₹ 15.30 Crores.
- Rationalisation of Repair and Maintenance expenses amounting to ₹ 24.86 Crores.
- Rationalisation for Upkeep expenses and outsourcing expenses due to consideration of 5%, against 10% submitted by AAI.
- Rationalisation of Interest on Borrowing expenses amounting to ₹1.59 Crores from Administration & other

expenses (Other than CHQ/ RHQ expenses).

The Authority expects AAI to bring in efficiencies in the operating expenses so as to provide Aeronautical services to users in a cost-effective manner benefitting all the stakeholders.

9.2.24 Based on above considerations, the Authority proposes the following Y-o-Y growth rates in Operation and Maintenance expenses.

Table 53: Growth rates in O&M expenses considered by the Authority for the Second Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Payroll Costs	6%	6%	6%	6%	6%
Retirement Benefits of Employees at Raipur Airport	6%	6%	6%	6%	6%
Power Expenses	3%	3%	3%	3%	3%
Upkeep Expenses	5%	5%	5%	5%	5%
Admin. & Other Expenses - CHQ/RHQ	5%	5%	5%	5%	5%
Other outflows	10%	10%	9.5%	9.5%	9.5%

9.3 Authority's proposal regarding Operation and Maintenance expenses for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to O&M expenses for the Second Control Period.

9.3.1 To consider O&M expenses for the Second Control Period for Raipur Airport as per Table 52.

9.3.2 To true up the O&M expenses incurred by AAI for Raipur Airport during the Second Control Period, at the time of tariff determination for the next Control Period, subject to reasonableness and efficiency

10 NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD**10.1 AAI's Submission on Non-Aeronautical Revenue for the Second Control Period for Raipur Airport**

10.1.1 AAI has forecasted revenue from services other than Aeronautical services for Raipur Airport as below:

Table 54: Non-aeronautical revenue projections submitted by AAI for Raipur Airport for Second Control Period

(₹ Crores)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
1. Passenger Related						
Restaurant / Snack Bars	6.29	6.91	7.60	8.37	9.20	38.37
T.R. Stall	4.08	4.49	4.93	5.43	5.97	24.90
Hoarding & Display	5.73	6.30	6.93	7.62	8.38	34.95
Car Rentals	0.47	0.52	0.57	0.62	0.69	2.86
Car Parking	1.93	2.13	2.34	2.58	2.83	11.81
Admission Tickets	0.16	0.17	0.19	0.21	0.23	0.97
Other Income	1.17	1.23	1.30	1.36	1.43	6.49
3. Other Revenue						
Land Leases	0.19	0.19	0.19	0.22	0.22	1.03
Land Leases- Hanger	0.84	0.84	0.84	0.97	0.97	4.45
Building (Residential)	0.01	0.01	0.01	0.01	0.01	0.04
Building (Non-Residential)	0.42	0.45	0.48	0.52	0.56	2.43
Total	21.28	23.24	25.39	27.90	30.49	128.30

10.1.2 The growth rates assumed by AAI have been presented in the table below.

Table 55: Growth rates assumed by AAI for Raipur Airport for Non-aeronautical revenue

Particulars	FY	FY	FY	FY	FY
	2025-26	2026-27	2027-28	2028-29	2029-30
1. Passenger Related					
Restaurant / Snack Bars	10.00%	10.00%	10.00%	10.00%	10.00%
T.R. Stall	10.00%	10.00%	10.00%	10.00%	10.00%
Hoarding & Display	10.00%	10.00%	10.00%	10.00%	10.00%
Car Rentals	10.00%	10.00%	10.00%	10.00%	10.00%
Car Parking	10.00%	10.00%	10.00%	10.00%	10.00%
Admission Tickets	10.00%	10.00%	10.00%	10.00%	10.00%
Other Income	-27.36%	5.00%	5.00%	5.00%	5.00%
3. Other Revenue					
Land Leases	15.00%	0.00%	0.00%	15.00%	0.00%
Land Leases- Hanger	15.00%	0.00%	0.00%	15.00%	0.00%
Building (Residential)	0.00%	0.00%	0.00%	0.00%	0.00%
Building (Non-Residential)	7.50%	7.50%	7.50%	7.50%	7.50%

10.2 Authority's examination of non-aeronautical revenue for the Second Control Period

10.2.1 The Authority, through Independent Consultant has reviewed the major contracts executed with the Concessionaires by AAI during FY 2024-25 and considered the projected NAR for FY 2024-25 as the basis, to assess the non-aeronautical revenue projected by AAI for the Second Control Period.

Revenue from Passenger related services

10.2.2 The Authority notes that the total NAR projected by AAI for the Second Control Period, that is ₹ 128.30 Crores is 121% higher than NAR of ₹ 58.11 Crores achieved in the First Control Period by AAI for Raipur Airport.

10.2.3 The Authority notes that the revenue from Passenger services (other than Rent and Services) projected for the Second Control Period amounts to ₹ 120.35 Crores.

Further, as Raipur Airport has demonstrated steady passenger growth in the recent past, and this trend is expected to continue in the coming years. For the Second Control Period, AAI has proposed to consider Non-Aeronautical Revenue based on new contracts submitted for FY 2025-26, with an annual increase of 10% in passenger-related revenue FY 2025-26 to FY 2029-30, which is also in line with the projected passenger traffic growth. The Authority finds the proposed growth rate to be reasonable and, accordingly, proposes to adopt the same.

Other revenue

10.2.4 The Authority has examined the Revenue from other services proposed by AAI as follows:-

- i Land Lease: AAI has proposed 15% growth for FY 2025-26 and for FY 2028-29, as the land rental rates are revised after the period of 3 years. The Authority proposes to consider the land lease rates as proposed by AAI for Raipur Airport for the Second Control Period.
- ii Building (Non-Residential): AAI has projected 7.5% Y-O-Y increase for Second Control Period, towards Building (Non-Residential) and the Authority proposes to consider the same.
- iii Revenue from Building (residential): The Authority notes that AAI has proposed NIL increase in revenue from Building (residential) and proposes to consider the same.

10.2.5 Based on the Authority's examination, the NAR determined for Raipur Airport for the Second Control Period have been presented in the table below:

Table 56: Non-aeronautical revenues proposed by the Authority for Raipur Airport for the Second Control Period

(₹ Crores)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
1. Passenger related revenue						
Restaurant / Snack Bars	6.29	6.91	7.60	8.37	9.20	38.37
T.R. Stall	4.08	4.49	4.93	5.43	5.97	24.90
Hoarding & Display	5.73	6.30	6.93	7.62	8.38	34.95
Car Rentals	0.47	0.52	0.57	0.62	0.69	2.86
Car Parking	1.93	2.13	2.34	2.58	2.83	11.81
Admission Tickets	0.16	0.17	0.19	0.21	0.23	0.97

NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Other Income	1.17	1.23	1.30	1.36	1.43	6.49
2. Other Revenue						
Land Leases	0.19	0.19	0.19	0.22	0.22	1.03
Building (Residential)	0.01	0.01	0.01	0.01	0.01	0.04
Building (Non-Residential)	0.42	0.45	0.48	0.52	0.56	2.43
Total (1+2)	20.44	22.40	24.55	26.93	29.52	123.85

10.2.6 The growth rates as per Authority's examination have been presented in the table below:

Table 57: Growth rates in Non-aeronautical revenue proposed by the Authority

Particulars	FY	FY	FY	FY	FY
	2025-26	2026-27	2027-28	2028-29	2029-30
1. Passenger related revenue					
Restaurant / Snack Bars	10.00%	10.00%	10.00%	10.00%	10.00%
T.R. Stall	10.00%	10.00%	10.00%	10.00%	10.00%
Hoarding & Display	10.00%	10.00%	10.00%	10.00%	10.00%
Car Rentals	10.00%	10.00%	10.00%	10.00%	10.00%
Car Parking	10.00%	10.00%	10.00%	10.00%	10.00%
Admission Tickets	10.00%	10.00%	10.00%	10.00%	10.00%
Other Income	-27.36%	5.00%	5.00%	5.00%	5.00%
3. Other Revenue					
Land Leases	15.00%	0.00%	0.00%	15.00%	0.00%
Building (Residential)	0.00%	0.00%	0.00%	0.00%	0.00%
Building (Non-Residential)	7.50%	7.50%	7.50%	7.50%	7.50%

10.3 Authority's proposal regarding Non-aeronautical revenues for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to Non-aeronautical revenue for the Second Control Period.

- 10.3.1 To consider Non-aeronautical revenues for the Second Control Period for Raipur Airport in accordance with Table 56.
- 10.3.2 To consider true up of Non-aeronautical revenue achieved by AAI for Raipur Airport for the Second Control Period, if it is higher than that proposed by the Authority in the Second Control Period, while determining tariff for the next Control Period.

11 TAXATION FOR THE SECOND CONTROL PERIOD

11.1 AAI's Submission on Taxation for the Second Control Period for Raipur Airport

11.1.1 AAI has calculated the revenue generated from regulated services, Aeronautical operating expenses, interest and financing charges, and depreciation on written down value (WDV) of assets as per income tax. After calculating the Profit Before Tax (PBT), a tax rate of 25.17% was applied, after setting off prior losses. The Aeronautical taxes submitted by Raipur Airport are shown in the table below:

Table 58: Tax Expense submitted by AAI for Raipur Airport for the Second Control Period

(₹ Crores)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Aeronautical Revenue with Revised Rates	149.88	200.58	229.59	264.31	305.16	1,149.51
O&M expenses	63.57	74.00	85.45	89.89	94.82	407.73
Depreciation	20.69	22.89	24.38	31.79	38.43	138.18
Profit Before Tax	65.62	103.68	119.76	142.63	171.91	603.60
Set-off of prior period tax losses	(54.53)	-	-	-	-	(54.53)
PBT after set-off of prior period losses	11.09	103.68	119.76	142.63	171.91	549.07
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	1.26
Tax	2.79	26.10	30.14	35.90	43.27	138.20

11.2 Authority's examination of Taxation for the Second Control Period

11.2.1 The Authority notes that Raipur Airport has calculated income tax based on the projected Aeronautical revenues. The Authority has re-computed the taxes based on the revised regulatory blocks for the Second Control Period proposed in the previous chapters. The following table summarizes the Aeronautical taxes proposed by the Authority for the Second Control Period.

Table 59: Taxation proposed to be considered by the Authority for the Second Control Period

(₹ Crores)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Aeronautical Revenue (refer Table 66)	115.01	168.77	195.15	222.90	255.10	956.92
O&M expenses (refer Table 52)	59.01	67.89	74.49	77.28	84.43	363.09
Depreciation	18.21	17.55	17.56	21.63	23.95	98.90
Profit Before Tax	37.79	83.33	103.11	123.99	146.71	494.92
Set-off of prior period tax losses*	(37.79)	(11.32)	-	-	-	(49.11)
PBT after set-off of prior period tax losses	-	72.01	103.11	123.99	146.71	445.82
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	
Tax	-	18.13	25.95	31.21	36.93	112.21

*Prior period losses include those incurred from FY 2019-20 to FY 2024-25 (refer Table 25).

Note: The variance between taxation proposed by the Authority for the Second Control Period (₹ 112.21 Cr.) and that claimed by AAI (₹ 138.20 Cr.) is on account of the following:

- Rationalization of Aeronautical revenue amounting to ₹ 192.60 Crores.
- Rationalization of allocation of O&M expenses amounting to ₹ 44.63 Crores.

- iii. Variance between the depreciation computed by AAI and that derived by the Authority. Depreciation computed by AAI is based on CAPEX of ₹ 323.22 Crores, as against Authority's proposal of ₹ 162.40 Crores.

11.3 Authority's proposal regarding Taxation for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to Tax Expense for the Second Control Period.

- 11.3.1 To consider the Taxation for the Second Control Period for Raipur Airport as per Table 59.
- 11.3.2 To true up the aeronautical tax amount appropriately, at the time of tariff determination for the Third Control Period.

12 QUALITY OF SERVICE FOR THE SECOND CONTROL PERIOD

12.1 AAI's Submission on Quality of Service for the Second Control Period for Raipur Airport

12.1.1 Raipur Airport has not made any submission related to Quality of Service as part of its MYTP submission. The Authority was informed that the same is available in AAI's website (station-wise).

12.2 Authority's examination regarding Quality of Service for the Second Control Period

12.2.1 The Authority notes that:

- As per section 13 (1) (d) of the AERA Act, 2008, the Authority shall “*monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any Authority authorized by it in this behalf.*”
- As per section 13(1)(a)(ii), the Authority is required to determine the tariff for Aeronautical services taking into consideration “*the service provided, its quality and other relevant factors.*”

12.2.2 The Authority notes from AAI's website that the ACI ASQ survey results for Raipur Airport for the years 2020 to 2025(Q2) have been in the range of 4.81 to 4.88 (overall score), as against the average score of AAI Airports which ranges from 4.60 to 4.84.

Table 60: ASQ rating for Raipur Airport for the years 2019-2024

Calendar Year (CY)	ASQ rating
2020	4.81
2021	-
2022	4.84
2023	4.88
2024	4.83
2025 (Q1)	4.83
2025 (Q2)	4.85

12.2.3 The Authority notes that the ASQ rating awarded to Raipur Airport is above the average rating of the AAI airports and the same is more than the required overall airport satisfaction score of 4.5 on ACI ASQ survey rating, as mandated under NCAP, 2016 for AAI operated airports.

12.2.4 The Authority does not propose any adjustment towards tariff determination for the Second Control Period on account of quality of service maintained by Raipur Airport, as the ASQ rating of the Airport, is higher than the average score of AAI Airports.

12.3 Authority's proposal regarding Quality of Service for the Second Control Period

Based on the material before it and its analysis, the Authority proposes the following with regard to Quality of Service for the Second Control Period:

12.3.1 Not to consider any adjustment towards tariff determination for the Second Control Period with regard to Quality of Service.

13 AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE SECOND CONTROL PERIOD

13.1 AAI's Submission on Aggregate Revenue Requirement for the Second Control Period for Raipur Airport

13.1.1 AAI has submitted ARR and Yield per Passenger (YPP) for the Second Control Period as per the regulatory building blocks discussed.

13.1.2 The summary of ARR and YPP has been presented in the table below.

Table 61: ARR submitted by AAI for Raipur Airport for the Second Control Period

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Average RAB = A	189.06	211.15	220.26	291.82	365.33	
Fair Rate of Return = B	14.00%	14.00%	14.00%	14.00%	14.00%	
Return on average RAB C= A*B	26.47	29.56	30.84	40.85	51.15	178.87
Depreciation – D	18.27	20.08	21.03	24.44	28.59	112.42
O&M expenses – E	63.57	74.00	85.45	89.89	94.82	407.73
Tax expense – F	2.79	26.10	30.14	35.90	43.27	138.20
Shortfall carried forward from First Control Period	263.86					263.86
Return on Land	0.00	0.00	0.00	0.00	0.00	0.00
ARR per year = SUM (C:F)	374.97	149.74	167.46	191.08	217.83	1,101.07
NAR	21.28	23.24	25.39	27.90	30.49	128.30
Less: 30% NAR – H	6.39	6.97	7.62	8.37	9.15	38.49
Net ARR = (G-H)	368.58	142.77	159.84	182.71	208.68	1,062.58
Discount factor	1.00	0.88	0.77	0.67	0.59	
PV of ARR (₹ Crores)	368.58	125.24	122.99	123.33	123.56	863.69
Sum Present value of ARR (₹ Crores)	863.69					863.69
Total Traffic (million passengers)	17.17					17.17
Yield per passenger on Total Traffic (YPP) (₹)	503.12					503.12
Departing passenger	8.58					8.58
Yield per Departing Passenger (₹)	1,006.23					1,006.23

Note: AAI had submitted the revised MYTP on August 18, 2025. Subsequently, AAI had submitted the revised estimates of CAPEX pertaining to Terminal Building and PTT over email, from time to time based on queries raised by the Authority's Independent Consultant. However, AAI had not submitted the revised ARR table. Therefore, the ARR table as per the revised MYTP of AAI has been shown above.

13.2 Authority's examination of Aggregate Revenue Requirement (ARR) for the Second Control Period

13.2.1 The observations and proposals of the Authority across the regulatory building blocks impact the computation of ARR and Yield. Consequent to detailed examination of each regulatory building block,

AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE SECOND CONTROL PERIOD

the Authority proposes the following ARR and YPP, as presented in the table below:

Table 62: ARR proposed to be considered by the Authority for the Second Control Period

(₹ Crores)

Particulars	Table Ref.	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Average RAB = A	Table 44	167.92	174.99	184.16	225.41	255.43	
Fair Rate of Return = B	Table 45	12.09%	12.09%	12.09%	12.09%	12.09%	
Return on average RAB C= A*B		20.31	21.16	22.27	27.26	30.89	121.89
Depreciation – D	Table 42	15.30	15.56	15.96	14.44	19.90	81.15
O&M expenses – E	Table 52	59.01	67.89	74.49	77.28	84.43	363.09
Tax expense – G	Table 59	-	18.13	25.95	31.21	36.93	112.21
Shortfall carried forward from First Control Period - H	Table 29	239.91					239.91
ARR per year = SUM (J=C:I)		334.53	122.73	138.66	150.19	172.15	918.26
NAR	Table 56	20.44	22.40	24.55	26.93	29.52	123.85
Less: 30% NAR –L		6.13	6.72	7.36	8.08	8.86	37.15
Net ARR = (J-L)		328.39	116.01	131.30	142.11	163.30	881.11
Discount factor (@ 12.09%)		1.00	0.89	0.80	0.71	0.63	
PV of ARR (₹ Crores)		328.39	103.49	104.50	100.90	103.43	740.71
Sum Present value of ARR (₹ Crores)		740.71					740.71
Total Traffic (MPPA)		17.17					17.17
Yield per passenger on Total Traffic (YPP) (₹)		431.48					431.48
Departing passengers (MPPA)		8.58					8.58
Yield per Departing Passenger (₹)		862.96					862.96

13.2.2 AERA has determined PV of ARR of ₹ 740.71 Crores, as against the PV of ARR of ₹ 863.69 Crores proposed by AAI. The variation of ₹ 122.98 Crores between the ARR proposed by the Authority and that claimed by AAI are attributable to following factors:

- Rationalization of CAPEX (refer Table 40) amounting to ₹ 160.82 Crores, resulting in reduction of depreciation and Return on RAB.
- Determination of FRoR by the Authority as 12.09% as against 14% claimed by AAI.
- Rationalization of O&M expenses such as Payroll expenses, R&M Expenses etc. amounting to ₹ 44.63 Crores
- Reduction in taxation, due to rationalization of other building blocks such O&M expenses, depreciation and the Aeronautical revenue determined by the Authority (based on the proposed Tariff Rate card of the Authority).

13.3 Authority's proposal regarding Aggregate Revenue Requirement (ARR) for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to ARR for the Second Control Period.

AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE SECOND CONTROL PERIOD

- 13.3.1 To consider the ARR and Yield for the Second Control Period for Raipur Airport in accordance with Table 62.
- 13.3.2 To true-up the ARR and YPP for the Second Control Period based on the actuals subject to efficiency and reasonability at the time of tariff determination of Third Control Period.

14 AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

14.1 AAI's Submission on Aeronautical Revenue for the Second Control Period for Raipur Airport

14.1.1 AAI has proposed to increase the Aeronautical tariffs with effect from August 1, 2025 as per the schedule below:

- **Landing charges** – For domestic ATM, AAI has proposed one-time increase of 182% from the existing charges w.e.f. August 1, 2025 to March 31, 2026, followed by an increase of 14% for FY 2026-27 and FY 2027-28 and 15% for the last two tariff years (FY 2028-29 and FY 2029-30).
- **Parking charges** - For domestic ATM, AAI has proposed one-time increase of 45% from the existing charges w.e.f. August 1, 2025 to March 31, 2026 and 10% year-on-year increase thereafter.
- **User Development Fee (UDF)** – AAI has proposed the following UDF rates w.e.f. August 1, 2025.

Table 63: Increase in UDF rates proposed by AAI

Particulars	Existing rates	FY	FY	FY	FY	FY
		2025-26 (August 1, 2025 to March 31, 2026)	2026-27	2027-28	2028-29	2029-30
Domestic UDF	500	745	745	745	745	745
% increase in Domestic UDF		49.00%	0.00%	0.00%	0.00%	0.00%

Table 64: Aeronautical revenue submitted by AAI for Raipur Airport for the Second Control Period

(₹ Crores)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Parking Charges	0.05	0.06	0.08	0.09	0.11	0.39
UDF Charges	93.84	115.93	126.94	139.00	152.21	627.91
Landing Charges	49.51	77.67	95.18	117.16	144.21	483.72
CUTE charges	3.34	3.67	4.02	4.41	4.82	20.27
Ground handling charges	0.43	0.46	0.49	0.53	0.57	2.48
Extension of Watch Hours	0.76	0.76	0.76	0.76	0.76	3.78
Royalty from AAICLAS	0.48	0.52	0.58	0.64	0.72	2.94
Space Rent from Airlines	0.38	0.41	0.44	0.48	0.51	2.23
Land Lease	1.09	1.09	1.09	1.26	1.26	5.79
Total Revenue	149.88	200.58	229.59	264.31	305.16	1,149.51

Note: AAI had submitted the revised MYTP on July 18, 2025. Subsequently, AAI had submitted the revised estimates of CAPEX pertaining to Terminal Building and PTT over email, from time to time based on queries raised by the Authority's Independent Consultant. However, AAI had not submitted the revised Aeronautical rates. Therefore, the Aeronautical rates and revenue as per the revised MYTP of AAI have been shown above.

14.2 Authority's examination of Aeronautical Revenue for the Second Control Period

14.2.1 The Authority observes AAI has proposed a one-time increase of 182% in Domestic Landing charges and one time increase of 45% in parking charges, as mentioned in para 15.1.1 of this Consultation Paper. Further, AAI has proposed a one-time increase of 49% in Domestic UDF with effect from August 1, 2025.

14.2.2 The Authority notes that Raipur Airport has witnessed a steady growth in the passenger traffic in recent

years. Based on the Target Revenue (ARR) determined by the Authority, as discussed in the previous chapter, the Authority proposes the following increase in Landing and Parking charges for Raipur Airport w.e.f. December 1, 2025.

- i. One time increase of 100% in Landing charges and 14% increase Y-o-Y for FY 2026-27 & FY 2027-28 and 15% for FY 2028-29 & FY 2029-30.
- ii. One time increase of 45% in Parking charges and 10% increase Y-o-Y for the remaining tariff years in the Second Control Period.

14.2.3 Domestic UDF charges proposed by AERA for the Second Control Period for Raipur Airport is as follows:

Table 65: UDF charges proposed by the Authority for Raipur Airport for the Second Control Period

Particulars	FY 2025 -26	FY	FY	FY	FY	FY
	(April 1, 2025 to Nov 30, 2025) (Existing rates)	2025-26 (December 1, 2025 to March 31, 2026)	2026-27	2027-28	2028-29	2029-30
Domestic UDF	500	650	680	700	700	700
% increase in Domestic UDF		30%	5%	3%	0%	0%

14.2.4 The Authority has determined the Aeronautical revenue based on the proposed Aeronautical charges as follows:

Table 66: Aeronautical revenues proposed to be considered by the Authority for the Second Control Period

(₹ Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Total PV of ARR including true up (₹ in Crores) (a) (as per Table 62)	740.71					740.71
Aeronautical Revenue						
UDF Domestic (₹ in Crores)	77.80	105.81	119.27	130.60	143.01	576.51
Landing Charges (₹ in Crores)	29.84	55.14	67.57	83.17	102.37	338.09
Parking and Housing Charges (₹ in Crores)	0.04	0.06	0.08	0.09	0.11	0.38
CUTE charges (₹ in Crores)	3.34	3.67	4.02	4.41	4.82	20.27
Royalty from AAICLAS (₹ in Crores)	0.48	0.52	0.58	0.64	0.72	2.94
Ground handling charges (₹ in Crores)	0.43	0.46	0.49	0.53	0.57	2.48
Land Lease – Oil Companies / Ground Handling Companies (₹ in Crores)	1.09	1.09	1.09	1.26	1.26	5.79
Extension of Watch hours (₹ in Crores)	0.76	0.76	0.76	0.76	0.76	3.78
Space Rent from Airlines (₹ in Crores)	0.38	0.41	0.44	0.48	0.51	2.23
Land lease (Hangars) (₹ in Crores)	0.84	0.84	0.84	0.97	0.97	4.45
Total Revenue (b)	115.01	168.77	195.15	222.90	255.10	956.92
PV factor	1.00	0.89	0.80	0.71	0.63	
PV of Aero Revenue (c)	115.01	150.56	155.31	158.26	161.58	740.71
Σ PV Projected Aero Revenue (d)	740.71					740.71
Surplus/ (Shortfall) proposed to be carried forward for Next Control Period (d) – (a) (as on March 31, 2024)	-					-

14.2.5 As can be observed from the above table, as per the Authority's proposals, AAI is entitled to

recover an ARR of ₹ 740.71 Crores (in NPV terms). The present value of total projected Aeronautical revenues based on the Authority's proposed Landing, Parking and UDF charges is ₹ 740.71 Crores (in NPV terms), which is equivalent to the Target Revenue/ ARR determined by the Authority for the Second Control Period for Raipur Airport.

14.3 Authority's proposal regarding Aeronautical Revenue for the Second Control Period

Based on the material before it and based on its analysis, the Authority proposes the following with regard to Aeronautical Revenue for the Second Control Period.

- 14.3.1 To consider Aeronautical revenue for the Second Control Period for Raipur Airport as per Table 66.
- 14.3.2 To true up Aeronautical revenue based on actual numbers for the Second Control Period at the time of determination of tariff for the Third Control Period.

15 SUMMARY OF AUTHORITY'S PROPOSALS

Chapter 4: True Up of the First Control Period

- 4.11.1 To consider capital additions as detailed in Table 9 for true up of the First Control Period.
- 4.11.2 To consider Aeronautical depreciation as mentioned in Table 10 for true up of the First Control Period.
- 4.11.3 To consider RAB as per Table 11 for true up for the First Control Period.
- 4.11.4 To consider FRoR as 13.62% for true up of the First Control Period
- 4.11.5 To consider the Non-aeronautical revenues as presented in Table 16 for true up of the First Control Period.
- 4.11.6 To consider the O&M expenses as detailed in Table 23 for true up of the First Control Period.
- 4.11.7 To consider actual Aeronautical revenue as per Table 28 for true up of the First Control Period for Raipur Airport.
- 4.11.8 To consider ARR and Under-recovery as detailed in Table 29 for true up of the First Control Period for Raipur Airport and adjust the shortfall of the First-Control Period in the ARR for the Second Control Period.

Chapter 5: Traffic for the Second Control Period

- 5.3.1 To consider the passenger and ATM traffic for the Second Control Period for Raipur Airport as per Table 33.
- 5.3.2 To true up the traffic volume (passenger and ATM) on the basis of actual traffic in the Second Control Period while determining tariff for the Third Control Period.

Chapter 6: Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base for the Second Control Period

- 6.5.1 To adopt the capitalization of Aeronautical Capital Expenditure for the Second Control Period in accordance with Table 40.
- 6.5.2 To true up the Capital expenditure based on actuals, cost efficiency and reasonableness, at the time of determination of tariff for Third Control Period.
- 6.5.3 To reduce (adjust) 1% of the uncapitalized project cost from the ARR in case any particular capital project is not completed/capitalized as per the approved capitalization schedule. Further, if the delay in completion of the project is due to any reason beyond the control of AAI or its contracting agency and the justification is acceptable to the Authority, the same would be considered by the Authority while truing up the actual cost at the time of determination of tariff for the Third Control Period.
- 6.5.4 To consider depreciation as per Table 42 for the Second Control Period.
- 6.5.5 To true up Depreciation of the Second Control Period based on the actual asset additions and actual date of capitalization during the tariff determination of the Third Control Period.
- 6.5.6 To consider average RAB for the Second Control Period for Raipur Airport as per Table 44.
- 6.5.7 To true up the RAB based on actuals at the time of tariff determination for the Third Control Period.

Chapter 7: Fair Rate of Return for the Second Control Period

- 7.3.1 To consider FRoR of 12.09 % for Raipur Airport in respect of the Second Control Period as per Table 45.

Chapter 8: Inflation for the Second Control Period

- 8.3.1 To consider WPI Inflation for the Second Control Period for Raipur Airport as detailed in Table 46.

Chapter 9: Operation and Maintenance expenses for the Second Control Period

- 9.3.1 To consider O&M expenses for the Second Control Period for Raipur Airport as per Table 52.
- 9.3.2 To true up the O&M expenses incurred by AAI for Raipur Airport during the Second Control Period, at the time of tariff determination for the next Control Period, subject to reasonableness and efficiency.

Chapter 10: Non-aeronautical revenue for the Second Control Period

- 10.3.1 To consider Non-aeronautical revenues for the Second Control Period for Raipur Airport in accordance with Table 56.
- 10.3.2 To consider true up of Non-aeronautical revenue achieved by AAI for Raipur Airport for the Second Control Period, if it is higher than that proposed by the Authority in the Second Control Period, while determining tariff for the next Control Period.

Chapter 11: Taxation for the Second Control Period

- 11.3.1 To consider the Taxation for the Second Control Period for Raipur Airport as per Table 59.
- 11.3.2 To true up the aeronautical tax amount appropriately, at the time of tariff determination for the Third Control Period.

Chapter 12: Quality of Service for the Second Control Period

- 12.3.1 Not to consider any adjustment towards tariff determination for the Second Control Period with regard to Quality of Service

Chapter 13: Aggregate Revenue Requirement (ARR) for the Second Control Period

- 13.3.1 To consider the ARR and Yield for the Second Control Period for Raipur Airport in accordance with Table 62.
- 13.3.2 To true-up the ARR and YPP for the Second Control Period based on the actuals subject to efficiency and reasonability at the time of tariff determination of Third Control Period.

Chapter 14: Aeronautical Revenue for the Second Control Period

- 14.3.1 To consider Aeronautical revenue for the Second Control Period for Raipur Airport as per Table 66.
- 14.3.2 To true up Aeronautical revenue based on actual numbers for the Second Control Period at the time of determination of tariff for the Third Control Period.

16 STAKEHOLDERS' CONSULTATION TIMELINE

- 16.1.1 In accordance with the provision of Section 13(4) of the AERA Act, 2008, the proposals contained in the Chapter 16 – Summary of the Authority's proposals read with the relevant discussion in the other chapters of the Paper is hereby put forth for Stakeholders' Consultation.
- 16.1.2 For removal of doubts, it is clarified and explained that the contents of this Consultation Paper may not be construed as any Order or Direction by the Authority. The Authority shall pass an order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decisions fully documented and explained in terms of the provisions of the Act.
- 16.1.3 The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in this Consultation Paper, latest by 29.11.2025.

**Secretary,
Airports Economic Regulatory Authority of India
3rd Floor, Udaan Bhawan
Safdarjung Airport New Delhi -110003
Tel: 011-24695044-47, Fax: 011-24695048**

(Chairperson)

17 LIST OF ANNEXURES

17.1 Annexure I: Annual Tariff proposal submitted by AAI for Raipur Airport for the Second Control Period

17.1.1 As part of the Multi-year Tariff proposal, AAI submitted a Tariff Card for all five years of the Second Control Period. This Tariff Card has been reproduced in this Chapter. The Authority examined AAI's Multi-year Tariff Proposal, along with all regulatory building blocks. The Authority's examination has been discussed in this Consultation Paper in the previous Chapters.

17.1.2 The tariff card proposed by AAI for the Second Control Period has been reproduced here. For purposes of comparison, the existing Aeronautical charges have been provided along with the charges proposed by AAI.

i. Landing charges

Table 67: Landing charges (domestic) proposed by AAI for the Second Control Period

Weight of the Aircraft	Existing Rates	Rates per Hour (₹) (01.08.2025 to 31.03.2026)	Rates per Hour (₹) (1.04.2026 to 31.03.2027)	Rates per Hour (₹) (1.04.2027 to 31.03.2028)	Rates per Hour (₹) (1.04.2028 to 31.03.2029)	Rates per Hour (₹) (1.04.2029 to 31.03.2030)
Up to 25 MT	223.90 per MT	631.40 per MT	719.80 per MT	820.60 per MT	939.60 per MT	1,075.80 per MT
Above 25 MT up to 50 MT	5,597.50 + 402.90 in excess of 25 MT	15,785.00+1,136.20 per MT in excess of 25 MT	17,995.00+1,295.30 per MT in excess of 25 MT	20,515.00+1,476.60 per MT in excess of 25 MT	23,490.00+1,690.70 per MT in excess of 25 MT	26,895.00+1,935.90 per MT in excess of 25 MT
Above 50 MT up to 100 MT	15,670.00 + 415.40 in excess of 50 MT	44,190.00+1,171.40 per MT in excess of 50 MT	50,377.50+1,335.40 per MT in excess of 50 MT	57,430.00+1,522.40 per MT in excess of 50 MT	65,757.50+1,743.10 per MT in excess of 50 MT	75,292.50+1,995.80 per MT in excess of 50 MT
Above 100 MT to 200 MT	36,440.00 + 420.20 in excess of 100 MT	1,02,760.00 +1,185.00 per MT in excess of 100MT	1,17,147.50 +1,350.90 per MT in excess of 100MT	1,33,550.00 +1,540.00 per MT in excess of 100MT	1,52,912.50 +1,763.30 per MT in excess of 100MT	1,75,082.50 +2,019.00 per MT in excess of 100 MT
Above 200 MT	78,460.00 + 405.60 in excess of 200 MT	2,21,260.00 +1,143.80 per MT in excess of 200MT	2,52,237.50 +1,303.90 per MT in excess of 200MT	2,87,550.00 +1,486.40 per MT in excess of 200MT	3,29,242.50 +1,701.90 per MT in excess of 200MT	3,76,982.50 +1,948.70 per MT in excess of 200 MT

Notes:

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 and b) helicopters of all types 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 shall be charged as per landing for all types of aircraft flights including but not limited to domestic, international and general aviation landing.

ii. Parking Charges

Table 68: Parking Charges (Domestic ATM) up to four hours after first two free hours for the Second Control Period proposed by the AAI

Weight of the Aircraft	Existing Rates	Tariff w.e.f 01.08.2025 to 31.03.2026	Tariff w.e.f 01.04.2026 to 31.03.2027	Tariff w.e.f 01.04.2027 to 31.03.2028	Tariff w.e.f 01.04.2028 to 31.03.2029	Tariff w.e.f 01.04.2029 to 31.03.2030
Up to 25 MT	3.20 Per Hour Per MT	4.60 Per hour Per MT	5.10 Per hour Per MT	5.60 Per hour Per MT	6.20 Per hour Per MT	6.80 Per hour Per MT
Above 25 MT up to 50 MT	80.00 + 4.90 per MT per hour in excess of 25 MT	115.00+7.10 Per MT per hour in excess of 25 MT	127.50+7.80 Per MT per hour in excess of 25 MT	140.00+8.60 Per MT per hour in excess of 25 MT	155.00+9.50 Per MT per hour in excess of 25 MT	170.00+10.50 Per MT per hour in excess of 25 MT
Above 50 MT up to 100 MT	202.50 + 5.80 per MT per hour in excess of 50 MT	292.50+8.40 per MT per hour in excess of 50 MT	322.50+9.20 per MT per hour in excess of 50 MT	355.00+10.10 per MT per hour in excess of 50 MT	392.50+11.10 per MT per hour in excess of 50 MT	432.50+12.20 per MT per hour in excess of 50 MT
Above 100 MT to 200 MT	492.50 + 9.30 per MT per hour in excess of 100 MT	712.50+13.50 per MT per hour in excess of 100MT	782.50+14.90 per MT per hour in excess of 100MT	860.00+16.40 per MT per hour in excess of 100MT	947.50+18.00 per MT per hour in excess of 100MT	1,042.50+19.80 per MT per hour in excess of 100MT
Above 200 MT	1,422.5 + 9.50 per MT per hour in excess of 200 MT	2,062.50+13.80 per MT per hour in excess of 200 MT	2,272.50+15.20 per MT per hour in excess of 200 MT	2,500.00+16.70 per MT per hour in excess of 200 MT	2,747.50+18.40 per MT per hour in excess of 200 MT	3,022.50+20.20 per MT per hour in excess of 200 MT

Table 69: Parking Charges (Domestic ATM) beyond first four hours for the Second Control Period proposed by the AAI

Weight of the Aircraft	Existing Rates	Tariff w.e.f 01.08.2025 to 31.03.2026	Tariff w.e.f 01.04.2026 to 31.03.2027	Tariff w.e.f 01.04.2027 to 31.03.2028	Tariff w.e.f 01.04.2028 to 31.03.2029	Tariff w.e.f 01.04.2029 to 31.03.2030
Up to 25 MT	6.40 Per Hour Per MT	9.20 Per hour Per MT	10.20 Per hour Per MT	11.20 Per hour Per MT	12.40 Per hour Per MT	13.60 Per hour Per MT
Above 25 to 50 MT	160.00 + 9.80 per MT per hour in excess of 25 MT	230.00+14.20 Per MT per hour in excess of 25 MT	255.00+15.60 Per MT per hour in excess of 25 MT	280.00+17.20 Per MT per hour in excess of 25 MT	310.50+19.00 Per MT per hour in excess of 25 MT	340.00+21.00 Per MT per hour in excess of 25 MT
Above 50 to 100 MT	405.00 + 11.60 per MT per hour in excess of 50 MT	585.00+16.80 per MT per hour in excess of 50 MT	645.00+18.40 per MT per hour in excess of 50 MT	710.00+20.20 per MT per hour in excess of 50 MT	785.00+22.20 per MT per hour in excess of 50 MT	865.00+24.40 per MT per hour in excess of 50 MT
Above 100 to 200 MT	985.00 + 18.60 per MT per hour in excess of 100 MT	1,425.00+27.00 per MT per hour in excess of 100MT	1,565.00+29.80 per MT per hour in excess of 100MT	1,720.00+32.80 per MT per hour in excess of 100MT	1,895.00+36.00 per MT per hour in excess of 100MT	2,085.00+39.60 per MT per hour in excess of 100MT
Above 200 MT	2,845.00 + 19 per MT per hour in excess of 200 MT	4,125.00+27.60 per MT per hour in excess of 200 MT	4,545.00+30.40 per MT per hour in excess of 200 MT	5,000.00+33.40 per MT per hour in excess of 200 MT	5,495.00+36.80 per MT per hour in excess of 200 MT	6,045.50+40.40 per MT per hour in excess of 200 MT

Notes-

- 1 No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. These periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before take-off.
- 2 For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.
- 3 Charges shall be calculated on the basis of nearest MT.
- 4 Charges for each period parking shall be rounded off to nearest rupee.
- 5 At the in-contact stands and open stands, after free parking, for the next two hours normal parking charges shall be levied. After this period, the charges shall be double the normal parking charges.
- 6 The Night parking charges are waived off for all domestic scheduled operators at Raipur Airport if the State Government has brought the rate of tax (VAT) on ATF $\leq 5\%$. The above waiver of night parking charges (between 2200 hrs. to 0600 hrs.) will be made applicable from the date of implementation of $\leq 5\%$ tax on ATF by the State Govt. In the event of upward revision in the tax rate of ATF by the State Govt., the relief of free night parking charges will also be deemed to be withdrawn.
- 7 For unauthorized overstay of aircraft an additional charge of Rs. 20.00 per hour per MT beyond 24 hours is to be payable.

iii. User Development Fees (UDF)*Table 70: UDF Proposed by AAI (per embarking passenger)**Rate in (₹)*

Passenger	Existing UDF	FY 2025-26 (01.08.2025 to 31.03.2026)	FY 2026-27 (01.04.2026 to 31.03.2027)	FY 2027-28 (01.04.2027 to 31.03.2028)	FY 2028-29 (01.04.2028 to 31.03.2029)	FY 2029-30 (01.04.2029 to 31.03.2030)
Domestic	500	745	745	745	745	745

Notes:

- Collection charges: If the payment is made in accordance within period prescribed under credit policy of AAI, then collection charges at Rs. 5.00 per departing passenger shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the UDF invoice to AAI within the prescribed credit period or in case of part payment.
- No collection charges are payable to casual operator/non-scheduled operators.
- For calculating the UDF in foreign currency, the RBI reference conversion rate as on the last day of the previous month for tickets issued in the 1st fortnight and rate as on 15th of the month for tickets issued in the 2nd fortnight shall be adopted.
- The existing UDF charges will be applicable on the tickets issued till 31st July 2025.
- Revised UDF charges will be applicable on tickets issued on or after 01/08/2025.
- No UDF will be levied for Transit Passengers.

iv. Extension of Watch Hours:

Charge for extension of Watch Hour beyond designated watch hours irrespective of the weight of the aircraft is categorized as follows:

Extension of Watch Hour (ILS STATION)	Proposed Rates (per hour)
Average Revenue per ATM (Domestic)	15,543

Concessional rates per hour (in Rs) - AAI Airport (w.e.f 01.08.2025)

Type of user	% of Normal rates	ILS (ILS provided by AAI) in INR
Helicopter	10	1,554
Aircraft up-to MTOW 10,000 Kgs.	20	3,109
Aircraft up-to MTOW having MTOW more than 10,000 Kgs. but less than 20,000 kgs.	40	6,217
1. A Concession to small domestic aircrafts, helicopters and aircrafts used for training purposes by approved Flying schools/ Flying training institutes on the extension of watch hour charges irrespective of whether the flying rules followed are VFR & IFR.		
2. The charges are payable by all operators/agencies operating outside the watch hours, except aircraft(s) belonging to any armed force of the Union, including BSF & NCC.		

3.	The charges are payable at the Airports where extension is availed at the time of landing / taking off as the case may be.
4.	When the two aircraft use the facility at the same time, Charges for Extension of Watch Hours for each Airline/aircraft should be charged separately and no sharing of charges between the Users is permissible.
5.	Fraction of hours may be rounded off to the next half an hour and charged accordingly.
6.	If the aircraft has taken off just before the closing of watch hours, watch hours should be extended at least for a period of 30 minutes after take-off as is the normal practice, this will not attract extra service charge. If the aircraft returns to land due to any technical reason, extended period beyond the normal watch hour, if any, should not be charged. However, any extension required after such landing should be charged as per rates applicable.
7.	Any extension of Watch Hours provided to accommodate an aircraft experiencing technical problem and requesting emergency landing should not be charged. Any extension required after such landing should be charged as per rates applicable.
8.	No charges will be levied for extension of Watch hours due to inescapable delays because of runway block/VVIP Movements/weather conditions at the station.
9.	If an Operator, after obtaining approval of AAI for extension of Watch hours, subsequently intends to withdraw the request under any circumstances, shall inform AAI at least 6 hours in advance of the scheduled departure or arrival time. If the Operator fails to do so, he shall be charged Charges for Extension of Watch Hours for a period of 4 hours as penalty.
10.	The charges for Extension of Watch Hours shall be levied as per revised rates per hour basis for a minimum period of one hour.
11.	The Charges indicated above are only for the services rendered by AAI.
12.	The Charges for Extension of Watch Hours are applicable to the airports which are having designated watch hours.

v. Aviation Security Fee:

- a) Aviation Security Fee (ASF) shall be levied as prescribed by MoCA.

vi. Exemption from levy and collection from UDF/ASF at the Airports:

In terms of DGCA AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019 (decision of Ministry of Civil Aviation, Govt. of India vide order no. AV 29012/39/2018-AD dated 30.10.2019) the following categories of persons are exempted from levy and collection of UDF:

- a) Children (under-age of 2 years),
b) Holders of Diplomatic Passport,
c) Airlines crew on duty including sky marshals & airline crew on board for the

particular flight only (this would not include Dead Head Crew, or ground personnel),

- d) Persons travelling on official duty on aircraft operated by Indian Armed Forces,
- e) Persons traveling on official duty for United Nations Peace Keeping Missions.
- f) Transit/transfer passengers (this exemption may be granted to all the passengers transiting up to 24 hrs. “A passenger is treated in transit only if onward travel journey is within 24 hrs. from arrival into airport and is part of the same ticket, in case 2 separate tickets are issued it would not be treated as transit passenger”).
- g) Passengers departing from the Indian airports due to involuntary re-routing i.e. technical problems or weather conditions.

vii. General Condition:

- a) All the above Charges are excluding GST. GST at the applicable rates are payable in addition to above charges.
- b) Flight operating under regional connectivity scheme will be completely exempted from charges as per Order No.20/2016-17 dated March 31, 2017 of the Authority from the date the scheme is operationalized by GoI.
- c) Above charges are applicable for domestic and international.

17.2 Annexure II: Annual Tariff proposed by the Authority for Consultation process

- 17.2.1 As detailed in Table 66 (Chapter 14), Raipur Airport is entitled to recover an ARR of ₹ 740.71 Crores (in NPV terms). The present value of total projected Aeronautical revenues based on the Authority's proposed Landing, Parking and UDF charges is ₹ 740.71 Crores (in NPV terms), which is equivalent to the Target Revenue/ ARR determined by the Authority for the Second Control Period.
- 17.2.2 The Authority has examined the Annual Tariff Proposal submitted by AAI for Raipur Airport. After its examination as detailed in para 14.2, the Authority proposes the following Aeronautical tariffs for Raipur Airport for the Second Control Period for consultation process:
- 17.2.3 Landing charges proposed by the Authority for Raipur Airport for the Second Control Period is as follows:

Table 71: Landing charges(domestic) proposed by the Authority for Raipur Airport for the Second Control Period

(Rates in ₹)

Weight of the Aircraft	Existing Rates	Rates per Hour (₹) (01.12.2025 to 31.03.2026)	Rates per Hour (₹) (1.04.2026 to 31.03.2027)	Rates per Hour (₹) (1.04.2027 to 31.03.2028)	Rates per Hour (₹) (1.04.2028 to 31.03.2029)	Rates per Hour (₹) (1.04.2029 to 31.03.2030)
Up to 25 MT	223.90 per MT	447.80 per MT	510.49 per MT	581.96 per MT	669.25 per MT	769.64 per MT
Above 25 MT up to 50 MT	5,597.50 + 402.90 in excess of 25 MT	11,195.00 + 805.80 per MT in excess of 25 MT	12,762.25 + 918.61 per MT in excess of 25 MT	14,549.00 + 1,047.22 per MT in excess of 25 MT	16,731.25 + 1,204.30 per MT in excess of 25 MT	19,241.00 + 1,384.95 per MT in excess of 25 MT
Above 50 MT up to 100 MT	15,670.00 + 415.40 in excess of 50 MT	31,340.00 + 830.80 per MT in excess of 50 MT	35,727.50 + 947.11 per MT in excess of 50 MT	40,729.50 + 1,079.71 per MT in excess of 50 MT	46,838.75 + 1,241.67 per MT in excess of 50 MT	53,864.75 + 1,427.92 per MT in excess of 50 MT
Above 100 MT to 200 MT	36,440.00 + 420.20 in excess of 100 MT	72,880.00 + 840.40 per MT in excess of 100 MT	83,083.00 + 958.06 per MT in excess of 100 MT	94,715.00 + 1,092.19 per MT in excess of 100 MT	1,08,922.25 + 1,256.02 per MT in excess of 100 MT	1,25,260.75 + 1,444.42 per MT in excess of 100 MT
Above 200 MT	78,460.00 + 405.60 in excess of 200 MT	1,56,920.00 + 811.20 per MT in excess of 200 MT	1,78,889.00 + 924.77 per MT in excess of 200 MT	2,03,934.00 + 1,054.24 per MT in excess of 200 MT	2,34,524.25 + 1,212.38 per MT in excess of 200 MT	2,69,702.75 + 1,394.24 per MT in excess of 200 MT

*There is one-time increase of 100% in landing charges (domestic) with effect from 1st December, 2025 to March 31, 2026. An increase of 14% from FY26-27 onwards till FY27-28 and a 15% Year-on year increase thereafter.

Notes:

- 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.
- 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.
- 17.2.4 Parking charges proposed by the Authority for Raipur Airport for the Second Control Period is as follows:

Table 72: Parking Charges (Domestic ATM) up to four hours after first two free hours for the Second Control Period proposed by the Authority

(Rates in ₹)

Weight of the Aircraft	Existing Rates	Tariff w.e.f 01.12.2025 to 31.03.2026	Tariff w.e.f 01.04.2026 to 31.03.2027	Tariff w.e.f 01.04.2027 to 31.03.2028	Tariff w.e.f 01.04.2028 to 31.03.2029	Tariff w.e.f 01.04.2029 to 31.03.2030
Up to 25 MT	3.20 Per Hour Per MT	4.65 Per Hour Per MT	5.10 Per Hour Per MT	5.60 Per Hour Per MT	6.15 Per Hour Per MT	6.75 Per Hour Per MT
Above 25 MT up to 50 MT	80 + 4.90 per MT per hour in excess of 25 MT	116.25 + 7.10 per MT per hour in excess of 25 MT	127.50 + 7.80 per MT per hour in excess of 25 MT	140.00 + 8.60 per MT per hour in excess of 25 MT	153.75 + 9.45 per MT per hour in excess of 25 MT	168.75 + 10.40 per MT per hour in excess of 25 MT
Above 50 MT up to 100 MT	202.50 + 5.80 per MT per hour in excess of 50 MT	293.75 + 8.40 per MT per hour in excess of 50 MT	322.50 + 9.25 per MT per hour in excess of 50 MT	355.00 + 10.20 per MT per hour in excess of 50 MT	390.00 + 11.20 per MT per hour in excess of 50 MT	428.75 + 12.30 per MT per hour in excess of 50 MT
Above 100 MT to 200 MT	492.50 + 9.3 per MT per hour in excess of 100 MT	713.75 + 13.50 per MT per hour in excess of 100 MT	785.00 + 14.85 per MT per hour in excess of 100 MT	865.00 + 16.35 per MT per hour in excess of 100 MT	950.00 + 18.00 per MT per hour in excess of 100 MT	1,043.75 + 19.80 per MT per hour in excess of 100 MT
Above 200 MT	1,422.5 + 9.5 per MT per hour in excess of 200 MT	2,063.75 + 13.80 per MT per hour in excess of 200 MT	2,270.00 + 15.20 per MT per hour in excess of 200 MT	2,500.00 + 16.70 per MT per hour in excess of 200 MT	2,750.00 + 18.35 per MT per hour in excess of 200 MT	3,023.75 + 20.20 per MT per hour in excess of 200 MT

**There is one-time increase of 45% in parking charges (domestic) with effect from 1st December, 2025 to March 31, 2026. An increase of 10% from FY26-27 onwards till FY29-30.*

Table 73: Parking charges (Domestic ATM) beyond first four hours for the Second Control Period proposed by the Authority

(Rates in ₹)

Weight of the Aircraft	Existing Rates	Tariff w.e.f 01.12.2025 to 31.03.2026	Tariff w.e.f 01.04.2026 to 31.03.2027	Tariff w.e.f 01.04.2027 to 31.03.2028	Tariff w.e.f 01.04.2028 to 31.03.2029	Tariff w.e.f 01.04.2029 to 31.03.2030
Up to 25 MT	6.40 Per Hour Per MT	9.30 Per Hour Per MT	10.20 Per Hour Per MT	11.20 Per Hour Per MT	12.30 Per Hour Per MT	13.50 Per Hour Per MT
Above 25 to 50 MT	160 + 9.80 per MT per hour in excess of 25 MT	232.50 + 14.20 per MT per hour in excess of 25 MT	255.00 + 15.60 per MT per hour in excess of 25 MT	280.00 + 17.20 per MT per hour in excess of 25 MT	307.50 + 18.90 per MT per hour in excess of 25 MT	337.50 + 20.80 per MT per hour in excess of 25 MT
Above 50 to 100 MT	405 + 11.60 per MT per hour in excess of 50 MT	587.50 + 16.80 per MT per hour in excess of 50 MT	645.00 + 18.50 per MT per hour in excess of 50 MT	710.00 + 20.40 per MT per hour in excess of 50 MT	780.00 + 22.40 per MT per hour in excess of 50 MT	857.50 + 24.60 per MT per hour in excess of 50 MT
Above 100 to 200 MT	985 + 18.60 per MT per hour in excess of 100 MT	1,427.50 + 27.00 per MT per hour in excess of 100 MT	1,570.00 + 29.70 per MT per hour in excess of 100 MT	1,730.00 + 32.70 per MT per hour in excess of 100 MT	1,900.00 + 36.00 per MT per hour in excess of 100 MT	2,087.50 + 39.60 per MT per hour in excess of 100 MT
Above 200 MT	2,845 + 19.00 per MT per hour in excess of 200 MT	4,127.50 + 27.60 per MT per hour in excess of 200 MT	4,540.00 + 30.40 per MT per hour in excess of 200 MT	5,000.00 + 33.40 per MT per hour in excess of 200 MT	5,500.00 + 36.70 per MT per hour in excess of 200 MT	6,047.50 + 40.40 per MT per hour in excess of 200 MT

Notes:

1. No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. These periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before take-off.
2. For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.
3. Charges shall be calculated on the basis of nearest MT.
4. Charges for each period parking shall be rounded off to nearest rupee.
5. At the in-contact stands and open stands, after free parking, for the next two hours normal parking charges shall be levied. After this period, the charges shall be double the normal parking charges.
6. It is proposed to waive off the night parking charges in principle for all domestic scheduled operators at Raipur Airport if the State Government has brought the rate of tax (VAT) on ATF $\leq 5\%$. The above waiver of night parking charges (between 2200 hrs. to 0600 hrs.) will be made applicable from the date of implementation of $\leq 5\%$ tax on ATF by the State Govt. In the event of upward revision in the tax rate of ATF by the State Govt., the relief

of free night parking charges will also be deemed to be withdrawn.

7. For unauthorized overstay of aircraft an additional charge of ₹ 20.00 per hour per MT beyond 24 hours is to be payable or as per revised rate if any.

17.2.5 **User Development Fees (UDF):** UDF charges proposed by the Authority for Raipur Airport for the Second Control Period is as follows:

Applicable rates for travel date from December 1, 2025 to March 31, 2026

(Rate in ₹)

Type of Passenger	Domestic Flight
Embarking passenger	650

Applicable rates for travel date from April 1, 2026 to March 31, 2027

(Rate in ₹)

Type of Passenger	Domestic Flight
Embarking passenger	680

Applicable rates for travel date from April 1, 2027 to March 31, 2028

(Rate in ₹)

Type of Passenger	Domestic Flight
Embarking passenger	700

Applicable rates for travel date from April 1, 2028 to March 31, 2029

(Rate in ₹)

Type of Passenger	Domestic Flight
Embarking passenger	700

Applicable rates for travel date from April 1, 2029 to March 31, 2030

(Rate in ₹)

Type of Passenger	Domestic Flight
Embarking passenger	700

Notes:

1. Collection charges: if the payment is made in accordance within the period prescribed under credit policy of AAI, then collection charges as per AAI policy shall be paid by AAI. No collection charges shall be paid in case the airline fails to pay the UDF invoice to AAI within the prescribed credit period or in case of part payment.
2. No collection charges are payable to casual operator/non-scheduled operators.
3. For calculating the UDF in foreign currency, the RBI conversion rate as on the last day of the previous month for tickets issued in the 1st fortnight and rate as on 15th of the month for tickets issued in the 2nd fortnight shall be adopted.
4. No UDF/PSF (Facilitation) will be levied for Transit Passengers.
5. Revised UDF charges will be applicable on tickets issued on or after 01/12/2025 for FY 2025-26 and thereafter applicable on date of travel from 1st April 2026 to 31st March 2030.

17.2.6 Exemption from levy and collection from UDF at the Airports.

In terms of DGCA AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019 (decision of Ministry of Civil Aviation, Govt. of India vide order no. AV 29012/39/2018-AD dated 30.10.2019) the following categories of persons are exempted from levy and collection of UDF.

- (a) Children (under age of 2 years),
- (b) Holders of Diplomatic Passport,
- (c) Airlines crew on duty including sky marshals & airline crew on board for the particular flight only (this would not include Dead Head Crew or ground personnel),
- (d) Persons travelling on official duty on aircraft operated by Indian Armed Forces,
- (e) Persons traveling on official duty for United Nations Peace Keeping Missions.
- (f) Transit/transfer passengers (this exemption may be granted to all the passengers transiting up to 24 hrs. "A passenger is treated in transit only if onward travel journey is within 24 hrs. from arrival into airport and is part of the same ticket, in case 2 separate tickets are issued it would not be treated as transit passenger").
- (g) Passengers departing from the Indian airports due to involuntary re-routing i.e. technical problems or weather conditions.

17.2.7 Extension of Watch Hours:

Charge for extension of Watch Hour beyond designated watch hours irrespective of the weight of the aircraft is categorized as follows:

Extension of Watch Hour (ILS STATION)	Proposed Rates (per hour)
Average Revenue per ATM (Domestic)	15,543

Concessional rates per hour (in Rs) - (w.e.f 01.12.2025)

Type of user	% of Normal rates	ILS (ILS provided by AAI) in INR
Helicopter	10	1,554
Aircraft up-to MTOW 10,000 Kgs.	20	3,109
Aircraft up-to MTOW having MTOW more than 10,000 Kgs. but less than 20,000 kgs.	40	6,217
1. A Concession to small domestic aircrafts, helicopters and aircrafts used for training purposes by approved Flying schools/ Flying training institutes on the extension of watch hour charges irrespective of whether the flying rules followed are VFR & IFR.		
2. The charges are payable by all operators/agencies operating outside the watch hours, except aircraft(s) belonging to any armed force of the Union, including BSF & NCC.		
3. The charges are payable at the Airports where extension is availed at the time of landing / taking off as the case may be.		

4.	When the two aircraft use the facility at the same time, Charges for Extension of Watch Hours for each Airline/aircraft should be charged separately and no sharing of charges between the Users is permissible.
5.	Fraction of hours may be rounded off to the next half an hour and charged accordingly.
6.	If the aircraft has taken off just before the closing of watch hours, watch hours should be extended at least for a period of 30 minutes after take-off as is the normal practice, this will not attract extra service charge. If the aircraft returns to land due to any technical reason, extended period beyond the normal watch hour, if any, should not be charged. However, any extension required after such landing should be charged as per rates applicable.
7.	Any extension of Watch Hours provided to accommodate an aircraft experiencing technical problem and requesting emergency landing should not be charged. Any extension required after such landing should be charged as per rates applicable.
8.	No charges will be levied for extension of Watch hours due to inescapable delays because of runway block/VVIP Movements/weather conditions at the station.
9.	If an Operator, after obtaining approval of AAI for extension of Watch hours, subsequently intends to withdraw the request under any circumstances, shall inform AAI at least 6 hours in advance of the scheduled departure or arrival time. If the Operator fails to do so, he shall be charged Charges for Extension of Watch Hours for a period of 4 hours as penalty.
10.	The charges for Extension of Watch Hours shall be levied as per revised rates per hour basis for a minimum period of one hour.
11.	The Charges indicated above are only for the services rendered by AAI.
12.	The Charges for Extension of Watch Hours are applicable to the airports which are having designated watch hours.

17.2.8 Aviation Security Fee: Rates and Exemption as prescribed by MoCA from time to time.

17.2.9 General Condition:

- 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 31/03/2017 of the Authority from the date the scheme is operationalized by GoI. Above charges are applicable for domestic and international both.